

FINAL REPORT
BEING AN EVALUATION OF THE
COMMUNITY RESOURCE GROUP (CRG)
COLONIA LOT TITLING PROGRAM IN
RIO GRANDE CITY, STARR COUNTY, TEXAS

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Executive Summary

This Report analyzes the impact of a major land title regularization program in some 15 *colonias* outside of Rio Grande City in the Starr County, Texas. Starr County is among the poorest of all Texas border counties with 47% of the population defined by the US as living in poverty (cf. Texas data overall = 12%); a median household income of \$19,834 (cf. median = \$39,929); and some 65% whose education level is less than a High School Diploma (cf. 24%).

Colonias are un-serviced or poorly low serviced settlements usually located in rural areas just beyond the city or extra-territorial jurisdiction (ETJ) of cities, and are especially common in the US-Mexico border region. Estimates suggest that in Texas around half a million people live in over 1600 colonias, and similar settlements exist in other southern and border states. Not just a border phenomenon, however, colonia-type settlements comprise homestead subdivisions on which households develop their homes informally usually through self-build, or through the placement on site of a manufactured home – a trailer home or a modular home produced in a factory and placed or assembled on site. They constitute the principal route to home ownership for households aspiring to ownership but whose annual income is less than \$25,000 and more usually averages around half that amount. (In Starr County, over 45% of households earn less than \$15,000 per year.) In many respects colonias comprise dormitory homestead communities for the working poor with most workers engaged in low-paid service activities (cleaning, retail, etc.), and to a lesser extent in agriculture –either locally or as migrant workers who spend several months each year elsewhere in the United States. In the border region colonias are almost exclusively Hispanic (Mexican-origin), but they are more mixed ethnically as one moves away from the border. Almost all colonia residents are US citizens or legal residents.

Colonias vary in size, but most are relatively small settlements comprising 20-50 lots usually 1/8 to 1/4 acre in size, but 1/2 and full acre lots are also common. In Texas only 7% of colonias are larger than 300 lots, although these provide homes for approximately 35% of the total colonia population. Developers sell lots without services at prices and payment plans that are affordable to these low income families – in today's terms lots cost on average between \$6,000-10,000 depending upon size and location. Households usually receive a title deed once they have finished paying for the lot, or in some areas where specific legislation applies, they receive a deed after a proportion of the payments have been made. Many households do not occupy their lots immediately, but wait until they have the deeds or until they can afford to place a manufactured home on-site.

Title problems can emerge for a number of reasons associated with this informal land development process. Actual lot limits may be unclear, especially where lots are allocated by “metes and bounds”. Since deeds are not allocated at the outset, and many households live elsewhere in the meantime, developers wittingly or unwittingly sell the same lot several times over (they can also repossess the lot where payments stop), resulting in more than one claimant to a single parcel. And even where owners hold legitimate title, the papers are not related to the lot that they actually occupy.

The problem of so-called “clouded” titles has only recently begun to be recognized in Texas colonias, and the present study analyzes the impact of a major program to rectify (or clear) land titles in Starr County, where two principal developers had created a number of colonias in which major title irregularities had emerged in the aforementioned ways. This Report offers an evaluation of the Community Resources Group (CRG) program to intervene in those 15 colonias outside of Rio Grande City. The CRG program affected a total of over 2000 households and 2500 lots. In particular some 1000 households and lots were the focus of land title regularization, usually because claimants had defective papers, or where their lot ownership was challenged in some way – multiple claimants, living in the wrong lot, or in an arroyo flood plain, etc.

In 1995 CRG was charged by the State as a non-government agency to receive the colonias sequestered from the developers and to carry out the title and servicing regularization of these settlements (the servicing component was later dropped since there were no funds to carry it through). The aim was to provide clear title to those with legitimate claims, and to move some households to new lot sites (those living in dangerous locations, or multiple claimants to the same lot).

Providing clear title was considered a policy prerequisite for a number of reasons: to reduce insecurity and resolve tenure conflicts; to anchor ownership and responsibility for future property tax and servicing hookup (which could not be made to “no-man’s land”); to pave the way for warranty deed conversions (from Contract for Deed arrangements). Moreover, emerging policy wisdom argues that bringing people out of informality into the formal market with full and legitimate property rights will have important impacts in a improving both the operation of the market, and people’s participation in it. *Inter alia* it is expected that formal title will enhance property values, encourage lot purchase and exchange, enhance home investment and improvements, activate credit and mortgage accessibility using the home as collateral, etc.

This Report was solicited by the CRG on behalf of the Ford Foundation who had underwritten the costs of part of the titling program. It was undertaken by an academic team drawn from three major University programs with expertise in field: The Lyndon B. Johnson School of Public Affairs at UT-Austin, the Center for Housing and Urban Development (CfHUD) at Texas A&M University, and the Land Tenure Center at the University of Wisconsin. Although the staff of CRG cooperated fully with the team and the Receiver was party to many of the discussions, it was contracted as an independent and “arms length” Report, with rights of publication accorded to the authors.

The study was undertaken primarily between January 2002-03 and embraced a range of methods of data collection: archival analysis, CRG database analysis, key informant interviews, focus groups and a major household survey of some 266 families living in 6 of the larger colonias affected by the CRG intervention. A purpose designed household survey sampled both households who had received titles as part of the CRG intervention (some 195 households in the so-called “Study Group”), as well as a sample of resident households who had not experienced serious title problems and were therefore less affected by CRG intervention (71 households in the “Control Group”). In addition the team conducted 7 focus groups with colonia residents not included in the survey.

There are two primary objectives in this Report. First to offer an evaluation of the CRG’s performance in carrying out the land title regularization program between 1995-2002.

Second, to analyze the direct and indirect impacts of title regularization. Summary conclusions are offered in bullet-point format below.

1) *The provision of clean title per se in Texas colonias appears to have LITTLE or NO DIRECT effect, nor even short- and medium-term INDIRECT effects UPON:*

- Land prices and land price trends that appear to be fixed by social relations of dominance and control by the developers rather than according to market variables such as location, services, etc
- Supply-side variables that would improve land market performance or land market functioning measured in improved or enhanced land prices, or in promoting the turnover and exchange of housing or lots on the supply side.
- Demand-side variables such as enhanced access to credit to encourage turnover and exchange of housing or lots.
- Triggering the onset of concerted efforts to upgrade housing.
- Shaping the pace of home improvement.
- Triggering access to new credit lines; although title does appear to rigger some interest on the part of consumer and sub-prime lenders to low-income owners, this does not extend to banks.
- Promoting socio-economic mobility or physical (spatial) mobility.

2) *Nevertheless, in other ways full legal title has BENFICIAL EFFECTS and is WORTH PURSUING as a policy option, as it appears to SHAPE:*

- Greater responsiveness towards and regard by public officials in their treatment of colonia populations, who they now see as more participatory rather than alienated and withdrawn; and a greater confidence among colonia householders in making demands of public officials.
- Population stability, and a greater sense that colonias represent viable settlements.
- A sense of political legitimacy and normalcy leading in some instances to a greater sense of enfranchisement and potential political empowerment.
- The creation of collateral that is acceptable to consumer and sub-prime finance institutions, even though it is rarely invoked for fear of the insecurity associated with possible repossession.
- A real sense of greater security of tenure, and psychological relief.
- An improved understanding of land law and rights predicated upon fee-simple (absolute) land ownership, rather than the more (legally) tenuous rights associated with *usufruct*. In turn, a greater awareness of and commitment to fulfilling responsibilities of ownership, including payment of taxes and registering deeds in the public land records office.

3) There are Different “MEANINGS” Associated with Property Ownership among Colonia Residents, such that the Provision of Full Legal Title Impacts in a Number of Ways:

- By leading to greater empowerment, that in turn facilitates future engagement with, and demand-making from, local authorities. However, titling programs and provision of titles appear to do little, at least in the short term, to i) shape internal relations either within households (either between spouses or between parents and children); or ii), strengthen the capacity of the community for more organized cooperative self-help activities.
- *De jure* title adds significantly to meanings of ownership that go beyond *de facto* ownership normally associated with informal tenure or “clouded” title. Once they receive full title, people recast how they interpret their rights, demonstrating greater awareness of the rights and responsibilities of ownership. This “legal consciousness” is evident in matters like adverse possession and trespass; eminent domain; special assessment, tax sales and other tax issues; and marital and family property rights. By association, this rights consciousness strengthens people’s senses that they are regarded with greater respect in dealing with external actors from all sectors.
- However, among low-income colonia households generally, and among those who received titles from the CRG specifically, title did not encourage owners to secure inheritance rights by making a Will.
- Nor are fee simple rights irrevocable, or irreversible. Quite the contrary, facing limited equity creation, and only weak prospects of being able to sell through the formal market, residents may return to informal and mechanisms of lot subdivision, conveyance, and inheritance, with tenure based more heavily on use rights. To the extent that they do so, this will be for pragmatic reasons, and not because they do not understand or value fee simple ownership.

4) The CRG has done AN EXCELLENT JOB, and is both trusted and judged effective by the vast majority of the affected populations:

a) CRG’s legal performance was both innovative and highly successful:

- The legal effort was technically well run, and relatively efficient;
- Both legal strategies and implementation combined pragmatism with flexibility, thereby allowing it to respond as circumstances changed and to allow for community input;
- The strategy of titling through the legal tools of bankruptcy and receivership was innovative, intrepid, and successful. The strategy was technically complex and demanded effective management and judgment; the receivership-bankruptcy strategy allowed the creation of what we have come to term “Receiver Law” –founded upon this particular experience;

- The beneficiaries were highly satisfied – remarkably so given the community's poor past experiences with “help” from the outside, and disillusionment and cynicism with which external actors, government in particular, and officials were generally viewed;
- It was smart (and pragmatic) in taking a conscious decision to embrace the participation of, and dialogue with, the local community in making strategy decisions and in putting those choices to work in the program. Particularly important were the decisions to put the day-to-day operations of the program in the hands of respected local residents employed as staff, as well as to move the offices to one of the principal colonias, thereby reducing the social (and physical) distance between agency personnel and residents, as well as fostering a sense of ownership on the part of the affected communities.

b) In other ways, CRG's program might not be easily replicable. For example:

- Expense. Notwithstanding the innovativeness and success of the legal strategy, the titling program was expensive, requiring heavy subsidy (in this case from a grant from the Ford Foundation) -- two features that might discourage its adoption elsewhere.
- Alternative titling strategies are likely to be more familiar and less controversial. Although we firmly believe that the CRG titling program does offer a replicable legal model, titling through receivership and bankruptcy might be resisted in a more risk-averse organization or in a less desperate community context. Alternative strategies, such as expropriation (eminent domain) and resale to beneficiaries, although more complicated, less flexible and often more expensive, might be more politically viable. CRG's approach to building a participatory process and a locally responsive set of claims criteria are replicable in other settings and should be part of the evaluation of other alternatives. Other solutions such as title clearing legislation or class action litigation should also be explored.
- Scale and Scope of Operations. CRG's success may relate to the large scale of the problem concentrated in a specific locality. Thus it may have been successful precisely because it was able to create the space – and work at a scale – that allowed effective functioning. That same space is unlikely to be repeated in other contexts. Most colonias are very small, and similar situations of large-scale title regularization by a non-governmental actor are unlikely to present themselves.

Specific Program Shortcomings and Weaknesses Identified

We are also in a position to identify several shortcomings in the CRG titling Program, some elements of which could have been foreseen, others not. Those that probably should have been anticipated were:

- The need to move more quickly, and to achieve some “deliverables” much earlier than the four years that it took;

- The desirability of devising an effective strategy for the adoption of Wills to reduce future insecurity and possible informality arising from competing claims and intestacy;

Less predictable elements arose from the fact that this was an innovative program and that the program developers did not have a body of experience or research upon which to draw. This meant that no-one fully anticipated the following:

- The low level of direct impact that titling would have on housing improvements or land prices based on the limited negotiability of even good colonia title in formal credit markets. Even if the lenders move into this market in the coming years, the evidence in the short term is that few owners are inclined to swap one arena of vulnerability and insecurity (i.e. irregularity of land title) for another – the risk of foreclosure on a loan secured by the lot and its improvements.
- The need to think and plan sufficiently for “life after the titling program”, i.e. once the CRG withdraws, and to prepare the community for legal sustainability. Already we have observed a reversion to less secure methods of land transfer including letter contracts, contracts for deed, etc.
- The need to do a better job in informing title beneficiaries – indeed all owner households – of the need to maintain their legal ownership titles in good standing and as viewed by modern land law. The program did a good job of educating owners of the tax responsibilities of ownership, but did not embed the titling exercise within a broader program of community legal education. A weakness was that the titling intervention was seen as a one-off program, and not as a part of an ongoing process.

5) Long-Term Implications Of The Titling Program

- Title is important, although not necessarily in the ways predicted.
- There is very little evidence of out-mobility to date; quite the opposite, populations are stable and committed to remaining in the colonia and making the most of what they view as the only opportunity to become homeowners.
- Full legal title does little to enhance the operation of colonia land markets, which remain sluggish with little effective demand, and only modest gains in real property value. Use value is likely to continue to dominate over exchange value.
- Title regulation is not a one-off exercise. There will be future title clarification needs as some people begin to buy out CRG beneficiaries, yet fail to record their deeds in the public land records, or land is transferred by various kinds of less formal contracts not always entered in the title records. The same will apply as sub-division and inheritance lead to further non-conformity with full registration and ownership transparency.
- There is a need for the creation of a system of community legal specialists in order to facilitate land title transfers and to minimize a possible return to informality, and to help to resolve disputes. With training, such advisors need

not be lawyers, and hence would be less expensive than conventional legal services; with roots in the community, land specialists will be culturally attuned. Such advice, advocacy, dispute resolution would ideally be anchored within local community and self-help groups, strengthening their political efficacy.

- New institutional arrangements must be developed to provide financing for lot and housing purchase at this low end of the market. Without access to credit, land markets cannot function, value of assets and investments cannot be realized, and mobility is blocked. Further, the need for financing may encourage reversion to less secure means of land transfer, such as seller financed land contracts.
- Market functioning in future may become more predictable with as land prices and supply-demand behavior are less subject to forces of social determination, such as developer domination or governmental corruption, and respond, instead, to more orthodox variables such as location, quality of services, population growth, etc.

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Chapter 1.

Colonias, Land Title Regularization, and the Community Resources Group (CTG) Lot Titling Program in Starr County, Texas¹

INTRODUCTION

The main purpose of this Report is to provide an independent evaluation of a highly unusual and innovative program to legalize land titles in a number of Texas colonias just outside of Rio Grande City (RGC), in Starr County. Until this particular experience there had been no previous program of providing land titles to low-income households in Texas, or, to our knowledge, elsewhere in the USA for that matter. Thus, this particular case assumes additional importance, and one of the questions that the evaluators wished to address was the extent to which it is transferable (replicable) in other similar situations in the Texas and the Southern USA. To the extent that similar cases of illegality and tenure insecurity are likely to be found elsewhere – as we strongly expect they will – our ability to extend the lessons learned from Starr County and from the Community Resources Group program will become especially important. Indeed, that is in large part why the present survey and evaluation was commissioned.² The details of the program and the parameters of the evaluation will be discussed in greater detail below (see Timeline and Planning). But before doing so, it is necessary to provide some background about the nature of Texas colonias more generally, as well as about the policy antecedents for land titling programs or “regularization”, much of which comes from Mexico and other developing countries.

COLONIAS IN TEXAS: INFORMAL SETTLEMENT AND HOUSING DEVELOPMENTS

Called *colonias*³ in Texas, these subdivisions first began to be highlighted in the poorest border counties along the border with Mexico. Located in the peri-urban fringe outside of cities (either

¹ Primary authorship of this Chapter is by Peter Ward, in collaboration with Flavio de Souza.

² Part of the actual CRG Program was funded by the Ford Foundation, as was this tie-off evaluation under grant # 980-0705 for \$1 million. The grant was given to the CRG who then approached several of us to undertake and independent evaluation, both of the Agency’s performance in undertaking the program itself, as well as in examining the actual impacts of the providing full legal land titles; a) to the low-income residents themselves; and b), to the functioning of the land market.

³ From hereon the term *colonia* will not be italicized.

within their ETJ ⁴ or just beyond it), they are “hidden” within the weakly empowered and poorly resourced jurisdiction of counties. They comprise un-serviced or poorly-serviced settlements in which low-income homesteaders have bought a lot on which they place either a trailer-type dwelling, or an up-market and less portable form usually called a “manufactured home”. In some cases, too, families build their homes through self-help, often beginning life in a shack, camper or a second-hand trailer until a modest level of house consolidation has been achieved.

Typically they comprise agricultural land platted by local developers into a prospective residential subdivision, with little or no servicing, and then sold off to would be home owners at relatively low cost usually through a process known as “Contract for Deed” (Larson 1995, Ward 1999). Contract for Deed is quite commonplace throughout the U.S; often known as a “poor man's mortgage” it is a form of financing real estate purchase for those who could not afford the down-payment, or whose incomes do not qualify them for more conventional methods (Jensen 1996; Mettling, 1982). It is a legal, yet highly flexible mechanism for the conveyance of real estate or other commodity in which full ownership (title) is not transferred until the purchase price has been paid in full. In the realm of real estate transactions it is a particularly profitable form of seller financing. As we shall see in this study, however, even the relative niceties of Contract for Deed are not always followed by unscrupulous landlords, leading to a host of land title irregularities.

As defined by the Federal Government a colonia is:

“any identifiable community that: A) is in the State of Arizona, California, New Mexico, or Texas; B) is in the area of the United States within 150 miles of the border between the United States and Mexico, except that the term does not include any standard metropolitan statistical area that has a population exceeding 1,000,000; C) is determined to be a colonia on the basis of objective criteria, including lack of potable water supply, lack of adequate sewage systems, and lack of decent, safe, and sanitary housing; and D) was in existence as a colonia before November 28, 1990.” 42 USCA §1479(f)(8).

Thus they are construed as being border phenomena, and objectively defined by their lack of adequate infrastructure and poor housing.

⁴ The ETJ is a fringe area beyond the city limits over which the city may, at its discretion, exercise jurisdiction and extend services. The actual size of a city's fringe area varies according to total city population. Cities with less than 5,000 have an ETJ of one half-a-mile, while those with over 100,000 may extend as far as five miles.

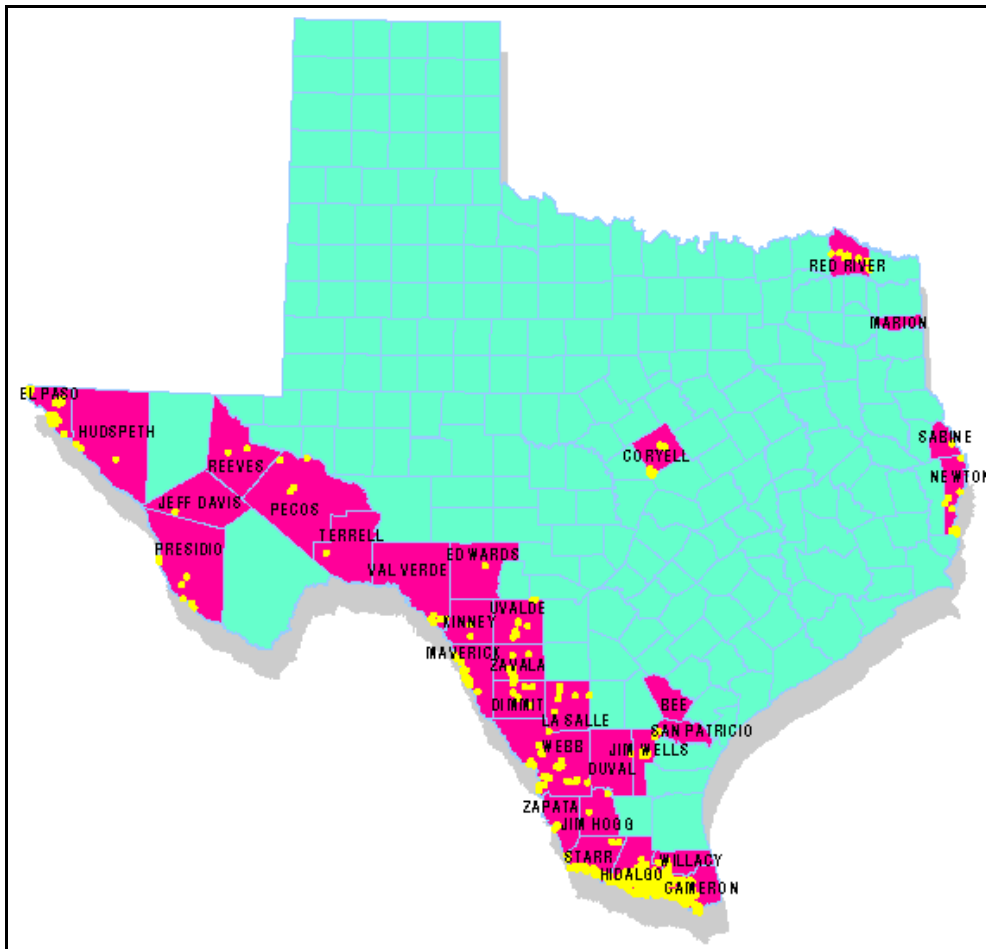
In Texas, colonias are far from being a small-scale phenomenon. Estimates in the early 1990s put the total number of colonias at around 1300 with a total population of 300,000 people. Although fairly strict controls were placed upon their proliferation (at least within the border region) from 1991 onwards, the number of colonias and the total population has continued to rise as new subdivisions have been identified throughout Texas, and as the border colonias themselves have undergone population densification. According to the principal agency mandated to provide water and wastewater services (The Texas Water Development Board), by the mid-late 1990s there were estimated to be approximately 1500-1600 such settlements housing around 400,000 people. In fact, the Board's and other research data indicate that there are many similar homestead subdivisions elsewhere in Texas, so that estimates are likely to grow as more are systematically identified. Current estimates are around the half-million mark, approximately 70% of who live in the US-Mexico border region (Figure 1:1).

The large majority of these homesteaders are Mexican born and Spanish speaking, but they are also invariably long-time residents who are now citizens or have permanent residence status. Colonias are not havens of illegal aliens as is sometimes imagined, although it is true that some residents may be undocumented and living with kin, but they are invariably not the owners that we will be considering in this study.⁵

In this context low income refers to households earning between \$12,000-\$25,000 a year, recognizing that many households, especially in impoverished border settlements such as those in Starr County actually earning much less, often only half that amount – as we shall observe in the following chapter; certainly, very few earn much more than \$25,000. Thus, they are most likely to be found in low-income labor market areas, and in those regions experiencing wage and labor polarization between higher paid workers on the one hand, and in low-paid service sector employment opportunities, on the other. Living in cities where housing costs are higher, these families cannot aspire to home ownership, and must live within the lower end of the rental housing market whether in apartments or in trailer parks. Yet many would like to be homesteaders, since they recognize the advantages of moving out of rental trailer-park accommodation in which they have no equity, in favor sub-divisions albeit poorly serviced, where they can own property and, they hope, valorize it through mutual aid and self-help efforts.

⁵ Colonia residence – by virtue of its relative isolation and small population would leave undocumented migrants exposed to questioning and possible arrest from the INS.

Figure 1:1.
Map of TWDB-Identified Texas Colonias



Source: Texas Water Development Board website: http://www.twdb.state.tx.us/colonias/tx_col.gif

Colonias are not homogeneous, but vary markedly in size, layout, mode of development, housing types and mixes, lot dimensions, soil and vegetation characteristics, lot occupancy rates, level of servicing, development prospects, land market turnover, ethnic composition, income levels, and levels of relative poverty, etc. In Texas, there is no "typical" colonia, but rather a range of modalities that vary significantly between counties. In some border counties such as Hidalgo, Starr and Zavala, the norm is for a large number of very small and small colonias (less than 40 and 80 lots respectively), often with relatively small individual lot sizes; while in other counties such as El Paso, Valverde, and San Patricio, they tend to house many more families and have larger average lot sizes. In the database analyzed in for my study although the two smaller categories of settlement size made up 70 percent of all 1381 colonias, they housed less than 30

percent of the total colonia population. In contrast, very large settlements (i.e. those over 300 lots) housed 35 percent of all colonia residents (see Ward, 2000: 8-9).

Although the size of these settlements is generally much smaller than those found on the other side of the border in Mexico and in other less developed countries (which often run from several hundred to several thousand lots), they are akin to those so-called ‘irregular’ settlements in many other respects, and have a similar rationality to explain their existence: namely a low-waged economy; the rising demand for housing; a lack of state housing supply systems capable of meeting demand; and a private sector uninterested or unable to produce housing at levels that people can afford. However, unlike their irregular settlement cousins elsewhere, colonias in Texas are rarely illegal. Nevertheless, many aspects of the production of these homestead subdivisions are ‘informal’ in a number of ways, most notably in the low level of servicing and infrastructure, and in the manner of their development and sale.

Table 1:1.
Distribution of *Colonias* by Size

Colonia Size	Total # of Colonias	% of Total Colonias	# and % of All Colonia Residents
Very Small (< 40 lots)*	629	45.6%	49,768 (12.9%)
Small/Medium (41-80 lots)	356	25.8%	60,965 (15.8%)
Medium (81-150 lots)	193	14.0%	67,399 (17.4%)
Large (151-300 lots)	112	8.1%	68,261 (17.6%)
Very Large (> 300 lots)	91	6.6%	136,360 (35.2%)
Total	1381	100.1%	386,982 (98.9%)

*Includes some 144 cases, most of which fall into the “small” category, comprise *colonias* registered as having less than 10 lots.

Source: Ward, et al 2001: 8. (Calculated from data contained in LBJ School of Public Affairs, *Colonia Housing and Infrastructure, Volume 2, Water and Wastewater*. 1997 and also based upon Texas Water Development Board Database

Table 1:2.

Distribution of *Colonias* by County, Size, and Population

County	% and # of Very Small Colonias (<40 lots)	% and # of Small/medium Colonias (41-80 lots)	% and # of Medium Colonias (81-150 lots)	% and # of Large Colonias (151-300 lots)	% and # of Very Large Colonias (> 300 lots)	Total # and % of All Texas Colonias [% Total Colonia Population Represented]
Cameron	33.3% (35)	32.4% (34)	16.2% (17)	8.6% (9)	9.5% (10)	105 7.6% [9.9%]
Coryell	38.5% (5)	38.5% (5)	15.4% (2)	7.7% (1)	--	13 0.9% [0.1%]
El Paso	24.8% (36)	26.2% (38)	22.1% (32)	15.9% (23)	11.0% (16)	145 10.5% [18.8%]
Hidalgo	57.5% (438)	24.5% (187)	10.9% (83)	5.2% (40)	1.8% (14)	762 55.2% [35.6%]
Jim Wells	25.0% (4)	37.5% (6)	25.0% (4)	6.3% (1)	6.3% (1)	16 1.2% [0.1%]
Maverick	28.6% (12)	23.8% (10)	14.3% (6)	14.3% (6)	19.5% (8)	42 3.0% [3.6%]
San Patricio	11.1% (2)	22.2% (4)	22.2% (4)	16.7% (3)	27.8% (5)	18 1.3% [2.8%]
Starr	37.1% (46)	37.9% (47)	16.1% (20)	4.0% (5)	4.4% (6)	124 9.0% [8.9%]
Val Verde	27.3% (3)	9.1% (1)	9.1% (1)	36.4% (4)	18.2% (2)	11 0.8% [0.1%]
Webb	32.6% (14)	14.0% (6)	27.9% (12)	11.6% (5)	14.0% (6)	43 3.1% [5.3%]
Zavala	50.0% (6)	16.7% (2)	--	8.3% (1)	25.0% (3)	12 0.9% [1.0%]
Total	601	340	181	98	71	1291 93.5% 86.2%

Source: Ward et al, 2001: 9 based upon Texas Water Development Board database

REGULARIZATION AND LAND TITLING PROGRAMS IN COMPARATIVE PERSPECTIVE

This lack of infrastructure and often “clouded” (confused or unclear) nature of land acquisition without full legal title has increasingly led to a process of ex-post intervention often referred to as “regularization”. Since the mid 1980s it has become an in-vogue concept among governments and multi-lateral aid agencies in Mexico and Latin America that we briefly summarize here since it informs so much of what is now being proposed for colonia type sub-divisions in the US, as also helps to understand contemporary thinking about the rationale for formalizing land and housing markets in order to make them function more smoothly.

Two principal arenas of regularization policy stand out: land titling programs (juridical regularization), and physical upgrading and improvement (infrastructure regularization). Mexico has led the way within Latin America in the field of land tenure regularization, and few other countries have been as serious and systematic. Both Peru and Mexico which have developed significant land titling programs either as a policy-end (i.e. to create a housing commodity in the form of a defined property title), or as a means to an end (i.e. to provide titles as a segue to infrastructure provision, and to achieve a greater level of planning controls). Instead, most other Latin American countries consider regularization more in physical infrastructure terms, although practices vary greatly in their effectiveness, replicability, and impacts upon poor populations (Landlines, 2001). Increasingly, too, regularization is seen to be a mechanism for social integration and the “rescue” of low-income populations, bringing them into the urban citizenry.

Seeing regularization of titles as a *means to an end* is being widely promoted today by international agencies as part of the World Bank’s New Urban Management Program (Ward and Jones, 1994). Mexico is a good example of the process whereby land titling has become a prerequisite to urban land management, planning and public administration. Regularization incorporates the population onto the land registry, tax base, planning controls and construction permissions, consumption charges and recovery of services and infrastructure. Regularization becomes the means towards urban sustainability and management.

The orthodoxy that regularization should be an important policy component in integrating low-income populations into more effective participation in land and housing markets is predicated upon a number of arguments that have emerged from detailed research over the years (see Table 1:3).

Table 1:3.

Common Arguments in Favor of Land Regularization

- Provide Security Against Evictions
- Provide Incentives that will Stimulate Investments in Home Improvements and Consolidation
- Facilitate and Provide for the Introduction of Services such as Electricity and Water
- Generate Access to Credit Using the Home as Collateral
- Incorporate Residents into the Property-Owning Democracy and Citizenry
- Integrate Settlements and Property into the Tax and Regulatory Base of the City

Taking each point in turn, research has highlighted that high levels of insecurity in any area of informal activity – such as threats of eviction from one’s home, vulnerability in proving rights of ownership, or harassment of street vendors, etc., – impacts negatively upon those involved, by preventing investment, reducing normal market turnover (through sales), and by raising prices through inducing scarcity in the formal market. In the housing arena from the early 1970s onwards it was suggested that by providing security of tenure, owners would intensify their self-help dwelling and community improvement efforts. As one author put it, “When tenure is secure; the foundations grow firmer”.⁶ Although full security can be provided without providing full legal title, it has suited most societies to “construct” the relationship in this way, requiring that full legal titles (*de jure*) be given to de individual *de facto* holders of land. There are various ways of achieving this, but the most common is to expropriate the land, indemnify the original owners (if necessary) and to “sell” or transfer individual platted ownership to the households who can prove prior purchase or extended occupancy of the lot. Titles are drawn up in the now regularized owner’s name, and are later inscribed in the public registry. The important point to recognize is that the requirement that tenure security be ascribed in this way emanates from deliberate choices made by the legal system, and that other “softer” titling programs could equally be adopted, that would satisfy the security of ownership without going through what is often a

⁶ Abrams, Charles (1966) *Squatter Settlements, the Problem and the Opportunity*. Washington DC: Department of Housing and Urban Development.

complicated and expensive process, that is ill understood by the supposed beneficiaries (McAuslan, 1998; Farvaque and McAuslan 1992).

Extending the argument further, it is posited that full legal title provides the necessary property anchorage to encourage home improvement and upgrading, and using sweat equity allows property owners to begin to develop equity and to benefit from land market and housing prices increases – it brings them into the market as legitimate home owners. Moreover, now that they are full legal owners, they may use that property as collateral borrowing against it; thus they move from informal to formal credit systems. For local government, too, integrating the low-income households into the property register means that it is possible to embark upon formal planning, requiring that land-use controls and construction permissions be obtained. Moreover, policy makers and public officials will often assert that services and hook ups can only be authorized once legal title is in place, although this somewhat disingenuous given that most servicing agencies are willing to provide services without full legal title (Varley, 1987). What is valid, however, is that once incorporated into the land registry, people enter the property tax base, and although land and housing values are low, these regular tax payments enhance the capacity of local authorities to enter into rolling programs of service provision that are sustainable rather than requiring heavy subsidization. Similarly, consumption charges of water, power, etc., can now be provided and charged for, rather than being set at a “flat” rate and/or heavily subsidized. In short, urban development becomes more sustainable. Finally, in democratic societies land titling programs bring people into the property owning democracy, enjoying the rights of citizens, and, of course, sharing in the responsibilities of citizenship (as tax payers, electors, and abiding by the law of the land rather than flouting the law as previously in the informal market).

INFORMAL LAND AND HOUSING MARKETS: TEXAS COLONIAS

Land Development Processes

As noted briefly at the outset, lots are sold off by developers usually through Contract for Deed. In Texas *colonias* most lots sold in the early 1980s for between \$7000-8000 (around \$11,000 to \$12,500 at 1998 prices, although as we shall observe later in Chapter 4, the costs in Starr County were traditionally much lower due to the land development process and the much small lot sizes). Upon signing the contract the buyer pays the seller a down payment which may vary from “whatever the buyer has in his pocket at that moment”, say \$25 up to 10-20% of the total price

(developer Cecil McDonald cited in Ward, 1999: vii). Thereafter, the purchaser has a low, fixed monthly payment, usually in the range of \$80-120, which he continues to pay until retiring the debt. This may be spread over a period of between five and ten years, with the possibility that the purchaser can always make a "balloon" payment to clear the debt. As an all-inclusive legal document for property development, financing and transfer of title Contract for Deed ostensibly has much to commend it, since transaction and closing costs are minimal or non-existent. However, its use has been widely abused in Texas partly because they have been written in English and are poorly understood by purchasers, and because they offer no consumer protection; the buyer can lose his stake if he fails to meet a single payment. Legislation in 1995 largely remedied this, but only in the border region.

Although this process of land sales was legal, at least until legislation began to require developers to conform to minimum standards and later (1995) to providing services from the outset, informality and conflicts over title may arise, making "regularization" an emerging policy issue in Texas – although nothing like on the scale of Latin American countries where almost all land capture is illegal in one form or another. Ex-post formal titling may be required where the developer allocates lots by "metes and bounds", so that there is a lack of clear precision about the actual lot boundaries. Purchasers unwittingly occupy each other's lots making subsequent regularization necessary (usually through informal dispute resolution and lot "swaps"). Similarly, multiple-lot sales under Contract for Deed where an original purchaser has defaulted or where the same lot has wittingly or unwittingly been sold to more than one buyer can lead to counter-claims and conflict. Unscrupulous land developers sometimes deliberately sell the same lot several times over, and because people do not occupy their lot from outset, there is little to prevent them from doing so. It is only much later that the fraud is discovered.

The relative legality embodied in the creating of such semi-formal residential subdivisions means that it is not imperative to occupy one's lot from the outset. Some people wait until they have paid the lot in full and they have the Deeds in their hand before daring to occupy. Others want basic services to be installed as well; and most will want to save and have the funds to place a trailer or manufactured home on the lot. New trailers start around \$18,000 (although used [second-hand] ones come much cheaper), so it is not unusual for a considerable time lapse between lot purchase and occupancy.

Jurisdictional “Softness” and Informality

Counties have little effective power in Texas, and their relative weak jurisdictional powers make them ripe for quasi-formal residential development. This may occur because the codes are lenient and there is virtually no regulation, and/or because developers are in cahoots with county commissioners and judges. Indeed, in the Starr County case considered here, one of the principal developers was himself a judge!

But unlike in Mexico where local municipalities are akin to cities in the powers with which they are charged and the responsibilities for servicing that they have (whether they fulfill them is another issue), county governments and their equivalents in the US are weak. That weakness and lack of effective and fiscal empowerment, contributes to informality, not just in the land development process, but also in the failure to provide essential services. This, in turn, makes for informality in procuring those services.

Physical Infrastructure and Services

As is the case in informal self-help more generally, in Texas it is the lack of services that cheapens the land acquisition process, even though those services have to be obtained somehow, and doing so informally may end up being considerably more expensive.⁷ Most basic services in the US are provided privately, with the state and local regulation through planning ordinances and ensuring minimum code compliance. In counties, of course, this regulation is less strict on the one hand, and the fiscal resources for local government provision (road improvements, etc) are minimal. Given that here is no need to occupy one's lot from the outset, one does not see the sort of “pirate” electricity hook-ups and informal provision that is common in less developed countries.

Power and Cabling. Most services are provided under contract – electricity being the first to be installed, along with TV cable, phone lines etc. Indeed, to large *colonias* at least, these private companies are often quite willing to lay in the power and service lines above or below ground, sometimes before generalized occupancy has occurred, but certainly before roads are paved and other major infrastructure is in place. This has two benefits first it reduces the eventual costs of installation by obviating later digging and repaving costs; second, and more importantly, it “locks-in” that particular service provider to that particular community, extending the market, and reducing the likelihood of competition from other utility companies.

⁷ For example in Texas *colonias* residents will pay \$22 per 1000 gallons of water delivered by tanker truck, whereas a resident hooked up to a city network would pay \$1.5 for the same amount.

Gas and Garbage Removal. Where household use gas it is provided by small sized propane tanks or by a private tanker lorry provider who fills an on-site periodically. Solid waste (garbage) is either dealt with informally (dumping and/or burning), but more usually is removed under private contract with families placing above ground receptacles to reduce dog and rodent access. In certain large colonias that have (self) incorporated and constituted themselves as cities, then local taxes will usually cover the costs of a city garbage collection.

Water and wastewater are more problematic given their costly nature. Yet these are key services both from the point of view of residents, as well as from the State, given its concern with environmental and health risks. Thus, as early as 1991 major bonds were generated in order to empower the Texas Water Development Board to extend water and wastewater to *colonias* (Wilson and Menzies, 1998). After a slow start, the TWDB has had considerable success in extending water to many colonias – working in conjunction with private municipal and servicing districts (MUDs) – which thereafter have responsibility for maintenance and operation. However, by the TWDB's own estimates, these resources are scarcely those required to do the job, and barely touch the surface of the resources necessary for a full integrated sewage and drainage system.

Therefore, most residents must fend for themselves. In the early phase water is purchased from water lorries and stored large 500-1000 gallon tanks (Photo 1.1). Ingenious solutions are also found: such as the small rigs on pick-ups that are used to collect water (Photo 1.2). Drinking water must be purchased, of course, either in large jars or from dispensers. Ultimately colonia residents collaborate to create their own service district or MUD to provide water. These initiatives are usually promoted by the TWDB, but may also emerge spontaneously, where the settlements is of sufficient size

Sewage removal is almost entirely in the hands of the resident. In the past developers either promised this (and other) essential services at some unspecified future date, or explicitly stated that responsibility for an on-site septic system was the purchasers, and what the approximate cost was (\$1200-\$2000, usually). Today, developers in the border region at least must either “build-it” (the septic system) or “bond-it” before they are allowed to sell lots. While most households do have a septic system there are inevitable problems of under-capacity and poor maintenance that led to significant health hazards. Thus while few people resort to illegal or informal systems of sewage, the problems of occasional seepage of effluent remain.

PHOTO 1:1



PHOTO 1:2



Street Paving and Street Lighting. One area where low-tech systems of service provision are adopted in Texas is that of street paving, but even codes, if they are to be met, require regular fire hydrants to be installed and that roads be paved. Fortunately this is relatively low priority for homesteaders, who are willing to make do with slow-circulation caliches (unpaved hard core) roads, at least where it is not the main access. Elsewhere roads may be paved, but it is to an “austere” level without curbstones without storm-water culverts. Washouts and potholes are common, but this is not usually perceived to be a high priority by residents. Construction and maintenance are usually the county’s responsibility – hence the austerity.

Street lighting is rare. But nor is it needed except to offer improved security to pedestrians at night. Here some residents have copied Mexican municipal authorities that install street lamps on every second or third post in order to provide a modest (but usually adequate) level of street lighting. This is called an *austero* level of supply. In Texas, however, it is done privately, and some residents will place a street lamp on the pole outside of their lot running off their own-metered supply. More usually, however, they are self-serving, placing the light on the subsidiary pole above their house, to illuminate their own yard.

Self-help or Self-Managed Housing?

Recently collected survey data for 15 colonias (two of which are outside the border) suggest that 64 percent of current colonia residents interviewed were living in a “consolidated” home (Ward et al, 2000). This sometimes comprised a self-built dwelling or more usually was what we call a “self-managed” home where prefabricated or moveable housing structures have been shipped to the site. These can be less portable “manufactured homes”, or actual trailer-type homes (sometimes it is difficult to tell the difference). Sixteen percent of households lived in what are unequivocally trailers, while 3 percent lived in campers or shacks. Twenty percent live in housing arrangements that are a combination of these housing options.

It appears that that while processes similar to the ‘upgrading’ (self-improvement) of housing that one sees in Mexico also occur in Texas, they are substantially different in nature. In Texas most people ‘self-manage’ rather than self-build their dwellings. As mentioned above, owners delay occupying the site until they have been able acquire a dwelling that they can place on site. Until then, they are reluctant to live in cramped conditions, without services, far from the city. Another option is to live in a temporary dwelling meanwhile and to upgrade later – swapping a dilapidated trailer for a new one, or for a manufactured home, that may be extended later. Others will live in trailers while they self-build or oversee the construction of a consolidated home.

Indeed, one important advantage of colonias is that there ample space in which to develop these multi-housing arrangements. As in many of the 20 percent of combination-cases mentioned above, it is common to see several 'stages' of dwelling development in a single lot: with the older trailer type lodging or even campers being used as spillover bedrooms or as 'dens'.

Costs Associated with Manufactured Homes. For new trailers/mobile homes, prices begin at \$19,000 for a singlewide 14' x 68' unit. The price of the home usually includes transport to owner's site (within 100 miles) and occasionally includes bonuses such as full hook-up to sewer/septic tank and vinyl skirting, depending on the dealer. Some dealers will roll these and other site improvements into the mortgage if desired. Monthly payments run around \$300, with at least a 5 percent down payment depending on the purchaser's credit history.

The best APR rate we found was 8.5 percent, again dependent on credit worthiness and the amount of money originally put down (the larger the down-payment, the better the rate). Costs for double-width mobile homes and manufactured homes ranged from nearly \$40,000 to \$100,000. Similar financing and expanded site improvement packages (including deck, landscaping, and sidewalks) are available for the larger homes as well. Mortgages usually range from 7 to 30 years with a lien generally only on the housing, which can be repossessed like a car in case of default.

In Starr County few can afford manufactured homes starting at \$40,000, but lower cost options exist locally. One dealer on the north side of US Highway 83 just entering Hidalgo county from the west, offers a range of relative small wood frame and trim three and four bedroom modules, ranging in price between \$13,000 and \$22,000 comprising. While the external appearance is much the same, the difference in price reflects the level to which the interior is finished out. At the lower price range there is no sheet rock, and only limited plumbing and electrical outlets (although the basic wiring and tubing is installed). The more expensive prototypes will have everything installed; sheet rock on the walls, full bathroom facilities etc. In all cases, however, some (greater or lesser) level of self-help is required, either to plaster over and paint the sheetrock, install wainscoting etc. Thus, in many of the Starr County settlements analyzed in this study it is often difficult to assess how much home improvement has actually taken place since from the outside the house may look "consolidated", yet inside sheets are used for wall partitions, and plumbing hook-ups are basic to modest.

Formal Social Infrastructure

Provision of formal infrastructure (policing, fire and ambulance services etc.) is limited partly because of the relative isolation of colonia type subdivisions but also because of the limited resources at county level to provide such services. Policing is clearly the responsibility of the county sheriff's department, but often counties contract with nearby cities for EMS and fire service on a pay-a-you go basis. Other social services are largely absent and residents must seek them in the nearby city. Sometimes a community center has been constructed (as in Starr County's Las Lomas, for example), and these may serve as important conduits for NGOs and for a range of social service providers (Ward 1999: 224-41).

Another distinctive feature of quasi-formal residential sub-divisions, especially when compared with their Mexican counterparts, is the almost total absence of small commercial establishments (stores) and workshops. This is partly due to permitted lot use being exclusively residential, but it also reflects the low absolute population densities that do not make for a necessary critical mass that will support such petty commerce. The same fact makes public transport non-viable, although some large settlements may have a minimal service early mornings and late afternoon. Private transportation means are essential, therefore, and most dwellings sport pick-up trucks. School buses pick up and drop off children daily as part of the ISD service.

Recent Directions of Public Policy Towards Texas Colonias

In the late 1980s Texas was threatened by the withholding of federal grant support unless the state prevented further *colonia* expansion. Several of the biennial legislative sessions since then have undertaken a number of actions designed to stop their growth on the one hand, and to simulate upgrading on the other. Summarized these include *inter alia*:

- 1991 Model Sub-divisions Rules that require minimum service levels (later applied to 'grand fathered' developments also);
- 1991 the appropriation of funds (but less than half of what is needed) for water and wastewater servicing provision;
- 1995 Consumer Protection applied to Contract for Deed titling;
- 1995 A moratorium upon further lot sales in unapproved (unserved) *colonias*, and "build-it" or "bond-it" mandates to developers;
- 1999 More effective coordination between government agencies in tackling the *colonias* 'problem', and increasing the responsibilities of counties.

- 2001 Contract for Deed safeguards were strengthened and extended statewide; some program expansion of self-help, water and wastewater.

Profile of Starr County Colonias

We will discuss the actual colonia populations in depth in the following chapter. But as Table 1:2 above shows, Starr County has the third largest number of colonias recorded (after Hidalgo and El Paso), and that it resembles its neighbor Hidalgo County in having a large number of small colonias, almost three-quarters being of less than 80 lots in size. Only eight percent are over 150 lots in size, and most of these are considered in our sample study. Thus, in the size spectrum it falls very much at the small colonia end. It is also characterized by relatively small lot sizes – at least by Texas standards – with model lot sizes of 5000 sq. feet (just over 1/10th of an acre). Outside of Starr and Hidalgo counties the norm is at least 1/8th and often ¼ of an acre lots, and not infrequently ½ and full acre lots. This means, too, that the lot (population) densities are higher, and the combination of small colonias and small lots sizes means that absentee land ownership (vacant lots) is less of an issue than it is elsewhere in the State (Ward et al, 2000).

Starr County is also one of the poorest. Its median household income in 1999 was \$16,504 (with 45% earning less than \$15,000) compared with \$39,927 in Texas as a whole, (and where 17% earn less than \$15,000 household), and these income levels are considerably lower than for many other border counties.⁸ Unlike Hidalgo, which has considerable service industry requirements associated with its various cities and commercial activities, Rio Grande City has relatively little employment to offer, and several respondents and focus group participants commented on this lack and on the need to get away.⁹ The colonias that we sample in this study, while broadly similar in their income profiles, are at the bottom end of the spectrum compared with other colonias in Texas -- which are also very poor of course. For example, in Las Lomas CDP (Census Defined Place) that is one of the study settlements evaluated in this report, the median household income in 1999 was \$10,927 with 65% of all households earning below \$15,000. The point is that this is a particularly tough place to eke out a living and to be successful in the homesteading process. Arguably, the only up side is that lot land prices, too, are also lower,

⁸ For example data for the following counties showing median household income and (in parenthesis) the percent receiving below \$15,000 for below: Cameron \$26,155 (29.6%); El Paso 31,051 (19.9%); Hidalgo \$24,635 (32%); Webb \$28,100 (26.9%); Zapata \$24,635 (32%) in the border; and Travis \$46,761 (12.2%) and Lubbock 32,198 (22.5%) in non-border counties where we also find colonia-type subdivisions (see Ward and Koerner, 2003).

⁹ Rio Grande City's median household income was just under \$20,000, with almost 40% of all households earning less than \$15,000.

certainly when compared with their closer neighbors in Cameron and Hidalgo counties (see Chapter 4 and cf. Ward et al. 2000: 108).

In other respects of housing types and mix, services (or the lack thereof), socio-economic profile and aspirations as home owners, the colonia residents are fairly typical of those found elsewhere.

THE EVALUATION METHODOLOGY

Here the aim is to provide the reader with an overview of the information-gathering methods we adopted in order to undertake the evaluation. So as not to clutter the discussion unnecessarily, this overview will be as brief as possible. Wherever appropriate, more complete documentation (including the survey instruments) will be placed in an appendix to the report (see Appendices).

The Timeline and Initial Planning

The research group did all key decisions relating to the methodology, timeline, data gathering, analysis, and writing-up, collectively. Periodic meetings were held at the CRG offices in Austin, together with occasional interim conference call meetings linking Austin – College Station – Madison, Wisconsin. After initial conference calls the first formal two-day planning meeting was held in Austin in November 2001. Here the principal dimensions of possible analysis were discussed, and initial responsibilities for the different parts of the evaluation were assigned to different members.

From the outset three key decisions were made. First, given that this was to be an independent and rigorous evaluation of the CRG's land titling program itself, as well as the impacts that it was having in a number of arena it was felt that the CRG should not be formally involved in the data analysis and report drafting. However, while it was very important that the research be conducted at "arm's length" from the agency, it was also crucial that the CRG be closely involved in the various stages of the evaluation since we would need access to their records and database, and equally, that we would need to interview the staff at length and on multiple occasions.¹⁰ Thus the CRG was regularly consulted and involved throughout the evaluation.

¹⁰ The CRG was involved throughout principally through the Receiver (Rebecca Lightsey) in Austin, and through local staff Aide Villareal and Marta Bazán in Rio Grande City. Throughout the study, the CRG staff demonstrated professionalism and integrity in working with the group. They were always willing to assist in the provision of information, and never sought to shape or to influence the direction of the evaluation, even on those relatively rare occasions when it threatened to cast them the CRG in a negative light.

Second, from early on the research group resolved to combine both qualitative and quantitative research methods, and to do so at two levels; a) to gather a “top-down” view by interviewing a number of actors in the CRG itself as well as in other agencies and organizations; and b), to elicit the view from the colonia, by interviewing residents, local community leaders, etc. Third, it was felt that the methodology and study itself should seek to be innovative. Much was already known about colonia populations from earlier studies, and could also be expected to gather information from the CRG’s own comprehensive database, so we proposed to minimize duplicating knowledge. Thus we resolved to blend different techniques such as focus groups and standard surveys, which while not especially innovative of itself, have rarely been used in combination in most previous colonias research. We also resolved that the study, while being a one-off evaluation, should lay the basis for ongoing monitoring. Thus we proposed that the sample population form the basis for the creation of a ‘panel’ of respondents who could in the future provide cross sectional profiles of the regularization and dwelling upgrading process. No decisions were made about the nature of the panel study, nor where funds for such a study might be sought, but it was felt that the opportunity should not be lost for creating an ongoing survey panel of colonia residents for subsequent analysis.

The basic parameters of the study were defined collectively. These identified that the evaluation should cover the following areas:

- An analysis of the regularization strategy itself and the procedures that were adopted to undertake it. This would comprise a detailed historical overview of the process itself; an assessment of the CRG’s institutional capacity to carry out the title procedures and of the operationalization of decisions along the way; the relative efficiency with which it went about its business; the receptivity and credibility that it cultivated among the beneficiaries; the dynamic for sustained development (if any) that was created and which could be expected to go beyond the life of the actual program; and finally, to identify the transferability lessons for other parts of the US, derived from this particular experience.
- Analysis of how colonia owners view ownership and property titles. Specifically here we were interested in the “meanings” that are ascribed to ownership and to different levels of proof of ownership.

- An assessment of the impact of the titling program upon land market performance. This would include the role of land titles in enhancing lot values, lot sales and turnover, improved tax and fiscal opportunities, servicing replicability, future colonia planning, and implementation of land-use controls, etc.
- An assessment of the extent to which land titling facilitates entry into formal credit markets using land as collateral. Also, the impact of land titles upon stimulating housing improvements and upgrading.

Research Design

There were several components:

1) Archival Analysis

The analysis of the land titling process and its operationalization within the CRG involved archival analysis and extensive unstructured interviews with key informants. It also required a legal training and background. Much of this analysis was undertaken by Jane Larson, a law professor from University of Wisconsin and the Land Tenure Center, who had already undertaken some preliminary analysis of these issues as part of her ongoing research. It was resolved that she should intensify that research, and systematize it such that it would allow us fulfill the requirements of the evaluation brief.

Additional archival analysis was undertaken using the materials on file at the CRG. These included the detailed annotated maps of the respective colonias – both originally platted as well as those that had been platted by the CRG – and which had undergone painstaking cross checking in the field to tie households to lots on the map, and to verify whether they were in their correct lots (often they were not). Also, a file existed for every claimant and household who came to CRG detailing the nature and substance of the claim, the year acquired, lot size and location, price paid, etc. Important elements of these data were filed electronically in an ACCESS file.

Finally, Larson read a random selection (choosing every 10th file in the drawer) of 150 claims files in the CRG archives, as well as a selective sample of 100 additional files chosen because they were identified as claims that had presented particularly difficult problems for the CRG staff to resolve. Using this archival research, the research group gained a picture of the conveyancing and business practices of the colonia land development business, identified the

scope and nature of legal defects of title, and discerned patterns and regularities in the decisional principles used by CRG staff in adjudicating individual claims (what we call in this Report, “Receiver law”).

CRG-File Based Analysis. Subsequently these files provided data that were tied into the survey database to facilitate verification of the data that were gathered using our purpose-designed questionnaire (see below). Variables include address and respondent’s name; year of purchase; lot size (CRG data invariably more accurate than resident’s estimates of square footage, etc), price paid, etc. Once we had resolved in which colonias we would be working (the ten largest), these data files formed the listing from which the sample size was decided, and the households were randomly selected for our detailed household interview. A “Study Group” was formed of all cases where households had their land title cleared by the assistance of CRG -- in total 303 cases, and given the relative modest number it was decided to include them all rather than select a sub-sample, recognizing that we were unlikely to be successful in interviewing everyone even making two or three visits to each residence. We hoped to get at least 200 surveys, and ultimately secured 193. In order to have a comparative group who had not been affected by CRG intervention, we also decided to draw off a sample of households from a list of 400 cases that were logged at the CRG and randomly selected 133 cases (1/3 of the total). In our survey these were designated as the “Control Group” (see Chapter 2 for further details).

This large database – covering some 15 colonias -- was also the source for a lot land price analysis covering some 1406 data points for the period 1980-1999, and that later we would used to track real land price changes over the period (see Chapter 4). It was hoped that as well as insights about land market performance, these data would provide benchmark information about land prices for comparison with our smaller questionnaire based sample.

2) Focus Groups

In social science research, focus groups may be used effectively (and at low cost) for a variety of purposes: 1) Where researchers are unsure of the terrain and wish to gain insights so that they can subsequently develop a survey design that gathers pertinent information in a language that can be understood; and 2) as in our case, to probe deeper into areas that a straightforward but “closed” (Yes/No or limited option) answers to survey questions cannot provide. Thus, our original design anticipated that we would undertake these focus groups after the results of the survey had been analyzed. Due to delays in completing the survey, we did not have hard results

in hand for the first five groups run in June 2002. However, we did have by that time some preliminary indications from the survey, albeit not in tabulated or analyzed form.

Ultimately we ran seven focus group meetings, the first five being conducted jointly by Larson and Giusti, and the last two by Giusti and Ward. All focus group meetings were held at a community center located in Las Lomas colonia close to Rio Grande City, and each usually lasted 1½ hours. Cookies and refreshments were provided, and each participant received a \$15 voucher for exchange in a local Wal-Mart. In all cases the voucher had to be signed for by the recipient.

The groups were chosen randomly based on the following criteria:

- Two women-only groups: Friday June 28 2002 (8 each: total 16 women)
- Three couples and family groups: Saturday June 29, 2002: (20 each: total 60 individual)
- Two individuals group: Saturday October 12, 2002 (6 & 7 each: 13 individuals)

In total, we interviewed 89 participants in the focus group format, none of whom had been previously involved in the questionnaire survey, which we judged might bias their responses or give prior knowledge of the issues to be discussed.

The purpose of these discussions was (1) by qualitative method, to explore issues of meaning and perception not easily susceptible to inquiry by survey, and (2) to obtain qualitative information about some of the topics covered in the survey to help us interpret our results. We organized the focus groups around our research agenda, and inquired first into the perception of participants towards land ownership, specifically legal issues, including inheritance, ownership and marriage. A second topic was the perceived financial implications of receiving full ownership. And finally, we explored how title shaped community cohesiveness, community organizing, and feelings of political efficacy.

The tapes from the first five focus groups were translated into English and transcribed in their entirety.¹¹ Larson and Giusti reviewed these transcripts in fine detail for a report to the research group, and Larson later applied a simple content analysis to the electronic transcripts. Data from the focus groups are part of the findings reported in various chapters of the Report. The texts of the transcripts are stored on the CD Rom and are also available from the CRG upon request (see Appendix 5 for further information).

3) Questionnaire Design, Application and Analysis

¹¹ The last two were not transcribed, but served to confirm many of the key points that had already arisen.

The Questionnaire. A preliminary draft of the survey instrument was prepared by one of us (Ward) based upon a similar instrument that he had used successfully in a multiple colonia study as part of an LBJ School Policy Research Project in 2000 (Ward et al, 2000). This was amended to take account of the specific project and evaluation needs in order to take account of the following areas of information in which we were interested: housing trajectories, market transactions, the meaning of title, property valuation, the perceived role of the CRG and resident evaluations of the same, the impact of title on housing conditions, as well as social economic indicator information. After several group discussions, interrogation of the instrument, it was further refined before being translated into Spanish and run by the CRG staffers in RGC, some of whom were also colonia residents. This further helped to improve some of the language and idiomatic uses of language that would apply in RGC. It also allowed us to identify certain possible areas of sensitivity within the questions: namely broaching topics as death, inheritance rights, having a Will, investments made into housing, the source of funds, and so forth.

Although we did not conduct a pilot survey, the questionnaire was amply “tested” during training sessions with the extension workers (*promotoras*) in Rio Grande City who had already been contracted by Texas A&M for a local employment project. We were indeed fortunate to be able to count on Texas A & M’s local office and existing programs in the area since this gave us not only a locale in which to train interviewers, but also access to a group of possible interviewers who already had some experience of working in these areas, and whose class (social-economic rank) was not much different from those whom we were about to survey.¹² Two intensive two day training sessions were organized in late March and early April, run by Peter Ward in conjunction with Marlynn May and Flavio de Souza. These were complemented by further peer group role-play and practice sessions led by the local Texas A & M organizer and attended by the local CRG staffers. The role-plays required that *promotoras* practice being both a colonia resident and an interviewer. Approximately 30 attended the first training session; whittled down to around 18 by the second (on basis of Spanish competency and skills). Seventeen ultimately participated, and the bulk of the surveys were completed by these paid *promotoras*. Final adjustments were made to the survey instrument as a result of feedback received during the sessions. Although apparently long and cumbersome, the survey usually took between 25-35 minutes to complete. A copy of the final questionnaire, as well as the earlier draft in English, is contained in Appendix 1a & b.

¹² Special thanks are due to Marlynn May here, not least for scrambling in order to ensure that the trained interviewers could proceed with the study after the other program was unexpectedly closed mid-way during the survey.

Supplementary materials were prepared for the *promotoras* including: letters of introduction (Appendix 2c); letters to be left at the end of the interview explaining what the survey was about and a contact address and local phone numbers in the event of any further queries (Appendix 2d); and letters to be left in cases of no one being home, stating that the *promotora* would call back on another occasion, but also inviting the potential respondent to call a local number to set up an appropriate time (Appendix 2.e). In all cases, respondents were given a \$15 voucher for use at Wall-mart as a token of thanks for their time and participation in the study.

The *promotoras* preferred to interview in pairs, but as their confidence grew they became more willing to work solo, but even so we encouraged pairs to work the same street or section of the colonia in order to have a companion close by. The survey continued into June - considerably later than we would have wished since migrant workers usually begin to leave the region for the north and west by late April and early May. That being the case, although we had started with the Control Group, we switched across to the Study Group in order to maximize their coverage before too many people had left, and later moved back to complete interviews with the Control Group. In retrospect we are satisfied that the survey was conducted successfully, with no significant problems being encountered, other than the slippage in time. In total, 266 individuals (of a total of 436) or 61% of the total sample were interviewed in the study. Among those, 195 individuals (or 64% of the total of 303 pre-selected cases) of the Study Group were interviewed, while in the Control Group, 71 of a total of 133 individuals (or 53%) were interviewed. Open refusal rates were very low.

Photographic record. As part of the proposed future panel study we decided to collect a photographic record of every dwelling. Flavio de Souza was assisted by a local CRG officer to locate the lots and tie them to the interviewees. Two or three pictures of each property in which we had interviewed were taken tangentially from the corner front of each lot. Only on three occasions (in Mike's) did people object. Generally, though, permission was only requested where people were present, or if people in the street asked questions. Ideally it would have been best to take these photographs at the time of interview, (and wherever possible to include interior shots), but this simply was not feasible logistically, so the photographic record was compiled in subsequent months (May through December). Hard copies of these digital photos were attached to each original questionnaire, and were also cross-referenced with the electronic database that has been stored on a CD Rom. Although we have not had the opportunity to check the accuracy of the match between the photographic record and the actual questionnaires, we are confident that the large majority are correct. A CRG staff person who usually knew the family names and

addresses accompanied De Souza, and when in doubt, he called back to the office on his cell phone to cross check. We hope to use this information as part of a future ongoing panel survey that will track home improvements, house design and lot organization over time.

Coding and Analysis. The questionnaire was pre-coded, and a coding guide drawn up tied directly to the database created using the Statistical Package for the Social Science (SPSS) for Windows. A copy of the Coding Guide is available at Appendix 3. Complete questionnaires were sent to Austin in batches where they were checked for completeness and then coded for data input to the database under de Souza's direction. Later, two research assistants were also trained to input data in order to expedite the process, but the overall process took much longer than anticipated and occupied large amounts of de Souza's time between May and late July. Since the database comprised both closed and open-ended questions, the latter needed to be coded, further prolonging the time spent in coding.

It was not until August that the database had been fully inputted and the data checked and "cleaned". The latter involved recoding missing data, and removing obvious spurious data that were the result of input error. Only then could analysis begin in earnest. Ward and De Souza using SPSS Version 11.0 – an interactive software program that allows for formatted production of tables, graphs and statistics, undertook almost all of the analysis. These data were analyzed by discrete sections: patterns of lot acquisition and papers; understanding of title and ownership; house consolidation and improvements; socio-economic characteristics and trajectories of populations; attitudes to credit, etc. and annotated analyses the pertinent tables were discussed by the whole research group over 1 ½ days in late August. These meetings looked across detailed draft reports from the focus group analysis, the CRG program evaluation, and the land market analysis, and allowed us to prepare preliminary conclusions. The database and electronic coding guide are integrated within SPSS and are available upon request from the CRG. There is also an EXCEL version for those who do not have SPSS. In both case the database available to the public has names and addresses removed to maintain confidentiality. In addition, there is a list of variables that accompanies the database which should be used alongside the coding guide, and which indicates the names and nature of the newly created or transformed variables. Users should ensure that they request and receive both.

Thereafter draft reports were prepared on various sections and sent to Ward late in October 2002, for integration into a final draft report that was circulated and discussed by the whole group in early January 2003 and the final conclusions agreed. Final drafting and preparation of the Final Report were undertaken in February and March 2003.

ORGANIZATION OF THE REPORT

The Executive Summary offers an overview of the evaluation and presents the key findings and principal implications for replication in future land title programs and, where appropriate, orientation regarding any broader policy implications that arise.

The present introductory chapter is followed by a chapter that is designed to offer background material relating to colonias in Starr County generally, and specifically to the study settlements themselves. It is here that descriptive data are subsumed: first, about the colonias themselves, their location and principal characteristics; second about the socio-economic profiles of the residents themselves (their work and incomes); third, about how they came to their respective colonias, specifically their residential trajectories, both in the past as well as anticipated possible or wished for moves in the future. Finally we describe the specific profiles of their dwelling environment.

The following four chapters comprise the core of the evaluation. Chapter 3 documents the development of the land title program and the CRG's involvement from start to finish. It analyzes CRG's involvement and Receivership history once the decision was made to undertake land titling through declared bankruptcy, as well as other strategic decisions that were made, and sometimes revised, in the light of subsequent events. Different aspects of the land title problems are laid bare, and the chapter describes the stage-by-stage process of clearing land title. It also provides fascinating insights about what the focus group discussions tell us – in their own “voice” -- about the way in which the process was viewed by some of the beneficiaries. The evaluation also draws upon archival analysis and multiple interviews with key informants. It concludes with an evaluation of the nature and importance for undertaking new and innovative legal procedures in fixing land titles – what we refer to as “Receiver Law”, and proposes several modest reforms that would enable future efforts in Texas.

Chapter 4 is the first to examine the impacts of land titling; in this case we focus upon the way in which the land market functions. The goal is to identify how informal land acquisition in colonias shapes land prices, and the extent to which the market is operating effectively, or is impeded by its very informality. We examine land price changes over time, and use people's self assessments of the value of their lots and properties, together with evidence for population turnover (lot sales) to assess market functioning. The survey data confirm other recent research, suggesting that in Starr County the bottom line is that the market this is “stunted”, with very modest valorization evident as measured by land price increases. Moreover, we discover that

land prices appear to be shaped more by the imprimatur of the individual developer, rather than orthodox explanations derived from market-fixed prices (location, amenity, land site characteristics, etc.). Since those developers were taken out of play post-1995 state legislation, land prices appear to have fallen. Although it may well be too soon to tell, the act of land titling does not seem to make any observable difference to land prices, nor to the frequency of lot turnover and sales. In short, demand is limited, and titling makes little difference to improve the land market's performance. Use value-represents the principal gains for low-income colonia residents; and exchange values (through property sale) are difficult to leverage, since the market is so sluggish. This means that the poor may be expected to benefit less from investing in homesteading than do their better-off counterparts, and our fear is that this differential appears to exacerbate inequality, not reduce it.

Whether title makes a difference in the minds of the residents themselves is an important issue that is analyzed in Chapter 5. Here we use both focus groups and survey evidence to ascertain what land and property ownership, as well as the titling program "mean" to residents. Colonia residents have different conceptualizations of land title, anchored mostly in what lot ownership means for use and for familial security. Although in the past rights and understandings of property have been anchored in usufruct terms, we find that the land regularization and titling programs have led to the development of formal property rights based in fee-simple law. However, this fact notwithstanding, we also find evidence that there is some pressure to revert to usufruct-based rights in developing and selling their land in the future (in order to avoid transaction costs associated with formal land transfers, or because of inadequate financing mechanisms to facilitated property transfers). The effect is to create a new tier of informality out of the newly created cleaned title system provided for by CRG's intervention. The failure to assert the need to maintain clean titles appears to have been an unforeseen shortcoming in the CRG's otherwise highly successful program.

We find that few people have Wills and this, too, is likely to create title and deed confusion further down the line. Moreover, our data challenge recent assertions to the effect that legal title stimulates entry to the formal credit markets and encourages home improvements. The latter occur once people feel reasonably secure and with the passage of time, and does not require full legal title, which remains a windfall convenience for most, rather than a necessity. Only those who were extremely insecure in their claim to a lot are likely to be significantly encouraged to make improvements that they would not have made anyway. Thus, for most people, full legal title, of itself, does not make any appreciable difference in stimulating home improvements, nor does it

appear to help much in leveraging loans. Residents appear to be leery about entering formal credit markets using their land as collateral since they are acutely aware of their vulnerability from repossession should they fail to cover contracted debt. Even hypothetically, were residents willing to use their land for collateral, a significant minority said that they would only do so for education of their children.

Finally, in Chapter 6 we seek to offer an assessment of the CRG's performance overall, starting with the view from the beneficiaries themselves. While most people had heard of CRG – under some name or other – few were clear about its exact role, hardly surprising in the case of those who were not directly affected, but one might have expected greater consistency from those who were direct beneficiaries. CRG appears to have focused upon doing rather than in self-promotion or education of residents about the meaning of land titles, and the pitfalls of future informal or usufruct-based property exchanges. While we generally applaud that approach, by not taking care of getting more information into the public domain may ultimately impact negatively upon the sustainability of the cleansing of title that they achieved, as noted above. Of almost 200 people in the “Study Group” there appear to be only 4 people who had serious misgivings and felt dissatisfied with CRG's performance. The residents confirmed our independent overview that the CRG was competent, sensitive, and fair in its dealings seeking to ensure that no-one was left out, and that a high level of trust was created, especially in the local CRG staff, the lynchpin of whom was, herself, a colonia resident. Avoiding the envy, whining, and infighting that can so easily arise in these circumstances, was a major achievement of the local staff, and of the CRG.

Here and in earlier chapters we identify certain shortcomings in the program; namely the lack of education about titling and the low level of uptake of Wills tied to title -- in short to think more deeply about the future and about life in Starr County once the CRG withdraws. But, in fairness to the CRG, there was precious little in the literature to alert those who designed the program of the possible downstream title difficulties that might arise. As we mentioned at the beginning of this chapter, the CRG titling program was the first of its kind. The evaluation has allowed us to make suggestions about how it might be replicated in the future. If the playing field was bare and unmarked at the outset, now, at least, we have in place some clear sidelines and goal posts.

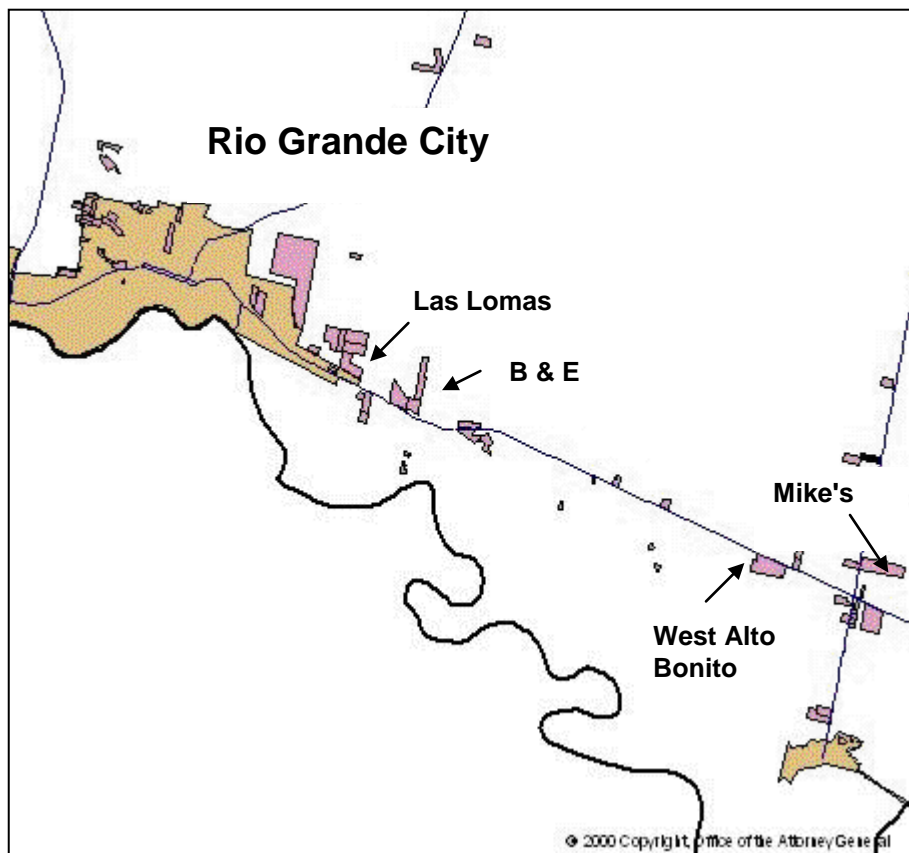
Chapter 7 provides a summary of the major findings and the implications for policy and for future initiatives of this kind. We also make the case for further research that will delve more deeply into several key areas that we believe will be important both theoretically and practically. Appendices to the Report contain copies of the survey instrument, coding guide, etc.

Chapter 2

Colonias in Starr County and the CRG Land Titling Project Settlements¹

Figure 2:1.

Location of Study Colonias in Relation to Rio Grande City



Overall, the Community Resource Group Land Titling project encompassed some 15 developed colonias, two additional undeveloped tracts and two foreclosed tracts of land. In total these subdivisions comprised over 2500 lots, and some 2000 households, some of whom were absentee owners traceable or untraceable, while a number of other families had purchased more than one lot. All of these subdivisions were created in the 1980s with lots relatively similar in size

¹ Chapter prepared by Peter Ward, with the assistance of Rebecca Lightsey.

and configuration; mostly 50 foot (frontage) x 100 foot (depth). Because they were small, it was not unusual to find that households bought two adjacent lots either for their own use or for future family expansion or other relatives' use. All of these colonias are in the southeastern part of Starr County, ranging from a couple of miles outside the city limits of Rio Grande City to approximately 15 miles out of town (see Figure 2:1).

While the CRG database comprises data collected as part of the regularization process in all 15 settlements, when it came to the questionnaire survey we resolved to focus only upon the 10 largest colonias. This was in order to facilitate meaningful disaggregated data analysis by colonia wherever this was desirable. In actual fact, ultimately we were able to analyze aggregate data for five colonias, since several contiguous subdivisions formed an area known as Las Lomas that, given its contiguous nature, period of formation, and common development challenges could, in effect, be treated as a single colonia. One exception in Las Lomas was Share 52 which often treat separately since it was rather different from the others, mostly in that it was unplatted and had required major intervention from the CRG.

Thus two criteria were adopted to select settlements: first overall colonia size, and second, whether or not any given settlement had been significantly affected by CRG intervention. Table 2:1 indicates the number of selection of households for each settlement, and indicates whether these households were included in what we identify throughout this report as the "Study Group", namely those households living in settlements that were known to have major titling issues; compared with those households who, for one reason or another were relatively problem free; these we classified as a "Control Group" (it will be noted that all of this group fall within the Las Flores cluster). Although the latter were also colonia residents who differed little in terms of their socio-economic status (see below), the circumstances of their land purchase was relatively unproblematic and did not require the CRG's attention and intervention.

Therefore, in order to assess how the manner of lot acquisition, title problems and insecurity, did or did not have a significant impact upon the way in which residents felt about ownership, or behaved in so far as home improvements, credit acquisition, inheritance patterns, etc., were concerned, we felt it was necessary to be able to compare their responses with those most affected by the CRG intervention. Naturally, the questionnaire that was applied to the Control Group was somewhat different to that of the Study Group, insofar as a sizeable portion of questions on the schedule relating to titling and post intervention impacts were excluded – see Appendix 2).

Table 2:1
Surveyed Settlements and Distribution of Household Interviews
Conducted, Indicating if These Form
Part of the “Control” or “Study” Group

COLONIAS in Study	Control Group	Study Group	Approx No. of Lots	No of households interviewed
Los Lomas (<i>7 contiguous subdivisions comprising one colonia</i>)				
Santa Cruz Industrial Park	√10		77	10
Santa Cruz Industrial Park Addition	√7		58	7
No. 1				
Santa Cruz No. 1	√19	√10	201	29
Santa Cruz No. 2	√25	√ 1	266	26
Northwest Industrial Park	√10	√12	161	22
AB 130 – <i>unplatted; partitioned through project</i>		√2	57	2
Share 52 - <i>unplatted; partitioned through project</i>		√22	370	22
West Alto Bonito		√27	477	27
Mike's		√89	291	89
B & E - <i>unplatted; partitioned through project</i>		√32	161	32
TOTAL	71	195		266

Note: Not included - El Socio; Elias López; La Puerta No. 2; Amada Acres; Chaparritos.

SETTLEMENT DESCRIPTIONS

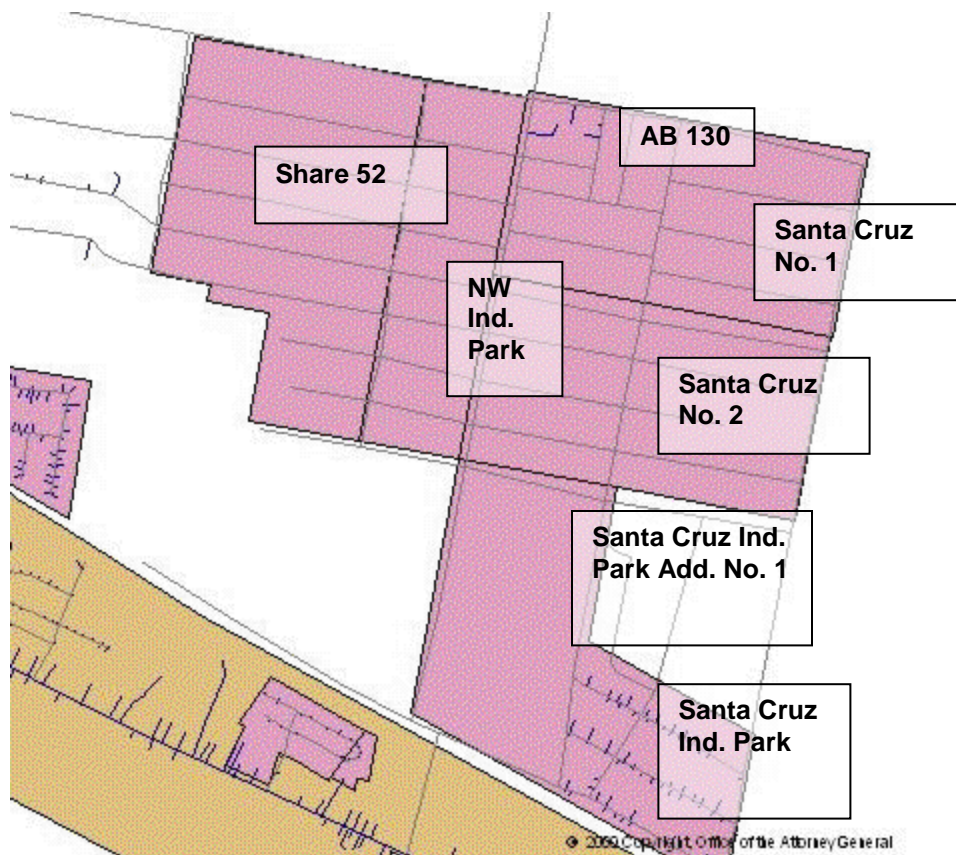
Las Lomas

Las Lomas is the oldest, most established colonia in the project – or more accurately stated cluster of separate colonias. At the time of its creation, it was a few miles outside Rio Grande City. Today, with city expansion it now falls within the extraterritorial jurisdiction (ETJ) of the city,² and there is discussion about a possible annexation of the municipality (Fig. 2:1). It was the first colonia of the project's colonias to receive water service; water was brought in from the mid-1990s

² A fringe zone beyond the city limits over which a city may exercise aegis – if it so chooses. The radius of the fringe varies according to the city's size, up to a maximum of five miles.

onwards. It is also the only area in the project with sewer service. The main street is paved; the paving was done by the colonia residents in 1999-2000 as a self-help project (Photo 2.1). Although drainage remains a problem, there are no arroyos or other clear water paths directly through these colonias. The few families whose homes had been seriously flooded have been relocated and are no longer in danger of the flooding.

Figure 2:2.
Las Lomas Colonia(s)



The developers began selling property in Las Lomas in the mid-1980s. Most of the families had paid off their lots and successfully demanded their deeds from the developers before the state's involvement. The area was platted, or proposed to be platted, as seven separate subdivisions (Figure 2:2). Five of these subdivisions had been properly platted (totaling approx.

750 lots; while the final two, Share 52 [370 lots] and AB 130 [57 lots]), and had to be partitioned ex-post as part of the regularization project. Because all but two of the subdivisions had been properly mapped-out through the plats, residents who had received a warranty deed from the developers in these colonias were least like to have titling problems – and these became part of the Control Group (Photo 2.2).

West Alto Bonito

Situated right off the main highway about 10 miles out of Rio Grande City, West Alto Bonito is the largest single subdivision in the study (almost 500 lots), and is perhaps the poorest. The entire colonia was platted out as a grid, without regard to a usually dry arroyo going straight down the middle of the colonia (Photo 2.3). The developer sold lots and a number of families built their homes in the dry arroyo. It was only when it rained that several families discovered the arroyo and their homes suffered severe flooding.

Today, the families in the flood plain have been relocated as part of the project. The lots in the arroyo have been deeded to the County, which is in the process of constructing a flood control project.

Photo 2.1



Photo 2.2



Figure 2:3
West Alto Bonito Colonia

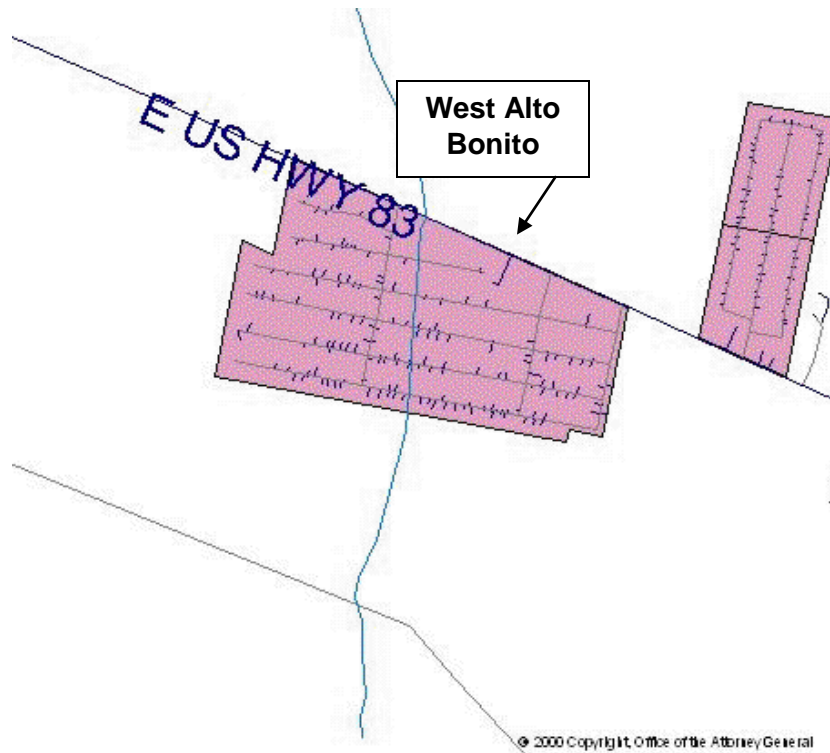


PHOTO 2.3



PHOTO 2.4



Colonia B & E

Colonia B & E (161 lots) is relatively new and is the poorest of all the settlements (see Table 2:2 below). Much of the land is very steep, and erosion and difficult-to-negotiate streets are significant problems. Tucked behind another colonia, La Puerta No. 2, it is relatively difficult to reach and a few of the roads platted on the plat map were ever actually constructed, making travel through the neighborhood circuitous.

Mike's

Mike's Subdivision is the newest subdivision, located furthest from Rio Grande City. Mike's was not platted until 1989 and most lots were unsold until the mid-1990s (Table 2.2). Most of the families living in Mike's are less established financially than in Las Lomas. There is also a significant population of migrant farm workers. Mike's has the largest number of vacant lots and poorest quality housing of the colonias in the project. In large part this is a direct result of its relative newness. Many families have only recently finished paying for their property. Now that they have finished lot payments, many of them are putting their resources into building or upgrading their homes (Photo 2.4).

The plat of Mike's was done in an odd manner. Of the nearly 300 lots, approximately half were platted as typical 50 x 100 foot lots. The other blocks were platted into 4 x ½ acre lots. Several of these large tracts had been de facto subdivided by the original purchasers into smaller lots, and resold to other colonia families.

SOCIO-ECONOMIC BACKGROUND DATA FOR THE SURVEY SETTLEMENTS

Given that women were more likely to be available for interview it is no surprise that some 68% of respondents were female (26% male and 5% were answered by couples).³ Importantly, the sex of the respondent did not lead to any significant differences between the basic dependent variable data that were collected, allowing us to be confident that whether the respondent was male or female might have led to bias in the responses.

³ The schedule was designed to be answered by either the male or female head of household.

Table 2:2.
Arrival Dates and Socio- Economic Data for Survey
Respondents in Starr County Settlements

Variable	Las Lomas	Mike's	B & E	Share 52	W. Alto Bonito	TOTAL
<i>Period in which people moved into colonia</i>						
- 1970-1989	63%	8%	47%	50%	19%	37% (97)
- 1990-1994	23%	52%	38%	41%	37%	37% (98)
- 1995-2002	14%	40%	16%	9%	44%	26% (68)
- (N)	(93)	(89)	(32)	(22)	(27)	(263)
<i>Household Income per Month</i>						
- \$200-\$600	23%	18%	16%	29%	30%	22% (53)
- \$601-\$1000	36%	43%	38%	29%	30%	38% (93)
- \$1001-\$1600	21%	24%	28%	24%	30%	24% (59)
- \$1601and above	21%	15%	19%	19%	9%	17% (42)
- (N)	(88)	(83)	(32)	(21)	(23)	(247)

Lot Occupancy and Household Size

Table 2:2 indicates that most households moved onto their lots in the 1980s and early 1990s with some notable variation between the settlements. Las Lomas settlements were populated earlier – hence they were more likely to have completed their payments and tied-off their titles; with Mikes and West Alto Bonito being more recently settled. It is important to note, however, that many people acquired their lots prior to actually moving to settle them, but in general the pattern of occupancy tracks the pattern of sales and the colonia's period of development.

We know from our data (and especially those provided by the CRG's database) that a significant proportion of households bought more than one lot, and there is little lot sharing in the Starr County colonias – only 13 cases reported housing more than a single household, and in these cases the total number living on the lot averaged 6.5 persons (with a range of between 2 - 11). The average household size overall is 4.25 persons which is somewhat larger than the 3.37 County average (Table 2:3). This single family-per-lot scenario is the norm throughout Texas colonias (Ward, 1999), and Texas law actively discourages shared-lot scenarios (except between close kin relatives).

Whereas in many counties the larger modal lot sizes might encourage lot sharing and internal sub-division, this is not the case in Starr County, where the relatively small lot sizes prevents this from becoming widespread.

Most are nuclear families, but extended families are also not unusual. Although we did not ask whether contiguous lots contain kin-related families, it seems likely that they often do, and the lack of a dividing fence between lots; or a side entrance or “gap” between lots is highly suggestive of close kin-related families living cheek by jowl with one another. Notably, just over four-fifths of households reported having relatives living in the same colonia – higher, even than that reported for similar surveys where the norm is around one-half (Ward, 2000: 52).

Ethnicity

Residents are almost exclusively Mexican origin, although our question eliciting ethnic status was imprecisely drawn, failing to ask whether a respondent was actually born in Mexico. Thus, the ethnic self-identification question resulted in 15% declaring themselves to be Hispanic, and 85% Mexican, although this almost certainly underestimates the proportion of Mexican-Americans -- whether by birth or citizenship. (Other studies report that for similar age cohort respondents approximately 70% are Mexican born, and we have no reason to think that the proportion in RGC is much different, Ward et al, 2000: 96). As time goes on, however, and more children grow up and inherit or acquire lots of their own, so the proportion of Mexican born will attenuate, and the proportion of Mexican-Americans will increase concomitantly.

For obvious reasons questions were not asked about citizenship or residential status. But despite the stereotype, colonias are not havens for illegal workers, and given the years they have lived in the US and their relative visibility in colonia developments, only a small proportion of owners are likely to be undocumented. However, some of their kin may be, especially those who have arrived recently and are living *arrimados* (close-up) with close kinsmen. Generally we would attest that undocumented workers are likely to seek work and safer haven residence in larger cities, where they are less exposed to peer observation and INS surveillance.

Table 2:3
Socio-Economic Variables, Texas, Starr County, RGC and Survey
Colonias, Compared

Variable	Texas	Travis County	Starr County	Rio Grande City	Las Lomas CDP	Survey Data*
Average Household Size (persons)	2.74	2.47	3.69	3.47	4.27	4.25
Geographic mobility last 5 years – same residence	50%	37.6%	72%	71%	70%	--
With a mortgage	64%	77%	16%	24%	16%	--
Educational Attainment						
- Less than High School diploma	24%	15%	65%	54%	89%	--
Employment						
- Agricultural, fish and mining	3%	0.5%	12%	7%	24%	10.4% (15.2)*
- Construction	8%	8%	11%	8%	16%	19% (25.5)
- Manufacturing	12%	13%	3%	1%	8%	6.3% (8.5)
- Retail trades	12%	11%	12%	14%	15%	9.1% (12.1)
- Transportation & warehousing	6%	3%	4%	3%	--	3.3% (4.2)
- Education, health, soc services	19%	17%	34%	41%	10%	2.7% (3.6)
- Leisure/hospitality	7%	8%	6%	5%	10%	0.9% (1.2)
- Other services	5%	5%	5%	4%	7%	11.8% (15.8)
- House wife/husband	Nd	Nd	Nd	Nd	Nd	10.4% (14)
- Unspecified or unable to define	Nd	Nd	Nd	Nd	Nd	25.3%
Poverty Rates – all families	12%	8%	47%	40%	73%	Nd
Income Levels (includes benefits)						
- Median household income	\$39,929	\$46,761	\$16,504	\$19,834	\$10,927	Nd
- Mean household income	\$53,870	\$61,104	\$26,190	\$32,600	\$15,177	Nd
% Households earning:						Survey Categories
- < \$10,000	10.4%	8.3%	30.3%	25%	44.1%	22% <\$7,2K
- \$10,000 - \$14,999	6.6%	4.9%	15.4%	14%	20.7%	38% 7.2-12K
- \$15,000 - \$24,999	13.76%	11.2%	21.3%	18.6%	17.7%	24% 12-19.2K

Source: 2001 US Census, Supplementary Survey, Population and Housing Profiles
Survey Data. * = % with the unspecified removed.

Education

In Starr County education levels are very low – only 18% go beyond a High School diploma (Table 2:3), compared with 51% statewide. In the study colonias it is even worse, with hardly anyone going beyond High School at best, this in large part being tied to ethnicity and the poor quality of education that many household heads would have received in Mexico itself, where a relatively small proportion get through or beyond primary. Around one-half (less for women) have primary education or less, and very few go beyond secondary. Men are better educated than women by about 10 percentage points, and this difference is maintained even when one looks at “surrogate” reporting (women respondents about their male spouses, and males about their wives). The improving quality of education is likely to be an important component of development in the future as children take greater advantage of the relatively well endowed ISD and educational opportunities in Texas, including the special programs to minimize the disruption suffered by migrant workers’ children who invariably face a later than usual start to their school year as they return to the county 1-2 months after the regular start. But even these improvements will bring them up to the low levels relative low levels compared to the state average.

Incomes and Work

The border region suffers higher than average levels of unemployment and significantly lower wages than the rest of Texas or the national average (Ward, 1999). However, while, open unemployment rates are high – 23% at the time of the survey reporting that no-one in the household was economically active -- these areas are not bastions of welfare dependency, but are, instead, the working poor. If just under one-quarter declared that had no work, 50% had one worker, and a further one-quarter had two workers. Significantly, almost 40% some declared that one of the family’s work took them out-of-town for more than three months in the year, and while this was intended as a surrogate question for migrant agricultural workers, it became apparent that this was far from being the whole story. Some were also truckers or construction workers whose jobs took them on the road.

Comparing the types of work with that of the US Census categories was not easy, in large part because of the sizeable “other” category (unclassifiable given the sometimes unclear responses of interviewers [*“labor”* for example while probably agricultural, could also be a host of other jobs]). Thus in Table 2:3 the parenthetical data for the study colonias is with the “other” category removed. As anticipated, compared with the Texas average, agricultural jobs are much

higher in the county at large, and our settlement survey data suggest a broadly similar proportion (11-15%),⁴ but the point that we wish to suggest here is that these are not exclusively or even predominantly agricultural migrant worker communities. As we anticipated, and we have found for other surveys, while migrant workers are an important minority in colonias, most workers are in the low paid “blue-collar” service sector -- construction workers (especially), janitorial, custodial, cleaning etc., Compared with the county average very few appear to be in “white-collar” low paid services (e.g. education, secretarial, social services, etc.). This is consistent with the low education levels that we observed. Services are high in Rio Grande City (Table 2.3).

Not unexpectedly, men are more likely to be engaged in paid work than women (59% cf. 41%, of whom 46% and 28% respectively consider themselves full-timers).⁵ Around one quarter of the families (26%) are receiving Social Security benefits which is almost identical to the County average (29%), and in those cases that are, 57% were the respondent (and these were mostly female it should be remembered) and 26% the spouse, with 9% being a child. A significant number of households – almost one-fifth – report having a disabled person in the household – again around the County average, most usually (75%) the respondent or her/his spouse. The remaining cases are likely to be elderly parents. Disability rises dramatically with age, of course, and it appears that colonias may be an important housing option that provides refuge to disabled (elderly – 60 years and over) populations. The relatively low cost, ample lot space, single-story dwellings, low mobility needs and relative privacy may make colonia living a suitable residential environment for aged parents and disabled persons who rely exclusively on social security incomes and cannot afford formal residential care or high rents. Many will live with married sons or daughters of course. Further research work is required on this aspect of household structures and residential needs.

What all this adds up to are; a) dramatically low absolute earnings; and b) fluctuating or unpredictable incomes. That colonias exist at all in Texas is a response to the desire for homeownerships among very low-income workers, who would be additionally vulnerable were they to also face major ongoing rental obligations in apartment dwellings. Moreover, of course, their low and ephemeral income status makes them ineligible for formal housing acquired through the

⁴ Note, however, that the census data for Las Lomas suggested a higher level of agricultural workers – around 25%.

⁵ On this item women respondent did significant over-report the extent to which their husbands were engaged in full time work -- 60% of cases cf. 46% of male respondents self-reporting.

regular banking and mortgage systems, or even through low-income housing associations or institutions such as Fanny Mae, etc. (Ward and Koerner, 2003)

Tables 2:2 and 2.3 display the categories of total household income for the surveyed settlements compared with county and state-wide averages, although unfortunately our survey data are not exactly comparable. Over 47% of the Starr County population is deemed to be living below the poverty level (cf. 12% statewide), and the median and mean average household wage levels are very low compared with the state (median \$16,504 compared with \$39,929, and mean is \$26K compared with almost \$54K – Table 2.3). The county average social security income is just \$6,800. The study populations fall firmly into these very low-income categories. Although accurate income data and estimations are hard to come by, the data we gathered are not out of line with other similar surveys, and confirm just how poor Starr County and Rio Grande City populations are. Only 24% take in more than \$1000 a month compared with 54% of the population in other Texas colonias that used an almost identical methodology (Ward et al, 2000: 98). Even allowing for some significant underestimation, these data reflect the very low-income profile of most colonia households, and are in the ballpark of the County averages. The lowest category (\$200-\$600 per month), while significant especially in two of the survey settlements (Share 52 and Loma Bonito), probably reflects either elderly households who depend upon pensions or social security for sustenance. But even setting that category apart as “non-working”, a further 60% households reported gathering less than \$1600 per month (or below \$20,000 per year). There is little difference between the Study population and the Control group when it comes to incomes, suggesting that they are one-and-same population when it comes to socio-economic profiles. Sixty-eight per cent of those receiving social security come in the less than \$1000 income category. Given their low incomes they are invariably shut out of the formal finance market. As Table 2.3 shows, only 16% of households have a mortgage on their home – compared with almost two thirds of Texas households. Even neighboring Hidalgo County has 41% of households with mortgages. Most residents in colonias, of course, acquire their homes informally, and do not have access to mortgages.

HOUSING CONDITIONS IN THE SETTLEMENTS

An accurate assessment of the housing conditions in colonias is one of the most difficult aspects of any survey, and we were less successful than we would have wished. Recognizing that interviewers would probably not be able to provide a systematic and consistent assessment of housing conditions we aimed to collect “hard” data – on the number of rooms, presence or

absence of a separate toilet facility, etc. In training interviews we also took pains help them identify the type of dwelling structure, and although most could differentiate between a camper and a trailer (Photos 2.5-2.7), few were confident enough to differentiate between different forms of manufactured housing – namely trailer-type homes and modest manufactured homes -- or of identifying buildings that were self-built or site assembled (Photos 2.8-2.10). Thus the category “consolidated built house” became something of a catch-all for these types of dwelling structure. And, as we mentioned in the methodology in Chapter 1, manufactured homes may have a similar external appearance but can hide a great variety of internal levels of completion.

PHOTO 2.5



PHOTO 2.6



PHOTO 2.7



PHOTO 2.8



PHOTO 2.9



PHOTO 2.10



In addition we asked interviewers to draw a rough sketch map of the lot layout – the position of different types of dwelling structure. These data were not coded, but did allow us to be fairly sure of the category of “combination of building structures”. Together with the photos of each lot taken later and linked to the questionnaire, we hope that in the future we will be able to return to a purpose-designed panel study of dwelling improvements over time (see Chapter 1, section on Methodology).

As Table 2:4 displays, the largest single category of dwelling was “consolidated built homes” and that the Control Group is more consolidated than the more recently settled and (until CRG intervened) often un-regularized Study Group. More easily identifiable and unequivocal indicators of poor dwelling structures are the “shack”, “camper” and even trailer categories, which total more than one-quarter of lots in the Study group, (although they may appear in the “combinations” in the Control Group). Other analyses of housing development trajectories have suggested that while self-help is much less significant than in Mexico (at least in home building), one does see a trajectory, as incipient footholds transition into more permanent structures. Often, therefore, a lot will have a mixture of dwelling types, in which the “consolidated” part is the latest, and the original camper or trailer is retained for additional bedrooms for growing kids, or as a “den” or dwelling for a kinsman (Ward 1999; Ward et al 2000).

Table 2.4
Dwelling Structures in the Study Colonias

Variable	Control Group	Study Group	Total
<i>Camper</i>	4% (3)	9% (17)	8% (20)
<i>Shack</i>	-	1% (2)	1% (2)
<i>Trailer</i>	2% (1)	17% (31)	13% (32)
<i>Manufactured house</i>	4% (3)	5% (10)	5% (13)
<i>Consolidated built house</i>	56% (38)	47% (87)	49% (125)
<i>Combinations of structures</i>	30% (20)	19% (33)	21% (53)
<i>Vacant lot</i>	4% (3)	2% (4)	3% (7)

Table 2.5
Breakdown of Dwelling Structures where Combinations

Variable	Control Group 100% (20)		Study Group 100% (33)	
	Transitional	Permanent	Transitional	Permanent
<i>Camper/Shack/ Consolidated house</i>	5% (1)		25% (4)	
<i>Trailer/Shack/ Manufactured/Storage</i>	45% (9)		75% (12)	
<i>Manufactured/ Consolidated/Trailer</i>		50% (10)		52% (17)
Total	50% (10)	50% (10)	48% (16)	52% (17)

Table 2.6
Dwelling Densities and Rooms

Variable	Control Group Trimmed Mean	Study Group Trimmed Mean
<i>Number of people per household</i>	3.91	4.28
<i>Density (bedroom)</i>	1.35	1.71
<i>Number of bedrooms</i>	2.96	2.69
<i>Number of bathrooms</i>	1.23	1.19
<i>Number of separate wc rooms</i>	0.18	0.01

SPATIAL MOBILITY OF SETTLEMENT POPULATIONS

Previous Place of Residence and Tenure

Table 2:2 showed that almost 40% are long-term colonia residents, having arrived before 1989; indeed, on another variable no less than 55% declared that they had arrived more than 10 years ago. Just over one-quarter are relatively recent arrivals (post 1995 – see Table 2:2). Looking

across our dependent variables of different colonias for the Control and Study Groups we see that a far greater proportion of the control group population are longer term (more than 10 years) residents than are the study populations (72% versus 49%), suggesting that the control population are more settled and have a longer history of living in the colonias (and in Las Lomas mostly). Statistically this difference is highly significant. This is further accentuated when we look at individual colonias, and is consistent with our other findings. Mikes and W. Alto Bonito display more recently arrived populations with over 60% being less than 10 years (Table 2:2) – again statistically significant.

Where are they coming from? Typically, most are local – over half coming from a previous location within Starr County itself, and most of these from nearby colonias or from Rio Grande City itself. After that, 13% professed to have come directly from Mexico, and 12% from adjacent counties (also relatively close in the case of Starr), after which other states fuelled 11% of the flow. The move from the interior of Texas towards the border (or back to Starr) is relatively minor.

Previous tenure displays the classic scenario that many came from rental accommodation (46%), with one quarter being owners (although experience tends to suggest that some of these were actually living at home with their folks who were the owners). Those stated that they were living previously with kin or with parents is about 16% of the total. A higher proportion within the control group had been classic renters (60% versus 43%), with a far higher proportion of the study population coming from “mixed” previous tenures of kin or parents (18% versus 5%). These data suggest that more recent entrants to the survey colonias are coming from less “classic” tenure trajectories – consistent with the growing difficulties of migration and access to the low-cost housing markets that are often cited in the research literature. This mixed tenure background comes through in our colonia analysis. Share 52 and Mike’s both show higher proportions living previously with kinsmen, as does W. Alto Bonito if one takes account of “others” (friends, job related residence etc.)

Mobility and Housing Improvements.

The type of housing in which they were living almost certainly over accentuates the rather nondescript category of a “house” (66%). The data cannot be sufficiently disaggregated by colonia to draw meaningful conclusions about previous type of residence. Although we were unable to assess people’s mobilities between different types of housing, we were able to analyze whether people have more space today than before (at least in terms of the number of bedrooms). For 95 cases where we have data about the number of bedrooms in the previous place of

residence the average came out at 2.24 (trimmed mean), and median of 2. This is higher for the Control Group (2.44 bedrooms) than for the Study Group (2.23). When we computed the difference between the previous number of bedrooms and those in the current house we find that most have improved their position or at least stayed the same: 24% deteriorated by on average 1-2 rooms; 35% remain more or less the same; and 40% have improved.

Differences between the control and study dwellings in terms of the bedrooms today are only slight (2.77 versus 2.7), but differences do emerge among the colonias – Mikes and W. Alto Bonito being much lower (2.51 and 2.29) compared with the others, which are just over 3 in B&E and Share 52, and 2.8 in Las Lomas. There is a consistent increase in the number of bedrooms as the relative level of poverty decreases: from 2.4 among the <\$600 category to 2.97 bedrooms in the >\$1600 group.

Outward Mobility: Community Leavers

Starr and Zapata Counties show relatively low residential mobility compared with the State-wide average: in the Lower Valley people migrate to work, rather than moving their home to that new work location. Ninety-four percent of families in Starr and Zapata Counties lived in the same residence as a year previously, compared with 83% statewide. Nor do we have reason to believe that people are moving out of colonias to any extent. Only a small number declared that people had moved out of an adjacent lot (25 total), and few (less than 20%) felt that anything more than a small number of lots were being sold suggesting that there is little lot turnover – points to which we will return in Chapter 4. Only 20 respondents said that they have actively considered moving in the past two years and gave reasons for wanting to leave: mostly because they want to live in a more attractive neighborhood. Twenty percent (only 4 cases) said they were fed up with the lack of services. Little can be inferred from this, however, except perhaps that few people are looking (or able) to leave, and those that wish to leave want to live in prettier neighborhood. It reinforces, though, the sluggishness of the market and low effective demand. Seventeen respondents suggested how their (hypothetical) prospective house would differ from their current one cited that it would comprise a different tenure (4), more services, or be in a better neighborhood (5 each). Fifteen of the 20 said they could not afford to move. However, the vast majority (246 or 93%) felt that now they had title they were more mobile, and that it would be easier for them to move if they wished.

ACCESS TO CREDIT, USES OF CREDIT AND INCOME ⁶

The Paradox of High Credit Needs, Yet Poor Financial Services -- Formal or Informal

In Starr County, colonia residents theoretically have access to many forms of credit. However, most of the types of credit are either unavailable to colonia residents because the residents do not meet the credit qualifications or, the options available to them turn out to be very expensive. Most residents are not good credit risks in that they have “irregular” or “non-traditional” income streams, little in the way to offer as collateral and less than perfect credit histories. As we observed in Table 2.3, less than one-quarter of households in Rio Grande City hold mortgages, and 16% in the county as a whole. Some 16% in Las Lomas CDP had mortgages, and we strongly suspect that most of these are probably payment plans offered by vendors of manufactured homes – trailers and portable homes placed on site.

From the perspective of potential lenders, Starr County is a difficult place to make a profit year round. The local economy suffers when the migrant laborers leave in the summer months. The economy has brief surges when children go back to school in August and when income tax returns are received in March and April. From the lenders’ perspective, the majority of their potentially steady colonia clients are the elderly and disabled who receive fixed incomes, but their incomes are meager and therefore their capacity to take on credit is limited.

Credit Options In Rio Grande City credit options for colonia residents run the range of options from banks to cell phone companies. They include four local banks, eleven finance companies, pawn shops, furniture stores, auto dealers and friends and family members. Residents also can get credit at construction material supply stores, department stores through their charge cards, clothes catalogues, gas stations and credit cards. Services such as cable television, basic utilities and cellular phones also extend credit to colonia residents.

Banks offer consumer loans, home improvement loans and automobile loans. At the banks consumer loans range from 10 to 17.75 % interest, home improvement loans from 8 to 13% plus fees, new car loans are 8 to 9.5% and used car loans are from 12.5 to 16.5%. Relatively few colonia residents qualify for these loans. Most lack one or more of the basic requirements for a bank loan: a sufficient income, a steady employment history or a decent credit record.

⁶ Section on Credit prepared by CRG staff-person Peg McCoy.

The limited number of banks qualifying colonia residents means that those who need funds for home improvements often end up taking out consumer loans, rather than lower cost home improvement loans, because of the additional barriers they face in qualifying for home improvement loans. They often do not have a form of title that the bank will accept in order to place a lien on the property. For instance, if they own their home through a Contract for Deed, they do not qualify. Also, they may not qualify because the bank requires that they complete the home improvement within a designated period of time. As we saw above, colonia residents normally build their homes incrementally and can take 10 years to complete a home. In a traditional lending environment, this is perceived as a highly risky proposition.

Finance Shops. With the lack of access to traditional bank financing, it is not surprising that finance shops are very popular in Starr County. Using 2000 population data provided by Starr County Industrial Foundation, there is one bank for every 5,625 residents of Starr County there is one finance shop for every 2,045 residents. The reasons people use finance shops include faster approval time, quicker access to cash and less restrictive criteria to meet than at the bank.

The finance shops, however, are expensive. Colonia residents can borrow between \$30 and \$500 from a finance shop. For example, the annualized interest rate at Covington Credit in Rio Grande City on a two-month loan is 175% and that does not include the application fee. In general, annualized interest rates on longer-term loans, from 6 months to one-year, fall between 50% and 85%. The annualized interest rates on shorter-term loans range between 60% and 240% for a one-month loan. The finance companies express the terms of the loans to their clients in the total amount received, the number of payment and the amount of the payment. For example: \$300 loan, \$54 a month for 8 months. They do not state the annualized interest rate.

Pawn Shops have even fewer requirements than finance companies but their finance charge is also more expensive. The finance charge on a pawned item at EZ Pawn in Rio Grande City is a hefty 240%.

Stores and Retail Financing. Most of the sales at the two major furniture stores in Starr County are installment sales. Besides furniture they also sell appliances and, naturally enough, their most popular item during the summer months are air-conditioners. Their finance charges vary and can be expensive – up to 21% per month.

In Rio Grande City there are several used car lots and a new Ford dealership. Ownership of a vehicle is essential for colonia residents as public transportation is scarce and walking is not an option, as the distances into town and surrounding areas for work and shopping are far from

the colonias. Most colonia residents are not in the market for a new vehicle and as a result there are several used auto dealerships. The used car lots require a large down payment and some, such as Gonzales Auto, does little financing at all – it is straight cash or outright purchases (*al contado*). Others, like Mendoza Auto, require 40% down payment. Mendoza only checks for employment and possession of a valid driver's license and does not look at credit history. Therefore, many residents purchase vehicles outright or make a substantial down payment. Used car sales are up when residents have influxes of income, when they return from migrant labor and during tax return season, so that they can make the down payments and finance as little as possible.

Therefore, poor credit history is not a barrier to vehicle ownership but it is a determining factor for most used car dealers, the Ford dealership and the banks. Poor credit means larger down payment and higher interest rates. The dealership offers rates between 8 and 25% for used cars depending on credit history. For colonia residents who qualify for bank loans, the rates are better, 8% to 18%, depending on the vehicle and credit history. The used car lots report repossession rates of 10 to 20% of vehicles.

The Problem of Debt and CRG Home Improvement Loans

The Community Resource Group has been operating a home improvement loan program for over two years now. Through this program they have examined over 450 credit reports. Underwriting criteria are very flexible and CRG takes into consideration complications that make it difficult for colonia residents to access credit at other financial institutions. For example, they do not hold medical debts against applicants, as often there are extenuating circumstances, which preclude repaying the medical debts. Even so, nearly 40% of the applicants do not qualify for the loan. Almost all of those that do not qualify for the loan are disqualified due to poor credit history or because they have taken on too much debt in comparison to their income. The only other reason an applicant will not qualify is because they just do not have enough income to qualify.

Residents have as many ways of getting into problems with credit, as there are sources of credit. Often people simply do not understand what they are agreeing to when they sign a contract. In particular, colonia residents often get into trouble with credit cards and cellular phones because they do not fully understand the terms of the contract. For instance, CRG frequently sees loan applicants who have stopped paying their credit card balances. When asked why they stopped paying a frequent response is that they do not see their balance go down on

their statement even though they continue to mail in the minimum monthly payment each month. They get frustrated and stop paying.

Cell phones seem to trap many clients, particularly in the first month. New users use the phone without concern for how many minutes they are consuming or where they are calling (international/interstate). When the bill comes it is several times more than they anticipated. At that point, they cannot afford to pay the bill and/or they feel that company has taken advantage of them. They simply do not pay.

Clients also sign up for satellite TV and cable TV but are not aware of the fact that there are fees and provisions of the contract that make it more expensive than they anticipated on a monthly basis. They do not want to pay the fees to stop the service, so again they simply stop paying.

Several clients have also had trouble with other types of contracts, including contracts on mobile homes. They say that the companies do not honor their warranties and therefore they end up returning the mobile home when needed repairs are not completed. They lose their equity in the house and their credit is scarred. Several clients also reported having trouble with home security systems that have been sold to them because they did not understand the terms of the agreement. The same thing happens when clients purchase an item at a department store such as an appliance or TV and they are not satisfied with the item but are not sure how to deal with the company so they just stop paying for the goods.

Finance shops loans also cause problems for many CRG applicants. Many families have a history of repetitive use of one or a multiple of finance shops. They fall into a cycle where they take out a loan at one shop to pay back another or their loans are flipped (renewed) and they become dependant on the extra funds from the finance shop.

A few of the CRG loan clients have no experience with credit. Others get behind on their payments with many creditors and decided to declare bankruptcy. The bankruptcy alleviates the immediate problem but leaves them with a poor financial future.

The Need for Financial Services Education.

Education would greatly improve colonia residents' ability to access appropriate credit and stretch their incomes further. However, access to financial literacy programs for colonia residents is limited. Of all the lenders in Rio Grande City, none offer financial literacy programs. Without financial education clients fall into bad habits such as using finance shops instead of banks, using the more expensive loan product within a bank and under-reporting income. Many residents earn

income from side businesses, such as childcare, auto repair, food preparation and vending, yet they do not report these on their income taxes. As a result of under-reporting their income tax, they often do not have proof of sufficient income to qualify for loans.

In addition to a lack of any financial literacy programs, there is also a lack of information on loan products at many of the lenders that colonia residents' use. Andrea Tirres, a graduate intern at the CRG, compiled a report where she asked colonia residents about their access credit. She discovered that of the seven finance shops she visited there were no visible pamphlets, posters, etc., describing the loan terms, loan amounts and or interest rates being charged. Many of the employees with whom she spoke could not offer the interest rates their company was charging offhand. Thus, even residents who wanted more financial information would have difficulty obtaining it. In addition, people who use finance shops often state that they use finance shops because they are intimidated by banks and believe that they would not qualify even though they might. Therefore, just by improving access to information and financial education would greatly enhance colonia residents' ability to make sound financial decisions for their families.

CONCLUSIONS

This chapter had provided detailed descriptive material relating to the survey settlements, the socio-economic profiles of their populations, housing conditions, credit access and migration and socio-economic trajectories. Starr County colonias are among the poorest in Texas – perhaps even the poorest. Moreover, Rio Grande City offers relatively limited opportunities for socio-economic mobility, and for those fortunate to have a job, this is likely to be a minimum waged employment in services. Education levels of most household heads are abysmally low, largely a reflection of the poor education that they were able to receive in their native Mexico. Although many of the second generation children will receive a better education now that they are being raised in the US, it will take a long time to “ratchet-up” the overall education standards in the county. And even so, there is little in the way of opportunities to keep them in the border. Little wonder that many would like to leave, if they could find a buyer to their lot and home. Little wonder, too, that this population has come to be housed in colonias, since the informal market represents the only possible means for them to acquire housing.

This is a low waged and poor economy in which many would argue that these working poor are being exploited. They have also been exploited by unscrupulous land developers who sold them lots without services, taking advantage of their inability to acquire housing in the formal market, and their willingness to undergo the social costs of raising their families in the hope of

creating a *patrimonio* for their children. One part of this report will examine the prospects for effectively creating wealth – modest though it may be – through the land and housing market. The other will examine the difference that land titling makes to improving the housing chances and market functioning of colonias in Starr County, as well as offering an evaluation of the role that CRG played in implementing the program.

Chapter 3

Land Title Regularization: The Challenge and Effectiveness of the Starr County Receivership Project¹

INTRODUCTION

This chapter provides an independent evaluation of the regularization experience developed by the Community Resource Group (CRG) for the benefit of several Starr County colonias just outside Rio Grande City, Texas. In Texas, unlike in Mexico, there has been little need to date for ex-post regularization of “clouded” land titles. This may be due to the relatively more lawful process of land development for colonia formation in Texas as compared to Mexico. If so, the widespread existence of major titling problems in the Starr County case is unique and the CRG program is not likely to be replicated in the future. In that case, the sole purpose of the following evaluation is to ascertain the effectiveness of CRG’s performance as it undertook the land titling process on behalf of the State. This external audit on behalf of those who underwrote the costs of the program is one goal of this chapter.

But in fact we do anticipate that there will be many cases in the future requiring legalization of unclear land titles in colonias. The sources of illegality we uncovered in the Starr County case are multiple and complexly interrelated, rather like the foliated nature of an onion. The conditions for that illegality are in no way unique to the colonias of Starr County. We suspect that as researchers and lawyers begin to examine colonias elsewhere, the need for interventions on either a community or individual basis to regularize land title will become evident. Thus the Starr County case study detailed below may have much wider applicability than hitherto imagined, even if only certain parts of it prove replicable or appropriate elsewhere. For that reason, this chapter also carefully analyzes the CRG process, both legal and organizational, for clearing land titles and delivering clean title.

This evaluation of the CRG titling project is based upon a number of data sources, and would not have been possible without the active and fulsome support of the CRG staff who

¹ Principal author of this chapter is Jane Larson. The fieldwork was conducted as part of her ongoing research and pro bono work with colonias in Starr County in 1999-2002, and latterly draws upon her participation in the evaluation group created to review the CRG/Starr County land titling experience, embodied in the current report.

cooperated throughout. That said, it should be emphasized that this evaluation (like those of the following chapters) has been conducted at “arms length” from the CRG and independent of it. Commentary and feedback on the following material were solicited and welcomed, but ultimately this evaluation is the responsibility of the evaluating team in general, and the principal author in particular.

In writing this evaluation, the principal author extensively reviewed all pertinent legal documents and newspaper archives; and conducted multiple interviews (in person and by correspondence) with Rebecca Lightsey, the current Receiver, as well as with former and current staff in CRG’s Rio Grande City Office, in particular Amada (Aidé) Villarreal and Marta Bazán. CRG’s attorneys were also interviewed (the law firm of Bickerstaff, Heath, of Austin, Texas); and that law firm’s client files were also reviewed (with CRG’s permission).²

In order to investigate thoroughly the scope and nature of legal defects to title of the land forfeited to CRG under the court-ordered receivership, and to the land conveyed out to buyers by the developers of these colonias, the author also read a total of 250 individual files of title claims made for the land. Of these 250, 150 represented a random sample. The remaining 100 files were claims that presented particularly difficult problems for CRG to resolve. From these files, and interviews with CRG staff, the author was able to piece together a picture of the conveyancing and business practices of the land development business.

We were also interested in the community’s perceptions of the title settlement process, and the author participated in, and analyzed, the data from five focus groups with about 60 colonia residents. These focus groups were designed to address issues relating to resident understandings and perceptions of land title and the regularization process. Where appropriate and helpful, the “voice” of the residents is included within the narrative in order to complement the legal process analysis and evaluation – the primary purpose of this chapter. We will return to the resident perceptions of the CRG’s overall performance later in this Report.

TEXAS GETS SERIOUS: TAKING STARR COUNTY COLONIAS TO COURT

As we observed in the opening chapter, Texas public policy towards colonias was dominated until the mid-1990s by the view that these substandard settlements existed because of greedy developers and corrupt local politicians. In particular, Dan Morales -- Texas Attorney General

² Full details of these sources and case law cited are contained at the end of the Chapter and are documented throughout the text as footnotes.

(hereafter A.G.) during these years -- took a highly visible position on the colonias issue. By his diagnosis, aggressive enforcement of consumer, environmental, and public health laws against developers could solve colonia problems. A.G. Morales' goal was to find a source of money (private and not public) to pay for the infrastructure and services these communities lacked. His tools were civil enforcement actions backed by fines and forfeitures.

Morales created the Colonias Strike Force in the Attorney General's office, which brought the weight of the state's law enforcement resources down upon the heads of two kinds of targets: politically-connected developers, and county governments perceived as lax or corrupt in regulating land use. The case against two infamous Starr County developers, Mr. Blas Chapa and Mr. Elías López, combined both elements. Although the Strike Force would litigate dozens of such high-profile cases, the shortcomings of a law enforcement strategy quickly became apparent. The colonias problem is at root structural, caused by the lack of affordable housing and living wages (Ward, 1999). But in its heyday, the Chapa/López case was the perfect vehicle for Morales' "get-the bad-guys" approach because Blas Chapa was both a corrupt developer and had been an elected county official.

As concern about colonia development began to grow in the late 1980s, state efforts to control the previously local political process of subdivision development also began to intensify. In accordance with new state-mandated rules, the Starr County Commissioners' Court approved model subdivision rules in June 1988 that required water service, paved streets, sewer service, and minimum lot sizes as a precondition for any new subdivision (Commissioner's Minutes 1988). For the next three years, however, all thirty-one new subdivisions approved by the Commissioner's Court violated these rules (Austin American-Statesman 1994: B2, hereinafter AA-S). As outlined in the previous chapter, in 1990, Texas began the Economically Distressed Areas Program (EDAP), to provide financial assistance to bring water and wastewater services to colonias. Moreover, beginning in 1993, state law required counties to adopt much tougher water and sewer standards in order to remain eligible for state aid under the program. Starr County adopted these standards (Commissioner's Minutes 1994), but did not consistently enforce them either (AA-S, 1994: B2).

In 1994, Starr County Attorney Romero Molina publicly acknowledged that, despite the increased state and county regulations, he had knowingly allowed illegal subdivision to proliferate. "I took an oath to uphold those laws, and it is obvious at this point these laws are not being enforced -- and I have to share some of the responsibility," Molina said. The subdivision rules were "just paper, more than anything else." But, Molina argued, he was in a difficult position

because enforcing the rules would have meant suing some of the county's most powerful people. "You can draw your own conclusion of the political situation and how that would influence action or inaction," Molina said (*ibid.*). Blas Chapa had been Starr County Judge,³ and only one among many public officials in the county actively developing illegal and substandard subdivisions during these years. Other politicians involved in colonia development included the City Engineer, a school board member, a Justice of the Peace, and even a County Commissioner, a member of the body responsible for enacting subdivision regulations (*ibid.*).

By 1995, the State had accepted the need to provide water and wastewater aid to colonias at public expense, but only on condition that local governments prevent any future colonia growth through demanding regulation and aggressive enforcement. Under new laws, a water and wastewater project could not receive EDAP funding if its home county had not adopted the model subdivision rules (Texas Water Code § 17.924).⁴ By these model rules, no county could approve a new residential subdivision without the developer providing access to water, sewage, and drainage before selling any lot (Texas Local Government Code §232.023, hereafter TLGC). Counties also gained the power to cancel an already-approved subdivision if it was likely to be developed without such infrastructure, and to require replatting under the tougher new rules (TLGC § 232.040).⁵ The law was specifically aimed at stopping the proliferation of new colonias in counties located within fifty miles of the U.S.-Mexico border with prevailing socio-economic conditions that qualified them as "economically distressed."⁶ This included Starr County.

The State eventually intervened in the political collusion with illegal development in Starr County, threatening to cut off the county from access to the hundreds of millions in EDAP monies available to build water and wastewater systems. The Attorney General targeted specific developers who exemplified the mix of commercial exploitation and political patronage that sustained the booming development business along the border. As the A.G. Dan Morales said at the time, "The existence of those [colonia] developments owes to two factors. . . . The first is

³ Chapa's position, County Judge, is not a judicial post but rather an elected position equivalent to county executive. Chapa has no formal legal training.

⁴ The Model Subdivision Rules, found in Texas Water Code §16.343, require that land subdivided into tracts of a certain size must provide adequate water and sewer infrastructure. The Rules are mandated on the counties by Texas Local Government Code Chapter 232.

⁵ To require "replatting" allows the county to enforce tougher subdivision regulations retrospectively.

⁶ The definition of an EDAP "affected county" is found in Texas Water Code §16.341(1).

greed. The second is corruption,” (Myerson, 1995). In 1993, Morales filed a civil action against Blas Chapa and his business partner, Elías López.⁷ The suit alleged the developers did not plat some subdivisions or gain the necessary approval from the county commissioners to subdivide and sell land; they did not pave roads or provide for installation of utilities in violation of the subdivision rules, and of state water and sewer codes; and they allowed operation of an illegal dump near residential property (*ibid.*). All claims were civil. In 1995, A.G. Dan Morales announced that Chapa and López had agreed to fines of \$21,600,000 and surrender of all their assets in settlement of the case. The assets were to be sold to pay for water and sewer service for the many thousands of residents living in the colonias they had developed.⁸

The settlement included damages, civil penalties, and attorneys’ fees, plus confiscation of the developers’ assets, including title to all real property. Chapa and López were permanently enjoined from any further business activity in the colonias that had been the subject of the litigation. The state court then appointed a receiver⁹ to take possession of all the forfeited assets and properties, to manage the properties for the benefit of those who had purchased from the developers and/or lived in the colonias, and to propose a Plan for Recovery.¹⁰ After the settlement was announced, hopes among Starr County colonia residents were enormous.¹¹ Delays and disappointments, however, were soon to come.

Initial High Hopes for the Settlement

The legal strategy behind the settlement was explicit: To use the developers’ own assets to remedy the many physical deficits of the Starr County colonias.¹² “We have put the developers of these illegal colonias out of business,” A.G. Morales said at a January, 1995, press conference;

⁷ Plaintiffs’ Second Amended Original Petition, *State of Texas and County of Starr v. Blas Chapa, et. ux. & Elías Lopez, et. ux.*, 1994.

⁸ Final Judgment and Permanent Injunction, *State of Texas and County of Starr v. Blas Chapa, et. ux. & Elías Lopez, et. ux.*, 1995: ¶¶6.1, 7.1, 7.2.6.

⁹ A “receiver” might be thought of as a sophisticated form of attachment. The receiver does not simply liquidate the estate, but manages it on behalf of those entitled to the judgment.

¹⁰ Final Judgment and Permanent Injunction, *State of Texas and County of Starr v. Blas Chapa, et. ux. & Elías Lopez, et. ux.*, 1995: ¶¶6.1

¹¹ Int. with *colonias* leader, Blanca Juárez, 8/15/2000.

¹² Final Judgment and Permanent Injunction, *State of Texas and County of Starr v. Blas Chapa, et. ux. & Elías Lopez, et. ux.*, 1995: ¶¶¶7.2

"Their assets will begin to bring sanitary water and sewer systems, electricity and paved roads to the residents of these subdivisions" (García, 1995).

The State had earlier tried the "make-the-developer-pay" approach on a more modest level in a Laredo colonia called El Cenizo. Trusts funded by forfeited developer assets were to be used to buy out existing land contracts, reform these transactions into warranty deeds financed by mortgages, and hold the mortgages on a nonprofit basis for the benefit of the residents.¹³ A federal bankruptcy judge approved the arrangement in 1994 involving hundreds of acres of land confiscated from Cecil McDonald, a Webb County developer.¹⁴ The Texas Department of Housing and Community Affairs (TDHCA), was to manage the trust and use proceeds from the ongoing mortgage payments to finance infrastructure improvements and housing loans in El Cenizo. Although some deed conversions took place, the flow of mortgage revenue generated little money for capital improvements. Critics accused TDHCA of mismanagement, poor collection rates, and excessive spending on legal fees and administrative overhead (AA-S, 1998: A9; Elder, 1997). After four years in which El Cenizo saw no money whatsoever, the residents sued the agency. The lawsuit resulted in a \$1.9 million settlement for housing and street improvements, an agreement that importantly did not depend upon mortgage revenue for its financing (*Texas Lawyer*, 1998: p.20).¹⁵

On the surface, the Chapa/López partnership looked profitable, and thus the imagined Plan for Recovery appeared feasible, (although whether the State ever expected to recover \$21 million in fines is doubtful.) Chapa's financial records surrendered to the Receiver¹⁶ revealed that more than \$2 million dollars had flowed through the business in the twelve years from 1982-1994.¹⁷ As Receiver, the court appointed Community Resource Group, Inc (CRG), a nonprofit

¹³ Int. with David Méndez, 1/21/2000.

¹⁴ *In Re D & A Reality, Inc.*

¹⁵ In another instance of the "make-the developer pay" strategy, a small settlement with the Rodsky Family Limited Partnership committed the El Paso area developers to move 22 *colonia* families at a cost of about \$100,000, in addition to providing the money for new septic systems. The Attorney General claimed the partnership had sold residential lots in a flood plain, making it liable under the state's deceptive trade practices law (Herrick, 1997).

¹⁶ The settlement required Chapa and López to surrender their business records to the Receivership (Final Judgment and Permanent Injunction, *State of Texas and County of Starr v. Blas Chapa, et. ux. & Elías Lopez, et. ux.*, 1995: ¶6.3). Elías López never released his business records to the Receivership, and has continued to assert claims to the forfeited property (Int. with Rebecca Lightsey, 9/11/1999).

¹⁷ \$2,000,128.40 to be exact, with \$1,972,275.83 in payments received for land sales.

organization that provides technical assistance to rural communities in building water and wastewater systems.¹⁸ At the outset, those involved in the case at the state level anticipated that the settlement would provide a model for financing colonia development that could be replicated throughout the state.¹⁹

THE RECEIVERSHIP DIGS IN

Once in charge, however, CRG quickly concluded that the goal of using the developers' assets to finance the needed infrastructure and improvements was unrealistic. After inventorying the estate's assets and resuming collection of monthly payments on the outstanding land contracts, the Receiver found the Chapa/López estate contained limited assets, nothing like the funds needed to establish basic services for the colonias. After statutory exemptions, about \$27,000 cash remained, \$600,000 in accounts receivable (payments of \$50 to \$150 due monthly for years into the future from purchasers on contracts for deed), and approximately 200 unsold lots. As the Receiver reluctantly told the state court overseeing the settlement in 1996, "[s]ubsequent to conducting discovery in this matter, it became abundantly clear to the Temporary Receiver that the Receivership was without assets with which to substantially benefit the former customers of the Defendant. . . . Without an adequate source of funding to finance the plan of recovery, the Temporary Receiver is unable to proceed further in implementing such plan as envisioned by the Final Judgment entered in this cause".²⁰

The first Receiver, Robert Stewart, set up an office in Rio Grande City and hired two staff members. Stewart was soon replaced by Harold Wells.²¹ But without money coming in from either the forfeited estate, or from any outside source, little happened in the years 1996-97. CRG established an office and began soliciting information from colonia residents on their ownership rights, including going door-to-door in the community and asking families to come into the office to establish their proof of ownership. CRG also met with representatives of the residents and began

¹⁸ Order Appointing Temporary Receiver, in *State of Texas and County of Starr v. Blas Chapa, et. ux. & Elías Lopez, et. ux.*, 1995

¹⁹ Int. with Hal Morris, 9/20/2000.

²⁰ Temporary Receiver's Report and Accounting, in *State of Texas and County of Starr v. Blas Chapa, et. ux. & Elías Lopez, et. ux.*, 1996

²¹ Order Appointing Harold Wells as Temporary Receiver, *State of Texas and County of Starr v. Blas Chapa, et. ux. & Elías Lopez, et. ux.*, 1996

fashioning a legal solution. Yet dissatisfaction grew keen among colonia residents, who felt that progress was not being made.²²

Eventually, the residents, through their representatives, and CRG would conclude that instead of both land titling and servicing, the goal of the Plan of Recovery should be converting contracts for deed to mortgages, platting and partitioning the subdivisions, clearing title to individual lots, and other aspects of legal regularization. The Receiver's first report to the court in 1996 detailed the legal morass its inventory of the estate had uncovered. Even before digging into the details of individual claims, the Receiver told the court that the most it could hope to accomplish was to clear title for purchasers.²³

Although colonia residents praise CRG for the ultimate outcome of this legal regularization process, it is clear that in the early years the community did not have confidence in the Receivership's ability to resolve these legal problems, as the following comment from of the focus groups firmly indicates:

[T]hey took quite a bit of time and we were becoming desperate since we thought that ...well at least all of us over in Las Lomas thought that it would not be resolved. We did not have much trust in them. In reality we were afraid of losing where we lived because all the people around here are in great need. So when we started to see that everything was being resolved, we saw that in reality it had worked – the process. But it was really the lack of trust we had, because it was not being resolved soon. We were afraid of losing everything (Focus Group #5).

In 1998, CRG sought and received funding from the Ford Foundation for a program to resolve title to all properties in Receivership control,²⁴ and to convey good title to all those individuals and families who had purchased land from Chapa and López in the subdivisions. In 1999, Rebecca Lightsey was named as Receiver, after which work on title settlement appears to have begun in earnest.²⁵ Nevertheless, completion of the titling process would still take three more years.

²² Int. with Blanca Juárez, 8/15/2000.

²³ Temporary Receiver's Report and Accounting, in *State of Texas and County of Starr v. Blas Chapa, et. ux. & Elías Lopez, et. ux.*, 1996

²⁴ Grant # 980-0705 for 1 million \$US.

²⁵ Order Appointing Rebecca Lightsey as Temporary Receiver, *State of Texas and County of Starr v. Blas Chapa, et. ux. & Elías Lopez, et. ux.*, 1999

The Chapa and López Land Development Business

Chapa and López sold thousands of lots from 1982-1995. The average price per lot varied, depending on the year of the sale, and on the degree of development and relative isolation of the various colonias. The average price was about \$2500 in 1983 constant prices.²⁶ Most of the lots sold were small by colonia standards, about one-tenth of an acre, or 50 feet (frontage) by 100 feet (depth).²⁷ A significant number of buyers purchased more than one lot, either to join the lots together for one family residence, or to settle extended family on contiguous land.

Title to these lots was “clouded”²⁸ in multiple and complex ways, the result of irregularities and illegalities of the developers’ ordinary business practices. One set of problems arose from the failure to plat some of the subdivisions.²⁹ To “plat” a subdivision means to create a map that shows the location and boundaries of individual parcels of land subdivided into lots, with streets, utility easements, public access, etc. also located. A plat is based upon a land survey, and so establishes clearly marked lot lines. The plat is registered in the public land records and serves as part of the title documentation for each parcel therein described (TLGC §232.021(8)). Some residents in the unplatted subdivisions could not legally record their deeds because, under Texas law, the county requires proof of conformity with applicable subdivision regulations before the plat may be filed (TLGC §232.023). A large number of residents in the unplatted subdivisions did have recorded deeds, issued before the time of this law, describing their property in metes & bounds.³⁰

No plat meant no authoritative land survey of the subdivision. As a consequence, the location of particular lots in the unplatted colonias was unclear, and lot lines were not clearly demarcated. Some residents occupied the wrong lot altogether. Structures commonly encroached

²⁶ Survey data discussed in later chapters reveal an average of \$2553 in 1983 prices (median \$2346). In 2002 prices this would be \$4429 and \$4070 respectively.

²⁷ An earlier study shows that in Hidalgo and Starr Counties, lot sizes are considerably smaller than in other counties – around 1/8th to 1/10th of an acre in size, compared with ¼ and ½ acre lots (and even larger) elsewhere (Ward et al 2000).

²⁸ Lawyers metaphorically refer to defective title to land as “clouded” (i.e. compromised).

²⁹ The unplatted subdivisions were Share 52, AB 130, Chaparitos, El Socio, and B&E.

³⁰ Metes and bounds are the territorial limits of real property as measured by distances and angles from designated landmarks and in relation to adjoining properties. Property descriptions in metes and bounds form are expressed in the language of surveyors and, if based on a competent survey, are highly accurate. But metes and bounds descriptions are not easily understood by the lay person and may led to lot misidentification.

upon neighboring lots, or even onto public roads. Some lots had no access to a public road. The same problems of lot identity and boundaries also affected some of the platted subdivisions because development had not followed the official map.

The *colonias* failed to conform to land use regulations in other ways. One entire subdivision (Durango), and selected lots in another subdivision (West Alto Bonito), were located on land uninhabitable because of periodic flooding. One woman described the consequences of owning land in the flood zone:

-- *I bought near the river, and it's a flood zone there where I am living and it's in my benefit to live over here where it's not a flood zone and over here I have more opportunities for loans. Over there they tell you right away – no -- it's a flood zone, I can't loan you money and you are stuck there.*

-- *And they won't insure it either.*

--: *Not that either.*

--: *It's as if you didn't have the title. It's of no worth since you can't insure it because it floods. If the river leaves its banks.....*

--: *No, but there have been floods. And now that they have given us the title, we can BUILD here. It's not like we are stuck over there where you cannot even invest in the home, invest nothing because you'll lose everything when the river overflows (Focus Group #1).*

A further set of impediments on title resulted from the ways in which Chapa and López conveyed land. At the most basic level, Chapa and López sold some land to which they did not themselves have good title. In the Charco Grande and Jobs subdivisions, the developers defaulted on financing for which they had pledged the land as collateral, resulting in foreclosure; meanwhile, however, they went ahead and sold the lots.³¹ Further, although Chapa and López did business jointly, in conveying land each sometimes failed to respect the instances in which only one of them held legal title (*ibid*: 21).

Both developers failed to pay local property taxes for many years running, accumulating huge tax liens on the properties they were selling. No matter who is responsible for a tax default, the obligation becomes a lien that attaches to the property itself, and so is transferred to any subsequent purchaser. Where buyers do not routinely do a title search, as colonia buyers in Starr County did not, these liens were passed from developer to buyer without the buyer's knowledge (*ibid*. 22). The amount of the outstanding tax liens sometimes exceeded the value of the land sold (*ibid*.).

³¹ First Amended Proposed Disclosure, Statement of the Debtor, *In Re Starr County Colonia Assistance Corporation, Inc.*, 1999: 32.

Chapa and López often sold the same lot to more than one person, sometimes to three or four different buyers. If a buyer did not immediately occupy or build on the land, or migrated for work, or stopped paying, they might resell the lot without any notice to the first buyer.

[T]hat man, Blas Chapa, if he sold you a solar, would ask you for certain amount as a down payment. And many people then would take off to work, and then they did not pay him anymore, 6 months or a year would go by without sending payments, right. Then another person would want that solar, and he [Blas Chapa] would sell them to him. And the first person would come back from being away at work for a year, looking for their land for which they were paying. But since they had not sent in more payments, it had been sold to another (Focus Group #2).

Most commonly, however, in Starr County the developers failed to give buyers accurate and formal documentation to prove either ownership, or that the buyer was making payments as required to maintain legal possession of the land. Chapa routinely dealt by oral agreement; purchasers from Chapa rarely received a written contract specifying the terms of the purchase, or even the location of the lot. The only documentation Chapa gave was receipts for payments received: “Before they just gave you receipts, they did not give you a contract or anything like it” (Focus Group #4). Failure to convey land by a written and signed agreement (albeit a Contract for Deed) is legally significant: A doctrine called the Statute of Frauds treats a land conveyance that is not signed and in writing as unenforceable.³² Elías López, by contrast, did routinely give written contracts, but many of his contracts failed to identify the lot granted or even the subdivision in which it was located.

Chapa faithfully gave buyers receipts for payments made on the oral contracts, and carefully recorded those receipts in the business records he surrendered to the Receivership. López was less reliable about giving receipts for payments made, or maintaining good records of those receipts. Buyers allege that López even stole or destroyed receipts offered to him as evidence of payment. A local informant told the following story: She and her husband bought two adjoining lots in Share 52 from Blas Chapa while they were living out of the state. After paying off the purchase price of (then) \$3600 over two years, they called Chapa to say they would be in Rio Grande City in December and wanted to get their title deed. The couple went to Chapa, and he

³² Derived from English law, the Statute of Frauds seeks to make people more secure in their property by making it hard to enforce deceitful claims. Judges typically enforce the doctrine with discretion, meaning some are quite strict and others examine the circumstances of the particular transaction to determine whether there are reasons to fear fraud (Dukeminier & Krier, 2002; 573-75). Notably, however, it is the party who seeks to enforce the contract that is put at risk by the lack of a signed writing. Under the Starr County facts, this would have been the residents seeking to enforce their land contract against Chapa and López.

told them that the lots belonged to López and that he had only collected the money for López. So they went to López's house. López asked if they had receipts to prove that they had paid for the property in full. The husband numbered each of the receipts and presented a complete record of payment in full. López called to his son and asked him to take the receipts into the house and make photocopies. He then told the couple that Chapa had only given him the money for one of the lots, and he would not give them a deed for the two lots until they paid him the \$1800 Chapa owed him. They refused. When the son returned, two of the receipts were missing. López denied taking them, even though the couple showed him there were two receipts out of numbered order. López continued to deny having taken any receipts, and refused to give them a deed. The couple had an incomplete payment record when they made a claim for the two lots in the title settlement process.³³

When a buyer had paid off the lot, Chapa and López might give the buyer a deed, but as this story indicates, sometimes they refused to do so. Another woman told her story: "I bought my house in cash, I went for the title which never appeared. The excuse he gave me was that I was illegal. And then I said to him: how can you give me that excuse that I am illegal when you did not ask me when you sold the land?" (Focus Group #1).

The written documentation the developers *did* give out often contained incomplete or inaccurate legal descriptions of the land. A typical file reviewed in the CRG office included a copy of a warranty deed for a lot in a platted subdivision; the legal description gave a lot number, but no block number. Another file contained a copy of a receipt that described the lot as follows: "lot next to park in R.G.C. (Rio Grande City)". As a result, some buyers knew they owned land, but not where.

— I had "lost" my solar for 17 years, since 1980 that we moved over to Lomas. . . . That solar was lost for 15, 17 years.

Q: Being "lost" means....?

— That I did not know where it was, and when they would tell us this is your solar, then another one would come and say no this is my solar (Focus Group #3).

Others thought they purchased one lot, only to find they had papers relating to another lot altogether.

-- Like me, when I had my solar that supposedly was my solar but it was really my neighbor's. And my neighbor's belonged to the other neighbor. So we would say, hey you are paying mine and I am paying yours. And it was like a certain

³³ Int. with Amada (Aidé) Villarreal, 10/15/1999.

tension. But now that each one has their title, we all say - this is mine. There is more security in us of where we live and what we really have because before we were not secure. I am telling you about me. Because the neighbor had mine and my father had the neighbors and that is the way it went. They were all changed.

-- *Mixed up (chocolateados) (Laughter) (Focus Group #5).*

When people bought, according to a local informant, "Chapa would just take them out and show them the lot and say 'this is going to be your land.' Then they would move in and begin to build".³⁴

The problems created by these business practices extended beyond the threat posed to the security of tenure of individual owners. The Starr County land records system registered hundreds of deeds from Chapa and/or López containing incorrect legal descriptions. This threw the validity of that system into doubt.³⁵ One reflection of the dubious credibility of those land records is that when the Receiver attempted to purchase a title search for each lot under her control, no title company would agree to do the work "for any amount of money".³⁶

For all these abuses and omissions, Blas Chapa had a paradoxically paternalistic relationship to the people to whom he sold land; (Elías López, by comparison, is generally remembered unkindly and without such ambivalence.) In a gesture recalling feudal relationships and patronage, Blas and Socorro Chapa built their own fourteen-room, fully-serviced home in the midst of one of the colonias, surrounding it with fountains and floodlights. When neighbors complained that he had promised them electricity, Chapa strung a long extension cord from his own home to a neighboring house in order to provide electricity.³⁷ Chapa would accept variable amounts in payment, depending on what the buyer had, and allowed buyers to miss payments when they were traveling north on the migrant stream of seasonal labor that takes many households in this region away from their homes for several months each year. This kind of

³⁴ Int. with Amada (Aidé) Villarreal, 10/15/1999.

³⁵ "Deed registration" refers to document entry into a public system of records concerning legal rights to land. In the U.S., for example, two categories of land registration systems exist: registration of deeds (called "land recordation") and registration of title (the Torrens system). Texas, like most American jurisdictions, follows the land recordation approach. This approach seeks to assemble all documents necessary to reach a conclusive determination of rights in land in one records system located where the land is located. But the records provide no conclusion as to who owns the property, or what defects may exist in title. Those legal conclusions are for the title searcher to reach. Unreliable documents in the public registry, therefore, mean title cannot be conclusively determined.

³⁶ Int. with Rebecca Lightsey, 10/11/1999.

³⁷ Plaintiffs' Second Amended Original Petition, *State of Texas and County of Starr v. Blas Chapa, et. ux. & Elías Lopez, et. ux.*, 1994: ¶5.17

flexibility, bred of intimate knowledge of the life patterns and circumstances of the community, made for mutual, if not equal, relationships between the developer his and purchasers.

Nevertheless, most colonia residents remain angry at Chapa and López. In a focus group interview, one woman said, “Well since they were in power, right. That’s why there were so many disasters.” Another woman concurred, “Well, yes but power is given to the people that one believes are intelligent and at the same time all they want is to take advantage of the position. That’s how politics works. And one is down here below – you better not yell up because they will spit on you (laugh). So one remains with that one, but Blas Chapa did many things he should not have done. Quite a few.” (Focus Group #1). In another group, the participants ended the session with a mutual laugh at the following exchange:

- *So Elías López already died? And what happened with Blas Chapa?*
- *He is still living (laughter)*
- *He has not been caught yet? (Focus Group #4).*

But some also speak of Chapa’s sincerity and warmth, noting in particular that he treated everyone, even the poor, with respect and courtesy. Local informants also point to Chapa’s position of authority as a county judge as a reason they had confidence in him. Aidé Villarreal, who purchased a lot in Share 52, said Chapa’s political standing was one of the reasons she and her husband believed his promises that utilities eventually would be installed in the colonias. Later, as a CRG staff member, Villarreal heard similar stories from hundreds of her neighbors. She comments, “We trusted Blas, I don’t know why. He was the county judge! And he was a great guy. He dealt with everybody, he treated everybody really well.”

At least some of the buyers recognized that the price of getting land for a house at a price they could afford was the legal risk of dealing with these developers. Given their economic constraints, they knew it wasn’t a smart choice, but had few other options:

- *[W]e don’t know if the man [the seller] is the rightful owner or not. You are just going to buy it to have a solar.³⁸ You will sign anything to have a solar, a place to live...*
- *But that man this is selling it has to have his papers that show he is the owner. How am I going to buy from someone who is not showing me the paper to show it belongs to him. I would be stupid (laughter). Okay I am getting riled up.*
- *But, for example, when Elías López sold to us, we wanted that little piece [of land]. We did not care if he was the owner or not.*
- *You wanted to be there.*

³⁸ “Solar” is the Spanish term used locally to describe a lot.

-- We did not make sure before hand if he was or not [the owner]. And he gave us a paper. And supposedly the paper gave the measurements and it said that it was his. Just for having that little piece [of land]...

-- Just for having that little piece, one signs (Focus Group #5).

THE RECEIVERSHIP CHANGES GEARS, AND SHIFTS FOCUS

The Receivership's goal at the outset was to bring all the properties under its control into full compliance with state law. They expected the major expense to be construction of water and sewer lines in the subdivisions. However, lacking the resources to provide such infrastructure, CRG has instead served as a technical advisor in helping the Starr County *colonias* apply for state money from the EDAP program. The Chapa/López colonias have had to queue with the other colonias in the competition for limited state resources. In essence, the dream of making the developers pay for the needed improvements was abandoned.

The Receivership's resources were further strained because the number of subdivisions grew once they had taken control of the Chapa/López properties. The new colonias being identified had greater needs than those included at the outset of the settlement. The state's initial complaint referred to eight *colonias*, one of which -- Las Lomas/Share 52 -- was later determined to consist of six separate and contiguous subdivisions, two of the largest of them unplatted.³⁹ Smaller, more isolated *colonias* were later identified on land originally thought to be undeveloped. By the final accounting, the Receivership controlled eighteen *colonias* housing 8,000-10,000 people, plus several dozen acres of undeveloped land.⁴⁰ In each of these of these undeveloped properties, a few isolated households were living, often in the most deprived circumstances.⁴¹

Five of the identified subdivisions in the Receivership's control were found to be unplatted and noncompliant with subdivision regulations; most of the platted subdivisions also were not in

³⁹ Plaintiffs' Second Amended Original Petition, *State of Texas and County of Starr v. Blas Chapa, et. ux. & Elías Lopez, et. ux.*, 1994

⁴⁰ The "unknown subdivisions" came within the Receivership's jurisdiction because, as the Final Judgment was phrased, all land owned by Chapa and López not specifically excluded from the estate was forfeited. The property description that accompanied the Final Judgment included 16 named subdivisions, and also a list of 15 additional properties legally described and believed to be undeveloped (Final Judgment and Permanent Injunction, *State of Texas and County of Starr v. Blas Chapa, et. ux. & Elías Lopez, et. ux.*, 1995). The subdivisions that were the subject of the state court action and the bankruptcy action included (1) Santa Cruz #1; (2) Santa Cruz #2; (3) Santa Cruz Industrial Addition; (4) Northwest Industrial Park; (5) AB 130/*Porción* 83; (6) Share 52; (7) La Puerta #2; (8) Elías López; (9) West Alto Bonito; (10) Amada Acres; (11) Mike's; (12) B&E; (13) El Socio; (14) Chaparito; (15) Durango; and (16) Valle Hermoso. Thereafter, two more *colonias* were discovered, (17) North Alto Bonito and (18) La Puerta #1.

⁴¹ Int. with Rebecca Lightsey, 10/11/1999

compliance, even though they had been approved by county officials. All of the unplatted subdivisions, as well as sections of some of the platted *colonias*, had to be surveyed.

Having made the pragmatic decision to pursue the more modest goal of titling, the Receiver now had to build community support for this change of goals. This was a challenging political process. “Why spend money of *titulo claro* (clear title) when we have no water or sewer?” residents repeatedly asked in community meetings. At the end of the titling process, a minority of residents were still asking when CRG would begin work on the water and sewer issue. “When are they going to pave these streets? Is there going to be sewage? Yes, to know a bit more--will it be a year or two years? Do we need to pitch in? We need to know for the future or are we going to be stuck here all our lives. . without sewage, without anything.” (Focus Group #3).

Employing trusted community members and activists in the Receivership’s office in Rio Grande City was crucial to the political negotiation between the Receivership and the community about this shift in goals. Community education about the scope of legal defects to their claims of ownership eventually made the promise of secure title acceptable. But it was staff in the Rio Grande City office, notably Aidé Villarreal and Marta Bazán, who came to stand for the organization in the eyes of the community, so much so that few people knew what “CRG” stood for, but everyone knew about the program and associated it with these two local staffers’ names. Importantly, it was these local figures who credibly explained the need for a shift to titling over services:

*Q: [D]oes everyone know what the CRG is or what the receivership program is?
Does everyone know what it is?*

— No.

Q: What do you call the group that did the property regularization?

— Aide and Marta. (laughter lots of talk, inseparable)

Q: No one knows what the CRG is, but you know who Aide and Marta is?

M and F- yes...

— The ones that head the program are the CRG...

Q: Exactly. In reality, it's more than Aide.

— Well yeah, but they are the only ones who are informed, regarding our situation (Focus Group #3).

Not only local people, but a local place also mattered greatly to the Receivership’s ability to build confidence in the titling project. After several years in which the Receivership office was located within the city of Rio Grande City, the office moved to the *Colonias Unidas* Self-Help Center in Las Lomas. This identification with local residents, and the actual relocation of the local offices, gave the community a greater sense of confidence, ownership, and inclusion that were, in our view, a key ingredient in the successful development of the program, and in CRG’s

institutional capacity to carry it out. In the resident's own words: "We are like a forgotten place. For example, like when we have help here from inside the community, it is easier for us. [I]f we have an office here, we feel supported. But before it was of no use to go over there to Rio Grande to complain [to the county politicians]. They "give you the eye." Here you have a place where you can go express yourself—you know there is this and this and this. Then things are different." (Focus Group #5).

THE STAGES AND COMPLEXITY OF LEGAL REGULARIZATION

To clear title to individual lots in the properties under the Receivership's control was a complex and costly process requiring multiple levels of remediation that went well beyond the simple transaction that could be described as "titling." By the end of the process, the five unplatted subdivisions had been surveyed and the platted subdivisions mapped, which made it possible to give each lot a distinct identity and clearly demarcated boundaries. With these maps, the Receivership could then determine if there were multiple claims to the same lot, ascertain when an owner resided on the wrong lot, redraw lot lines to accommodate existing structures, and correct legal descriptions on deeds and mortgages. To address the situation of the unplatted subdivisions, lot identification required the Receivership to invent an innovative property law mechanism called "partitioning." The Receivership also "condemned" some land as uninhabitable because of flooding problems, and either relocated or compensated residents. These mapping, partition, and condemnation measures were necessary to bring the subdivisions into legal conformity, a necessary precondition for conferring good title to any individual lot located therein.

With respect to each individual lot, the Receiver negotiated release of tax and judgment liens against the properties, relieving owners of more than \$22 million in claims against them. Under Texas law, such a release of liens required taking the property through bankruptcy -- a complex and expensive process. For purposes of the bankruptcy and claims process, the Receivership morphed into a non-profit entity known as Starr County Colonia Assistance Corporation (SCCAC), retaining the same director and staff as the Receivership.

SCCAC decided claims to ownership of more than 2400 lots. (A number of claimants sought more than one lot.) The claims process also included establishing an arbitration process for the handful of claims that could not be mutually agreed upon by the SCCAC and the claimant. In order to judge the validity of each claim, and to decide between conflicting claims to the same lot, SCCAC developed a set of normative and evidentiary rules. The rules grew organically throughout the claims process as cases were investigated and decided, something like a

“common law” of the Starr County colonias. By the end of the claims process, there were established and uniform principles that SCCAC applied across all claims. In the discussion that follows, I use the term “Receiver law” to describe these principles. Again, willingness to be flexible was crucial to the overall success of the titling program. The following stages describe the process.

A. Establishing Lot Identity and Boundaries: Surveying.

In order to establish lot identity and provide accurate legal descriptions, all of the unplatted subdivisions, as well as sections of some of the platted colonias, had to be surveyed. Starr County surveyed three of the unplatted subdivisions, and the Self-Help Center located in Las Lomas surveyed the remaining two unplatted subdivisions, all funded by the TDHCA. CRG surveyed the Valle Hermoso subdivision, portions of Mike’s subdivision that had not been developed in accordance with the official plat, lots within the Durango subdivision, and numerous individual lots and parcels, at the organization’s own expense.⁴²

The new surveys showed that structures more often than not encroached upon neighboring lots or public ways, often by feet, or even dozens of feet rather than inches. Rather than try to enforce the original lot lines and remove the encroaching structures, the Receiver chose to accept the facts on the ground. The new surveys redrew lot lines around the existing structures, accommodating the mistakes.

B. Establishing Lot Identity and Boundaries in the Unplatted Subdivisions: Partitioning.

SCCAC originally intended to use the surveys to plat the unplatted subdivisions in order to provide legal descriptions of the lots, among other goals. But state law mandates that a plat map may not be registered unless the developer provides water and sewer service (TLGC §232.023).⁴³ CRG already had determined it did not have the funds to provide this infrastructure. Thus CRG’s attorneys came up with the idea of calling the maps “partitions,” and registering them in the land records as part of the title documentation for the subdivision lots.⁴⁴ The “partitions” offer lot owners some of the benefits of platting, notably clear lot identity and boundaries. The partition

⁴² Correspondence with Rebecca Lightsey, 10/17/2002.

⁴³ The Model Subdivision Rules, see Tex. Water Code §16.343, require that land subdivided into tracts of five acres or less (modified to one acre or less in 1991) must provide adequate water and sewer infrastructure.

⁴⁴ Int. with Jo Kalispell, 1/21/2000; and with Amy Warr, 1/21/2000.

maps were included in the order of the bankruptcy court confirming the reorganization of the estate, and the order required them to be filed in the Starr County land records.⁴⁵

All five unplatted subdivisions, and part of one platted subdivision, Mike's, were partitioned based on the land surveys. Although Mike's was a platted subdivision, about half of the subdivision's blocks had originally been divided into large lots. Buyers of those large lots subdivided them and sold off the sections. Because development had not followed the official map, certain blocks in Mike's also had to be partitioned in order to give each claimant title to the actual property he or she had purchased.

C. Clearing the Liens through Bankruptcy – Innovation with Pragmatism.

In 1999, the Receivership determined to declare bankruptcy and reorganize the forfeited Chapa/Lopez estate. In part, this strategy was necessary in order to carry out a negotiated deal with the local taxing authorities to release tax liens accumulated over twelve years by Chapa and López.⁴⁶ The bankruptcy also increased the amount of flexibility that CRG would have in resolving claims to title; in reorganizing a bankrupt estate, formal rules of property give way to broader concerns for equity among all creditors. The bankruptcy allowed CRG, for example, to resolve conflicting claims to the same lot or the problem of uninhabitable lots by giving claimants a substitute lot or money compensation in lieu of the property they had originally contracted to purchase. And finally, because bankruptcy is federal law, rights conferred through the reorganization (in this case title to the colonia lots) would be binding in all jurisdictions.

The Receiver sought and received the receivership court's approval to create a non-profit corporation to hold the various subdivision properties and liabilities. Starr County Colonia Assistance Corporation (SCCAC) was formed, and this was the legal entity that filed for bankruptcy. The Receivership conveyed its property to SCCAC, along with the associated liabilities, specifically the tax and judgment liens and the claims of those who had purchased lots from Chapa and López.

⁴⁵ First Amended Proposed Disclosure, Statement of the Debtor, *In Re Starr County Colonia Assistance Corporation, Inc.*, 1999: 42-43

⁴⁶ The state constitution denies the legislature the power "to release or extinguish, or to authorize the releasing or extinguishing" of any financial obligation owed to state and local governments, "except delinquent taxes which have been due for a period of at least ten years." (Texas Const. Art. 3, § 55). But an order of a federal court, here the bankruptcy court, could involuntarily extinguish those liens.

SCCAC filed for bankruptcy under Chapter 11 of the United States Bankruptcy Code (*In Re Starr County Colonia Assistance Corporation, Inc.*, 1999). SCCAC will be dissolved after completing the Plan for Reorganization. The bankruptcy court will issue the final confirmation order sometime early in 2003.⁴⁷ The Receiver saw the bankruptcy as a necessary means to the end of providing good title to the residents of the Chapa/López colonias:

Regardless of the legal, fiscal and regulatory issues involved, the fact remains that over 1350 families are residing on these lots and have been doing so for years. These families are investing and improving these lots without any certainty whether they will ever obtain title to the property. Without title, residents are unable to borrow funds for home improvements and many are ineligible for state or federal loan and grant programs intended to improve the living conditions of *colonia* residents. The Receiver believes that the first priority in resolving the vast set of problems posed by this Receivership Estates should be to convey legal title to the buyers.⁴⁸

In late 1999, the Receiver presented to the bankruptcy court a Plan of Reorganization (*ibid.*). The Court then conducted a vote amongst all the creditors against the estate, which included all persons claiming title to land in the Starr County colonias, asking them to accept or reject the Plan.⁴⁹ Parties holding at least two-thirds of the amount and at least one-half of the number of the claims against the bankrupt estate, and who actually voted, were required to approve the Plan. In addition, the Court had to agree that the Plan was fair to all classes of creditors involved.⁵⁰ The Bankruptcy Court mailed paper ballots in English and Spanish to all identified claimants. In response, the court received 231 ballots, 186 of them in Spanish (80 percent). Only one creditor voted “no” on the proposed Plan of Reorganization; that dissenter, ironically, being Blas and Socorro Chapa.⁵¹

⁴⁷ Correspondence of Rebecca Lightsey, 10/17/2002.

⁴⁸ First Amended Proposed Disclosure, Statement of the Debtor, *In Re Starr County Colonia Assistance Corporation, Inc.*, 1999: 23.

⁴⁹ Ballot for Accepting or Rejecting Plan of Reorganization -- Land Title Claimants, *In Re Starr County Colonia Assistance Corporation, Inc.*, 1999); Ballot for Accepting or Rejecting Plan of Reorganization -- Money Claimants, *In Re Starr County Colonia Assistance Corporation, Inc.*, 1999).

⁵⁰ First Amended Proposed Disclosure, Statement of the Debtor, *In Re Starr County Colonia Assistance Corporation, Inc.*, 1999: 11

⁵¹ Correspondence with Rebecca Lightsey, 10/17/2002.

The demands on the Receiver during the bankruptcy process were significant. On the one hand, she had to shepherd the property through an infamously complex legal process, including supervising the work of high-powered legal talent. On the other hand, the bankruptcy represented a daunting political challenge. The Receivership had to build community understanding and support for the unorthodox legal strategy because, as creditors of the estate, the colonia residents had the power to veto the bankruptcy Plan for Reorganization. As the Receiver put it, “if you are trying to convince people that you are going to give them their land, saying you intend to go into bankruptcy doesn't build confidence.”⁵²

The primary goal of the bankruptcy was to release the liens against the claimants' property that could be traced to Chapa and López. (Liens placed on specific lots due to acts or omissions of the claimants were not affected by the bankruptcy process.) Several private entities that held judgment liens against Chapa and/or López agreed to release their claims without consideration. Also, of course, the State of Texas had a judgment lien of \$21 million arising out of the settlement, and released that lien as part of its support for the reorganization in bankruptcy.

The remaining creditors claims were tax liens,⁵³ and the state and local taxing entities could not, by Texas law, voluntarily release the liens.⁵⁴ It was clear to the taxing entities, however, that they would never collect from Chapa and López. Their goal in cooperating with the bankruptcy was to get *colonia* residents onto the tax rolls. Although they had proved unable in the past to get politically connected developers to pay property taxes, the taxing entities anticipated that the new titleholders would in the future become a more reliable revenue source. Indeed, the focus groups support that prediction: when asked what the responsibilities associated with ownership were, the first answer was always “to pay taxes”. For example:

Q: Having the property title also means that no one can take your land, your solar away. But it also means that you have to take on more responsibilities. Which do you think they are?

A: Well, one was mentioned by the lady: To pay the taxes, to know that you are the owner of that solar (Focus Group #2)

⁵² Int. with Rebecca Lightsey, 10/11/1999.

⁵³ The state constitution denies the legislature the power “to release or extinguish, or to authorize the releasing or extinguishing” of any financial obligation owed to state and local governments, “except delinquent taxes which have been due for a period of at least ten years.” (Texas Const. Art. 3, § 55).

⁵⁴ CRG had committed to trade any remaining property at the end of the titling process to the local taxing entities in exchange for their cooperation in the bankruptcy process. They ran out of land, however, and had nothing to surrender in the end (Int. with Rebecca Lightsey, June 28, 2002).

Most colonia residents already were paying taxes on the value of the structures they had built on the property, but not on the land. After titling, they are responsible for taxes on both land and improvements. The focus group discussions reveal that residents not only associate taxes with ownership, but also with political rights. Repeatedly, respondents said that now they paid taxes, they expected more attention from local politicians, as well as more in the way of services from the county.⁵⁵ Thus, interestingly, it appears to us that one unanticipated effect of the bankruptcy process may be to politically empower colonia residents, especially non-citizens, in dealing with local government, a body they otherwise perceive as unresponsive, indeed corrupt.

D. Legal Correction of Deeds.

A fourth stage in actual process of legal regularization was to correct existing deeds. Before the Receiver took control of the estate, Chapa and López had given about two-thirds of purchasers' deeds. Some of these deeds contained incomplete or incorrect legal descriptions, and most had been registered in the land records system. These owners did not need a new deed, but instead to have the errors in their existing deeds corrected. Deeds in the unplatted and/or undeveloped subdivisions had to await the surveys before a correct legal description could be attached. Once the description could be attached, these deeds, too, required correction.

The Receiver asked the bankruptcy court to issue orders that affirmed these prior conveyances as valid and corrected the legal descriptions.⁵⁶ Those court orders are now recorded in the land records as part of the title documentation for the affected lots. A final set of correction will be included in the final confirmation order issued by the bankruptcy court.

E. "Condemnation" of Uninhabitable Lots.

One entire subdivision (Durango) and parts of another (West Alto Bonito) were located on land uninhabitable because of flooding. Few buyers had occupied the lots in Durango or built, although about a dozen lots did have houses and occupants. About seventy claims were made for unoccupied lots in Durango. Database records show that these lots had been purchased from Chapa and López in the late 1980s for between \$4000-\$5000 per lot.

⁵⁵ See Chapter 5 of this Report.

⁵⁶ The legal correction device was proposed to CRG by their law firm (Int. with Jo Kalispell, Jan. 21, 2000).

The County had long planned a flood control project in Durango, and intended to exercise eminent domain over the property (i.e. expropriation of the land). The County had actively discouraged people from beginning to build on the lots. As an efficient alternative to eminent domain, the Receivership sold its interest in Durango to Starr County for the sum of \$53,000. It then became CRG's responsibility to compensate the claimants. CRG provided claimants who had paid at least the average purchase price of a lot (\$3,000) with a new lot from among the unclaimed land in their control. Those claimants who had not finished paying for their lot, or who had paid only a nominal amount for their lot, were reimbursed for payments made out of the \$53,000. With respect to the occupied lots, the County has worked either to allow these people to remain in occupation, or to compensate them fully. In addition, about ten claimed lots in West Alto Bonito were uninhabitable because of flooding. CRG decided to relocate the owners of these lots, giving them unclaimed lots in other subdivisions, and transferred the land to the County.

F. Relocation of Residents of Foreclosed Subdivisions.

Two other subdivisions, Charco Grande and Jobs, had been included in the Receivership's holdings at an early stage in the legal process. But further investigation determined that the financing agents for these properties had foreclosed before the Receivership took control of the estate. Chapa and López had defaulted on the mortgages for these properties, but went ahead and sold the lots anyway. Even though it is not their legal responsibility, the Receivership has resettled about thirty people who had purchased in Charco Grande and Jobs, giving them unclaimed lots in other subdivisions.

G. The Claims Process.

The first priority of the Receivership was to inform people in the Chapa/López colonias that whether or not they thought they owned their lots, or had a legal right to possess their lot under an oral or written arrangement, those properties were now being controlled by the Receivership. Buyers were required to make a claim of the Receivership in order to establish ownership. Notices were placed in newspapers and posted in stores and other meeting places throughout the community. On uninhabited lots, the Receivership posted signs that read "*Este propiedad pertenece al Starr County Receivership. No se vende. Informes a 487-0775; 8019 Embassy St., Rio Grande City, TX.*" (This property belongs to the Starr County Receivership. It is not for sale. Contact 487-0775, 8019 Embassy St., Rio Grande City, TX.)

People who had not finished paying for their lots, or who had paid off but not gotten a warranty deed from Chapa and/López, were relatively easy to bring into the claims process. But about two-thirds of the claimants already had a deed. Some of these deed-holders felt as if they already owned their land, and were resistant to submitting to the claims process. It was only as community awareness grew about the legal defects in the conveyances and deeds, as well as the burden of the tax and judgment liens, that deed-holders also saw the benefit to making a claim. Even so, when the titling process closed on December 31, 2001, some people paying taxes on lots in the colonias still had not made a claim. CRG continues to investigate ownership of these lots in order to include them in the final confirmation order to be issued by the bankruptcy court. “By the end of the process, we will know what’s happened to every piece [of property],” wrote Rebecca Lightsey.⁵⁷

The claims process was straightforward. SCCAC used a form that asked about a dozen questions, including what lot(s) was claimed, when and from whom the claimant had purchased the lot, the purchase price and balance owing if any, whether the claimant had a written deed or contract, whether the claimant had receipts for payments made, whether there were buildings on the lot, whether the claimant was married, in whose name the property was held, and whether the spouse had been divorced or died since the original purchase. Staff soon realized that when the claimant filled out the form alone, many questions went unanswered or were answered inconsistently. Thus, the SCCAC staff made it a practice to fill out the form for the claimant using an interview format.⁵⁸ These data subsequently became part of the CRG database. The interview schedule used at this stage gathered data about the following eight steps:

⁵⁷ Correspondence with Rebecca Lightsey, 10/17/2002.

⁵⁸ Int. with Amada (Aidé) Villarreal and Marta Bazán, 10/19/1999.

1. Lot Identification. Among the most time-consuming questions on the claim form was determining which lot was being claimed. The SCCAC staff asked what lot the claimant actually lived on. Because lot descriptions on deeds, contracts, and receipts were often missing or incorrect, the staff could not rely on the paper record. The SCCAC staff posted large maps of all the subdivisions on the walls of the office, enlargements of the plat maps if any, or maps they drew themselves of the unplatted subdivisions. As claimants came in, the staff and the claimant would work with the map to identify the lot being claimed. Sometimes it required a trip to the site so the claimant could point out the lot:

A: I have said that I have not had problems right, but in reality I did not see it as a problem, because when I came – I have only one solar. I only came once. At that instant, it was raining and lots of snow was falling, it was very cold. The only thing was that there were lots of coats. But still, Aidé went and that young man went -- Both very nice people. They went and they looked, and they measured and they told me and they explained during that time. And that was it. I did not have to ask anything anymore. A month later, I think, they called and gave me my number of solar..

A: lot number.

A: Yes, the lot number. And the title too. There was no problem. They—they have suffered (laughter).

A: Well, it's that one believes that the secretary or the lawyer or the priest or the pastor should not go out when it's cold. That's what one thinks in one's mind. And they are the ones who go ahead of us, and they help us (Focus Group #2).

Over time, the lots on the maps were filled in with names. “We know where everybody lives,” said staff members Aidé Villarreal and Marta Bazán, and this does not appear to be an exaggeration.⁵⁹

2. Proof of Payment. After deciding which lot was being claimed, the key issue in deciding the claims was to document what the claimant owed, and what he or she had paid the developers. Claimants brought in any documentation they had, and the staff made copies for the file. This could be a recorded or an unrecorded deed, a written contract for deed, a complete record of receipts for payments made, scattered or even just one receipt, or property tax receipts. Nine hundred claimants had a deed of some kind. About 150 claimants had a written contract for deed. The remaining claimants had only receipt records of varying completeness as proof. A large number had incomplete sets of receipts. Because the developers themselves had operated so

⁵⁹ Int. with Amada (Aidé) Villarreal and Marta Bazán, 10/19/1999.

informally, some claimants did not think they needed to keep a more formal record. Some claimants had lost records, whether through death, divorce, or other circumstances.

People with recorded or unrecorded deeds had the best proof of payment; a deed out from the grantor operates as a “paid-in-full” receipt. Deciding the claims of people with deeds required only a determination whether the deed needed correction, and if the claimant sought the same lot that he or she had actually purchased.

Some claimants had no deed, contract, receipt, or other proof of sale, but did have tax records indicating they were the responsible party. SCCAC staff searched the records of the county appraisal district for every lot within its control in order to tap this source of verification for claims. For the majority of claimants without deeds, however, the only proof of payment was receipts. SCCAC treated claims based on written contracts and oral agreements the same, notwithstanding the principle of formal law that an oral contract for land is generally not enforced.

Some claimants had a complete payment record, which made it simple to determine whether they had paid off the land or still owed a balance. Only a minority of receipt records were this complete, however. Those claimants who had a receipt for down payment and one for final payment, or even just the final receipt indicating no balance due, also had good proof of payment. With even one receipt, however, the staff were able to track many payment records using the business records that Chapa had surrendered. The permanent injunction entered in the civil case ordered Chapa and López to turn over all business records. Chapa turned over many of his receipt books (photocopies of receipts given). Many of those receipts were signed by López. A summary that Chapa had kept listing each buyer alphabetically and all payments received, going back to the early 1980s and through January 5, 1995, and a second summary listing all payments chronologically, also came into the Receiver’s possession.⁶⁰ The SCCAC staff called these summary records “the Green Book,” referring to the color of the cover of the printout. The Green Book proved mostly reliable, although some claimants brought in original receipts that did not appear in Chapa’s summary record. Chapa’s business records proved to be an important windfall source for the claims process. Without independent verification of payment, the Receiver would have had to choose between opening the estate to fraudulent claims or denying rightful claims

⁶⁰ In the early days after the settlement, the Receiver thought he had access to the Chapa house as well as the business office. (In fact, the house was exempt from the forfeiture as a homestead.) The Receiver went into the vacant house and took out business records and other property. When it became clear that the house was not surrendered to the Receivership, some of what was taken from the house was returned, but the Receiver retained the Green Book.

that couldn't be proved on paper. This was one area where it might be said that the CRG got lucky.

There were infrequent instances of forged receipts. At a 1999 community meeting in Mike's Subdivision, a woman said that she had heard that for \$500 Blas Chapa would forge a receipt indicating payment in full. Perhaps this was unsubstantiated gossip, but the SCCAC staff reported that they learned to tell a new receipt from an old one by looking at the age of the paper.⁶¹ Chapa and López also used books of form receipts, and so by comparing a claimant's receipt to one already in the files dated roughly at the same time, the staff could check if the form or the sequence of numbering was consistent. An arbitrator rejected one claim for six lots based on single receipts because the signatures on all the receipts were identical in every respect, indicating the signature had been traced. Finally, the staff relied upon the Green Book in verifying receipts. If there was no record in the Green Book, especially of a large payment, the staff doubted the receipt's authenticity (*ibid.*).

3. Marital and Family Property. Property rights acquired through marriage or intestacy had the potential to complicate the claims process. If the buyer had divorced or died since the time of the original purchase, spouses and heirs had legal rights to a share of the property. This can be especially complicated where divorce occurs informally without legal process, where property has passed to heirs by intestacy, or where the decedent had non-marital children or children from a prior marriage. There is evidence from the focus group interviews that these are all familiar realities for colonia residents.

Here, however, SCCAC could rely on formal law. The law can set aside any conveyance that fails to respect marital property rights. Although the claim form asked about whether there was a spouse, either legal or informal, at the time the lot was purchased, and if that marital status had changed, SCCAC took the claimant's assertions at face value. SCCAC made no effort to determine in the claims process if there were absent spouses/partners/ex-spouses who might have un-addressed marital property claims.⁶² Instead, the Receiver tried to address marital property issues at the titling stage. If the claimant's marital status had changed since the original purchase, and the documentation was in the claimant's name, the property would be deeded out

⁶¹ Int. with Amada (Aidé) Villarreal and Marta Bazán, 10/19/1999.

⁶² Int. with Rebecca Lightsey, 10/16/1999.

as the claimant spouse elected.⁶³ If the original purchase had been in the name of a former spouse as well as that of the claimant, however, SCCAC required a notarized letter or affidavit from the absent spouse saying that the claimant could have it.⁶⁴ If the absent spouse would not release her or his claims, SCCAC offered to resolve the dispute by arbitration.

In general, SCCAC permitted claimants to decide in whose name the lot would be titled, notwithstanding whose name was on the documentation.⁶⁵ For example, some families chose to title the property in the name of their children as a cultural form of estate planning, even though the purchase was by the parents. If the parent who had purchased was now dead, and all the surviving children were present, SCCAC titled the property in the name of the children. But SCCAC did not attempt to determine if there were hidden intestacy/heir property claims,⁶⁶ and the claim forms did not even ask about deaths and succession.

4. Unclaimed Lots. Apart from developer records, the SCCAC staff also relied upon the county land records and county tax records. These public records were especially helpful in identifying the owners of unclaimed lots. An absentee owner might easily miss notices posted in the community, or even a sign placed on her lot. But if she was receiving tax notices and paying taxes, ownership could be established. If the lot contained no improvements, however, the name of the developer and not the buyer was on the tax records. In addition, some of the tax records were corrupted. Nonetheless, SCCAC staff researched the country appraisal district records for each lot under Receivership control.

Determining which land was truly unclaimed was crucial to the goal of assuring that conflicting claims could be resolved by “land swaps.” The Receivership resettled about 100 people onto unsold and/or unclaimed lots, including plural claims cases and people moved from the Durango and West Alto Bonito flood zones.

5. Multiple Claims to the Same Lot There were forty to fifty “plural ownership” cases identified. These were cases in which more than one person possessed verified proof of ownership, often a deed, for the same lot. In most of these instances, one buyer had built on the

⁶³ Int. with Rebecca Lightsey, 10/11/1999.

⁶⁴ Correspondence of Rebecca Lightsey, 10/17/2002.

⁶⁵ Int. with Rebecca Lightsey, 10/11/1999.

⁶⁶ For example, all the children born into a marriage might be present, but any unknown non-marital children or children from a prior marriage have equal claims to a share of an in testate parent's property.

lot, and the others had not. SCCAC resolved these cases by giving the lot in question to the claimant in occupancy, and gave the other buyers a substitute lot from among the unclaimed lots remaining at the end of the titling process.⁶⁷

6. Arbitration. CRG arbitrated less than twenty claims of persons unwilling to accept the outcome of the claims process. Three of these claims were ones in which SCCAC challenged the adequacy of the proof the claimant offered; all of the others were cases in which one claimant contended against another, and no available evidence distinguished the claims. The cases were arbitrated by Dino Esparza, Oscar Montemayor, Ray Thomas, Frances Léos, and Jane Larson, all attorneys, on a *pro bono* basis.⁶⁸

7. Titling. The Receiver at first proposed to deliver to claimants a deed without warranty in the title settlement. This was on the advice of legal counsel, who were aware of the many uncertainties and improvisations that had accompanied the legal regularization process. Most property in the United States is conveyed by means of a “general warranty deed,” by which the grantor promises to defend the title against any and all claims. However, the community opposed the deed without warranty. Having already scaled-down their expectations, the community did not expect to be asked to bear any more legal risk concerning quality of title. Lightsey reversed her decision, and the SCCAC conveyed all properties in the title settlement by a special warranty deed.⁶⁹ A “special warranty deed” is one in which the grantor promises to defend the title against adverse claims made by the grantor and those claiming under her.

The “closings” by which SCCAC conveyed title to claimants were held *en masse* at the Self Help Center in Las Lomas. These were often festive occasions attended by entire families. Volunteer attorneys from the Texas Young Lawyers’ Association represented each grantee, explaining the process, assuring that all necessary forms were correctly completed, and answering any questions. Texas Rural Legal Aid also represented the grantees and provided additional legal assistance where necessary.

CRG incorporated community legal education in the closings. All grantees were given a document in either Spanish or English explaining the rights and responsibilities of property ownership, emphasizing especially that it was now the grantee’s obligation to pay property taxes

⁶⁷ Int. with Rebecca Lightsey, 10/11/1999.

⁶⁸ Int. with Rebecca Lightsey, 6/29/2002.

⁶⁹ Int. with Rebecca Lightsey, 8.2/2000.

for the lot. Through Texas Rural Legal Aid, each grantee was also given the chance to sit down with a volunteer attorney at the closing to write a Will (although few did so). At the end of the closing, CRG gave each grantee a copy of the deed, and then registered the original in the county land records.

8. Conversion of Contracts for Deed to Mortgages. Each case decided in favor of a claimant resulted in one of four final outcomes; 1) If no debt remained on the land contract, SCCAC conveyed the land to the owner by a special warranty deed; 2) If a debt of less than \$3000 remained, SCCAC conveyed the land to the owner by a special warranty deed, and took back an unsecured note for the balance; 3) If a debt of more than \$3000 remained, SCCAC converted the contract into a mortgage note secured by a deed of trust, and conveyed the land to the owner by a special warranty deed; and finally, 4) If the owner already had a deed originating in Chapa and/or López, SCCAC corrected any legal errors in that document through a court order (see above), or facilitated the exchange of quitclaim deeds between claimants holding incorrect deeds.

In outcomes 2 and 3 above, SCCAC assigned the note to CRG, who holds the note and continues to collect monthly payments.⁷⁰ CRG renegotiated payment schedules so as to ensure that claimants can afford the periodic payments under the notes. For the first five years, those claimants who gave a note for the remaining balance are not charged interest. If a balance remains after five years, the interest rate will be five percent.⁷¹ Payments to CRG from those owing a debt are expected eventually to total \$650,000.⁷²

THE IDEA OF “RECEIVER LAW”

Deciding who would get what land was a political as well as an administrative challenge. The claims process had to meet the legitimate expectations of fairness held by individual claimants and the community at large, and at the same time protect the Receivership from fraud. Preventing fraud was necessary if the Receiver was to act in the community’s interests: Any land fraudulently claimed was unavailable to settle the meritorious claims of those to be compensated

⁷⁰ First Amended Proposed Disclosure, Statement of the Debtor, *In Re Starr County Colonia Assistance Corporation, Inc.*, 1999: 41, 43

⁷¹ First Amended Plan of Reorganization/Liquidation of Debtor, *In Re Starr County Colonia Assistance Corporation, Inc.*, 1999: 18-19.

⁷² *Ibid.* at 26-27.

by a “land swap.” The rules that emerged from CRG’s title settlement work departed in interesting ways from the formal law of substantive property rights, and also from the formal standards of proof by which a court would have considered the same claims.

These departures were possible because of the receivership structure and the bankruptcy reorganization. Chapa and López forfeited the land in the state court settlement, and the state court created a receivership and transferred the land to it, although there was a trust obligation to manage it on behalf of the residents. When the Receivership transferred its assets and liabilities to SCCAC for purposes of the bankruptcy, that entity became owner. As owner, CRG (in its various permutations) could transfer the land to claimants under any standards that satisfied its trust obligation. Further, by taking the property through bankruptcy reorganization, CRG could compromise the vested legal rights of any individual in pursuit of a fair and equitable solution for all interested parties.

Using that flexibility, CRG established property norms and standards of proof that conformed closely to local understandings and practices. The close fit between local norms and Receiver law is evident from the fact that virtually all members of the community surveyed and interviewed say that the title settlement was fair, that people who deserved the land got it, and that CRG “kept its promises.” This verdict is even more notable because the community was initially fearful and suspicious of the Receivership – a point underscored in focus group discussions:

F: In reality we were afraid of losing where we lived because all the people around here are in great need. So when we started to see that everything was being resolved, we saw that in reality it had worked – the process. But it was really the lack of trust we had, because it was not being resolved soon. We were afraid of losing everything.

M: That happened before with Sr. Elías Lopez. They left so many problems. Lots of titles in one name and then another and another, and still it was resolved.

Q: That is so.

F: It took time but it was all resolved.

Q: That is right.

F: At the beginning we were a bit scandalized.

M: Thanks to the office in front (Focus Group #5).

We will return to this community-wide evaluation of the CRG in a later chapter. Suffice to state here that the overriding commitment of Receiver law was that the legality or illegality, formality or informality of a land claim did not, *a priori*, strengthen or weaken the claimant’s position. Outside the flexible Receivership structure, having no legal rights means having no rights at all. Inside the title settlement process, *the view was that formal law could not accommodate the*

social context of the colonias (emphasis ours). The law had failed to prevent developer abuses in Starr County because it was personalized and captured by elites. The law would fail colonia buyers if they sought their land in court because of the rule that rights in land must be proved by reliable written documentation. Substantive rules of property law, like those that favor the first-in-time buyer over a later occupier, would have violated the community's views about how to prioritize one good claim over another.

The Receivership, in effect, created a parallel form of legality. The rules for proof of a claim detailed above, for example, emerged from everyday practices in the CRG office as staff worked with individual claimants. The reality was that most claimants had incomplete paper records, and also that most of these claims were valid. Claimants did not have written documents, or had defective or incomplete documents, because of an imbalance of bargaining power in dealing with Chapa and López. To impose expectations of formality and regularity after the fact would be to do an injustice. As one woman explained, "because always in the courts... well if you go to a trial, I imagine that what they ask you is there is proof. Because just words, well no, but if there is proof in a signature. . . ." (Focus Group #2). The Receivership's standards of proof were pragmatic ones, grounded in the belief that buyers should not be the ones to pay the price for the developers' business practices. This belief was one colonia residents shared:

— *But your brother does not have a contract, did not have a contract with him?*

F- *He did not have the papers yet. Only receipts.*

M – *That's the way it was before. Only receipts.*

F- *Only receipts. But they say they are going (inaudible – several people talking).*

— *Receipts are enough* (Focus Group #3)

In deciding which claims to recognize, Receiver law again mirrored community norms and expectations. A rule that affected many claims was to accept as valid oral agreements to convey land.⁷³ This made for harder proof problems, but acknowledged that Chapa and López, and not their buyers, had controlled the terms of the land sales. If the developers had chosen to do business without paper, the buyers had not been in a position to demand otherwise. Proof often came down to a credibility judgment made by local CRG staff.

A rule of Receiver law that governed another class of cases gave priority to the person already living on the lot when there was more than one verified claim to the same land. The

⁷³ Although oral agreements to purchase land are generally unenforceable, courts of equity have established some exceptions to that general rule.

underlying norm was that relocating would be a greater hardship to the one already living on the land, even though the other buyers also had good paper claims. The applicable rule of formal law, by contrast, is that the first buyer takes priority over subsequent purchasers. But where people build their own houses, and may take a decade or more doing so, the occupier's investment is greater than in other settings, a reality the Receiver's rule could recognize.

The *colonia* residents we interviewed mostly agreed that this was the best rule.

Q: Did the receivership or the CRG define – okay this is fair, this is not fair. Do you think they have been fair?

A: Well there in the colonia. . . still there are solares that are there that do not have owners, they say they did not have an owner, they were going to relocate those persons that ended up having two owners for only one title.

Q: Have the people accepted that? Do you think it's a fair, a correct resolution?

A: Yes the people have accepted it (Focus Group #2)

CRG's Rio Grande City staff were the originating authors of this "Receiver law", backed up by the support and authority of the Receiver. Receiver Lightsey respected her staff's local knowledge and human judgment; she committed the title settlement project to substantive fairness over administrative convenience at every decision point; she invested in competent and trusted community leaders as staff members; and she put those local actors out in front of the titling process. As we saw earlier in this chapter, the staff -- Aidé Villarreal and Marta Bazán in particular -- became the personal embodiment of CRG to the community, as well as the voice of the community inside CRG.

Villarreal and Bazán say they "pretty much know everybody in the colonias" and "can tell when someone is lying."⁷⁴ But they did not treat claimants with suspicion, or place the burden of proof on the claimant. Instead, the staff worked actively to assemble proof to verify claims. The staff expressed determination to give property to those who had paid for it, even if their proof was sketchy. They were just as adamant in the belief that those who tried to scam the process were hurting legitimate claimants (*ibid.*). Villarreal and Bazán lived in the colonias with their families and had themselves bought land from Chapa and López. They were thus credible representatives of the demand that those who had paid be rewarded.

Receiver law also emerged in response to the community's demands for political accountability. CRG held dozens of community meetings in many of the colonias and at the Self-Help Center, particularly around the time of the bankruptcy. Although many in the community who attended the meetings stood back and listened, or spoke in quiet tones among themselves, others

⁷⁴ Int. with Amada (Aide) Villarreal and Marta Bazán, 10/19/1999.

asked hard questions and challenged certain decisions. Lightsey went not just to speak but also to listen. When decisions already taken aroused resistance, she went back and tried to accommodate the community's interests. An example is her decision, against cautious legal advice, to give special warranty deeds rather than something less. In sum, the community found Receiver law fair because, at the bottom line, nobody was excluded: "I think that it was fair because many people did not have their solares correctly, then they accommodated them elsewhere. Nobody was left out. If there were some mistakes, like in other places. But everyone ended up..." (Focus Group #5).

CONCLUSIONS: PRAGMATISIM, FAIRNESS, AND LOCAL CONTROL

The early years of the Receivership were a lesson in financial realism, which forced the shift away from the initial goal of physical upgrading towards one of legal regularization. The "make the developer pay" law enforcement strategy, while politically appealing, was not financially sound. Colonia sales had been profitable before 1995 because developers took low-value land, added little value in the way of infrastructure or services, and sold it at a significant markup to a population with pent-up demand because it was locked out of the formal housing market. However profitable, the colonias did not generate enough money to supply after the fact what developers had left out at the time of sale. Some colonias, particularly the newest settlements, will generate significant income from ongoing payments on land contracts/mortgages. The Starr County colonias, however, were mostly older settlements, and many buyers already had paid off their contracts by the time the Receiver arrived. But even with a better income stream, developer profits could not fund the provision of paved streets, storm sewers and drainage, or water and wastewater services in the Starr County colonias. Not only is building infrastructure after development much more costly than installing it before development, but the sheer scale of colonia deficits demands huge resources. Physical regularization must remain a government responsibility.

But the Starr County experience suggests an entirely different set of reasons to pursue a law enforcement strategy aimed at colonia developers. Developers faced with substantial civil penalties can be pressed to forfeit their property interests in the colonias, allowing these assets to be transferred to nonprofit entities acting in receivership who can manage the land on behalf of the residents. This case study amply demonstrates that government is not the best entity to legally regularize the colonias. Bound by the limitations of formal law, government could not have acted with the Receivership's power and flexibility. Much of CRG's success in settling title was

due to their legal strategy. Linking the power the state court gave CRG over the land in receivership with the bankruptcy court's flexibility to adjust vested legal rights, CRG could make its own rules, constrained only by its trust obligations and the need to cooperate with the courts. That flexibility made it possible to title those who deserved land, whether or not their claims met ordinary standards of legal proof or conformed to legal definitions of a property right.

The experience in the Chapa/López colonias further suggests that a similar web of legal defects likely to be found in thousands of other colonias in the border region. The legal problems of the Starr County colonias were multiple, complex, and interrelated. They originated out of irregular and illegal business practices that have not been uncommon in colonia land development throughout Texas. Clearing title to individual lots initially required addressing the illegality of the subdivision in which they were located. Additionally, buyers' rights depended on what the developer had to sell in the first instance, and so clearing title ultimately required clearing Chapa's and López' title. In Starr County, the Receiver peeled back these layers like an onion, believing she had remedied one problem only to find it embedded in another. Other legal regularization efforts will find in this case study a navigational map that warns of the depths and currents beneath the surface.

The Starr County experience also points to specific legal reforms that would help similar regularization efforts in the future. The first would make platting easier after the fact, and the second would allow voluntary release of liens when developers have failed to pay taxes. The first reform to make platting easier after the fact is necessary because the state law prohibits platting a subdivision without assurance that the subdivision first meets model standards for infrastructure and public services. The rule is aimed at for-profit colonia developers with the purpose of preventing the growth of new substandard subdivisions. But it has the effect of preventing governments or nonprofits who are trying to remedy a developer's earlier and illegal failure to plat. We believe it violates the law's purpose to create an obstacle to remediation of the problems of existing colonias.

A second reform should allow for the voluntary release of tax liens when developers have failed to pay local or state taxes. In the Starr County case, the Receiver faced both private and governmental lienholders seeking to collect debts traceable to the developer by making claims to the land. The Receiver was able to negotiate the release of judgment liens held by private interests with relative ease. Similar liens traceable to developer defaults will certainly be found in colonias elsewhere in the state. However, a specific obstacle to working with tax creditors in flexible ways is the state constitutional provision that prohibits forgiveness of taxes until they are

more than ten years delinquent (Texas Const. Art. 3, § 55). The purpose of this provision is to ensure equal and uniform taxation.⁷⁵ However, the Starr County experience shows that the provision prevents taxing entities, especially local governments, schools, and hospitals who depend upon *ad valorem* taxes, from restoring property to the tax rolls, thus depressing revenues. This is unwise tax policy, as well as a hindrance to regularization. Local governments acting together with colonia advocacy groups should pursue a constitutional amendment - not an unduly cumbersome process in Texas.

The alternative to negotiating voluntary release of private and public liens traceable to the developer is to take receivership property through bankruptcy. Bankruptcy allows all claims against the developer's assets to be extinguished (even unknown ones), provided proper notice is given. Thus bankruptcy provides a truly "clean slate". Yet bankruptcy is also an expensive and complex process, as well as one heavily dependent upon the discretion of the judge. In our assessment, the "one-two punch" of receivership followed by bankruptcy is a legal strategy that can be routinized to some extent, suggesting that it can be replicated. But no matter how routine, each case will require legal supervision demanding skills not ordinarily held either by the public interest bar or by private attorneys practicing in the rural areas of the border region. In addition, the bankruptcy court must fully support the title settlement objectives, as did the court in this case study. Colonia buyers are unsecured creditors in the bankruptcy scheme, and so have lower priority claims than lien-holders and other secured creditors. If secured creditors cannot be persuaded to release or subordinate their claims on the estate, it is vital that the court be the ultimate judge of the overall fairness of the reorganization, and that it be committed to preserving as many assets as possible for colonia creditors.

Finally, the case study demonstrates the need for ongoing support an advocacy for land retention in the colonias. The focus groups indicate that although residents understand that property ownership carries responsibilities as well as rights, they are well informed only about the responsibility to pay property taxes. Because of the County's purchase of the Durango subdivision, the community is learning about the government's power of eminent domain. But there is widespread confusion among those we interviewed about other issues essential to land retention: the need for a will and the effects of inheritance and intestacy laws; the need for insurance; the law of adverse possession and of trespass; legal responsibilities when one subdivides or rents

⁷⁵ *Nueces County Appraisal Dist. v. Corpus Christi People's Baptist Church, Inc.*, 1993.

land; and the impact of family property rights, particularly in cases of divorce, informal unions, and multiple families.

If those who *became* owners through the CRG title settlement process are to *remain* owners, legal regularization cannot be a one-time exercise. For the benefits of this hard-won clear title to be preserved, ongoing resources must be provided to the colonias for programs of community legal education, advocacy on land issues, and access to dispute resolution outside of the courts. One lesson of this case study is that successful programs must be in the hands of local actors knowledgeable about the laws of property, land use, and local government powers, and also in touch with the political aspirations and economic realities of colonia communities.

CRG has concluded its title settlement work, which focused on defects to title rooted in the past. But new arenas of illegality will inevitably form in the future as owners mortgage their property for loans, face foreclosure or tax default, buy and sell property without registering deeds, subdivide their lots, become subject to judgment liens, face eminent domain actions, marry and divorce, bear children inside and outside of marriage, and die without wills; in short, new title defects will bloom.

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Chapter 4.

Land Market Performance in Starr County and the Impact of Land Titles Upon the Land Market¹

One of the most important questions underlying our research was to assess whether land titling has a significant influence on land and property market performance in colonias, and if so, to identify how much of a difference having full legal title actually makes to prices, property sales and lot turnover, and affordability. In this chapter we propose to analyze land price trends for a number of colonias in Starr County and try to define the main trends of prices over time. We do this by working with the following two principal sources: first, a database created by the CRG as they contacted residents in order to ascertain their claims of ownership and to clear their property titles; and second, we cross-check these data with information collected in the questionnaire survey, tying the analysis to a deeper set of questions and other independent variable data that was collected. Although the data are from the same broad constituency, the advantage of this dual approach is that it allows us to triangulate the larger CRG database as well as undertake a deeper level of analysis in relation to a smaller “panel” of respondents whom we interviewed in greater depth.

THE CRG DATABASE

This database was generated by CRG employees who gathered specific data from colonia residents as part of the individual files created to verify that they were eligible to benefit from the titling scheme, and to create a paper trail of who owned what, how much they had already paid, and what papers they had to prove “ownership”. The details of these stages were described earlier in chapter 3. Thus, they were asked about the type of documents they had received originally from the vendor that would establish their claims of ownership; the price they had paid at that time; the name of the owner(s) or more usually the developer who sold them the lot; whether or not there was any house or construction already on the lot at the time of purchase; and what, if any, problems they had in making payments.

This generated an overall database of some 1790 records, with data stretching from 1972 to 1999 – 17 years. However, although the information dates back as far as the earliest

¹ Primary authorship in this chapter is by Peter Ward with Flavio de Souza and Cecilia Giusti.

purchases in the 1970s, and has records up to the late 1990s, most people bought lots during the 1980s (see Table 4:1 below).

Table 4:1.
Mean and Median (2002) Real Price of land
per Square Foot, 1972 – 1999

Year	Frequency	Trimmed Mean (2002) Real Price	Median Real ¢ sq. ft.
1972	1		0.943
1975	1		0.999
1976	1		0.662
1978	6	0.937	0.601
1979	13	0.761	0.689
1980	14	0.796	0.701
1981	13	0.761	0.481
1982	33	0.492	0.513
1983	103	0.442	0.436
1984	76	0.461	0.476
1985	86	0.500	0.489
1986	95	0.501	0.478
1987	95	0.466	0.464
1988	90	0.577	0.499
1989	128	0.478	0.432
1990	120	0.705	0.578
1991	118	0.705	0.591
1992	105	0.739	0.653
1993	95	0.864	0.744
1994	91	0.874	0.833
1995	44	1.084	0.866
1996	32	0.827	0.600
1997	21	0.864	0.736
1998	18	0.522	0.497
1999	7	0.563	0.573
TOTAL	1406		

Source: CRG Database: Note that these are 2002 values (cf. 1983 values in the survey database.)

The database includes information for all 15 of the subdivisions considered in the survey, (see Appendix 4a), from which we extracted data for the following variables:

- Subdivision index / subdivision name
- Owner index / co-owner name
- The purchase date (year)
- The purchase price
- The seller
- If the lot was being sold with a Deed (a Contract for Deed usually)

METHODOLOGY

The first task was to convert all data from nominal process (unadjusted for inflation) into constant land prices standard deflators.² Because there were certain flaws in some of the CRG records (such as whether or not the recorded sale really did have a dwelling and/or deeds), where necessary we crossed checked with CRG employees in order to verify the accuracy, omitting those cases where there was uncertainty, or where there was missing information. This reduced, somewhat, the total number of cases from the original 1790 to a “working database” comprising 1406 records as shown in Table 4:1. These were used to undertake the first phase of our land price analysis. Overall, this comprises a large data set when compared with similar land-price analyses for low-income settlements (Ward and Jones, 1994; Ward et al. 2000), and we are fortunate to have the opportunity to analyze it, and to know that it had been consistently and accurately collected in the first place.

Real land prices were subsequently computed for each lot, but because lot size could vary, it was important to calculate in unit price terms; as the real cost per square foot. While most people recollect how much they paid – or the deal that was struck at the outset – people are not always about the exact size of their lots, although they are rarely widely inaccurate.³ But one area of possible inaccuracy in the questionnaire survey arose when we asked for the lot

² Using the GDP implicit price deflators for the CRG database for each year, and the CPI for South Texas in the case the data gathered from respondents through our survey to (1983 prices). The fact that different deflators were used does not make a difference to the analysis, although the real unit prices are not directly comparable between the two datasets, of course, relating as they do to different base-level years (1983) in the survey, and 2002 in CRG database analysis. In order to convert 1983 constant prices to those of 2002, multiply by 1.735.

³ Survey responses gave trimmed mean and median data that was close to the recorded lot on the CRG database record. Thus we were confident in using either the CRG data, or that provided by respondents, and often we ran the analysis against variables from both data sources.

price paid, if, as was sometimes the case, the buyer had bought two (often adjacent) lots at the outset – giving an apparently overall higher lot price since they rarely volunteered that it had been for two lots. Thus we found it necessary to later check with the CRG database, and would halve the stated amount where the CRG’s records indicated that the purchaser had acquired two lots. In Starr County we were greatly helped by the fact that most of the lots sold were of a uniform size -- 50 x 100 sq ft – quite small by colonia standards. This largely obviated any possible inaccuracies by having to rely solely upon the size as reported by respondent.

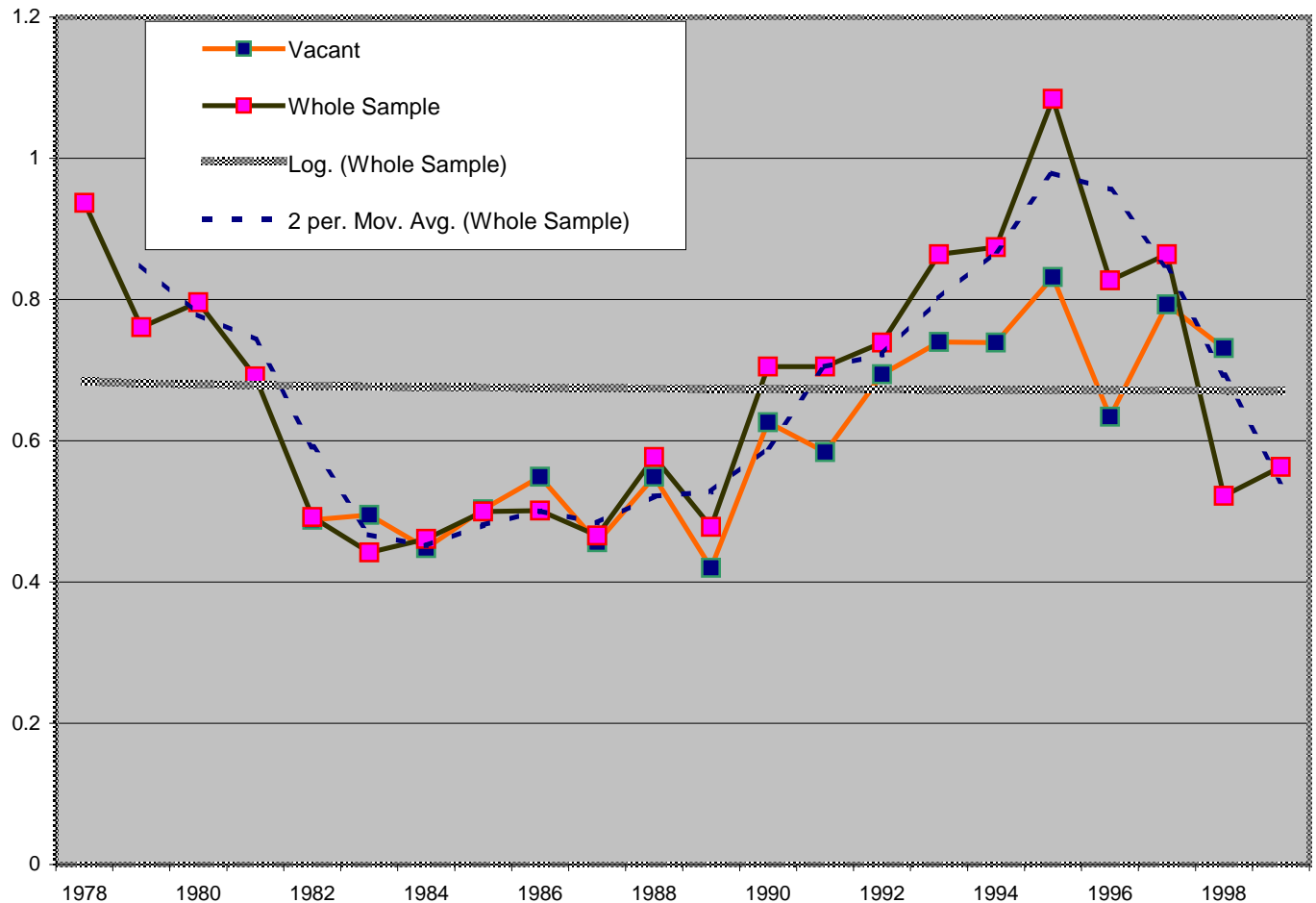
Thus, from both the questionnaire survey as well as the CRG data we had the nominal and real price paid for the lot, the same for unit prices per square foot, all matched to the year of purchase. These form the basis for the following graphs. Moreover, whenever possible we used a “Trimmed” Mean since this excludes the outlier values that would otherwise affect the average, and which would probably mislead the analysis.⁴ Thus the median and trimmed mean values offer the most accurate picture of lot prices in any one year.

One assumption that we make is that at the time of purchase these were unimproved parcels of land – without a significant dwelling on them. This is almost always the case, although some lots are being resold (*traspasos*), and this might latterly *have* included a dwelling structure of some sort. Our analysis occasionally controls therefore for two variables in order to minimize the possible inclusion of lot sales with structures: first to include when the developer/vendor was Blas or Elías since they never sold lots with structures; and secondly, in the more recent cases, to exclude regular size lot sales costing more than \$15K which would be excessive, and would indicate the presence of a dwelling. (We also excluded the extremely low values since these were probably misinformed prices placed on the records by CRG officials in cases where the person had paid very little, or was receiving the lot through the CRG.)

Finally, although in the first part of this analysis we are interested in overall trends over time for the 15 subdivisions, we also present disaggregated data for several of the largest colonias that were the focus of our surveys. This provides a segue into our more detailed analysis of the questionnaire data where we are able to probe more deeply into the patterns of land and housing market behavior, albeit with a smaller number of cases.

⁴ The ‘Trimmed Mean’ is the average in which the highest and lowest 5% of values are excluded. These “outliers” often significantly distort the overall mean, and can lead to misleading conclusions. It is safe to use the trimmed mean so long as there are a sufficiently large number of data points. Where that is not the case one should use the mean with caution, and better still, take the median value.

Figure 4:1.
Real Price per Sq. Foot, 1978-1999 (Trimmed Mean)



FINDINGS:

Land Price Trends Over Time

Most residents (72% overall) declared that they had bought their lot from Blas Chapa and/or from Elías López. This has two important implications: first that these would have been “first-hand” buyers as both were the original developers of these colonias and did not deal in anything other than un-improved lots; and second, that it was they who set the price – according to their own criteria, rather than those of the market place (although one assumes that the two were closely interrelated). But in such cases it is not uncommon to find that non-market criteria enter the equation so that being a friend or relation of the developer is likely to lower the price (Ward et al

1994).

In our first land prices over time model we calculated yearly real average land prices per square foot for the whole period covered in our database. The mean and median real sq. ft. land prices range from 0.475¢ in 1983 to a high point of \$1.296 in 1995 (See Table 4:1).⁵ Examining the curves in Figure 4.1 for vacant land and for all lots one can see that there is little difference, and the same general trend is repeated for each curve. At first sight, prices appear to have been around the .70¢ per sq. ft mark in the late 1970s through 1982, dropping to .50¢ and remaining flat the remainder of the decade, before rising steadily from 1991 and sharply in 1993 through 1995, declining thereafter (see Figure 4:1).

What can be said about the trend depicted in Graph 4:1? First, it seems to us that once adjusted for inflation, land prices in the long-term are relatively “flat” throughout – as indicated by the log curve, which shows a barely perceptible upward-slope. The two-year moving average (which tends to smooth any one particularly high or low year), also shows a modest “cyclical” movement, with a clear sense of prices declining in the late 1970s, rising again in the late 1980s/early 1990s to a high (-ish) point mid decade, before declining again thereafter. Second, there seem to have been two notable “spikes” in higher land costs in 1990 and again in 1994. Third, prices appear to have declined significantly in real times since 1995-96.

It should be remembered that most people bought into these settlements during the 1980s and did so at a time when no services were provided or promised, and before major statewide concerns began to be raised about the existence and nature of colonias. Concern and government intervention really only kicked-in as a result of the 1989 and 1991 Legislative sessions, and then later in 1995 coming to represent a major defining moment in Legislative intervention (Ward, 1999). The Receivership program did not begin until 1997, and developed in earnest from 1999 through 2002 as titles began to be systematically cleared.

While we believe that these trends are an accurate portrayal of land prices since the late 1970s, explaining them is not an easy task. Tentatively, we argue the following. First, overall land prices have remained consistently low because until 1995 unimproved lots were being sold without the firm expectation that services will be provided or that local governments will intervene one way or another to improve housing conditions. Second, the emerging publicity about colonias from 1989 onwards, together with the beginnings of State commitment to intervene to prevent their further proliferation on the one hand, while seeking to explore financing means that would provide

⁵ In terms of real median for the whole period (excluding the very limited data point years of the early 1970s) the lowest price was 0.43¢ per sq. ft. in 1993 with the highest being that of .87¢ in 1995.

services on the other hand, provoked a rise in the asking price from the developers, and probably also led to a more systematic (i.e. less discretionary) setting of sale prices to interested potential buyers.⁶ As Table 4:1 clearly shows, this was the high point of lot sales.

Our third proposition arising from the data is that although the actual number of lot sales began to decline in 1994, and did so sharply in 1995, the 1994-1995 “spike” was motivated by a growing awareness among potential buyers (and developers) that the supply of lots was about to decline or be severely limited. It was apparent that the Texas State government was about to intervene in a major way, providing water and wastewater regularization to colonias on the one hand, but that it was also about to get serious and curtail further un-serviced platted and unplatted colonias by developers. Thus, rightly or wrongly, many would-be owners may have seen this as perhaps the last chance to break into colonia ownership, but with the difference that there was an added expectancy that services would come on line shortly thereafter. Developers had even better information than did the average buyer, and by 1994 the storm clouds were firmly on the horizon with the threat that some developers would be prosecuted and might have their land developments sequestrated. It was becoming obvious that major legislation would be considered in 1995 (to come into effect in September that year) that would tie their hands from further lot sales (without approved platting and servicing) altogether, and on their ability to sell lots under Contract for Deeds -- precisely what happened with two House Bill 1001 and Senate Bill 336 in that year. Therefore, developers would have been tempted to offload their remaining lots, and get out before they were prevented entirely from engaging in further lot sales.

The decline in prices that we observe post 1995 also requires some explanation, since if there was a general expectation that services would come on line and that colonias would become more legitimate and formalized, then one would also expect prices to rise, not fall. Of itself, the fact that there was a sharp actual decline in sales is not surprising since after 1995 developer-sales were largely prohibited, and it must be assumed that most sales in 1996-99 were re-sales (*traspasos*) by earlier residents/buyers.⁷ The lower prices of the later 1990s may therefore reflect one or more of the following factors: a) an oversupply relative to demand after the spate of last-minute sales in 1993-94 (described above); b) the moratorium on lot sales, and

⁶ Before that date other considerations appear to have influenced price setting, especially to Blas Chapa, such as whether the person was known personally to the developer, came strongly recommended by kinsmen in the colonias, and so on. Such practices are not unusual in low-income self-help settlements (Varley 2002).

⁷ Elsewhere we have identified ways in which developers may have continued to sell lots despite HB 1001, but this did not apply in the Starr County colonias that we are considering here.

uncertainty about what was going to happen in Starr County colonias generally, and specifically in the CRG intervened Rio Grande City colonias; and c), the switch from a relatively consistent price setting system on the part of one or two very savvy developers, to a more individualized price-setting by individuals who were less experienced in negotiating land sales than their developer counterparts. Specifically so-called “absentee” lot owners living nearby (Ward et al. 2000), and perhaps those who held more than one lot in the colonia, may have been inclined to sell their vacant lot holdings for fear that they would be dispossessed -- if and when the CRG or Government formally intervened. Whatever the cause, our data suggest a sharp decline in land prices during the period 1996-2002.

Our interpretation is that this decline was due to the post 1995 uncertainties in the land market, rather than the anticipated impact of CRG intervention. Given the lack of data for 2000-present, we evaluate cannot say how CRG involvement and eventual titling program (1997-02) has affected the operations of the land market in terms of land prices, except to note that the expectancy that clear title would be provided, of itself, does not seem to have led to a rise in lot values. But it may simply be too soon to tell. However, we do now have good baseline data against which to measure land price changes 2000-onwards.

Price Trends in Individual Subdivisions

As discussed earlier, in addition to looking at the overall dataset, we are also able to disaggregate the analysis for a number of specific colonias – four of which had a good sample size (Table 4.2).

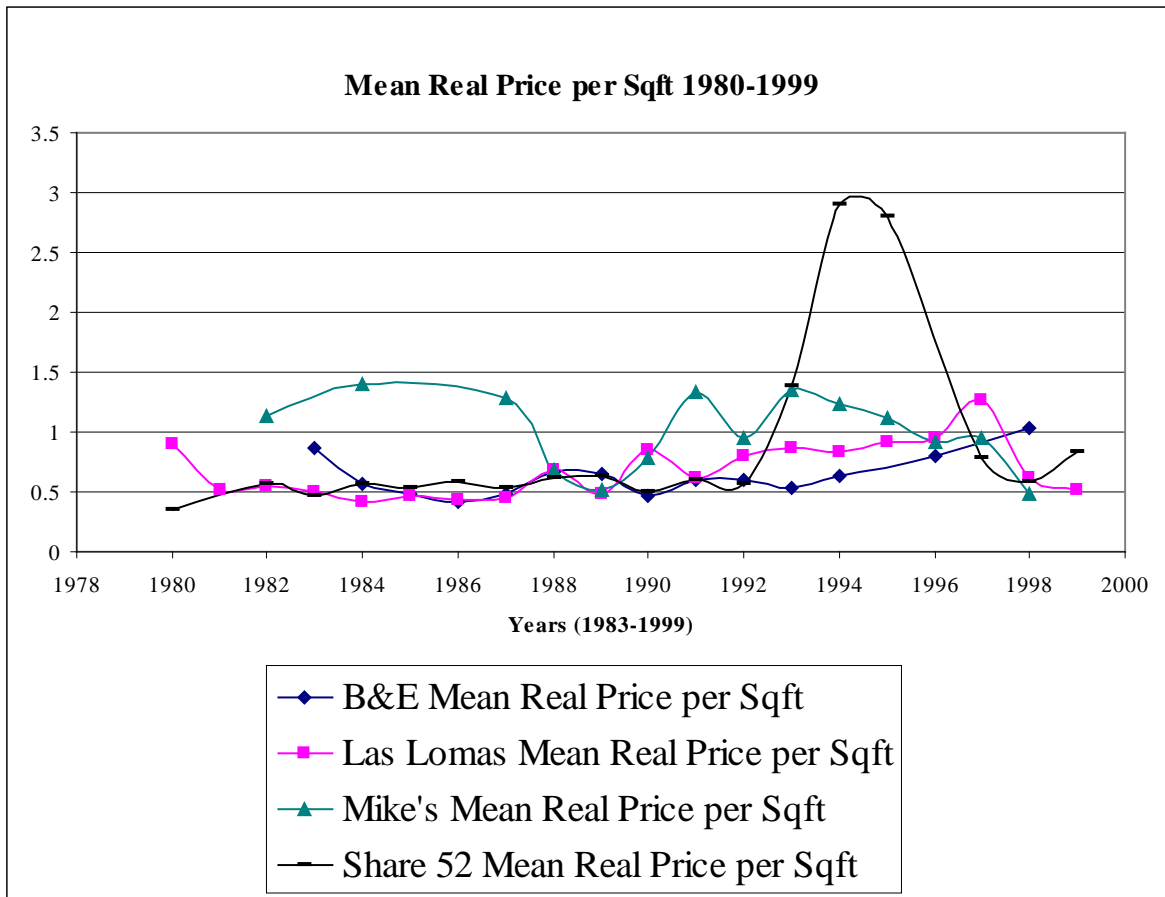
Table 4:2.
Selected Colonias and Number of Records

Colonia	Number of records
B& E	92
Mikes	158
Share 52	163
Las Lomas	491
Total Sample	904

These colonias represent 64% percent of all records in our usable database and in

Figure 4.2 we portray the mean real price per sq. ft. The data show that there is some variation over time in average prices between colonias. Las Lomas is the oldest, and shows generally lower prices (compared with the other selected subdivisions) during the 1980s (when prices were low), with a moderately increase in the 1990s and finally drop at the end of the period. Mike's has consistently higher land prices than most settlements throughout, and also shows an increase in the mid 1990s, while Share 52 shows the most dramatic "spike" of all in the mid-1990s. This alerted us to the possibility that the upward peak noted in Figure 4.1 for the mid 1990s may have derived from the Share 52 data for that time, but further analysis in that colonia revealed that this represented only 5 cases for 1994 and 1995, and that excluding Share 52 data does not change the overall curve significantly.

Fig 4:2.
Land Price Trends in Four Colonias



THE LOCAL SURVEY DATA

Methodology for the Survey Analysis

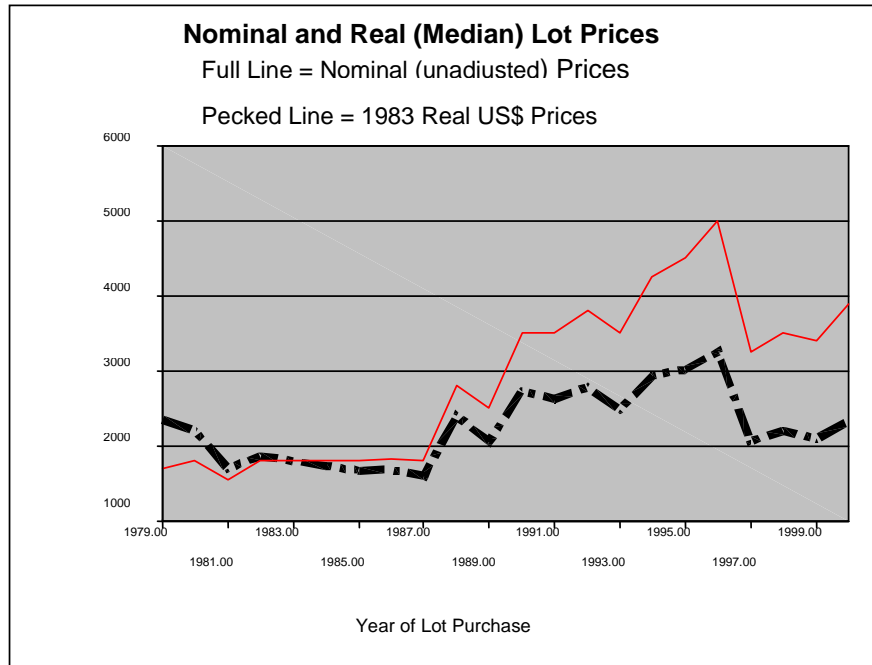
Thus far we have focused exclusively upon the broad overview of data drawn from the CRG database, and we now turn to the rather more detailed data gathered through our questionnaire survey. Generally speaking, because of the lesser data points in this database, the data analyzed are usually for the whole sample, but occasionally we seek to break them down by colonia, or by Control Group (most of whom live in Las Lomas), versus the Study Groups (which comprise the other colonias and some [23 cases] also from the un-platted area of Las Lomas (Santa Cruz 1 and NW Industrial Park -- see Table 2: 1 in Chapter 2).

As before, all data were converted to real prices – in this case tied to 1983 -- using each year's June value for the Consumer Price Index (CPI) for south Texas urban areas.⁸ Thus the 1970 value was 37.9; 1983 was equal to 100, and by 2002 it was 173.5. In order to convert (inflate) real 1983 prices into 2002 equivalent prices it is necessary to multiply by 1.735.

Some nominal price data on lot prices were taken straight from the CRG database (as were lot size data since these were always more accurate than the self estimates offered by respondents.) We checked the CRG data against those provided by survey respondents in order to ascertain the degree to which they were consistent, and these tables (not displayed here) showed that our survey data came out reasonably close (especially the medians) to that contained in the CRG database, although the mean lot price in the survey was almost \$300 higher. Upon further investigation it transpired that this was because some respondents had, in fact, purchased two adjacent lots, but considered it as one. Where this was known to be the case, the survey data were revised to reflect a single lot price, but just in case we have not caught all of those cases, we sometimes use the median value (see Table 4:3 below). Generally, though, we are comfortable using the survey data, and are confident that they are sufficiently accurate to warrant further analysis.

⁸ Note that a slightly different deflator was used in the preceding analysis, although it should not make much difference in reality.

Figure 4:3.
Real and Nominal Lot Prices, 1979-2000

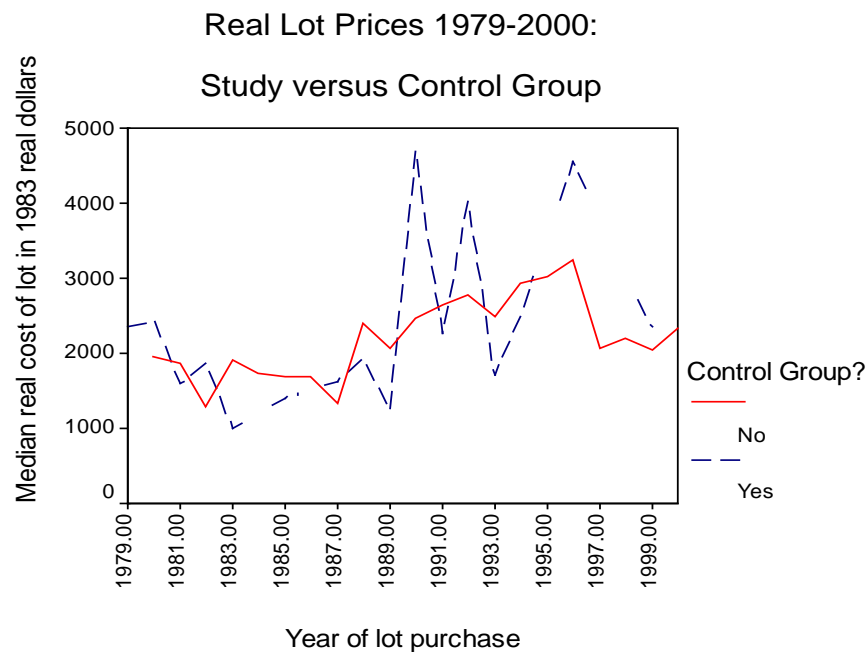


Land Price Data

Land Price Trends Over Time. We do not wish to repeat the findings discussed above, although our survey data suggest an almost identical cyclical pattern in real (1983) prices 1983 (Figure 4:3, pecked line) to that described above for the larger CRG database with a sharp peak in 1994-95. (The full line indicates nominal or unadjusted prices.) Overall, taking the real price of lots and land units from the late 1970s through late 1990s, prices remain fairly “flat” over time. Statistically there is no correlation between rising prices and the progression of years 1980s and 1990s, either for all cases combined, or when one differentiates between the “Control” and “Study” Groups (see Figure 4:4). However, the distribution suggests that Control Group lots are usually slightly lower in price than those of the Study Settlements, and this is consistent with the generally lower price of land in Las Lomas (where most Control Group households live), and the earlier period of that cluster of colonias’ development (see also Table 4:3). However, differentiating between the two groups continued to show a lack of any clear relationship price and years, and although the correlation coefficient is positive (0.114), it is not significant.

Moreover, disaggregating the data by cohort or period of purchase does not make much difference: there is a low negative correlation for 1989-94 period, and only if one takes the 1979-94 period does one observe a positive correlation of +0.157 (significant at the 5% level).

Figure 4:4.
Contrasting the Control and Study Household Data Panels



In short, the survey data indicate a hint of a real price increase over time, but only for the overall period 1979-94, and not for the rush of lot sales 1989-1994. Between 1995-2001, there is a negative correlation between prices over time (i.e. they actually decline quite sharply [Figure 4:3]) – as we saw earlier. However, even more than before, the number of cases is rather small. Examining the price paid for land in the last few years 1995-2001, which embraces the period of CRG intervention (1997-2002), we have 35 total cases, but in the most recent years have only 3-4 cases each year. Tentatively, the results (not displayed here) show a sharp decline in 1997, picking-up again from 2000 onwards, but not getting back to 1995 and 1996 levels. Although it is possible that CRG intervention drove down prices, this is likely to have been in combination with a number of factors, some of which were alluded to earlier (i.e. less well articulated price-setting; the reduction of scarcity by title clearance and opening up of lots that were somehow

previously impeded from being sold), but it is not possible to be conclusive.⁹ Further research is required to track prices for a much larger number of cases since 1997, and to analyze in detail whether the resulting changes are related to CRG intervention and titling. Prima facie it appears that the promise, or the likelihood of title transfers being affected by the CRG, has **not** had an inflationary impact upon land values; indeed it may have been the opposite. But in order to be sure, we need to analyze more cases exclusively for

Table 4:3.
Colonia Lot and Square Foot (1983) Prices, and
Self-Valuation of Lot and Residential Values in 2002 prices

Colonia (N)	\$ Lot in 1983 prices		¢ sq. foot in 1983 prices		2002 Estimated Lot Values - median	2002 Estimated Property Values – median
	×	Median	×	median		
Las Lomas (94)	2189	2026	.44¢	.41¢	6000 (31)	36,500 (34)
Mike's (89)	3628	2783	.52¢	.50¢	5000 (5)	20,000 (26)
B & E (32)	1773	1734	.36¢	.35¢	7000 (3)	40,000 (11)
Share 52 (27)	1957	1911	.39¢	.38¢	6250 (6)	32,500 (6)
West Alto Bonito (94)	2493	2564	.50¢	.51¢	5000 (6)	30,000 (5)
All in 1983 prices	2553	2346	.50¢	.44¢	6000 (51)	30,000 (82)
Equivalent in 2002 prices	4429	4070	.86¢	.78¢	4250 ¹⁰	31,450 (82)
Control Group (54)	2224	2122	.45¢	.42¢		
Study Group (165)	2690	2486	.47¢	.45¢		

Note: x = Trimmed Mean

⁹ Equally, and as mentioned before, the stagnation in prices since 1995 might also reflect the strong controls placed upon developers by House Bill 1001 of that year, which prohibited lot sales without plat approval and without services. In effect this should have “killed” further sales and stymied the market even further, although one would have expected the dip in prices to occur in 1996, rather than in 1997.

¹⁰ Calculated as .497¢ sq. foot assuming 5000 sq. foot X 1.735 (inflater)

the post-intervention period since 1997, and conduct further follow-up studies for the period 2001-05. It is too soon to tell whether or not title provision has had a significant direct impact upon land prices.

The Costs of Land Acquisition. Lot prices and square foot prices are shown in Table 4:3. The overall trimmed mean¹¹ (1983) prices are \$2552 (median = \$2122), equaling 45¢ and 42¢ per square foot respectively. (In order to express in 2002 prices multiply by 1.735 -- see Table 4:3). These prices are broadly comparable in unit-price terms with other Texas colonias that used an almost identical methodology (Ward et al, 2000: 109). Where those other study colonias showed significantly lower unit prices it was usually due to their much larger lot sizes. For example, Pueblo Nuevo colonia in Webb County (outside Laredo) had a Trimmed Mean price of 13¢ per square foot (exceptionally low), but these were for average lot sizes of almost one acre; while Sparks (El Paso County) had a median cost of 35¢ per sq. ft. on lots that average twice the size of those in Starr County (around 11,000 sq. feet compared with 5000 sq. ft.). Cameron Park in Cameron County – a better point of comparison given its Valley location and similar land properties -- had a median of 39¢ per square foot, with average lot sizes of 7000 sq. feet. Thus, we are confident conclude that Starr County sq. ft. unit-land prices are broadly similar to equivalent colonia lots found elsewhere.

However, overall lot prices in Starr County are also “cheaper” (or more affordable) than those of most other counties and cities, due to the smaller unit lot size. For example compared with Sparks and Cameron park where the median cost of a lot (in 1983 prices) was \$3744 and \$3,362 respectively, the corresponding median for all the survey settlements in this study was \$2346 – at least one third less. Moreover, as we saw in Figure 4:2, there is considerable settlement variation between the survey settlements. In our questionnaire data the higher prices in Mike’s have the effect of inflating the overall average considerably (especially given the larger number of data points in that settlement). The averages and median vary somewhat between those in the Control and Study Groups respectively, with Study Group colonias usually being somewhat higher (by \$300-400 or 2-3 cents per sq. ft). But prices vary markedly between colonias: The outliers are Mike’s with a higher Trimmed Mean (Tx = \$3628), and in West Alto Bonito, especially if one takes sq. ft. rates (around 50 cents per sq. ft.).

In conclusion, while unit land prices are more or less the same in Starr County as in other border counties, the actual cost of purchasing a lot is considerably less. Selling smaller

¹¹ See early note about the ‘Trimmed Mean’.

sized lots in Starr County was the way in which developers sought to adjust supply to the potential demand, ensuring affordability in a region that, as we observed in Chapter 2, is an exceptionally poor part of the Texas border.

The Determinants of Land Price Differentials

If neither the presence or absence of title deeds nor the provision of clear land titles makes any real difference to land prices, one might reasonably ask, what does? As an important sidebar analysis we are interested, therefore, in trying to explain why settlements seem to vary so much in average lot prices. Is it location, location, location – the classic assertion – or is it location in combination with other physical site characteristics. Alternatively, given that these are poorly serviced communities, does the actual level of infrastructure provision or community generated improvements shape the price of land.

On the face of it, location and proximity to RGC do not appear to play any role at all since prices are highest in Mike's and West Alto Bonito, which are the most distant, while Las Lomas, which is much closer in, has lower lot prices. Nor did any of the colonias have any particular servicing advantage at the outset that could have explained higher prices, although the expectancy that services might come on line more readily from the mid-1990s might have affected land prices as we discussed earlier, but this would only be reflected in those settlements in which lots were sold primarily during this phase. Physical conditions could help to explain the lower cost in B & E, which is steep and relatively inaccessible, tucked away as it is behind La Puerta 2. But West Alto Bonito also has a major negative externality of a sometime flooding arroyo running through it, although most buyers would probably not have been aware of that fact at the time of purchase.

Thus we believe that we need to explore another set of variables in order to explain the influences upon land price-setting in colonias, and we are inclined to favor those that are sometimes referred-to in the academic literature as “socially-determined” (Ward et al. 1994; Varley, 2002). In our view, the best single explanation of the variation on lot and unit prices relates to who developed the colonia in the first instance, and the period of development. As we observed in Chapter 3, responsibility for developing these colonias rested primarily with two men – Blas Chapa and Elías López. According the CRG database Blas Chapa developed almost half (682) of the total lots in the 15 settlements, while Elías was responsible for 18% (254), and they sold 91 (6.5%) in partnership. Some 27% were recorded as having been sold “others” – either smaller scale developers or by individuals selling on their lots through

traspaso. Moreover, while both Blas Chapa and Elías López were actively engaging in lot sales from the late 1970s, either individually or in combination, Elías' involvement only truly kicked in between 1989-94. After 1995 – the prohibition on developer sales of this nature – sales are exclusively by “others” (largely *traspasos*).

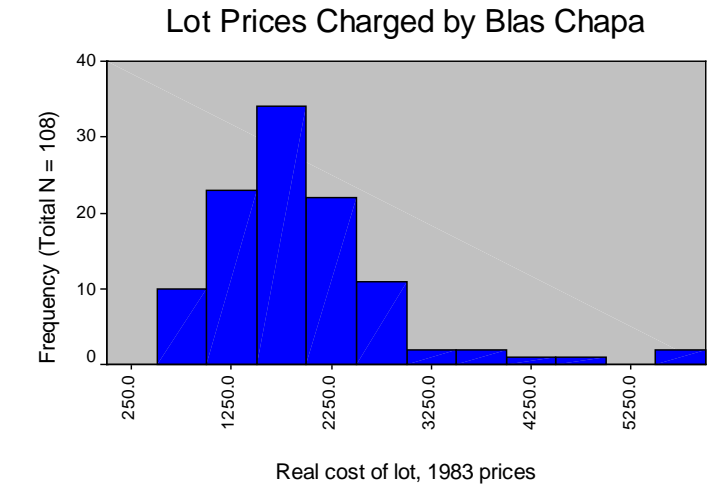
Like most colonia developers Blas and Elías were intimately engaged in the planning and sale process, and yet unlike most formal real estate developers, they retained very close day-to-day ties with the residents, so much so, that despite their illegal lot-sale shenanigans, they were continued to be quite well regarded by those to whom they had sold lots (Blas Chapa especially). Both men felt close personal ties to the settlements, so much so that they often named the settlements for themselves or their relatives: B & E (for “Blas and Elías”), Mike's (for Elías' son), and Amada Acres (for Elías' wife).

West Alto Bonito and Mike's were developed primarily by Elias López who almost always sold lots through Contracts for Deed (for details, see Table 5:2 in the following chapter), and while both Blas and Elías developed B & E jointly, Blas undertook the actual business side of the development.¹² Blas Chapa was also much more involved in the remaining colonias, but he was less likely to offer Contracts for Deed, but sold lots much more informally, keeping an accounts book and giving out receipts (see Table 5:2 and also resident narrative in the previous chapter). He was also known to be more amenable to making more casual deals, taking into account other criteria such as the buyer being a personal friend or coming recommended by friends and relatives whom he knew and liked. Perhaps he was just softer; certainly people seem to have fonder memories or enjoyed better relations with Blas Chapa than they did with Elías López – as our earlier focus groups demonstrated (Chapter 3).

¹² This is why in the survey both men appear to had and almost equal responsibility for lot sales, even though in the CRG database Blas Chapa was much more important.

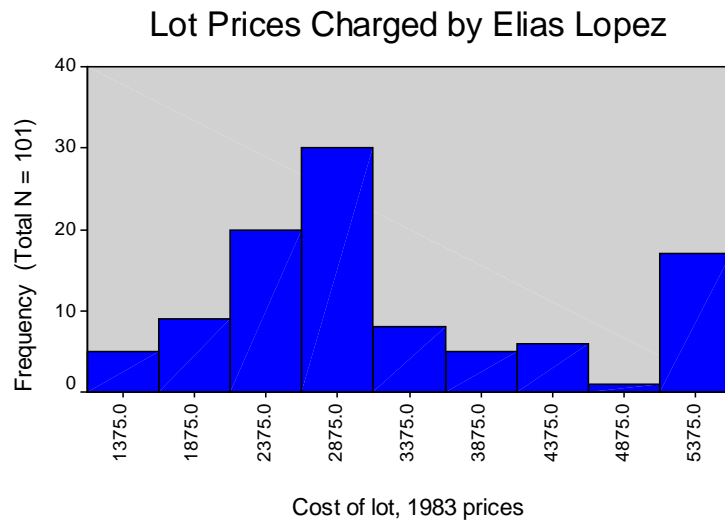
Figure 4:5.

Comparative Cost of Lot Sales for Different Developers



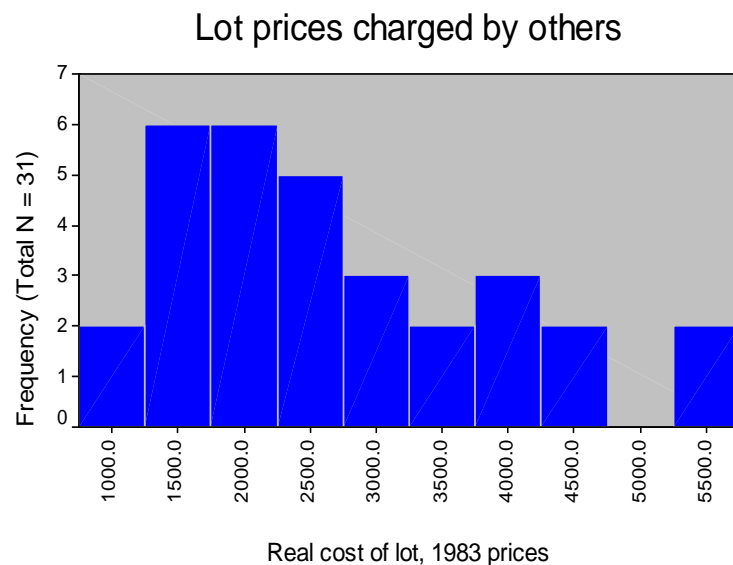
Source: Household Survey

Note: Mean = \$1944 (1983 prices)



Source: Household Survey

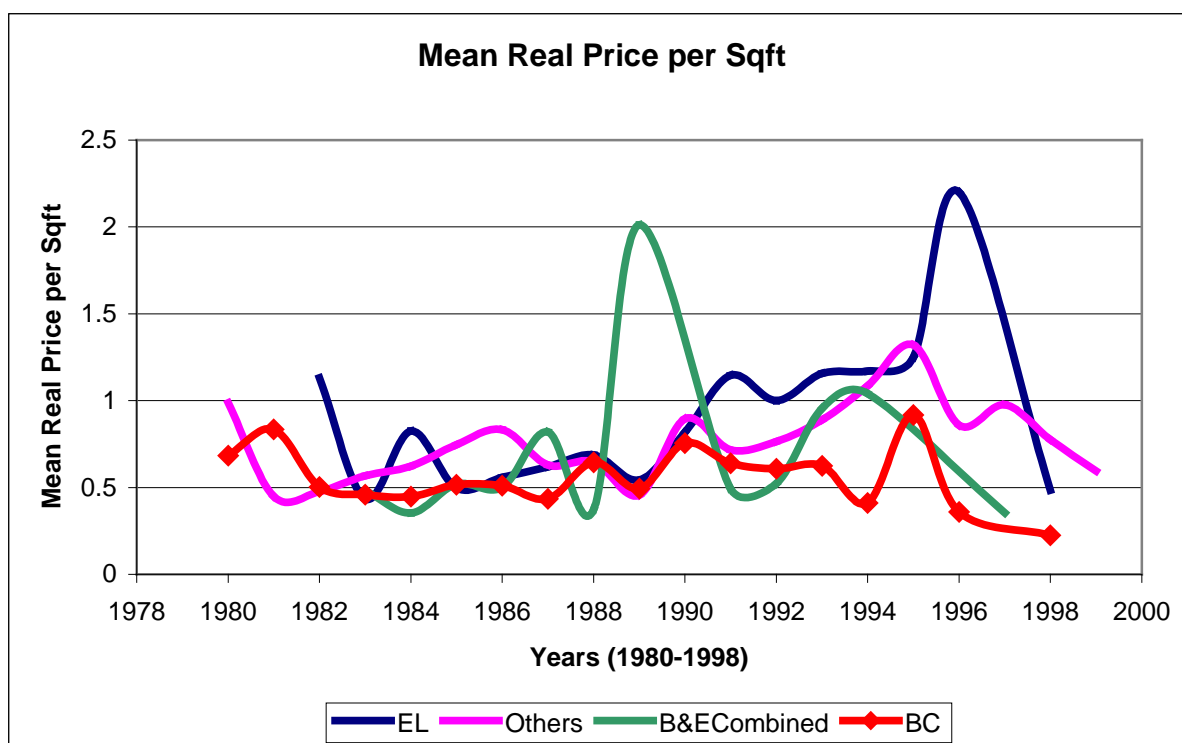
Note: Mean = \$3274 (1983 prices)



Source: Household Survey

Note: Mean price = \$3188 (1983 prices)

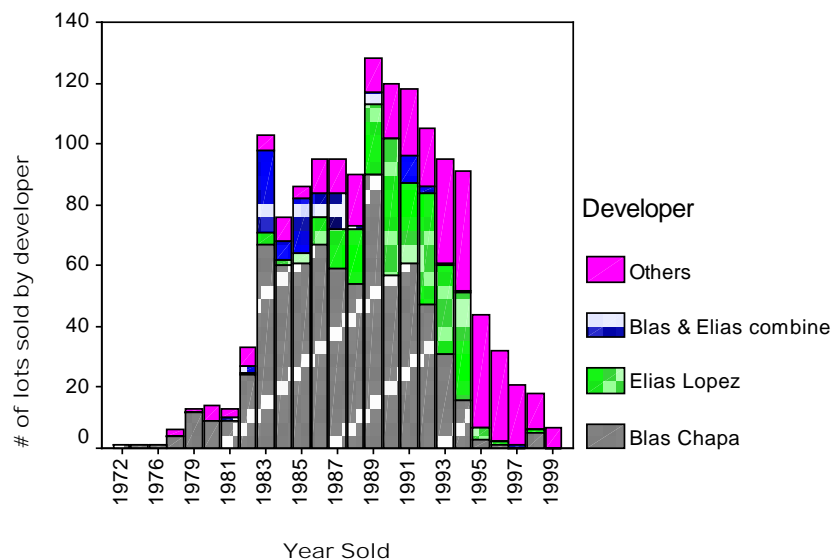
Figure 4:6.
Prices of land sold by different developers, 1980-1998.
(CRG Database – 1046 cases)



Several interesting and important findings emerge from Figures 4:5 and 4:6. First the histograms show quite clearly that lots sold by Blas Chapa were much cheaper than those sold by Elías López; indeed they were under \$2000 per lot (in 1983 prices) compared with \$3500 (See Figure 4:5 histogram distribution and the overall means). Quite how Elías López managed to sell lots at much higher prices is hard to explain, but the fact that he did offer formal Contracts for Deed (unlike Blas' preference of more informal receipts); and the fact that he had overall control of the development process in two distant settlements quite remote from Las Lomas where Blas Chapa had his base, may have been two key factors. Overall, it looks as though Elías López was the more business-oriented and profit seeking of the two developers, and this concurs with the fact that, unlike Blas Chapa, the residents never held him in much affection. His recent death, if not celebrated, went relatively un-mourned by most – as our focus group discussions indicate (Chapter 3).

Figure 4:7.

Distribution of Lot Sales by Developer



Source: CRG Database

Another feature suggesting that it is the development process more than location that shapes colonia prices is the fact that the trimmed mean purchase price of lots varies significantly by period (Table 4:4) Lots sold during the early 1990s were considerably more expensive than during the 1980s, and even those that have come on line since 1995. This, too, suggests some differential price setting by certain actors – the developers in this case. While both men were actively selling lots throughout the two decades, the bulk of Elías López' developments were in the late 1980s-mid 1990s, so to the extent that he and others were charging higher rates, so the curve of land price changes could also be expected to rise in those years. As Figure 4:6 shows, Blas Chapa regularly “undersold” lots during that period (his price curve actually declines), apparently only catching on to the opportunity of charging higher and more competitive prices in 1994. Interestingly, Blas must have known that he could have charged more for lots in the developments that he controlled, since the joint sales that he and Elías undertook together were usually at the higher rate (with some notable peaks and troughs, see Figure 4:6). Thus to the extent that different developers are engaging in differential price setting procedures, at different period, the overall price curve will also reflect their operations. In part, therefore, the rise in prices that we have observed throughout this chapter, and especially in 1980-95, at least in part reflects the impact that Elías López and others had in driving-up prices, and not an overall market change. Had it not been for Blas Chapa's continued activity of selling lots at lower prices, the increase would have been even more significant.

These findings are important, since they tend to confirm other research for low income (irregular) settlements that land prices are often “socially determined”, rather than being determined by more orthodox and conventional factors such as location, scarcity, etc. Future studies of land price changes in Texas colonias should analyze carefully the role that developers play in setting prices, and in those cities where there are several different developers it will be important to disaggregate the extent to which they work in concert with one another. In Rio Grande City Blas Chapa's somewhat aberrant (non-market) behavior had a significant impact in offering lots at sharply different (lower) prices to his competitor developers. However, now that the developers influence has been removed, so we may expect other land market factors such as location, level of services, physical characteristics and so on will come to the fore, and that these may well be more market driven and orthodox, displacing the market “aberrations” borne of personal relations between developer and clients that we have described here.

Table 4:4.
Comparative Real Unit Cost of Land for Different Periods of
Development, 1983 Constant Cents and
Self Estimated Values (cf. Table 4:3)

Purchase period (N)	1983 ¢ per sq. foot trimmed mean	1983 ¢ per sq. foot median	Estimated property and lot values combined, 2002 prices		(% real increase) and % annual rate of return assuming land sale price in 2002 of standard 5000sq.ft. lot	
			T. Mean	Median	\$4250	\$6000
1970-1989 (116)	.38¢	.36¢	35,689	35,000	(35% gain over 17 yrs) +2.1%	(91% gain over 17 yrs) +5.3%
1990-1994 (105)	.54¢	.51¢	33,760	32,500	(1% loss over 10 yrs) — - 0.1% pa.	(27% gain over 10 yrs.) +2.7% pa
1995-2002 (35)	.49¢	.47¢	16,670	14,500	--	--

Colonia Property as Good Investments?

As well as asking people how much they paid for their lots we also asked them to estimate the value of lots – either their own, or that of recent sales that they knew about. Table 4: 3 earlier shows the estimated costs of these lot prices expressed in 2002. In summary, the data in that Table (column 2) showed a median lot cost was \$4070 or .78¢ per square foot of land. Inflating to today's prices using the CPI and the trimmed mean of .50¢ (Table 4:3 column 3), would suggest a lot cost today of around \$4250 which is the figure we use as our comparator in table 4:4 above. Interesting, however, is the fact that estimates locally by residents themselves are considerably higher -- a median of \$6000 as estimated by 51 (valid case) respondents. While this varies somewhat for settlement (Table 4:3), the \$6,000 lot sale value is not unreasonable.¹³ As one participant in a focus group stated: "Because in my case, this solar I imagine was bought [originally] if not in \$500 dollars, at most \$800 dollars. And I [recently] bought it at \$7,000" (whistles and sounds of astonishment). Focus Group # 28 June, 2002.

Adopting a \$6000 estimated lot value as the comparator, then the total gain in 2002 values would come out at between \$1500 and \$2000 (columns 2 & 3 of Table 4:3 earlier).

¹³ Several others as well as CRG officials said that they knew of lots selling in 2002 for around \$6,000.

Depending upon the period in which one bought the lot, the return will vary, of course. Taking Table 4:4 data above, an individual buying a regular sized lot at 36¢ per square foot would, in real terms have made around \$1350 on his investment assuming that he was able to get the average increased value that was recorded across the settlements -- \$4250 (Table 4:3) in 2002; and a gain of \$2850 if, as respondents suggest, lots were selling for \$6000. The percentage annual return of these two estimates over a 17-year period (for someone buying in 1985) would be 2.1% and 5.3% respectively. If we extrapolate the average purchase price of the next cohort of buyers (1990-94) at 54¢ (Table 4:4 above), and similarly compare the net return in real terms, then for someone buying in 1993 would have experienced an overall loss of 1% (on a \$4250 valuation), and 2.7% per annum gain on a contemporary \$6000 sale.

What this tells us is that unless lots are selling today for \$6000 or more, people are not getting a very good rate of return on their investment, and some are even taking a hit and losing value in real price terms. However, in all cases, if \$6000 sale price was realized in the market in 2002, then those lot owners would have made a profit of something in the order of \$1250-2000 -- a sizeable equity gain for most people, even if it has been achieved at high social costs. But whether they can actually get that amount is another matter. Assuming that they can, and depending upon when they bought, the gains range from 25-100% in equity value.

We also asked respondents to estimate the value of their properties (i.e. lot and dwelling combined). Measured against what people now self-assess their property's worth, we see a substantial development of equity in Rio Grande City colonias. Some 82 respondents offered estimates of their own property's worth, and the median is \$30,000, (varying between \$40,000 for B&E and \$20,000 in for Mike's (see Table 4: 3). Not surprisingly, these higher values are generated among those who bought their lots a longer time ago: those buying their lots before 1989 valued their property at 35K, whilst those purchasing since 1995 valued at less than half -- at 14.5K.¹⁴

While these data are speculative, and arguably inflated coming out as they do at an overall average of \$30,000, we believe that they are probably quite close to reflecting the cumulative costs of improvements that most people have made, in particularly that of building or placing a dwelling on the lot. However, as we have underscored, estimating the current value or worth of one's property, and actually getting that on the open market are very different matters.

¹⁴ It appears to us that most people self-estimated the value of their property largely by the amount that they have invested in the lot and dwelling, rather than by a judicious assessment at the market and the going rate for similar lots and properties. Tax appraisals tend to underestimate colonia property values and would not usually provide residents and owners with a good indication (see Ward et al, 2000).

In Starr County colonias today, it is even more difficult to sell a lot with a dwelling on it than it is to *traspasar* a vacant lot. This is because there are very few buyers who would be willing or able to pay such a high price on the open market. But assuming that such a sale could be realized – either now or in the future -- then colonia populations would be moving from being equity poor, to a position of having made a relatively sizeable net gain.

However, given the real difficulty in realizing those gains, and as long as the land market is “stunted” with little or no effective demand at the \$30-40,000 level, we are obliged to conclude that for colonia residents today it is the use value rather than exchange value that remains paramount. For most people that is not a problem, unless one is motivated or obliged to sell. Investing in low-income real estate is not a particularly good investment deal for the very low-income segment of the market -- a point that confirms a broader colonias study (Ward, 2000: 112). Nevertheless one must also recognize that it is probably the only arena in which low-income people in Starr County can invest and hope to gain from their “sweat” equity.

CONCLUSIONS

Therefore it appears that the valorization of land is relatively modest and that the provision of formal land titles has little or no direct influence. Rather, it is sweat equity by the people themselves, along with house purchase and improvement, that raises the property value and gives rise to some equity creation and (rather modest) personal wealth. But the overarching problem remains: namely the low viability of the property (sales) market, such that unless the market is “primed” to allow for greater mobility and sales, then there is little prospect that low-income (colonia) residents will benefit financially from home ownership, and certainly not to anything like the same extent of their middle and upper-income peers. Unfortunately, despite their modest gains and equity growth through land acquisition and participation in colonia housing markets, the greater viability and gains that accrue in the formal middle and higher end of the property market is leading to greater, not lesser, social segmentation between the better-off income groups and the poor. In our view the “bootstraps” approach does improve the position of low-income colonia households in so far as it does provide a mechanism for saving and for creating equity – certainly when compared to their equity-poor renter and inner-city peers -- but there also seems little doubt that the formal land and property markets favor much more middle-income America, for whom homesteading generates better medium and long term growth in equity.

In this chapter we have observed that colonia land markets function poorly, and that there is little evidence for anything other than a very small increase in real land values from one decade to the next. In essence, real land values are “flat” over time. Nor does intervention to provide clear title to lot owners appear to make much difference, although it is still early to gauge accurately the precise impact of CRG’s intervention in the colonias outside Rio Grande City. When it comes to colonia informal property markets it appears that levels of servicing provision and relative location are not good explanatory variables of land price differentials either. Instead, our data suggest that it is the price setting behavior by land developers and supply side variables that best explain land prices and land price changes over time. That lots are affordable to the very poor is also achieved through the nature of supply by three principal mechanisms: first, offering poor quality land without services; second, by lowering front end transaction costs through informal buyer financing and through informal contractual arrangements; and third, by reducing the size of lots to a bare minimum such that the overall lot price is just within the reach of very low-income buyers. Average colonia lot prices in Rio Grande City and Starr County are generally lower than in many other border counties, but the unit price per square foot is about the same: lowering the price comes through small lot size.

While there is substantial evidence that colonias offer an important medium for generating home equity, this is achieved primarily through improving the land by house construction or placement on the lot. However, the ability to realize those gains through exchange in the market place (exchange value) is severely limited by the lack of demand: poor people cannot afford to buy properties even at this lower-end of the market where homes average \$30,000 or more, and until financing mechanisms are in place to facilitate such market exchanges, there is little prospect that low-income populations will find buyers that will allow them to cash-in on their sweat equity achievements.

Thus, at the meso-level analysis of colonia land markets that we have considered here, there is not much cause for optimism or for any indication that land titling is likely to have significant impact in improving the operation of the now formal land market. In the next chapter we explore the micro-level – that of the household and the individual – in order to assess what the provision of land title “means” to residents, and how it might affect the “use value” that they obtain from their homes.

Chapter 5.

El Título en la Mano: The “Meaning” of Full Property Titles, and its Impact¹

INTRODUCTION

Identifying what title in the hand – *título en la mano* as the Mexicans would say – actually means to low-income populations in Texas colonias is a key question to this evaluation and analysis. It is often argued that clear and efficient title systems are crucial in order for land and housing markets to work effectively (Linn, 1983; Cole and Grossman, 2002; de Soto, 2000). Without title, investors feel insecure; informality abounds creating dual or segmented markets; and land prices are high because of relative scarcity in the formal market. Similarly, without an effective and formalized property registration system, public and private agents have little control or recourse over those operating outside of the formal sector: Hence, taxes are avoided; land-use controls are ducked; planning is impotent; and formal lending and credit markets cannot develop because repossession of goods from defaulters cannot be assured. In short, capitalism is stunted, markets are flawed and their operations are undermined, and urban management and public administration are unsustainable.

Undoubtedly, many of these elements affecting the “mystery of capital” – as de Soto (2000) refers to it – exist, just as there is little doubt that in order for the urban poor to benefit from titling in ways that are sustainable, urban administration must be made more efficient, less Byzantine, more transparent, and fiscally more replicable. But the prescription that property titles in and of themselves will allow the poor to raise themselves by their bootstraps by sharing in the bounties of the market economy, and moving from relative informality to formality within the legal and political-administrative framework needs to be unpackaged. Otherwise it will simply become a mantra. One of the goals of this chapter is to examine what formal title does and does not leverage in the way of market and political participation for those titled in the Starr County colonias. Another goal is to ascertain what title means to people on the ground. Property titles are a *sine qua non* within formal markets. Within the U.S., individual ownership is the

¹ Primary authors of this chapter are Peter Ward and Flavio de Souza, in collaboration with Cecilia Giusti and Jane Larson

norm, with the “fee simple absolute” being the ideal of property ownership.² Collective or social property rights also are recognized, although these are sometimes valued as less than “true” ownership. We ask a number of questions about how those living in the colonias understand the practical and legal impact of formal title. How are property relations “constructed”? How do people within informal systems view formality and informality? What are the costs and benefits of formality (title in this instance)? How do people “use” title once it is acquired, for example for home improvements or for accessing credit, etc? Does fee simple ownership enhance land market-performance, giving the poor a greater share in gains and/or losses of the marketplace? Does title empower communities in their dealings with government, as organized activists, or in dealings with their neighbors? In short, do property titling programs make a palpable difference to the people they are intended to support, and, if so, how?

At the outset, we want to point out that this study looks only at property owners and at informal land production systems for ownership, no matter how “clouded” the process. We are not analyzing rental markets in colonias, but that is not an important concern here because renters are almost non-existent in Texas colonias (Ward, 1999), unlike their Mexican counterparts, (Gilbert and Varley, 1991; Gilbert, 1991). This is primarily because most Texas colonias are distant from the city, and therefore from primary places of work, which makes residence unattractive for renters, for whom low-cost rental apartments or trailer parks are a better option. Colonia residents, on the other hand, actively and deliberately trade off location, poor services, and city amenities in order to break into the property market as homesteaders. They seek to share in the American “Dream”, and to build equity and a future patrimony for their children, even if they do so at considerable social cost to themselves and to their children.³ As for almost all residents, their primary concern is that of “use value”; but unlike non-owners and renters, they also hope to benefit from the “exchange value” their property command in the marketplace. The crux, of course, is the extent to which having formal title shapes or raises those use and exchange values: Is it easier or more comfortable to shelter on the property with formal title in hand? Does title actively facilitate the market process? In dealing with the local governments in charge of essential services like water, sewer, schools, and roads, does title

² Fee simple ownership is the norm within the United States, and its principal characteristic is the alienability (ability to trade), rights of permanence, and extensive control and freedom over what one can do with one’s property.

³ Social costs in the sense of living in a poor quality residential environment with lower than average services, high levels of insecurity born of not having full title deeds, long travel times to work or school, and minimal access to city amenities.

empower residents to make effective demands that their needs be met? We sought answers to these questions through two principal sources of data collection and analysis. First, through focus groups in which we explored these issues in a loosely-structured and a more free-wheeling discussion format, letting residents' "voices" be heard in their own words, and allowing the group's dynamic to pace the discussion. These discussions sought to obtain qualitative data concerning our research questions, and also to clarify or expand some of the topics covered in the household survey, especially where the meaning of the quantitative data was less clear. The focus groups explored in depth our research questions related to the perception of participants towards three key aspects of land ownership: first, legal issues, including inheritance, ownership, and marriage; second, the financial implications of receiving formal title for access to credit and home improvements; and finally, the meanings of title in terms of household and family relationships, community cohesiveness, community organizing, and political empowerment.

We believed from the outset the focus groups would be crucial to our understanding of and sensitivity to residents' perceptions. As outlined earlier, these sessions were structured so as to elicit discussion from and among two all-female groups, three couples groups, and two mixed groups. But in all cases, we recruited participants for the focus groups so as to ensure that their interest and knowledge had not been "shaped" by earlier or parallel participation in the household survey, which might have biased or influenced their responses. Thus the focus groups were an independent triangulation of the information that was being gathered from the household survey. We find the focus groups to have been a very rich source of data, adding both insight and complexity to our understanding of the meaning and significance of land title. Our second source of data was the systematic (questionnaire) survey of colonia household heads. Those surveyed were residents randomly selected from the household listings provided for each colonia by the CRG database (See Chapter 1 and relevant appendices). Much of the questionnaire instrument sought to gather data about the same research questions we explored in the focus groups. What property "rights" did people have in theory and practice when they first bought into the colonia? Did the residents view themselves as legitimate owners when they first bought (and before titling). What trigger assets (papers in this case) did they perceive as being most essential to their ownership claims. What was the nature of their social relations with the developers, and how did those relations shape residents' perceived rights or feelings of vulnerability. And once they received title, what changed in their perception of themselves as

owners: specifically, did title change their market orientation and residential behaviors -- as home builders and improvers, as credit seekers, and as family members, neighbors, and community residents. In short, does title empower people as political actors, and if so, how? This latter idea – empowerment -- was not something that we had anticipated or considered beforehand, so it was not included in the survey. Thus, to the extent to which it is a salient issue emerged from the focus groups.

Our analysis of the survey data draws out any differences among residents of the various Starr County colonias we studied, as well as differences between the Study Group and the Control Group. The statistical analysis did not find major differences between men and women, although, as we discuss below, there were some differences in the focus groups, especially around issues of family property rights. In general, however, men and women seem to find similar meanings to land occupancy and ownership.

LAND TITLES -- AN IMPERATIVE?

That residents who have experienced a regularization process should find title important is not surprising; indeed, it would be strange if they did not value something for which they and an NGO had expended considerable time and resources to obtain. Yet other researchers have argued that property relations are a social construction that emanates from law and societal values rather than from intrinsic or inherent property needs of individuals (Azuela, 1989, Ward, 2000). That is, the specific nature in which title matters relates to the way it is viewed and shaped ideologically and legally within society at any one period of time. The following comment taken from the focus groups summarizes a general perception: . A “clear title” is important to the residents' perception of themselves, and in the context of the developer abuses in Starr County, and the need to regularize, it represents a clear sign of “success” for participants. In all focus groups, regardless of the size or composition, we observed that *all* participants, without exception, recognized that having clear title to their land mattered.

A: Look, the title is necessary for everything. For example I was already on my land, building my house. But I knew that I could not negotiate with it, I could do nothing with it. My house was worthless because there was no title. If for example I wanted to sell my house to her, look I'll sell you my house but I don't have a title, well I might as well not have anything.

A: Exactly. (Focus Group, #1 June 28, 2002).

When we delved further, however, it became evident that there was no clear consensus

among residents about how or why title is important. Nevertheless the focus groups do suggest that having title of one's land makes a difference in the perception of future possibilities, and in the way in which residents believe they are perceived from the outside. If nothing else, regularization appears to enhance residents' self esteem and sense of social legitimacy. They feel as if they can hold their head up when they deal with government, banks, etc.

Title and Psychological Security

Title also appears to be important insofar as it enhances psychological security and brings relief from worry about losing their homes. All focus group participants agreed that they feel more secure financially and economically having cleared their titles. In the household survey, almost everyone had recorded their titles in the public land records system, largely because the CRG had systematically recorded everybody's title for them.⁴ Interesting, however, is that few could actually articulate why it was important that title be registered (Table 5:1). Among those who did provide a response about why recording the title mattered, greater security and feelings of relief at proving ownership were far and away the most important reason given (66%). Significantly, relatively few said that title was important because of its economic impacts (e.g., to secure a loan), a point to which we will return later in this chapter. In response to a focus group question, the overriding need for security comes through strongly:

QUESTION: Now that you have the property title to your solares, to your land, to your lots, do you really feel more financial or economic security?

F: Yes of course.

M: Yes.

F: Of course.

Q: Why? How?

F: For the reason that if you do not have your property title you do not feel secure. In any minute someone can arrive and say, this solar is mine. Having your title, being secure, you can say, it is my house and it is my solar. I can do whatever I want with it in case of an emergency or anything else. But if you do not have a title, then you are just there, like a doll someone will come and snatch you away. That's why. If you have a little piece of paper, as we say, the paper speaks for you. (laughter) Yes, the paper talks. It says that it is yours. Well it is mine. (Focus Group #5, June 29, 2002.)

This last quotation expresses how colonia residents perceive their new status as full property owners. The idea that "the paper talks" is especially evocative, and one participant carried the

⁴ Note that under U.S. law, recording the title does not affect its legal force in proving the ownership claim. An unrecorded deed is as good as a recorded deed. [What recording does do is give notice to the outside world who may want to deal with that owner.]

title everywhere because it is the “proof” that one is “worthy” of owning a property. There are two important themes here: first that title is conclusive proof of ownership, which assures the property cannot be taken from the buyer. Second, title indicates a new sense of self worth – how they feel about themselves, and how these owners expect that others will now perceive them.

Table 5:1.
Attitudes Toward Ownership and Titling

Variable	Control Group 27% (70)	Study Group 73% (193)	Total 100% (263)
<i>Reasons why Registering Title is Important</i>			
- Feel more secure	30% (20)	48% (76)	43% (96)
- To prove ownership	47% (31)	31% (49)	35% (80)
- It is required by law	20% (13)	10% (16)	13% (29)
- Instructed to do so by CRG	N/A	10% (16)	7% (16)
- In order to apply for a loan	2% (1)	1% (2)	1% (3)
<i>Number feeling insecure about ownership prior to receiving title and Why</i>	31% (22)	69% (50)	27% (72)
- Lack of Contract or Warranty Deed	41% (9)	54% (27)	50% (36)
- Distrusted developer	5% (1)	28% (14)	21% (15)
- Title unregistered or still paying	14% (3)	6% (3)	8% (6)
- Other	41% (9)	12% (6)	21% (15)
<i>Number with a Will and Expectancies about who will inherit the lot</i>	3% (2)	11% (20)	9% (22)
- Surviving partner	24% (17)	18% (35)	20% (52)
- Eldest child	7% (5)	8% (16)	8% (21)
- All children equally	49% (34)	63% (123)	60% (157)

Table 5:2.
Deeds and Papers Held at the Outset.

Variable	Control Group % (N)	Study Group % (N)					Total % (N)
<i>Claimed to have Warranty Deed from the Outset</i>	26% (18)	3% (7)					10% (25)
<i>Claimed to have Contract for Deed from the Outset</i>	36% (25)	45% (87)					43% (112)
		Las Lomas Unplatted	Mike's	B&E	Share 52	West Alto Bonito	
		20% (5)	69%(61)	19% (6)	14%(3)	44%(12)	
<i>Receipts or informal documentation from the outset</i>	24% (17)	32% (84)					38% (101)
		Las Lomas Unplatted	Mike's	B&E	Share 52	West Alto Bonito	
		68%(17)	18%(16)	72%(23)	76%(16)	44%(12)	

THE MEANINGS OF FORMAL VERSUS INFORMAL TITLES

In the following section, we explore the issue of security and ownership further, and we start by examining how the sense and meaning of being an owner has changed over time, first at the time of purchase, and then after titling.

Claims to Title THEN -- At the Time of Lot Purchase

Most people in the Control Group purchased their lots earlier than those in the Study Group (cf. Tables 2:1 and 2:2) although the longest residing respondent we encountered claimed to have purchased back in 1970. Indeed, by 1987, 55% (38 of a total of 69 valid cases) of respondents within the Control Group had begun to pay on their lots, rising to 74% in 1991 or earlier. This compares to only 55% (104 of a total of 191 valid cases) of respondents in the Study Group who had purchased before 1992.

When we asked what documentation of their rights to the property people had received

at the time of purchase (see Table 5.2), most respondents claimed to have received either a written Contract for Deed (112 of a total of 255 valid cases, or 43%), or, in almost equal numbers, receipts/notes from the seller (101 cases or 38%). Only 10% had the unequivocal proof of a Warranty Deed at this early stage – hardly surprising, as this would imply an outright purchase of the lot. Few were able to purchase outright, and most therefore relied upon the written Contract [for Deed] mechanism or guarded their monthly receipts of payment as proof of purchase. Only at the end of such contracts, or schedule of payments, does the developer transfer full ownership by deed.⁵

Important for our analysis, however, is the perceived significance for security offered by these various modes of purchase. As we can see in Table 5:2 some 10% of the total population (almost entirely in the Control Group) had a Warranty Deed from the outset. The largest group held a Contract for Deed (some 43% overall). Receipts also accounted for a large group -- (most, by far, in the Study Group), and especially in Mike's, which also has a high proportion who started with a Contract for Deed, (followed by West Alto Bonito). Residents of Share 52, B&E, and the unplatted portions of Las Lomas also come out high on the receipts side (see Table 5:2). Table percentages do not total 100, but among other reasons residents gave for feeling confident of ownership at the time of purchase were 8% who trusted the developers' word, and 2% who felt that paying taxes substantiated their claims to the land.

Significantly, however, the majority of the population we surveyed regarded themselves as being the "owner" prior to receiving a deed, whether this ultimately came from the developer or through the titling process. Within the Study Group, no less than 68% felt themselves to be owners of their property since the time they had begun to buy the land. This included those who bought by written Contract for Deed (49%), or who held only receipts (40%). To the outside world, of course, neither of these forms of documentation is conclusive legal proof of ownership. However, we conclude that legally provable title is not what people feel they need in order to be "owners" of their land and homes. This corroborates research and findings from less developed countries, namely that a sense of ownership emerges among individuals irrespective of the nuances of prevailing law. Thus, although one would expect a Warranty Deed, and perhaps even a written Contract for Deed, to make "ownership" seem real to the buyer, our data indicate

⁵ It should be noted that sometimes developers have been unable to offer a Contract for Deed since they had failed to comply with the early regulatory laws that required an approved plat. Moreover, any sales after 1995 legislation require not only platting but service provision guarantees in order for a sale to proceed.

that letters or receipts from the seller was also sufficient to confer a sense of ownership, even though in fact such claims could be easily disputed in a court of law because of their partial and informal nature. Because the buyer was paying for the land as part of the transaction, these lawful intentions created a sense of entitlement to the property, even in the absence of title.

But what of those respondents who felt less sure at the outset? In both groups (Study Group N = 50 [26%], and Control Group N = 22 [31%]), we found some evidence of insecurity related to lack of clear full title at the outset. In the Study Group, it was the fact that the buyer did not yet have "papers" -- a Warranty Deed or a written Contract for Deed -- that was of most concern (54%); another 28% felt that the developers couldn't be trusted (Table 5:1). In the Control Group, too, 41% stated that it was the lack of a Deed or written contract that caused insecurity, but there was a higher range of "Other" reasons given by this group. In part, of course, such insecurity may have been "constructed" by the very process of CRG intervention itself, highlighting as it did, that lack of title was a problem of legal insecurity that needed to be fixed. But even so, those who felt insecure from the time of purchase are a relatively small minority (27%).

Nevertheless the majority of those surveyed said title was important because it gives greater security and brings feelings of relief, and the focus group participants strongly echoed these views. One comment from the focus groups captures this sense of the difference between "before" and "after" ownership.

"A: I did not feel like they were going to take it away because I would not have let them have it so easily (laugh). And I did make lots of improvements on it.

Q: And what about you Sra. Maria Jesus?

A: I was not going to take it lying down.

Q: You weren't going to take it?

A: Well, no how would you let it happen?" (Focus Group #1, June 28, 2002).

Before titling buyers were obliged to defend rights to the property with their person -- i.e. "I was not going to take it lying down." After titling, the law defends those rights on the purchaser's behalf; "If you have a little piece of paper, as we say, the paper speaks for you. (Laughter) Yes, the paper talks. It says that it is yours. Well it is mine" in the words of participants in one focus group (#5, June 29, 2002). Indeed one resident expressed the difference between "before" and "after" ownership in gender specific terms, "as owner", she says, "I am the husband".

For example the property title is like a marriage certificate, if you are not married with that person well it does not exist, even though you are

living together, keeping the union together you are nobody. You have no rights over that person. If you are married, you have more rights in all aspects. The same with property. We have rights in everything. Simply now that (inaudible) either you are the wife or you live together. I am the husband. . . . I am his owner. My property. My marriage is my property of him. I have all the rights with him. It's the same with the house. The title is my right to it. It's yours." (Focus Group #1).

These findings support the proposition that tenure security is not a black or white issue, (de Souza, 2001); but that there is a continuum of security, only part of which relates to “hard” legal fact.

Claims to Property Title NOW -- 2002

When we constructed the survey questionnaire we hypothesized that we would find respondents claiming to have different kinds of proof of ownership now, even though all of the households should now be claiming a Warranty Deed. The Warranty Deed is the evidence of title that CRG granted to all residents in the Study Group, and residents in the Control Group already had received deeds from the developers in years past as they completed their payments. Yet the data show that not everyone claims a Warranty Deed: 82% of respondents (218 of 265, combining both groups) said they currently hold a Warranty Deed; most of the remainder (10% or 27) stated they held a written Contract for Deed; and the rest claimed to have only a letter or receipts to prove ownership, had no title at all, were unsure, or declared some other form of title. There were negligible differences between the Control and Study Groups in the proportion holding Warranty Deeds or now engaged in written Contract for Deed purchases, although one might have expected a greater mixture of titles today among the Control Group as they are generally more likely to have had more time to engage in re-sales since acquiring their Warranty Deeds.

In part, of course, these may be non-results reflecting “noise” within the survey questionnaire and/or misreporting and misunderstandings. But we have reason to suspect that the data may genuinely portray a move away from uniform Warranty Deed titles of ownership. A Holders of a Warranty Deed may have sold property in subsequent exchanges since titling, whether by the developers or by the CRG, using the written Contract for Deed or payment schedule when they sell (*traspaso* in Spanish). Thus, people may be reverting to the older mechanisms of lot sale and title transfer rather than working through the formal exchange of Warranty Deeds.

There are logical reasons why this might be the case, since a purchaser only receives a deed if the full purchase price is paid outright at the time of sale, financed either from savings or another house sale and/or by getting a mortgage leaving the new owner with a note to pay to the creditor. As we saw in Chapter 3 the market is sluggish and few people in colonias have either the equity or the income to qualify for outright purchase of the lot; hence the reliance on contracts for deed or an unwritten payment schedule is not just a reversion to a more familiar form of conveyancing, but is practical necessity in the very low-income market place. The Contract for Deed or payment schedule works as a form of seller financing, essential to transactions where there is no easy access to housing credit and there is a need to reduce transaction costs (attorneys, mortgage set-up, title searches, etc). Above all, these are mechanisms for financing the purchase that are well understood by the parties themselves. And, if our aforementioned data are correct, and people do see themselves as "owners" once they begin paying, then why not sell according to the time-worn ways? For residents, the CRG intervention and Warranty Deed provision may be perceived as a mechanism for land titling, but not necessarily the mechanism always to be used for future transactions. It is noteworthy that CRG provided a source of credit for the program and for the "transaction" costs, neither of which is now readily available for subsequent transfers of the land. We predict that inheritance patterns will probably exacerbate the likelihood of resurging informality. As we shall observe in a later section, very few colonia residents in the survey have a will (9%), and almost all of those that do (11%) were beneficiaries of the titling program who were persuaded to make a Will by the CRG. This means, therefore, that as property passes through intestacy to succeeding generations, the interests will become highly fractionated, impairing effective sale or use of the land, and threatening dispossession through partition actions. An effective program to encourage residents to write wills, and to educate them on the importance of maintaining consolidated interests, will be needed in order to prevent this new threat to the viability of ownership to arise.

If, as we suspect, this process of less formal conveyancing and inheritance is taking hold, then it has two important implications: first, that unless steps are taken to regulate the ongoing transfer of titles through whatever mechanism that works), then some level of irregularity and informality is going to be recreated after regularization. Specifically, we argue that this requires policy development to expand access to some form of mortgage credit for this part of the population that is effectively excluded from formal housing market transactions, and that will

allow for purchasers (or those holding the note) to have warranty deeds from the outset.. The second policy implication is that the informality and irregularity thus created will increase significantly over time. Title regularization cannot, therefore, be a one-off exercise, but may need to take into account the certainty of future transfers, inheritance, intestacy, and social pacts among kin-related stakeholders.

The Development of New Patterns of Informality. We suspect that we have only begun to scrape the surface of people's understanding of ownership rights in land. Do they see that ownership in terms of present possession and use rights (*usufruct*); or alternatively does their sense of ownership stem from some understanding of the more absolute rights associated with *fee simple* ownership? Fee simple ownership is the norm within the United States, and the fee simple's characteristics of alienability, permanence, and extensive control over the property are clearly part of the lay conception of what "ownership" means – sometimes expressed as "I can do what I want with my property." We suspect that residents see both usufruct and fee simple rights as valid forms of ownership, as indeed they are in the American legal system. We believe they also recognize that usufruct rights are lesser, more limited rights than those of fee simple ownership. Thus, before titling, we surmise that residents saw themselves as "owners," but largely in terms of usufruct rights. After titling, they are still owners, but now command more powerful, more secure, more enduring, and more absolute fee simple rights.

Table 5:3.
Categories of Responses About Ownership:
Fee Simple (Absolute) Rights Versus Use (Usufruct) Rights

	What one can do having full ownership?		
	Fee simple rights (alienation, and permanence)	Possession Or use rights	Total N
<i>Can freely trade the lot</i>	77		77
<i>Can subdivide lot among kin</i>		4	4
<i>Can share ownership</i>		1	1
<i>Can Will lot to heirs</i>	48		48
<i>Can build a permanent dwelling</i>	20		20
<i>Can feel secure</i>	45		45
<i>Can use the lot as collateral</i>	17		17
<i>Not pay rent</i>		7	7
<i>Not know</i>			7
<i>Other</i>			16
TOTAL	207	12	243

When asked what rights they could lay claim to now that they had legal title, our classification of responses suggests that fee simple rights emerge as the underlying perception in no less than 91% of cases for the Study Group, and 67% of the Control group; and that some form of *usufruct* rights were adduced in only a very small number of cases (4% and 9% respectively). Table 5:3 portrays some of the responses and shows just how many of these are cast in terms of fee simple or absolute legal rights. Thus “freely trade the lot,” including “use it as collateral” are rights of alienability, while “Leave it to heirs,” “feel secure” and “build a permanent home” are rights of permanence, and are also fee simple rights. By contrast, “not pay rent,” “can subdivide the lot,” and “can purchase lot with shared owners” are rights of present possession and use. When considered in this light, therefore, we are struck that respondents have a very clear sense of what full title means and allows them to do before and after, and it tracks almost exactly the distinction between usufruct and fee simple interests. Although some of those fee simple understandings also pertained beforehand – albeit informally (e.g. lot sales and building with permanent materials) – it is significant that these are responses and linkages that respondent themselves made to having title *en la mano*. As we mentioned

above, if residents are returning to informality (usufruct) in their lot sales, this not because they do not understand the difference between “hard” and “soft” title, or that they do not value it, but occurs for pragmatic reasons of a lack of legal help and of appropriate mechanisms of seller financing.

Although it is not intended as a criticism of the CRG, one outcome of these data and the direction in which they appear to lead, is that, despite their best intentions, the organization failed to appreciate the need to educate -- or at least to instill a greater sense of what “hard” titles (Warranty Deeds) imply – and why it is important for colonia residents to retain them over other more easily understood forms of ownership. In fairness to CRG, it is difficult to see how they might have predicted this outcome since to our knowledge there is no literature that links understandings of regularization and title to new forms of informality, although some researchers have begun to identify the policy need for “second wave” regularization programs, especially for problems derived from informal inheritance subdivisions of previously regularized housing and land developments.

THE IMPACT OF LAND TITLES: DOES TITLE MAKE A DIFFERENCE?

Impacts upon Land Market Performance.

In the previous chapter we examined land market performance over time, and concluded it was too soon to ascertain whether or not, and how, regularization will shape land price trends. However, we found little or no evidence in the time period we studied that full title significantly affects the price of land upon resale. Land prices appear to be fixed socially (i.e. by the developer), and relate also to competitive pricing in the formal market, and the level of existing or potential servicing or improvement potential of the lot. Thus it is difficult, methodologically, to predict how lot land values and land prices will be affected by formal intervention to regularize either clouded land titles or to make good infrastructure deficiencies (Jones and Ward, 1994). Echoing our conclusions to the previous chapter, we see little direct relationship between legalization of title, improved servicing levels, and the dependent variable of land prices. This land titling does not yet seem to significantly shape lot prices, although it may still be too soon to be definitive about the lack of any causal relationship. Equally it might reflect poor market functioning (supply and demand) such that title per se does not overcome that sluggishness. With a more dynamic market, the difference between full title fee simple title and usufruct

ownership might readily be reflected in the price and create a segmented markets of formal and informal.

Property Taxes and Land Markets. Land and property markets have always been an important mechanism for raising local taxes; for local governments, ad valorem taxes are usually the major revenue source that funds their provision of services. In the survey questionnaire, we chose not to explore the question of taxes because these are a matter of public record, tied to every platted lot. But for several reasons, it became a subject for discussion in many of the focus groups. Residents clearly tied the obligation to pay taxes with receipt of formal title. Furthermore, there is in the Starr County case a history of conflict surrounding the property tax issue. The developers failed to pay taxes on the lots they were selling. There was confusion over who was responsible for paying the taxes before titling. Some residents had gone out of their way to pay taxes in hopes this action would strengthen their claim to own the lot, given that they did not have good title. CRG's negotiated deal with the local taxing entities to forgive back taxes was a much-publicized and essential component of the regularization strategy (see Chapter 3). After the tax deal, however, the local tax office was not on top of these developments, and sometimes sent the newly-titled owners demands for all the unpaid taxes traceable to the developers. Residents were greatly alarmed, of course, and the tax collector office accepted payments, or agreed to a payment schedule, even though these back taxes were no longer owed under the bankruptcy order. In all focus groups we observed real confusion about how residents should deal with the tax problem:

A: We were in the same situation here. In the other house that I had, that Blas Chapa sold me ...

A: and I would go the court and to the school – what can be done because no one paid but I did. Well nothing can be done. Nothing more can be done.

A: Yeah, because they were sending letters that we all owed...

A: I did not pay because I went and told them that I was not going to pay those taxes because those solares are legally ... well they are not ours... we did not have the property titles until last year that they gave them to us.

Q: Sra. Agustina, you did not pay? But Laconeider (?) you did pay?

A: Yes.

A: Well I think that my husband and I got scared. We were very young. We did not know what to do. We thought – if we don't pay they could take the solar away. (Focus Group #2, June 28, 2002.)

This reference from the second focus group recounts the feeling of several residents concerning tax payments. On the one hand, some residents were very clear about why they

should not pay taxes before titling: “They” did not owe because the lots were not “legally theirs” until CRG gave them a deed. Moreover, CRG had negotiated the release of these claims for back taxes, and had titled properties free of these obligations. But not all new owners were aware of this, and others were nervous of losing their gains after so much hardship, and they agreed to pay the taxes. To the extent that this happened, it is perhaps another area where the CRG could have informed the community more clearly of their obligations, and acted as advocate for them in dealing with the tax office.

With the exception of this particular tax issue, colonia residents appear to be more than willing to fulfill their obligations as property tax payers; indeed it is a part of the pride that they feel about having full legal title. Nowhere did we hear any threats to withhold tax payments if services are not provided by the County, but then the actual assessments levied tend to be low and affordable to most householders. That might change, of course, if appraisals rise significantly, but in order for that to occur, property values will need to rise as well, and this is a sluggish market generally speaking.

Land Value Changes and Title. Although most households felt that the value of their land had increased since they purchased it (Chapter 4), few in the Study Group population (9%) thought that land titles were the reason for that increase. In their view, the increase in value was due to the relative scarcity of lots (12%) (little new development is going on because of tougher new state laws), servicing provision and upgrading (34%), or the fact that land prices everywhere had gone up (38%). These findings were echoed in our focus group discussions, in which many respondents agreed that land prices were rising, but no one could explain it satisfactorily. However, the focus groups also indicated some divergence of views about trends in the local land market. Some residents felt that prices were not increasing at all, and opinions were divided about whether the titling exercise was responsible for any increases in value. Similar disagreements surfaced about the question of how many lots are being sold in these colonias. People in the focus groups seemed evenly split about whether or not there had been a quickening in lot sales over previous years:

Q: Has the price of the lots, the solares, increased now that everyone has a title? Or has it not changed?

M: Price has gone up.

F: Well the people who do sell them, sell them more expensively.

M: Naturally, they have to get back all they paid in taxes..

F: and sewage and all that. But □

F: They are valued the same.

F: They are not going up at all. (Focus Group #4, June 29, 2002).

The questioner in this excerpt was trying to relate land prices to having title, yet residents responded that price changes had more to do with taxes and services. The discussion followed rather different paths in another group:

Q: Is that what you think? Yes? And do you think that the value or price for your property has gone up now? Have they gone down or have they not been affected?

M: They are stable.

Q: Stable?

M: They are stable. They do not go up nor down.

F: No I think they have gone up a great deal. They are not worth as much as the ones in the city but they are worth a little more than before.

Q: More than before you had the title?

F: Yes, of course. (Focus Group #5, June 29, 2002.)

Thus participants expressed different views, and the behavior of the land market in these colonias appears to be both a controversial and ill-understood issue. Overall, though, most, participants estimated that property values are increasing, but few relate it to the fact of having title. The focus groups also confirmed that although most thought that property values were rising, few thought that many buyers would pay such increases, saying that property is “hard to sell”.

Elsewhere (Ward et al, 2000), as well as in Chapter 4, we have shown that colonia land markets function poorly in Texas, and the (exchange value) gains derived from participation in this very low-income segment of the property market are low. Our data in Starr County also suggest that the market is not operating well there, and that resale of colonia lots is difficult. Almost four-fifths of respondents we surveyed stated that it would not be easy to sell their properties, even if they wanted. Having title or not is not the issue; demand is low, period. Starr County is an area of high unemployment and very low wages, and many of the people we surveyed and interviewed said they would sell and leave if they could. We encountered many households where, through necessity, men were absent and working far from home, and these were often not agricultural workers where such seasonal migration is considered the norm for part of the year. For these families, property ownership, with or without title, may in fact be something of a millstone around their necks.

But for the many who stay, and who view the colonias as a viable means of homesteading, we are interested to know how title enhances family security through inheritance; leverages access to credit; and encourages home improvements. These questions are the focus of the following sections.

The Impact of Regularization Upon Property Inheritance

Earlier in this chapter we observed that future title irregularities were likely to occur through intestacy, and as households make informal inheritance arrangements for their children and family members. Twenty percent (54) of those surveyed said one of the advantages of having title was that they could safely leave the lot to heirs. Inheritance was also an important topic in the focus groups discussions as well, with residents expressing the hope that their children will benefit from their hard work.

Yet, although almost everyone (88% N=232) agreed it was important to have a Will, only 9% actually had one (Table 5: 1 above). Why do so few residents have a Will? We were anxious to explore this in the focus groups, not least because as we prepared the survey questionnaire, Aide Villarreal (CRG's staff officer and colonia resident) argued that Mexicans culturally fear making a Will because it might tempt fate and invoke fate and the death upon the person making the Will. The focus groups confirmed that a Will does not sit comfortably with residents. Many explained that writing a Will could create problems among family members, especially when children might fight among themselves, when couples have children from previous marriages, or when the couple is living together outside of marriage. In general, residents expressed much passionate interest in, and yet uneasiness about, dealing with inheritance issues.

As noted in Chapter 3, CRG policy was to offer every new owner the opportunity to write a will free of charge; this service was made available at the title closings. Relatively few residents took advantage of the offer, and the focus group discussions indicated that many residents had been unaware of the offer. Nevertheless, in the survey the difference between the Study Group and the Control Group is notable 3% (2) in the Control Group versus 11% (20) respondents in the Study Group had a will. Although small in number, the CRG initiative had some small proportional impact. If, however, titling could effectively have been linked to a process of estate planning (not just wills, but trusts and other tools for family decision-making), the titling project could have significantly reduced the prospect of intestacy, and its relationship to fractionation of heir property and insecurity of tenure. Any future project should anticipate and build this angle into its design from the outset.

Nor do people have a clear and correct vision of what will happen if they die intestate under Texas law. When asked who they imagined would inherit the lot if they died without a will, many were ill-informed (Table 5:2). One important assumption of the intestacy laws is that they

correspond to the property arrangements the government believes most people would want if they *did* write a will. With respect to the Texas rule that leaves the whole of the homestead to the surviving spouse, notwithstanding whose name is on the title, some participants knew of the rule and some did not. Most agreed that this was fair as a matter of marital equity. Yet in the focus group discussions it was clear that some participants, male and female alike, had tried to control inheritance by titling the property in either the husband's name alone or in the wife's name alone, not recognizing that this would be disregarded at the time of their death in order to protect the surviving spouse's preemptive right.

With respect to the rule that all children inherit equally upon the death of a parent, most of the focus groups found this rule fair and consistent with their desires.

Q: By law, [the property] goes automatically to the children in equal parts.

A: Good because that's what happened in this case. It's just that the kids even if they are good with me- all my kids are great with me, they love me a lot, a kiss in the morning, a kiss at breakfast, a kiss at lunch, a kiss at dinner, a kiss when they go to bed – all of them – my 7 kids when they are together and the ones I have home now. But as I said – with me. Between themselves, they say – my mom loves you more, and no, my mom loves you more. So there is something, well, we don't want to accept it, but there are jealousies among them and they think because I love you more, and I love you more, they think I am going to leave them more. I am just guessing that. I just feel it.

Q: It's always that way. . . .

A: And if I die, if [my husband and I] die together, now I am at peace because the law is just and they will get equal parts. (Focus Group #2).

But when it was made clear that this would include children from a former marriage, or those born outside of marriage, or those born in a parallel non-marital family, some participants thought this was not fair.

Q: Lets say there is a hypothetical situation, an imaginary one, where one of our husbands was married previously and when he writes up his will, he leaves our property in the name of his other children...

A: And what about mine?

Q: Does he have a right?

A: He has a right to leave an inheritance to the other children, but he has more right to inherit to mine.

A: Thanks to God, that problem does not exist here. At least, among those of us that are here.

A: Well mine had problem... He has four... Ay that is what is hard.

Q: Does he have a right or not, do you think?

A: No. Because it has been based on my work. Since he has been with me, it's for my kids. (Focus Group #1).

The focus groups reinforced our appreciation that complex, multiple, and often informal family relationships are not unusual in the Starr County setting. This includes cohabiting couples with children, former marriages with children, men and women who marry again without having formally divorced the former spouse, and men who have more than one family at the same time. Thus inheritance issues are messy and likely to involve many heirs, increasing the risk of tenure problems arising from intestacy. The desire to control inheritance was evident from the focus group discussions. This was especially true in the women's-only groups. There is not, however, a widespread awareness of the Will as a mechanism for directing inheritance. Some family members want a Will, but cannot reach agreement with a spouse on the disposition of property. A significant number of participants, male and female alike, had tried to control inheritance by titling the property in either the husband's name alone, in the wife's name alone, in the name of the female partner in a non-marital union, or in the children's names. In some groups, it was clear that participants did not understand that a Will could override some disfavored intestacy provisions, especially as regards inheritance by children from a former or non-marital family. Dovetailing with concerns about inheritance was an intense interest among focus group participants in the legal rules governing marital property and the property rights of non-marital families.

The focus groups thus suggest that educating this population about the need for estate planning is possible. Asking who would inherit under a variety of familiar scenarios sometimes provoked passionate discussions in every focus group, no matter its composition. The interest is there; the understanding and tools for action could easily be introduced.

The Impact of Title on Home Improvements

The survey questionnaire (Q # 30) asked respondents if title helped or encouraged them to make improvements in their homes. Two-thirds of all respondents said that it did. When we asked why title was or was not important, we got a wide range of responses, but few that were tied to titling in a legal sense (i.e. to press for service provision, construct within code, secure a loan). Most responses reiterated the linkage between security and investment, as well as the greater freedom to do what they wanted with their property. Most people had already made significant improvements to their property before titling, and we were interested in trying to ascertain any clear link between titling and a quickening in the pace of improvements, and the nature of such a linkage. For this reason, we only asked the Study Group the survey questions

about home improvement; since only in this population had been a recent change in title status. Fifty percent of respondents said they had made one major improvement, 18% had made two improvements, and 8% at least three. Thus three-quarters had improved their homes since receiving their titles, and the median total amount of home improvement investment they estimated was \$3,700 – a sizeable amount given their low incomes. However, such investments are a normal part of the self-help or self managed housing process in colonias – building new rooms, upgrading a trailer, putting in a bathroom or new kitchen, etc.

Furthermore, most households in the Study Group (71%, N=114) had active plans to improve their homes over the next two years, and were able to articulate the specific improvements they planned and the anticipated cost. Sixty-two percent estimated the cost of their first major improvement at a median price of \$2,500. Those who also planned second and third home improvements projected costs of \$1000 and \$800 (median amounts) respectively. Overall therefore, the median cost of planned improvements was in the order of a further \$3000. These projects are hypothetical, of course, and may not ultimately be undertaken. But the record of previous improvements cited above suggests that these plans are neither unrealistic nor improbable. Our impression is that colonia families are striving hard to use their sweat-equity (i.e. their own efforts) to improve both their dwellings and their residential environment.

The point at issue here, however, is whether the trigger incentive was having *el título en la mano*? Significantly the linkage between title and home improvements did not figure so clearly in focus group discussions, although there seems little doubt that participants understood the risk of improving without clear title.

Q: Is the person who builds a house and makes improvements on the lot, the owner?

M- Well as long as they have the security of having the title.

F- Because if you don't have anything...

M- If you are going to settle there, well...

F- You have to have some security over that, otherwise how are you going to do that..

M- If not the owners are going to fight you for it. (Focus Group #3).

Yet those who commented on improvements to their homes almost without exception said they had been improving since the time they purchased. “But if you are willing to risk, yes. Keep up the house and the solar even if there was no title. It was not a determining factor.” (Focus Group #1). Thus, although we cannot say definitively that title did not matter to the home improvement decision, we suspect it was not the key. That said, however, CRG intervention

reassured the colonia population that their needs were being attended to, and in that way galvanized morale, giving owners confidence to move forward on their improvement plans. These secondary influences of CRG intervention, we conclude, were more important than any direct impact of titling *per se*.

Funding Home Improvements, Mobilizing Credit and Using Title as Collateral

We did not ask in the survey about past use of credit for home improvements. But in the 112 households that reported that they anticipated making improvements in the future (at an estimated median value of \$3000), we did invite respondents to talk about how they proposed to finance those improvements. Two-thirds claimed they would finance their future home investments from their own means, (i.e. out of income, windfall gains, etc.), and 28% said they would apply for a loan. In short, almost one-third wanted to seek credit. We are unable to say whether this is indicative of the overall proportion that normally use credit for major home improvement expenditures, or whether it reflects a newfound strategy given tenure security and absolute title.

We believe, however, that for the one-third proposing to use credit, it is not a new strategy derived from having good title. One third of the 162 respondents in the Study Group claimed that in the past they had applied for a loan (for any purpose, not just home improvements), but rarely had pledged their property as collateral (5%, Table 5:4). When asked about whether they were aware that they *could* use their title and property as collateral for a loan, just over 40% of the Study Group said they knew this was an option. But the majority in both groups (87%, N = 228) expressed concerns about losing their homes if they failed to repay the debt (Table 5:4).

We also asked the Control Group about their awareness and willingness to use property titles as collateral for a loan. This group has held a Warranty Deed for a longer period of time than the Study Group. Thus they have had a longer period of time in which to pursue this option. Yet few had sought to do so (6), and only 3 of those had actually used their Deeds as collateral. This group is more aware than the Study Group about the ability to use title as collateral for a loan (53% compared to 42%), but they too (82%) feared losing their land and homes should they default on the loan. Overall, of the 13 individual cases from both Groups that had used their title as collateral for loans, the sources of those loans are mostly banks (8 cases); 2 were finance shops; and 1 each to CRG and a government entity. One respondent did not know the

source of the loan.

Another issue may be that banks themselves are not particularly interested in making loans on colonia properties, however secure the title. As José, a focus group participant put it: “Los bancos son bien vivos” (Banks are very smart). His point was that banks only loan on something they could easily sell to cover the default should it occur. Colonia lots may be of such low value that they are not worth lending against, no matter how secure the title. It is different if you have a substantial house, or a car or truck that can be readily repossessed. José’s sense is that it is fine to have title security, but banks are still unlikely to see colonia property as worth the risk. This suggests that even if their assets are secured, the poor may still be too far down to reach even the bottom rung of the ladder. It is only for those who are already better off, and own more expensive houses, or cars and trucks, that title opens the door to the formal market of prime rate lenders.

Our assessment is that, to date, few colonia residents are willing to risk losing their homes by foreclosure, and therefore are skittish about using their title deeds as collateral. As we observed in Table 5.1 above, few mentioned this as a reason for recording one’s title. But assuming, hypothetically, that residents were willing to use their lots as collateral, for what purpose would they use their loans? This was a question that we put to all the survey households (Q. 66, at Appendix 1), and the results are displayed in Table 5:4. Many were adamant that they would never contemplate the option. Most of those who were prepared to go along with our hypothetical scenario said they would use it for home improvements or upgrading housing units (a new trailer home, a manufactured home, etc.). The second most common answer -- a significant minority of 14% -- said they would use their property to secure a loan for their child’s education. Within the Control Group, where housing consolidation levels are generally more advanced, 23% said they would use a loan secured by the property for a child’s education. In general this group was more willing to pledge the property for purposes other than home improvement or education (13%).

Table 5:4.
Actual and Prospective Use of Land Title as

Collateral for a Loan

Variable	Control Group	Study Group	Total
	Yes	Yes	Yes
<i>Have used Title Deeds to Secure a Loan in the Past (Q. 60)</i>	Not applied	5% (10)	5% (10)
<i>Aware that can use Title Deeds as Collateral (Q. 63)</i>	53% (37)	42% (81)	45% (118)
<i>Aware of Risk of Losing Lot in the case of loan default? (Q.64)</i>	76% (57)	87% (171)	87% (228)
<i>Hypothetical willingness to use Title Deeds for future loan applications (Q. 66)</i>	86% (60)	87% (171)	88% (231)
<i>Use of hypothetical loan:</i>			
-- home improvements	60% (36)	73% (124)	61% (160)
-- children's education	23% (14)	13% (22)	14% (36)
-- other (car loan, start a business, etc)	13% (8)	4% (6)	5% (14)

We asked similar questions in the focus group discussion. In this setting, there appeared to be two groups: the predominant ones who we describe as “cautious” and the minority who were more “adventurous”. Although there were residents in all the focus groups who eagerly voiced an interest in seeking credit for different purposes using their title as collateral, the majority was more risk-averse, and expressed reluctance to jeopardize their only big asset. Among those residents characterized as “cautious”, supporting a child’s education or responding to an emergency were the only reasons justifying the risk of pledging their title to secure a loan.

Q: But did you know, have an idea that you can use those for loans?

A: Yes when they are clean. . . .

Q: But would you be interested in doing it? Would you like to do that? Or do you think it's risky? Or why would you not do it?

A: Well I would not do it for that. . . .

A: Because it's dangerous. Because if I for example need \$1000 or \$10,000 dollars they will be glad to lend it to me because it's a big amount, but I cannot divide it. . . .

A: No.

Q: And why would you think of doing it?

A: *To mortgage the house for a loan.*
A: *No I would not. . . .*
A: *Probably in the case of an emergency or something like that...*
Q: *But not to start a small business? Not to buy a truck?*
A: *No.*
A: *No.*
A: *No, not for that.*
A: *Me—for that, no. (Focus Group #2).*

Some respondents thought that even these circumstances might not be worth the risk.

Q: *Have you ever thought that the lot, the solar that you have can be used to pay for your children's education? It can be mortgaged?*
F: *Well like we are all saying, we have to use everything we have.*
Q: *Have you thought of that or not? Is it something....*
M: *(inaudible) Sometimes there is work, sometimes there is not. We are working one week yes, one week no.*
F: *But I don't think that it is so easy to mortgage (atravesar) the little that you have. There are other types of assistance for the children's education. Because if you start to mortgage everything you have for their studies and then the kid drops out of school and you are left without a house, without anything. It's tough. (laughter) Better find help some other way, other types of assistance. (Focus Group #5, June 28, 2002.)*

And in another group:

Q: *Do some people, for example, use the property title to ask for loans for a business or for education, using the land, the solar as collateral?*
A: *No.*
A: *Well, on my part, no. I don't either because I am alone, I am old. What good would it do me to ask for it and if I could not pay for it later.*
Q: *Not sell it, but use it as collateral?*
A: *No. . . .*
Q: *Does anyone else know anyone who is doing this?*
A: *Well, no.*
A: *I do. I'm in a tight spot but my daughter is married and if I can I want to do something like that.*
A: *Of course, it benefits one.*
A: *In benefit of her education...*
A: *Yes her education.*
A: *I'm not going to go into debt to make a house for her, but if she wants to continue to study, and there is no money and this is the solution to her problem, yes.*
Q: *And you can do that because you have a title?*
A: *Because I have the title. Because before without the title, I could not do anything. I could not sell it, I could not do anything. (Focus Group #1, June 28, 2002.)*

It is clear from these slightly contrasting views that although residents understand that they could request a loan, most would be unwilling to take it. Even when it comes to paying for a child's education, the risk may be just too high. Most will, if possible, avoid taking a loan against title. A much smaller group of respondents, whom we characterize as "adventurous", were openly interested in seeking loans in order to buy a new truck, or to invest in a business. The following extract from our focus group discussion exemplifies this group:

A: Not me, I have a very responsible husband and I do it to get ahead...

Q: You do what?

A: Get money out. It's at 6% interest rate. Extremely low, so why am I going to buy a truck which is at 10% or 12% when I could buy it through the bank. I buy some solares.... lots of people don't understand that it's not about need□ no it's about getting ahead. How can I help my husband. That's where we can get ahead. So they give you the money, your mortgage – not because you're dying of hunger because here they give you food stamps and Medicaid – but if you want to struggle to get ahead, that's how you can make money work. How can you get money? Sometimes through your property, that they are sure that you have good credit and that you are not going to lose it. And that's what makes you make the effort to get ahead.

Q: And you can do that now with a title?

A: Exactly. (Focus Group #1, June 28, 2002.)

This is a woman who has no "formal" education, and who may find it difficult to get a job. But during the focus group discussions it was clear that she was aware of the new economic prospects as an owner, and that she would seek to find the way to use her title to bring in extra money to the household. In one of the women's-only groups, she was unique in understanding the full meaning of title in financial settings. Although we did not seek to tie her opinions to her personal or family situation, it was apparent that in her case she was among one of the "better off" members of the colonia. She had a more expensive house than most we interviewed. Most other participants did not share her views, or perhaps her relatively more favorable prospects.

We conclude, therefore, that although residents know that with title they could pledge their property for credit for home improvements, few have actually done so, and most are uneasy about the thought of doing out of fear of losing their homes. And there seems to be little "Mystery" in that.

Property Titles and Colonia Solidarity and Political Empowerment

We have discussed our conclusion that title increases individual self esteem. Title also appears

to increase the sense of dignity and decrease the feelings of marginality for the collectivity of colonia residents. Although Texas colonias are relatively low in density and lack much community collaboration (Ward, 1999: 167), an experience such as the CRG intervention might be expected to have forged “horizontal integration” between residents and neighbors (ibid: Table 16, p. 194). Even before CRG came on the scene, however, this set of colonias in Starr County was better organized than most because of the presence of an adept and charismatic leader (Blanca Juárez), and an effective self-help organization known as Colonias Unidas. Despite this, the focus groups were not in agreement as to whether there was good community collaboration, or whether people mostly went their own way and cared less.

To the extent that some solidarity existed in these settlements prior to regularization, it had been forged by conflicts between residents and the original developers, principally by Colonias Unidas, which remained the anchor for community activism and concern throughout the period of CRG intervention. Indeed, it is doubtful whether the CRG would have achieved the success that it did without the support of Colonias Unidas which was the key focus point of community education and political negotiation around titling issues, particularly that of the bankruptcy at a time when a higher level of mobilization was necessary in order get a positive vote for the reorganization. The continued mobilization even after the State acted and CRG came on the scene signals that there was and is community involvement, although it is of the strong leader(s) variety in which followers may not necessarily be very active, but they are aware and informed about what is going on.

Q: Is there anybody who thinks, and this is a question we want to ask, that the county should have been more active in supporting this project?
F: Of course. Because it seems like we do not matter to them. We are like a forgotten place. For example.. like when we have help here from inside[in reference of the CRG office] the community, it is easier for us. For example if we have an office here, we feel supported. But before it was of no use to go over there to Rio Grande to complain. They don't even look at you. Here you have a place where you can go express yourself – you know there is this and this and this. Then things are different. (Focus group 5, June 29 2002

In designing the study, we had not anticipated that there would be possible political meanings of formal title provision, yet there is some evidence from the focus groups to suggest a connection between title and political participation and inclusion. There is a logical connection between land title and political participation and empowerment, at least as regards the local governments that control issues crucial to the welfare of the colonias. Local governments

control land policy in the U.S., and are the key providers of public services and public education. Land, services, and schools are the dominant political concerns for the colonia residents we interviewed. These local governments are funded almost exclusively by property tax revenues, meaning it is the property owners whose names are on the revenue rolls and who pay these taxes, and not renters or occupiers, whose interests count. Yet respondents lamented that being a resident had not, in the past, been enough to trigger the concern of county government. Many colonia residents cannot vote in local elections because they are not citizens, and so they lack electoral clout. But in the focus groups, respondents spontaneously explored the idea that being legal owners, and thus property taxpayers, might be a path to greater political participation and influence (as the following exchange from the focus group discussions suggests)

F: [P]roblems exist here regarding floods, and other things and the county does nothing to fix it.

M: They do nothing.

F: Starting from the school that is there, all have said that up to date they have not done anything. That is true. But for you to vote for them, oh, they are so good making promises....

M: Then they come to get you.

F: They should show their faces (laughter).

F: But you know it's because of what they say here, that more people with passports [resident alien documents] live here than citizens. And since they cannot vote, well why do they worry about us.

M: Even if you just have a passport, you have your property and we pay taxes...

F: Exactly but it's not in their interests. They say, well I don't get votes from there so why am I going to help.

M: Well I am going to make demands because I pay taxes. And even if I was not [a citizen], I pay taxes." (Focus Group #4).

Titling also appears to have the effect of political inclusion at a more symbolic level. In the U.S., the more privileged automatically assume that full legal title to land and housing is their right. State and local governments support that expectation of, and reliance upon, formal title by maintaining public records systems that are, in turn, a prime support for the land market. To hold land outside of that formal market is to have a second-class legal entitlement and, by implication, a second-class civil status. The focus groups revealed that formality carries for colonia residents the political symbolism of enfranchisement, and that residents associated their informality with marginality -- and recognized that the world outside did too. Residents indicated that they now feel that can hold their own heads up when they go to government

offices in Rio Grande City. A particular concern was expressed during a later focus groups (held in October, 2002) after heavy rains had fallen. Residents expressed their worries about flooding and all its negative consequences on common infrastructure and individual property, and worried that the County would not respond appropriately. One or two individuals were quite scathing in their views on public officials.

Yet residents recognized the need for continued community organization and activism. The majority of focus group participants recognized the importance of unity and organizing in order to solve basic infrastructure needs of their communities. However, they also acknowledged (and often bemoaned) that the lack of mobilization had been a weakness although they were unable to articulate any single explanation for why this was the case. In terms of organizing to request needed services and infrastructure, most people said the community was not well mobilized, and some recognized that this needed to change:

F: But the suggestion... Well I am talking but I do not know if you are in agreement with me... The suggestion that could be made for other places is for all to be united. When there is a problem of this type, for all to be united, going to meetings, collaborating, to realize what is really going on. Because many times one finds out from someone else. We do not know what is going on. But once we go to meetings, we know what is going on, I think things can change. The information we have regarding things.

M: We go to the courts. That we go, we go. And tell the owner, we will go to court. That is it.... (Focus Group 5, June 29, 2002).

The fact of having title does not seem to have changed the way residents perceive themselves within their neighborhoods. Most participants in the focus groups said that receiving legal proof of their property has not changed their relationship with neighbors or with their families. Residents express a belief that being a good neighbor is an important thing. Some respondents told of unusual and generous accommodations they had made for their neighbors. Yet they perceive themselves as a community of neighbors (*vecinos*) rather than a community of property owners. It seems the concept of ownership is not especially important in their perception of what a community is. In none of these colonias are residents creating, or thinking of creating, a homeowners association or similar organization

Different views emerged over the sense of community within colonias. Most participants had strong family and friendship links within colonias; in many instances, parents and children, or siblings, or extended family, live close to each other. It was even the case that in several of the focus groups there were mother and daughter (Focus Group #2), or father

and daughter (Focus Group #7), or sisters (Focus Group #1), each of them representing a different household. It is clear that many residents have close family ties in these communities (the survey questionnaire shows that 81% have relatives living in the colonia). Most said they had good relations with their neighbors, and when asked about possible conflictive situations (like boundaries) they expressed the willingness to solve the problems peacefully. However a few also expressed different levels of conflict with neighbors, especially in terms of daily life issues such as noise, privacy, etc., and some participants had worries about crime, dangerous traffic, and neighborhood safety. But again, it seems that the perception of these problems and the way in which residents deal with them, have not changed after receiving title. If anything, residents attributed the neighborliness they practice to Latino/a culture and not to ownership.

A: Because we Hispanics have more communication than even the Americans. They are a bit more distanced. You with your problem, and I with mine. That's what they are like. So one has more communication – you fight more, but you help each other out more too. And I have been over there – and I treat them well - the blacks (morenos) as well as the Americans. But I see a difference with all of them. Exactly, that's the way it is. (Focus Group #1).

Thus we have a nuanced sense of the impact of titling on community empowerment; it raises morale and self-esteem and fosters a greater sense of legitimacy and rights in relations with local government; yet it appears not to have had much impact in generating greater community activism, not even around shared issues of property ownership, or changes in neighbor-to-neighbor relations. In the case of these CRG intervened colonias the existence and relative vibrancy of the Colonias Unidas organization may have made galvanization of residents in action unnecessary. But any future titling project should take into account, in its initial design, the issues of empowerment, and the various levels at which they can occur, from governmental, to community, to neighborhood. Promoting independent community capacity that can be sustained after the achievement of clear title is a related goal. Having achieved title in the Starr County example, it is evident that CRG commands respect in the community, and the local staff have considerable local credibility and legitimacy. That capital could be used to good effect in this and any other successful case. Such an added project goal needs to be carefully thought through, but the potential for a possible linkage between title and larger goals of political and community empowerment should be an important consideration.

CONCLUDING REMARKS

CRG gave title to those who deserved it. Without their intervention, many residents would never otherwise have achieved full and secure ownership. Many people in the Control Group had already secured Warranty Deeds from the developers prior to CRG intervention. Yet these deeds were often defective, so that the legal security they provided before CRG correction was illusory. Those without deeds may or may not ever have been able to secure legally secure proof of their claims from the developers. Had CRG not intervened, therefore, the residents of the Starr County colonias would have been in permanent limbo, with high levels of insecurity about their status as homesteaders. But we have seen in this chapter that owners in colonias ascribe different meanings to ownership and to property titles. Although people felt they had legitimate claims of ownership based upon proxy criteria such as receipts, contracts for deed, tax payments, or even the fact of their occupancy, residents came to understand that full title conveyed a more powerful and more secure form of ownership. Their understanding of ownership includes moral as well as legal meanings.

However, as we delve more deeply into the meaning of title it appears that for colonia residents property right claims have shifted from rights associated with usufruct towards fee simple absolute rights, and this is important in so far as it has the potential to affect future behavior – self-esteem, relations with local government, possible leveraging of loans, etc.. But despite this important shift we have also identified the potential for possible reversion to informality when it comes to selling or sub-dividing their properties, passing it on to their children, and so on. Our data suggest that this is not just a reversal to time-worn patterns that are more familiar, nor is it ignorance of the gains that formal (fee simple) title offers, but rather it is a pragmatic response to the lack of seller financing means available to low-income home owners, and to the relatively high transaction costs associated with formal market transactions. Despite the clarity and success of CRG's intervention to secure legal titles, people recognize that what matters most is security of proving ownership and while they would like to transfer Warranty Deeds upon sale, the logistics do not allow them to do so. Thus they revert to the lesser order of title transfers, and to usufruct arrangements of land subdivision and inheritance, knowing that these are workable solutions, even if they lack legal elegance and veracity.

A large part of the CRG's success was its ability to offer—on a large scale—a land title scheme at minimal cost to the beneficiaries. But this study has demonstrated that this is not a one-off deal, and that some provision is necessary to facilitate future colonia property transfers

(sales and inheritance principally) and to do so at minimal cost.⁶ CRG can hardly be blamed for not anticipating this reversion to less formal property relations in the future, but now that we have identified the danger, CRG is in a prime position to develop such a program out of the Rio Grande City case, that might have implications and repercussions statewide. In our view, the logic of what we have begun to observe in this chapter is one that applies in most similar low-income colonias.

So far as market performance is concerned we have explored whether title is important in bringing people more formally into land market and property relations, enabling access to credit, facilitating home improvements, and enabling people to sell their homes, and capitalize on their investments. If such priming of the market place was an expected and desired outcome of the land titling program then the findings of our study are not encouraging. As we saw in the previous chapters, these colonia land markets are not being valorized significantly as a result of self-help efforts, servicing, or legalization of clouded titles. While prices and land values may improve in the future, the true demand for lots remains weak, and few people are able to sell their lots and homesteads even if they wished to (most do not). This has little or nothing to do with title per se, but reflects a sluggish land market and limited elasticity of demand from among very-low-income populations. The best bet for colonia residents is for them to take advantage of the improved use-value of their properties now that insecurity of possible eviction or dispossession has been reduced, and now that services are coming on line. Many were already engaged in self-help to improve their dwelling environments, prior to gaining full legal title, and having “el título en la mano” can only help that process – but it will not guarantee it, nor is it likely to be the trigger for consolidation efforts in the future. Only in those cases of extreme insecurity (flooding of one’s lot, or living in an area that is designated for expropriation, for example) is the titling program likely to directly shape the onset of improvements. For the rest, formal legal title is an additional asset that may enhance consolidation, but it is not the trigger determinant.

The titling program does not appear to have significantly altered the organization capacity of the residents themselves, although in other situations where no existing organization exists (such as Colonias Unidas), then CRG-type intervention may be a galvanizing factor to propitiate new forms of local organization and empowerment. While residents appear to be more confident about their ability and rights to challenge local authorities to provide services,

⁶ This might be achieved through pro-bono lawyer support; state sponsored mortgage assistance, etc.

and to treat them with greater respect, there is little evidence in our research that this is having a major empowering effect, nor that it creating more empowered communities. Most focus groups were suggestive of positive feeling about the Receivership and especially about the local staffers, but ironically the very success of the CRG in conducting its affairs and undertaking the titling program with such effectiveness is that it may have generated a level of confidence among residents such that matters could be left to the CRG and to the local leaders. This is hypothesis more than fact, but we were struck at several of the focus group discussions, while extolling the benefits of good neighborliness, bemoaned the lack of community action and organization to get things done. CRG may unwittingly have encouraged this by being hostages to their own organizational success.

Our results will disappoint those policy advocates who envisage that land title will leverage access to formal credit systems and an upward trajectory of home consolidation and self-improvement by virtue of sharing in the capital and credit markets. Using one's property as collateral is anathema to almost all colonia residents and it is unlikely to change. As we have seen security has traditionally been the watchword of colonia owner households, along with creation of a patrimony for their children. For them, accessing credit offers a potential threat that very security precisely because it brings them into the formal market place, and exposes their homestead to repossession if they cannot fulfill their loan obligations. Few seem well disposed to substitute one form of insecurity for another, and most owners are streetwise in this respect, and shy away from loans against property.

Nor is it clear to us how assiduously the finance institutions wish to pursue low-income owners? Unless the property market heats up and offers greater potential cash gains to owners and turnover predicated upon higher demand, financial institutions may well look askance at the property collateral, even for relatively small amounts. That said, the data do indicate that despite their very low-income profiles, people are investing substantially in their homes, and expect to continue to do so in the future, but will be financed through the tried-and-tested means that they have used in the past.

Chapter 6

Evaluating the Community Resource Group's Performance: The Bottom-Up Perspective¹

As we observed in detail in Chapter 3, the work of the Community Resource Group (CRG) in Starr County produced more than clear title to colonia lots. In the process of clearing title, CRG also had the opportunity to enfranchise or empower colonia residents, and this was articulated through the development of a local office that collaborated with a fairly well organized existing community organization called Colonias Unidas. In this way, the CRG was able to work in help residents with their problems beyond that of titling. The physical evidence of their success lies in the land records and titling that was achieved; but in this final chapter we use qualitative data drawn from the focus groups, as well as the results of survey questions in an effort to assess the extent to which the community members were satisfied, and to offer an overall evaluation of the CRG's performance. In short, this is a bottom-up perspective that is designed to be read alongside the full overview evaluation that was presented earlier in Chapter 2.

COMMUNITY EVALUATION OF THE CRG

During the survey a number of questions were applied to the Study Group, given that it was they who had had most interaction with the CRG (see Appendix 1a & 1b).² Given that over 96 percent of colonia residents reported some level of satisfaction, CRG's success is evident. Almost all respondents surveyed expressed some level of satisfaction including 17 percent who were "very satisfied," 66 percent who were "satisfied," and 13 percent who were "more or less satisfied"(see Table 6:1).

Although CRG's job was primarily task oriented and technical – the provision of clear title – they also played other additional roles as well, as we observed in Chapter 3 earlier. These included negotiating with the tax office and with state and local authorities in order to expedite

¹. Chapter prepared primarily by Jane Larson in collaboration with Flavio de Souza and Peter Ward. In preparing this account of Community Resource Group's (CRG) titling project, the lead author interviewed Rebecca Lightsey, the current Receiver, and former and current staff in CRG's Rio Grande City Office, in particular Amada (Aidé) Villarreal and Marta Bazán. Eight specific questions about the community's perceptions of CRG's performance were included in the household survey, and CRG's performance also formed an important topic of the five focus group interviews with about 60 colonia residents.

². Interviews with the "Control Group" population did not include these questions.

the titling; providing advice and “fast track” (pro bono) assistance to those who wanted to make a Will; relocation for some households to more secure sites, as well as home improvement assistance and loans as part of a separate program. All this required that an approach be adopted that would ensure close interaction with the community, and the scope and quality of the relationship that the CRG achieved, in our view, the key to the program’s success. Establishing an effective presence from the out is essential to any community organization’s ability to carry through a project; and maintaining that presence through good communication is also crucial. The questionnaire asked all respondents (Study and Control Groups in this case) whether or not they heard of the CRG (in one of its several monikers), and of the 266 respondents, 73 percent knew of the agency/program.³ Those that had not were usually residents who were not directly affected by the titling. While this is understandable, the fact that one-quarter were not familiar with the CRG’s activities suggests that perhaps more could have been done to ensure a more effective total coverage, particularly since everyone had common interests in colonia improvements, even if they already had secure title.

Table 6:1.
Scale of Satisfaction with CRG Performance

	Frequency	Percent	Cumulative Percent
Very satisfied	21	16.5	16.5
Satisfied	84	66.1	82.7
More or less satisfied	17	13.4	96.1
Dissatisfied	3	2.4	98.4
Very dissatisfied	2	1.6	100.0
TOTAL	127	100.0	

³ We quickly learned that few knew the program by the acronym CRG, let alone the full name. Much more common was the shorthand term the “receivership”.

Table 6:2.
Overall Assessment of the CRG's Performance

	Frequency	Percent
Positive	160	82.9
Negative	4	2.1
Neither	8	4.1
Not know	17	8.8
Missing	4	2.1
TOTAL	193	100.0

Of those who had heard of CRG, 83 percent judged the organization's participation in the community to have been "positive" (Table 6:2). Of these respondents, we asked a further open-ended question in order to assess just *how* they thought the CRG's intervention had been positive, and these were coded post-survey. Excluding the "missing data" (people who were unable to give a reason or where the prompt was missed), the overwhelming majority of answers (92 percent) identified CRG's "help" to the community in a variety of ways (see Table 6:3). Notable here, however, is the fact that people did not just alight on the titling provision part of the program, but spoke more broadly of the ways in which CRG's intervention had been positive. Indeed, only one-third gave "titling" as their primary reason for giving a positive evaluation. More general assistance was the most widely appreciated, underscoring how in this case CRG's success was in part achieved by what it did beyond the titling regularization process – not strictly a part of its brief.

Four people gave a negative evaluation, two of whom were dissatisfied because the CRG "had not solved the issue of drainage," reflecting an underlying sense that we also found in our focus groups that part of the expectancy for some about CRG's role was that it should resolved the physical infrastructure deficiencies in the colonias; while the other two respondents were disillusioned because they felt that the CRG had failed to deliver on its promises. Taken at face value therefore, these data suggest high levels of satisfaction among the affected communities, and we applaud their success. Notwithstanding the possibility that respondents may have been inclined to give favorable answers to a survey that was introduced as in part

being tied to an evaluation of the titling program, we regard these data as indicative of a good and sensitive performance by the CRG.

Table 6:3.
Respondent Assessments of Ways in which
CRG's Involvement had been Positive

	Frequency	Percent	Percent w/o assigned "missing"
CRG "helped" (various) ⁴	57	29.5	43.7
Helped with titling	44	22.8	33.5
Helped with credit	10	5.2	7.7
Helped to fix houses	8	4.1	6.1
Helped with access to services	5	2.6	3.8
Helped to get drainage	4	2.1	3.1
Helped people to gain access to information	1	0.5	0.8
They found lots for some owners	1	0.5	0.8
Improvements have been made	1	0.5	0.8
Total Missing	29	18.1	--
TOTAL	160	100.0	100

⁴ Under the general heading of "CRG helped include: "helped community," "people benefited from CRG's work"; "helped people to solve their problems;" "CRG helped by being at the service of the colonia"; "CRG wants to improve the colonia"; and "everything positive."

Moreover, we were able to match these survey impressions with more in-depth and open ended discussions in the focus groups. Of those who had heard of CRG, many accurately described the organization's work as focused on titling or legal regularization.

Q: So what we would like to know is do you know what CRG is, the receivership?

F: Yes.

Q: Yes?

F: Well it's the one that is in charge of the solares, of giving out the titles to the solares.

Q: How is it that you know about it? Do you know what is in the office?

F: Yes. People who are willing to help you when you have a problem with your solar or to fix some papers related to that. (Focus Group # 5).

Q: Do you know what the CRG, receivership program is? How do you know it?

F: What is it? It's some people who are in charge of resolving what Blas and Elias left behind. That is people that were used to solve this problem. (Focus Group #4).

Table 6:4.

Identification of the CRG's Primary Role

	Frequency	Percent
To clear titles	107	55.4
To defend the colonia /residents	41	21.2
To promote access to services	11	5.7
Relocate some residents	2	1.0
Other	17	8.8
Not know	10	5.2
Missing	5	2.6
TOTAL	193	100.0

The survey results, however, suggest some diversity of opinion in defining CRG's role. Although 57 percent of those surveyed said CRG's role was "to clear titles," another 22 percent

saw the role more broadly as “to defend the colonia residents”; while a small group (6 percent) saw CRG’s role as “promoting] access to services” (see Table 6:4). This, too, is not altogether unreasonable since not everyone interviewed had required clear title, and we are inclined to view this as a successful projection on the part of the CRG leadership that it was, indeed, seeking to represent the broader community’s concerns, and not just the task of clearing titles. That such a small group had projected the expectancy that the CRG would deliver on services is also to the agency’s credit since it shows that they were largely successful in getting the message across that this was *not* a part of their role. Given the real servicing needs of these colonias many organizations, wittingly or not, could have cultivated an expectancy that this would be an important feature of its intervention, and the fact that the CRG made clear servicing was not part of its direct agenda, yet still managed to project a supportive role is firmly to its credit. High un-met expectancies in a physical infrastructure arena could easily have undermined the whole program.⁵

Even among those whom CRG had helped, not all people recognize the organization’s name. In a focus group, one woman reported that she did not know who CRG was, but went on to describe the help she had received from the office.

Q: Do you know who CRG is?

A: No

Q: No? Do you know where it is located?

A: No because all of the problems that I have regarding...well all the problems with the solares, I come here and Aidé helps me...

Q: Do you know the name of that office?

A: The receivership.

Q: The receivership - so you do know the receivership?

A: Yes. I’ve been there.

Q: yes?

A: That s why I am not worried what it is called, but what I can assure you is that when I have had problems, my mother calls me and Aidé, she and the other Aidé and another American who is also there and a young man who spoke very little Spanish, they were the ones who went to see the solares that I wanted them to see were located. Because I wanted them to do like I wanted. And they went. As soon as they heard, they all came over there to my house. So my mom says you have to fix them. Well, yes I fix them so she has help. I am naming the names because they are the ones that have been here. (Focus Group #2).

⁵ Also, it should be recalled from Chapter 3 that servicing intervention was one of the original wishes of the State government when it charged the CRG with the land titling program, and only when the CRG officers saw that it would be impossible to meet any significant servicing needs with the resources left in the portfolio that was passed onto them was the decision made to set that issue aside, and to focus on the titling.

As this last quote suggests, those who do not know the CRG by name often *do* know of the office and of the work done there. In the focus group interviews it was common for respondents to identify CRG with its local office staff, Aidé Villarreal and Marta Bazán.

Q: does everyone know what the CRG is or what the receivership program is? Does everyone know what it is?

M-No.

Q: What do you call the group that did the property regularization?

M-Aidé and Marta. (Laughter lots of talk, inseparable)

Q: No one knows what the CRG is, but you know who Aidé and Marta is?

M and F- yes...

M-The ones that head the program are the CRG...

Q: Exactly. In reality, its more than Aidé.

M-well yes, but they are the only ones who are informed, regarding our situation. (Focus Group #3).

The fact that colonia residents' understanding of CRG is intertwined with their relationship with the office staff reflects the importance of two key administrative decisions by CRG. One of the first decisions was to employ trusted and credible leaders from the Starr County colonias as frontline staff in the Rio Grande City office. Through their deep local knowledge, and commitment to be courteous, to provide information, and to be fair, the staff created an environment that colonia residents found supportive and trustworthy. Residents expressed a generalized experience of courtesy from the office staff. The staff reinforced this sense of courtesy with the attention they gave to the residents. Community members reported favorably on the service they received, and the atmosphere created by the CRG office carried even more weight because community residents expressed the sense that they are not treated well by local politicians. This perception is consistent with the social and political context of Starr County where local fraud allowed colonia development.

F: Of course. Because it seems like we do not matter to them [the county]. We are like a forgotten place. . . . [B]efore it was of no use to go over there to Rio Grande to complain. They "give you the eye." (Focus Group #5).

The second key decision was to relocate CRG's office in 1999 to the one of the colonias -- Las Lomas. This relocation gave the community a greater sense of confidence, ownership, and inclusion.

F: [W]hen we have help here from inside the community, it is easier for us. For example, if we have an office here, we feel supported. Here you have a place where you can go express yourself - you know there is this and this and this. Then things are different. (Focus Group

#5).

When the office first opened in Rio Grande City, there is some evidence the staff neglected to follow through on contacts, although those who expressed this critical viewpoint also understood that this resulted not from disrespect but from a lack of resources. The current staff, however, gets almost universal approbation.

F: Well the ones that are there now are great because they pay attention to you.

Q: That did not happen at the beginning?

F: No they did pay attention to you, but then since they would take a long time and they would say we will call you in a certain amount of time - and no [it did not happen]. However, these do. Like now that they helped us, they said we are going to call you in a week or two, and they call. And they inform you. And maybe they take a little while but months do not go by before you call and ask what is going on.

F: Beforehand they would take so much time because they were trying to organize everything. That is why at the beginning they took so long. But now they can attend you quicker because everything is already resolved. (Focus Group #4).

Moreover, the staff served residents in ways that were recognized as going beyond the call of duty:

A: Me too. I have said that I have not had problems, right, but in reality I did not see it as a problem, because when I came - I have only one solar. I only came once. At that instant, it was raining and lots of snow was falling, it was very cold. The only thing was that there were lots of coats. But still, Aidé went and that young man went – Both very nice people. They went and they looked, and they measured and they told me and they explained during that time. And that was it. I did not have to ask anything anymore. A month later, I think, they called and gave me my number of solar.

A: lot number:

A: Yes, the lot number. And the title too. There was no problem. They – have suffered. (laughter).

A: Well, it's that one believes that the secretary or the lawyer or the priest or the pastor should not go out when it's cold. That's what one think's in one's mind. And they are the ones who go ahead of us, and they help us. (Focus Group #2).

Respect and inclusion is highly valued in this community because residents often feel marginalized and “on the wrong side of the tracks” in a world where patronage still dominates. Thus intertwined with the sense of courtesy and helpfulness was the community’s strongly-felt conviction that CRG had been fair and never tainted by favoritism. CRG’s impartiality and

scrupulous standards led residents to insist that title settlement cannot be trusted to the government, which they judge to be corrupt, unresponsive, and always inclined to play favorites.

Q: Do you think it's better that this process was done by an institution that does not represent....

F and M: Yes! (emphatically)

Q: That is important for this process because if it happens to take place again in another state or another county, it can be done independently.

F: Exactly.

F: That is the best way.

F: Because if one goes to the county, then there would have been favoritism and there would have been...

F: preferences for family members and friends.

M: Yes.

F: And they would have taken control and given the title to the ones who gave the most.

F: And even so there was some favoritism because they fixed the streets up to here and some yes and some not. They did nothing over on this side. Supposedly they should have fixed the three main streets. But no, they went street by street. There was favoritism there. Yes. (Focus Group #4).

CRG not only created a forum of fairness inside the community, but also provided the technical expertise that ensured the titling process met the demanding requirements of formal law.

Q: If you ... we all know that there were good things and bad things in this process. If we began all over again. And we began the program in another county or zone in the North of Texas – as an example-somewhere far away. What things do you think we could do to improve it, for the process to be better? They are open to any suggestion, okay.

F: Well first of all, not to let any politician to get involved. And secondly, to be very careful of how things are going to be done. If they are not careful, like here, then it will not be done legally. (Focus Group #4).

We observed that CRG staff continues to act as a bridge between the local world of the colonias and the sometimes intimidating or confusing outside world of government and the formal law. Even though the claims process has ended, colonia residents still turn to the CRG office for advice on legal problems concerning land. One such story from the focus groups exemplifies this role:

Q: Anything in particular that was especially good? That you think that this has resulted well, or is very fair, that it can help others?

F: Well the problem that I had around 5 or 6 months ago. I started to get letters. I was paying my taxes regularly every year and suddenly I started getting notices that I owed \$1000 and change. And my husband was scandalized. I came here and said you know what, this is not for me

because I am paying taxes. I am up to date. I don't know what is going on. The lady who attended me said, look don't worry. Leave it here and we will fix it. You don't worry about it anymore. We will fix it. I came and spoke with them. They took over the case. And I never got any more notices. (Focus Group #5).

With the practical experience the CRG staff has gained through working with lawyers, state and local officials, taxing entities, land surveyors, and politicians, they are skilled advisors as well as confidential advocates. In recognition of her role and experience, Aidé Villareal has been trained as a “community land specialist” through the Minority Land Security Program of the Land Tenure Center and Tuskegee University. Land specialists are community leaders without formal legal training who serve as a resource with the explicit goal of helping people retain land.

ARENAS AND IDEAS FOR IMPROVEMENT

A. Keep the Community Informed and Avoid Delays in the Process.

The CRG staff worked hard to provide information to the colonia community. Keeping community residents informed is a critical but often overlooked component of successful community development. Community organizing requires substantial interaction with residents, but community development can often proceed without making these connections. In the case of CRG's presence in Starr County, however, the bankruptcy reorganization vote (see Chapter 3) required active interaction and negotiation with the community. Besides achieving the necessary vote to proceed with the reorganization, the organizing around that decision helped to establish a responsive relationship between the community and CRG. That relationship contributed not only to the success of the title-clearing project, but to the overall achievement of CRG.

CRG held many community meetings in various colonia locations, and worked to make sure people knew of them. Colonia residents recognized how important these meetings were for themselves as individuals, and for the collective success of the project.

F: But the suggestion . . . Well I am talking but I do not know if you are in agreement with me. . . The suggestion that could be made for other places is for all to be united. When there is a problem of this type, for all to be united, going to meetings, collaborating, to realize what is really going on. Because many times one finds out from someone else. We do not know what is going on. But once we go to meetings, we know what is going on, I think things can change. The information we have regarding things. (Focus Group #5).

Q: Did they explain correctly? Or did you say, oh, I wish they would

have explained that at the beginning, it would have been different!
— *No because when there were meetings, the lawyers would come to explain to us. And they just worked here. But they would call a meeting and we would come. The ones who explained were the lawyers. (Focus Group #3).*

Despite these efforts, a few residents said they had wanted better information than they had received. For example, when asked in the survey how CRG could have provided the individual with a better service, although there were only ten responses (out of 193), three respondents said CRG should have kept them better informed; two others said that CRG could have done things more quickly, while the remaining five responses varied, ranging from “more attention to complaints” to “was told there were no public services,” to “investigate the case better”.

In a second parallel question asking about how CRG’s could have performed better on behalf of the community, there were only nine responses of which “better inform the community” and “taking care of things more quickly” were again given by more than one respondent. It was a challenge to keep the community fully informed. There was (then) no local radio or television station in Rio Grande City; mass media comes from McAllen or Brownsville to the east or from Reynosa to the south. There is a weekly newspaper in Rio Grande City, but it is not widely read. Even providing notice at the corner store or at the mail boxes was not sufficient.

Q: According to what we know, this work in the study ... They, the CRG, Aidé, receivership, who carried out the program, at the very beginning of the program called meetings in the community to inform what the program was about. Did you hear of the meetings? Did you assist?

F: Yes.

Q: Were you informed?

F: Yes.

Q: One couple. Anyone else?

Q: Yes? Yes? The leaders were clear? Did they explain? Did you understand what the program was about? Yes? Not always?

M: (inaudible)

Q: Sr. Ignacio says he never heard of it but a friend of his told him about it. Anyone else?

F: Well one realized that there is going to be a meeting, one could hear in the community that it was going to happen. But there was no specific means to announce so that everyone knows about it. That is there is no way to use the radio or the newspaper or something so that more people will find out and come together.

F: They put papers up in the corner store (tiendita) but not all of us go to the store. If you go and see it, great. If not, too bad. And also at the post office. But since we just got a mail box recently, we did not have it here... (Focus Group #4).

CRG organized volunteers to deliver letters to houses advertising meetings, and some people heard by word of mouth.

F- And we received letters (inaudible). I helped out as a volunteer, and we would leave letters house by house. (Focus Group #3).

But in this hard-working community, residents often are gone from their homes throughout the day and evening, or even for months at a time as they migrate for seasonal work. Colonia residents recognize, however, the importance of giving adequate notice, and suggested that one way to improve future projects would be to provide personal and individualized notice – through house to house visits, if necessary (Focus Group #3).

Apart from notice, the only other area for improvement residents identified was the length of time CRG took to complete the title settlement process. Worry about delay was sharpened by the community's anxiety about their precarious legal position.

F: Well, if they could do it a bit quicker. Because they took quite a bit of time and we were becoming desperate since we thought that ...well at least all of us over in Las Lomas thought that it would not be resolved. We did not have much trust in them. In reality we were afraid of losing where we lived because all the people around here are in great need. So when we started to see that everything was being resolved, we saw that in reality it had worked – the process. But it was really the lack of trust we had, because it was not being resolved soon. We were afraid of losing everything. . . .

F: It took time but it was all resolved.

Q: That is right.

F: At the beginning we were a bit scandalized. (Focus Group #5)

Others, however, said they expected the process to take a long time because the problems were so complex (Focus Group #4). Keeping the process moving along was obviously important to the community, but so too was keeping them informed about *why* things were taking the time that they were.

B. Fairness of the “Land Swap” Remedy.

With only a few exceptions, those interviewed in the focus groups described CRG's handling of ownership claims as substantively fair. The bottom line for most residents was a sense that even if “there were some mistakes,” CRG had worked to ensure that “nobody was left out.” The general sense was that the resolution of claims had worked to the community's global benefit.

Q: Do you think that this office of the CRG, or the people in the office in front, fulfilled what they promised? Did they come through? Yes? Do

you think . . . They had to make many decisions. . . . Do you know if there were any problems or that some people were benefited more than others? Or did everyone get the same benefit or disadvantage?

M: It was fair.

F: I think that it was fair because many people did not have their solares correctly, then they accommodated them elsewhere. Nobody was left out. If there were some mistakes, like in other places. But everyone ended up... (Focus Group #5).

Q: On the process as a whole, do you think the way the land or the solares were divided up, the way they decided who would have what when there were conflicts - was it fair? Did everyone have a fair treatment or do you think there has been some favoritism –Some have received better treatment than others?

F- I suppose what they did was correct.

— It was correct.

— But what we were looking for was the property title.

Q: Yes, but I ask because there has been more than one case where two people were claiming ownership of the same land.

M: Yes, that has happened.

Q: What we want to know is if this program has been carried out in a just way?

F- That no one was left out. . . for example if there was a conflict, everyone got a solar. No one was left without.

Q: No one said, I was not treated well...

F- No.

F. Everything was correct. (Focus Group #3).

We have described elsewhere in this report how a set of property norms consistent with local expectations evolved through the claims process, norms we called “Receiver Law” (see Chapter 3). There appears to have been only one area of practice adopted by CRG to resolve multiple claims to the same lot that created some dissatisfaction – at least among those receiving an adverse adjudication. This was the “occupier first” principle in those cases where there were multiple verified claims to the same lot, the person actually occupying the lot received the title and the other claimants received another lot (a “land swap”). But most residents thought that this rule was fair in the circumstances.

Q: Did the receivership or the CRG define – okay this is fair, this is not fair. Do you think they have been fair?

A: Well there in the colonia . . . still there are solares that are there that do not have owners, they say they did not have an owner, they were going to relocate those persons that ended up having two owners for only one title.

Q: Have the people accepted that? Do you think it's a fair, a correct resolution?

A: Yes the people have accepted it. (Focus Group #2).

But not everyone agreed: four participants in the focus group interviews who expressed dissatisfaction with how their specific claims had been resolved, and three of these cases concerned the “occupier first” rule. One woman spoke at length about her father’s experience. At first she said that the lot should have gone to the one who bought first, which was her father.

Q: Do you think the process has been fair. For example why did she get that lot and someone else got another. Who do they give it to? (Child here talking over Cecilia’s voice.) To whom would it be most fair?

F: The one that buys it first. In this case, he was the first to buy there and then it was sold to two others. And the land was given to one of the other two, not to him. Likewise, over here, they gave him another over on this other street that supposedly was not sold -- by Brooks. And they also gave it to the others, the other 4 owners. And he was one of the first that bought here. And he was the last. Also since he is quiet. He does not speak up, does not say anything, he got screwed (se fregó). (Focus Group #4).

As her story continued, however, it became clear that her real concern was about the quality of the lot her father had received in the swap.

F: I wanted to say. In my father’s case, he had all the bills and he never received his solar. Just recently he was given a solar but he does not like it. Because he had chosen (to stay) close to us. Blas resold it like 3 times. And now that they gave him a solar, they gave it to him way back there. And he does not even have sewage or electricity. And well, he is not happy. And he cannot ask because supposedly he came here asking for help but that since he is not living in the solar they cannot help him build his house. Well how do they want him to live there if he has no sewage. How does he build the little house. That is really wrong. Because there is no electricity, and there is no way of living. What good is it to have the solar if they still don’t want to help him.

M: That is happening more with the people who are there.

F: Because they give you the solar but not like us here, who are doing well. They gave it to him over in the hills, where the sewage did not reach. So it should be that they place sewage and electricity over there.

F: And if it’s not going to happen, well it’s just like going backwards. Make believe that they are being compared to Elias and Blas, if things are done incorrectly.

F: Exactly.

F: But if they do something do it well, or do not do it at all. Because if they are going to do, like the lady says, instead of moving forward, you move backwards. (Focus Group #4).

And another woman in the same group responded with a similar story about her mother’s frustrating experience:

F: . . . I only know because my mom got that lot. And she has come here but it's like it comes in one ear and out the other.

F: And to reclaim a solar, what was your mother's problem, was it already sold?

F: Yes first, she bought it in front over where La Garza street is, and . . .

F: I see that in there are many parts where there are placards that say that this lot cannot be sold because they belong to receivership..

F: Those are the ones that were given... those are the ones they gave her, the ones there.

They are not for sale because they are being given to the people. She was given one of those.

F: Those solares were not claimed, they were not sold, right.

F: Yes. That was the only one they could give them. But it's the same deal because there is no electricity, water or sewage. So what good does it do. They had bought it over here because they were going to have all that. It does not get all the way over there. (Focus Group #4).

She concluded,

F: So what they should do is to not take over land that does not provide the conditions in order to give them out. It's like going backwards. . . . And it is not apt for living, so why give it. It's like giving the papers without a solar because you have them but cannot use it. (Focus Group #4).

Thus, what at first appears to be disagreement with the choice of “occupier first” over “first buyer”, in fact turns out to be unhappiness with the ways the land swap remedy worked out in practice. This is not surprising because the swap often exchanged a preferred lot for one that was objectively or subjectively of less value. Those who swapped land had to wait until the end of the process to get a substitute lot, which, as we discussed in Chapter 3 earlier, was taken from among the leftovers - the unsold and unclaimed lots. These lots were often considered by the residents as less desirable properties, usually without services, and often located less accessible locations such that public services will be difficult to install. Inevitably, unless they were situated in an arroyo and in danger, most people would be reluctant to move from a place they know to one that they don't. In addition, many who were displaced by the “occupier first” rule had originally bought land in order to be close to family and friends, or had purchased contiguous lots in order to assemble a comfortable-sized building site. For their purposes, a lot in any other location was by definition inferior.

In this same focus group, a participant proposed the creation of a community board of advisors to ensure that the various and sometimes conflicting interests of residents are kept in the frame, and perhaps to work out solutions.

F: There should be a board that is mixed between people who have things resolved, those that are still struggling, and some that are neutral, so that everything can be resolved. To be able to hear different opinions. Because if you do it of people who do not know what is going on, or do not experience the case, well what good is it. (Focus Group #4).

C. Abandoning the Goal of Providing Public Services.

Another small group of residents remain dissatisfied that CRG abandoned its early goal of provide public services to the colonia, even though, as we discussed earlier in Chapter 3, this was a pragmatic decision supported by the local leadership. Of the four people reporting negative perceptions of CRG in the survey, two complained that CRG had not solved the issue of drainage. For some residents, title is not enough. One woman described her situation: “I am not secure because I do not have water nor electricity and we have been there for a long time.” (Focus Group #5). Another explained, “it’s not apt for living, so why give it. It’s like giving the papers without a solar because you have them but cannot use it.” (Focus Group #4). Though a valid personal point of view, in is probably harsh criticism of the CRG in the circumstances that we have described.

CONCLUSIONS: A JOB WELL DONE

In previous chapters we have offered formal evaluations of the decision-making and implementation processes adopted by CRG, and have offered constructive criticism in those areas where we believe greater emphasis might have been laid, and which should be considered in the future. These included the failure to press ahead and effectively promote the creation of Wills associated with the titling project (Chapters 3 & 5); and the need in future to take steps to discourage a relapse in the quality of titles (Chapter 5).⁶ We have also applauded the creation of more flexible approaches that were forged by the CRG – as in the case of the creation of what we have termed a new “Receiver Law”. We will not repeat those conclusions here, but prefer, instead, to draw conclusions from the community’s “voice” as we heard it in interviews and in focus groups.

⁶ When this was raised with the CRG as part of the evaluation they claimed, not unreasonably, that drafting Wills for many people might have jeopardized the overall success of the titling project. Having lawyers on site – as CRG did – was only part of the story, they argued, because notwithstanding the video that everyone was obliged to watch, the inter partner discussions took time and were often not easy or expeditious to conclude. However, given the importance that we attach here and in earlier chapters of this Report to the likely downstream emergence in of future tenure and title irregularity, we remain convinced that greater attention (and research) needs to be given to these issues in future, both in specific land title regularization programs, as well as more generally among low-income property holders. To the extent that a growing number die in testate, with multiple usufruct claims on a lot, so future land title conflicts are likely to emerge.

The evidence is overwhelming that CRG's work in the title settlement process was judged a success by those it specifically helped, as well as more generally in the surrounding community. Levels of satisfaction among those who worked with CRG are high, and CRG is widely perceived to have helped the community in a variety of ways that we have amply described in this Report. Only a few specific areas of criticism or areas for improvement could be identified which we propose to focus upon here, but do so in the expectancy that the reader will not misinterpret our criticisms as being overarching or negative of the CRG's role. The aim is to learn from the experience, and to highlight areas that, in our view, require greater attention in any future attempts to replicate or develop similar programs.

The dissatisfied households – few in number to be sure – appear to fall into one of two categories: those who found the “land swap” remedy unfair, and those who wanted CRG to focus more on the provision of public services. “Land swaps” might in the future include a standard of “adequate compensation” to ensure reasonably equivalent value, and not rely exclusively upon “leftover” lots. On the improvement side was the community's wish to be better informed about the process, including one suggestion that personal notice be served on those who are to be brought into the claims process. There also was some belief that the process had taken too long to conclude. Much of that delay can be attributed to financing shortfalls, a change in goals, and the unexpected complexities of the legal process. These conditions might not occur again in subsequent titling efforts in other colonias. When CRG first took over the receivership, they found less money than necessary for the original goal of physical upgrading of the colonias. The organization then spent an overly long period (more than two years) redefining goals and obtaining adequate outside funding for work to proceed, and then another two years really getting started in earnest (1997-99). It was not until Rebecca Lightsey took over as Receiver that the process began to have visible results for the local residents. While no one predicted just how complex the legal regularization process would turn out to be, the (arguably) excessive delay between 1995-1999 could have been disastrous, and might even have killed the project before it really got off the ground. Hopefully CRG's experience, and the case study evaluation offered in this report (see Chapter 3), should markedly shorten the learning curve in future projects.

That it was not a disaster but came to thrive derives from the strength of CRG's local staff in Rio Grande City, and the support the staff received from Rebecca Lightsey and from CRG's central office in Arkansas. In particular, locating the Title Office in Las Lomas and

staffing it with local residents, who were themselves not only proven leaders but were also trusted by the community, was crucial. Above all, we believe that it was this feature, together with the CRG's willingness to listen and to be flexible in the face of colonia resident resistance (as over the Warranty Deed issue described in Chapter 3), that led to such a consistent grassroots judgment that CRG's work had been efficient, helpful, fair, and empowering. Residents valued the courteous, prompt, and dignified treatment they received from the staff, and took confidence from their belief that the process was not touched by favoritism and that decisions, although not always perfect, were substantively fair and generally consistent with local norms and expectations. At the end of the process, the great weight of community opinion is that CRG brokered a global solution that "left no one out."

Chapter 7.

Land Titling Programs, Public Policy, and the Bigger Picture

A STRUCTURAL PROBLEM: NOT A TEMPORARY ONE, NOR ONE OF DYSFUNCTIONAL URBANIZATION AND CHANGE

Colonias do not exist in a socio-economic vacuum. They are a rational response to structural problems generated by the intersection of two demands: first, the need for cheap labor either regionally (tied to low wage urban and manufacturing services), or in particular sectors such as agriculture. The second demand is for affordable housing, which especially in the case of Mexican-origin populations, is tied to a strong desire for home ownership. Almost all of the colonia population we studied in Starr County and elsewhere earn less than \$25,000 household per year, and a majority only half or even less of that amount. When wages are so low and the working population is so poor, they cannot afford housing provided by the private sector, nor does the state offer alternatives. Strategies such as housing associations, state guaranteed mortgage systems for low-income housing etc., still set the threshold beyond the means of these households. Thus the only effective housing strategies for such household are low cost rental housing – either in trailer parks or in by multiple occupancy sharing arrangements of apartments at the bottom end of the market.¹

It is important to be aware, also, that this disconnect between labor and housing markets is not just a border phenomenon, nor are they exclusively tied to Hispanic (Mexican-origin) ethnicity. Colonia type-subdivisions are increasingly being identified in the rural hinterlands beyond the peri-urban fringe of cities, not only throughout Texas but also elsewhere in the US (Ward, et al 2002, 2002).² To that extent, we expect that many of the recommendations and conclusions about ownership and land titling programs contained in this Report will interest those beyond the border. However, we also recognize that for the purposes of this project and

¹ There is an urgent need for research in parallel housing markets (to colonias), particularly in cities whose peri-urban hinterlands offer colonia-type housing options. Not only is there little or no systematic research of trailer parks and multiple occupancy rental apartments, there is also no clear understanding of the linkages between the rental and colonia (ownership) markets.

² See the typology developed by Ward and Koerner (2003) which presents evidence of different types of low-income subdivisions in Arizona, New Mexico, and Texas. Also Donelson and Holguin, 2001.

our evaluation of it, the principal lens of analysis will focus primarily on colonias, given that these are priority feature of U.S.-Mexico border landscapes, not least in Texas.

Throughout the past decade, the characteristics of US border region colonias have been studied extensively. This research adds to that body of work in the context of a little known and little studied county, Starr County, South Texas. Because it is so poor Starr County is the “bottom line” for policy makers seeking to address colonia issues. As we observed in the introductory chapters to this Report, Starr County has much higher poverty rates and much lower household incomes than even its neighboring border counties that in turn make up one of the poorest regions in this country. Although colonia populations in other border counties share the characteristics that we found around Rio Grande City, Starr County epitomizes the challenges that face colonias in Texas today in its most difficult form: intense poverty; poor job prospects; relatively high unemployment levels; relative isolation from dynamic urban labor market; poor infrastructure. So tough is it in Starr County, that land market adjustments are required to take account of the rock-bottom incomes: namely considerably smaller lots than those normally found in colonias elsewhere, even though price of the land is not much different (see Chapter 4). In addition, Starr County suffered from corrupt land developers who, until their activities were effectively curtailed by litigation as well as by state legislation in 1995, exploited many lot buyers, leaving them without legal title and in conditions of high insecurity over their investments in land and housing. Indeed, it was the mess that had been created by two principal developers that spurred the provision of outside help by the Community Resources Group in the first place, and that brought us to Starr County to evaluate and analyze that agency’s performance.

But as well as the worst, the Starr County and the colonias that we have analyzed here also represent some of the best and most laudable elements of these settlements: hard-working populations fighting against considerable odds to pull themselves by their own bootstraps, and who, despite the problems that they confront, remain reasonably optimistic about their future. It is a population that has made major improvements to their homes and to the settlement environment, often in spite of, rather than because of, local officials and government. Households use their “sweat” equity often at considerable social costs, to improve their homes seeking not only a better setting in which to raise a family, but also a stake in the land market that offers a vehicle for generating equity, assuring greater personal and economic security for the future, and a patrimony for their children.

It is against the backdrop of this struggle that we have evaluated CRG's land titling program and assessed what impact clearing land title has had for the beneficiaries specifically, and for the local population and land market, more generally.

SUMMARY OF CONCLUSIONS AND PRINCIPAL FINDINGS

Our findings and conclusions are important in several respects. First, they provide insight into what property title really "means" to low-income colonia populations. We found that colonia homesteaders believed they had rights and claims based on their use and improvement of the lots they occupied, but recognized these claims were only relative. Use and improvement might be good against another homesteader, but not against a developer or one operating by the norms of the formal land market. Once title was provided, these households understood the change in the force of their claims, asserting the more absolute rights associated with fee simple ownership and recognizing its greater negotiability. However, we have also identified the pressures and the logic may lead to a return to less formal patterns of land transfer, perhaps even creating the need for another round of titling in the future. The principal pressures are: a), intestacy, given that few newly-titled owners or colonia householders generally, are willing to make a Will or otherwise plan for their estate following their or their spouse's death; b), the lack of formal financing mechanisms that could encourage a dynamic land market; and c), the lack of affordable and culturally sensitive support for complying with the legal aspects of the land market conveyancing, title searches and registration of deeds. As things stand at present, it is almost impossible to sell a house and land in these colonias to other low-income households. As a result, prices are depressed below their true values, market turnover is minimal, and that which occurs is increasingly likely to be informal so as to minimize transaction costs.

Second, we have been able to address some of the theoretical claims of dualist theory and institutional economics, whose claims have driven policies throughout the world aimed at replacing informal systems of land tenure and housing provision with formal law and markets. Advocates argue that the move to formality will allow land markets to function more smoothly, relieve bottlenecks in market performance, allowing poor people to share in the benefits of growth, and realize the modest wealth created by their investments, moving them out of the informal sector, and lessening their poverty. These arguments have been most closely associated with policy advocates such as Hernando de Soto (1998), but these theoretical claims are now being seriously tested by evidence such as that included in this report, and by challenge and scrutiny elsewhere (Gilbert 2002, Varley, 2002).

As empirical work tends to do, our study confirms the substance and direction of several of these theoretical claims as well as some challenges to them. It provides evidence and insight into the conditions that may make it difficult for the poor to benefit from greater participation in the market place, or by the embrace of formal over semi-formal or informal housing and land markets. Informality has its logic in making land and housing relatively affordable to the poorest households in the absence of other governmental or social assistance; whereas formality raises costs and can effectively lock the poor out of land and housing ownership. We have “tested” this evidence in one of the poorest areas of Texas and, therefore, the U.S., but peculiarities of land development in Starr County or even the border region does not limit our ability to generalize. There is ample supporting evidence of similar findings elsewhere in the State of Texas, including relatively well-off counties such as Travis, Coryell and Lubbock – in which semi-urban colonias also exist. The absolute level of poverty does appear to shape the modal lot size of lots in subdivision and the rate of consolidation, but in order for households to begin to effectively function in the formal market and become creditworthy for mortgage financing, etc., research suggests that a household income of the mid-\$30,000s at least would be required, and as we have seen, colonia households almost always fall far below that level.³

A third product of our evaluation is what these experiences mean for future land-titling interventions, the likely need for further programs, the replicability of the strategies adopted by the CRG, the pros-and-cons of their performance as an organization charged with titling, and the principal wider lessons that may be learned for public policy. Below we outline in bullet point format the conclusions, drawn both from the findings in this study during 2002-03, as well as those of a careful monitoring by one of us (Larson) of the CRG’s performance over a prior three-year period (1999-2002).

³ See Ward and Koerner, 2003. Their data show that in order to qualify for a formally produced home costing \$89,600 (the median cost in the US for a vacant house in 1999), with a 10% down payment on the home, and 5% interest rates for a) conventional or b) FHA loans, the annual income required would be \$21,400 or \$22,600 respectively. For a US home priced at \$120,000 the rates increase to \$30,000 and \$29,000 respectively. Assuming higher interest rates, and/or 5% down payments the sums rise substantially into the mid \$30Ks and lower \$40Ks. All this also assumes that families carry a low maximum monthly debt of \$150-250 (depending upon house price and repayment plans). While one can run the figures for different dwelling costs, and for different regions, the fact remains that the large majority of populations currently living in colonias or colonia type subdivisions, fall substantially below the effective qualification level. Moreover, few can raise the sizeable down payments that are required. In use-value terms, it is important to recognize that many colonia residents would prefer colonia options to formal low cost housing provided by the formal sector, because the former provides them with more lot space, less vulnerability (in terms of repossession), community support networks, etc. even at the cost of a less attractive location and environment, and inadequate infrastructure and public services.

1) The provision of clean title per se in Texas colonias appears to have LITTLE or NO DIRECT effect, nor even short- and medium-term INDIRECT effects UPON:

- Land prices and land price trends that appear to be fixed by social relations of dominance and control by the developers rather than according to market variables such as location, services, etc
- Supply-side variables that would improve land market performance or land market functioning measured in improved or enhanced land prices, or in promoting the turnover and exchange of housing or lots on the supply side.
- Demand-side variables such as enhanced access to credit to encourage turnover and exchange of housing or lots.
- Triggering the onset of concerted efforts to upgrade housing.
- Shaping the pace of home improvement.
- Triggering access to new credit lines; although title does appear to trigger some interest on the part of consumer and sub-prime lenders to low-income owners, this does not extend to banks.
- Promoting socio-economic mobility or physical (spatial) mobility.

2) Nevertheless, in other ways full legal title has BENEFICIAL EFFECTS and is WORTH PURSUING as a policy option, as it appears to SHAPE:

- Greater responsiveness towards and regard by public officials in their treatment of colonia populations, who they now see as more participatory rather than alienated and withdrawn; and a greater confidence among colonia householders in making demands of public officials.
- Population stability, and a greater sense that colonias represent viable settlements.
- A sense of political legitimacy and normalcy leading in some instances to a greater sense of enfranchisement and potential political empowerment.
- The creation of collateral that is acceptable to consumer and sub-prime finance institutions, even though it is rarely invoked for fear of the insecurity associated with possible repossession.
- A real sense of greater security of tenure, and psychological relief.
- An improved understanding of land law and rights predicated upon fee-simple (absolute) land ownership, rather than the more (legally) tenuous rights associated with *usufruct*. In turn, a greater awareness of and commitment to fulfilling

responsibilities of ownership, including payment of taxes and registering deeds in the public land records office.

3) There are Different “MEANINGS” Associated with Property Ownership among Colonia Residents, such that the Provision of Full Legal Title Impacts in a Number of Ways:

- By leading to greater empowerment, that in turn facilitates future engagement with, and demand-making from, local authorities. However, titling programs and provision of titles appear to do little, at least in the short term, to i) shape internal relations either within households (either between spouses or between parents and children); or ii), strengthen the capacity of the community for more organized cooperative self-help activities.
- *De jure* title adds significantly to meanings of ownership that go beyond *de facto* ownership normally associated with informal tenure or “clouded” title. Once they receive full title, people recast how they interpret their rights, demonstrating greater awareness of the rights and responsibilities of ownership. This “legal consciousness” is evident in matters like adverse possession and trespass; eminent domain; special assessment, tax sales and other tax issues; and marital and family property rights. By association, this rights consciousness strengthens people’s senses that they are regarded with greater respect in dealing with external actors from all sectors.
- However, among low-income colonia households generally, and among those who received titles from the CRG specifically, title did not encourage owners to secure inheritance rights by making a Will.
- Nor are fee simple rights irrevocable, or irreversible. Quite the contrary, facing limited equity creation, and only weak prospects of being able to sell through the formal market, residents may return to informal and mechanisms of lot subdivision, conveyance, and inheritance, with tenure based more heavily on use rights. To the extent that they do so, this will be for pragmatic reasons, and not because they do not understand or value fee simple ownership.

4) The CRG has done AN EXCELLENT JOB, and is both trusted and judged effective by the vast majority of the affected populations:

a) CRG’s legal performance was both innovative and highly successful:

- The legal effort was technically well run, and relatively efficient;

- Both legal strategies and implementation combined pragmatism with flexibility, thereby allowing it to respond as circumstances changed and to allow for community input;
- The strategy of titling through the legal tools of bankruptcy and receivership was innovative, intrepid, and successful. The strategy was technically complex and demanded effective management and judgment; the receivership-bankruptcy strategy allowed the creation of what we have come to term “Receiver Law” – founded upon this particular experience;
- The beneficiaries were highly satisfied – remarkably so given the community’s poor past experiences with “help” from the outside, and disillusionment and cynicism with which external actors, government in particular, and officials were generally viewed;
- It was smart (and pragmatic) in taking a conscious decision to embrace the participation of, and dialogue with, the local community in making strategy decisions and in putting those choices to work in the program. Particularly important were the decisions to put the day-to-day operations of the program in the hands of respected local residents employed as staff, as well as to move the offices to one of the principal colonias, thereby reducing the social (and physical) distance between agency personnel and residents, as well as fostering a sense of ownership on the part of the affected communities.

b) In other ways, CRG’s program might not be easily replicable. For example:

- Expense. Notwithstanding the innovativeness and success of the legal strategy, the titling program was expensive, requiring heavy subsidy (in this case from a grant from the Ford Foundation) -- two features that might discourage its adoption elsewhere.
- Alternative titling strategies are likely to be more familiar and less controversial. Although we firmly believe that the CRG titling program does offer a replicable legal model, titling through receivership and bankruptcy might be resisted in a more risk-averse organization or in a less desperate community context. Alternative strategies, such as expropriation (eminent domain) and resale to beneficiaries, although more complicated, less flexible and often more expensive, might be more politically viable. CRG’s approach to building a participatory process and a locally responsive set of

claims criteria are replicable in other settings and should be part of the evaluation of other alternatives. Other solutions such as title clearing legislation or class action litigation should also be explored.

- Scale and Scope of Operations. The CRG's success may relate to the large scale of the problem concentrated in a specific locality. Thus it may have been successful precisely because it was able to create the space – and work at a scale – that allowed effective functioning. That same space is unlikely to be repeated in other contexts. Most colonias are very small, and similar situations of large-scale title regularization by a non-governmental actor are unlikely to present themselves.

Specific Program Shortcomings and Weaknesses Identified

We are also in a position to identify several shortcomings in the CRG titling Program, some elements of which could have been foreseen, others not. Those that probably should have been anticipated were:

- The need to move more quickly, and to achieve some “deliverables” much earlier than the four years that it took;
- The desirability of devising an effective strategy for the adoption of Wills to reduce future insecurity and possible informality arising from competing claims and intestacy;

Less predictable elements arose from the fact that this was an innovative program and that the program developers did not have a body of experience or research upon which to draw. This meant that no-one fully anticipated the following:

- The low level of direct impact that titling would have on housing improvements or land prices based on the limited negotiability of even good colonia title in formal credit markets. Even if the lenders move into this market in the coming years, the evidence in the short term is that few owners are inclined to swap one arena of vulnerability and insecurity (i.e. irregularity of land title) for another – the risk of foreclosure on a loan secured by the lot and its improvements.
- The need to think and plan sufficiently for “life after the titling program”, i.e. once the CRG withdraws, and to prepare the community for legal sustainability. Already we have observed a reversion to less secure methods of land transfer including letter contracts, contracts for deed, etc.

- The need to do a better job in informing title beneficiaries – indeed all owner households – of the need to maintain their legal ownership titles in good standing and as viewed by modern land law. The program did a good job of educating owners of the tax responsibilities of ownership, but did not embed the titling exercise within a broader program of community legal education. A weakness was that the titling intervention was seen as a one-off program, and not as a part of an ongoing process.

There are Several Long-Term Implications of the Titling Program:

- Title is important, although not necessarily in the ways predicted.
- There is very little evidence of out-mobility to date; quite the opposite, populations are stable and committed to remaining in the colonia and making the most of what they view as the only opportunity to become homeowners.
- Full legal title does little to enhance the operation of colonia land markets, which remain sluggish with little effective demand, and only modest gains in real property value. Use value is likely to continue to dominate over exchange value.
- Title regulation is not a one-off exercise. There will be future title clarification needs as some people begin to buy out CRG beneficiaries, yet fail to record their deeds in the public land records, or land is transferred by various kinds of less formal contracts not always entered in the title records. The same will apply as sub-division and inheritance lead to further non-conformity with full registration and ownership transparency.
- There is a need for the creation of a system of community legal specialists in order to facilitate land title transfers and to minimize a possible return to informality, and to help to resolve disputes. With training, such advisors need not be lawyers, and hence would be less expensive than conventional legal services; with roots in the community, land specialists will be culturally attuned. Such advice, advocacy, dispute resolution would ideally be anchored within local community and self-help groups, strengthening their political efficacy.
- New institutional arrangements must be developed to provide financing for lot and housing purchase at this low end of the market. Without access to credit, land markets cannot function, value of assets and investments cannot be realized, and mobility is blocked. Further, the need for financing may encourage reversion to less

secure means of land transfer, such as seller financed land contracts.

- Market functioning in future may become more predictable with as land prices and supply-demand behavior are less subject to forces of social determination, such as developer domination or governmental corruption, and respond, instead, to more orthodox variables such as location, quality of services, population growth, etc.

5) Multi-stranded METHODOLOGIES have much to commend them in Evaluations of Colonia Programs.

- Multi-stranded research and data collection techniques that complement one another provide an optimum mix of methods in order to collect evaluation data and triangulate it. Our study included archival analysis, key informant interviews, focus groups, CRG database analysis and a large-scale household survey. Our assessment is that each method was essential to our understanding and knowledge and understanding.
- In terms of cost-effectiveness, the less costly techniques such as key informant interviewing and focus groups that offer valuable insights into the processes and are often the most replicable and useful approach to adopt – especially when facing very limited financial and temporal resources. This is often the case in the formative period where one is seeking to identify the key questions and arenas for analysis prior to embarking upon a survey or database analysis.
- Where there is already a good knowledge of the key issues that allow for good questionnaire design (as was the case here), focus groups should be used as interpretive tools, allowing the researcher to press the envelope of preliminary conclusions gained from the survey. However, where there is little prior knowledge, focus groups offer a means to identify the key questions and issues prior to surveying.
- The timing of the questionnaire analysis in our case and that of the focus groups was not optimal. Due to early summer fast approaching we were obliged to rush the survey somewhat. Much better would have been a survey in the late fall and winter months. Also, the sequencing was such that we did not have the survey results fully analyzed before embarking upon the focus groups
- The actual survey was particularly well served by using trained *promotoras* from the

settlements to conduct the interviews. Our experience was that adequate training and testing must be invested in it.

- Questionnaires and full sample surveys are costly and time consuming, although the survey generated important data that we probably could not have got elsewhere. Less successful were the sections that required documentation of the house type, and the quick elaboration by *promotoras* of a lot/site sketch map showing the distribution of the various dwelling structures. In retrospect such documentation probably requires additional interviewer skills and/or much more advanced and intensive training.
- The costs of surveying were high -- measured in time and payments (the *promotoras*' wages for example, and the \$15 vouchers to respondents and focus group participants). In addition, we spent an enormous amount of time subsequently in data analysis, principally by the four lead researchers. We underestimated the person hours required to clean and analyze the findings -- whether from survey database or from focus group transcripts. For those reasons alone, it is important to make the data as widely available as possible so that other interested researchers may make use of it. It will also serve as the basis for an ongoing panel study.
- It should be emphasized, also, that in several areas of our analysis it is probably still too early to draw definitive conclusions. We believe this is especially the case in the land price analysis, where we documented a counter-intuitive decline in land prices post-CRG intervention. The idea that title makes no difference to property prices will come as a surprise to many (even if it was not a surprise to us, as research from Brazil and Mexico had already suggested that this would be the case). Further long term monitoring is necessary in order to ascertain land price behavior in colonias, and what drives it.
- It is also desirable to further replicate and test many of our findings in other counties and among other low-income populations, not least because the arguments we have sometimes presented here run counter to conventional wisdoms in policy analysis. Examples include the findings that title does not have significant impact upon home improvement and market performance; and that people do not seek credit using the title and property as collateral, etc. Although we are confident in, and excited about, the theoretical and practical implications of many of the findings discussed in this

Report, in some areas of analysis it may be several years before we can argue a definitive case. In the meantime, it would be inappropriate to make firm policy recommendations (either way) without careful monitoring, and a willingness to revise our thinking as necessary.

Priorities for Future Research

Beyond further testing and refinement of many of our propositions in this Report, we identify below six priority areas for research that relate to the issue of formal titling and the dimensions that we have outlined.

1) Replicable Titling. We now have a good idea of how Receiver Law may be successfully carried out, but we need to further examine further alternative ways in which titling and re-titling can be done expeditiously especially in those circumstances where the target populations are smaller in number, less clustered, and may be distributed over multiple jurisdictions.

2) Fiscal Sustainability. Systems of property appraisal and *ad valorem* taxation must be designed to be both systematic and fair for very low income property owners. It is important to underscore that low-income colonia residents are not usually averse to paying property taxes. Yet there may be some need for sensitive (progressive) taxation rates to be applied in low value properties, or for very poor families, and “deferred assessment” systems should be contemplated for those can’t or won’t pay (in essence taxes and surcharges being recovered at sale or inheritance division, see Shoup, 1994). Creative thinking and policy making are required, therefore, in order to ensure that colonias and similar subdivisions elsewhere become fiscally more sustainable for counties.

3) Sustaining Title; Assisting Land Market Functioning. In raising people’s awareness about the possibility that new forms of informality and tenure irregularity may emerge in the future, there is an urgent need to develop genuine incentives for minimal or no-cost conveyancing, and for modest mortgage financing or bridge financing to assist seller financing. Also required are low-cost institutional arrangements to provide information on land law and rights, encourage estate planning, and offer informal dispute resolution and counseling.

4) Housing Sub-market Interactions and Performance. There are important linkages and inter-relationships between different sections of the low-income housing market (trailer parks, shared apartments and other renting, colonias, etc.) that we still know almost nothing about.

Specifically, we need to know what are the respective costs and dynamics both within, and between, these sub-markets; how far do different sub-markets assist in asset building and wealth creation; the extent to which populations flow back and forth at different periods of the family life cycle; and how the relative options are perceived by different ethnicities. Furthermore, we need to understand much better whether or not most colonia populations are truly aspirants to conventional and federally supported housing programs, and the extent to which, and for whom, policy making can ever be successful in ratcheting up those slightly better-off colonia populations into the formal sector.

5) Title, Equity and Segmented Access to Home Ownership Gains. Little is known about the intersection between colonia residence, economic security and the consolidation of assets and wealth creation. It is imperative to learn more about the ways in which the market (and the gains therein) are segmented, leading to greater or lesser inequalities between those living in the different respective niches of property markets. Moreover, we need to explore in much greater depth the ways in which colonia populations perceive the risks and opportunities of using land as collateral for credit, and how credit can be structured so as to soften the threat of home repossession.

6. Long-Term Panel Analysis of Use Values and Property Upgrading. Finally, we have argued that exchange value gains and equity creation may be stunted for colonia homeowners, but that colonia housing remains an important vehicle for savings, as well as offering high use-values to various subsets of colonia populations. Especially important here in our view are the following three constituencies: 1) parents raising young children; 2) the elderly, either in retirement and needing to minimize their living expenses, and for families caring for ageing parents privately and at relatively low cost; 3), and to kinsmen where households are extended horizontally – usually to married siblings and their families. Moreover, we need to understand how those use-needs translate into the use of lot space and into the dynamics of dwelling acquisition and improvements. Again, we know precious little, and through this survey and the photographs collected for each households, we have, we hope paved the way for a longitudinal in-depth panel study of a number of households in the study settlements.

In short, there are many research questions that must be explored concerning the workings of low-income home ownership, not just in the border region, but in Texas generally, and the U.S. at large. Although colonias in the border are the priority, there will come a time, we believe, when informal homestead subdivisions (aka colonias) will represent a predominant and

not unique housing form for the poor working populations throughout the country. If that transpires, then clearing “clouded” property titles and regularizing land markets will become a serious and widespread concern reaching beyond the South Texas setting in which we are developing policy responses today.

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BIO SUMMARIES OF THE PRINCIPAL AUTHORS

Flavio A. M. de Souza is a Professor at the Architecture and Urbanism Department at Universidade Federal de Alagoas (UFAL), Brazil. He also teaches at the Graduate Program on Environment and Development (UFAL) and at the Graduate Program on the Built Environment (UFAL). He was a Visiting Scholar at the Teresa Lozano-Long Institute of Latin American Studies (LLILAS) at the University of Texas at Austin funded by CNPq (Brazil), investigating the meaning of title for colonia residents in Starr County, Texas, being supervised by Professor Peter Ward. In previous research, de Souza extensively investigated the relationships between perceived security of land tenure and low-income housing markets in Brazil, funded by CAPES (Brazil). He has recently investigated the use of alternative tenure rights in Brazil under the coordination of Mr. Geoffrey Payne, funded by DFID (UK). Flavio de Souza is also interested in public policy and low-income housing.

CECILIA GIUSTI is a Visiting Assistant Professor at the Landscape Architecture and Urban Planning Department and Research Associate at the Center for Housing and Urban Development at Texas A&M University. She is working on a post-doctoral research funded by the US Department of Housing and Urban Development related to micro, businesses and their contribution to community economic development focusing in women in colonias along the Texas border region. She is also interested on land, housing markets, and access to credit in low-income communities. She was involved in designing a micro-enterprise training program at four colonias in the Laredo (Texas) area. Previously she was involved on a research on women entrepreneurs in Latin America and the US at the Bureau of Business Research at UT-Austin. Previously she worked as an economist at the Research Department at the Central Bank, at the Department of Regional Issues, and at the University of the Pacific in Lima Peru.

JANE LARSON is Professor of Law at the University of Wisconsin-Madison, where she teaches property and land use. Larson has studied the colonias of the border region for ten years, focusing on the legal structures of regulation that shape these settlements. See *Free Markets Deep in the Heart of Texas*, 83 GEO. L. J. 179 (1995), and *Informality, Illegality, and Inequality*, 20 YALE L. & POL'Y REV. 137 (2002). Larson is a member of the Executive Board of the Land Tenure Center, the premier research and policy institution on land reform, and has been a key participant in building the Center's North American Program.

REBECCA LIGHTSEY, a licensed attorney, is CRG's Colonia Program Director. She also is the receiver for 16 colonias in Starr County, Texas that CRG holds in receivership. Prior to joining CRG in January 1999, she held a number of policy-making positions in state government, including Texas Commissioner of Insurance, Assistant General Counsel for Texas Governor Ann Richards, and Director of Electronic Benefit Transfer for the State Comptroller. She has over 20 years experience in low-income and public policy issues. Before going into state administration, she held a number of positions with non-profit organizations, including the Executive Director of the Texas Consumer Association and Texas Insurance Purchasing Alliance. Rebecca also has worked as a public interest advocate for migrant farm workers and on environmental and consumer issues.

PETER M. WARD took his Ph.D. from the University of Liverpool in 1976 and has held senior professorial positions at University College London, The University of Cambridge, and The University of Texas at Austin where he holds the CB Smith Sr. Centennial Chair in US-Mexico Relations, and is professor in the Department of Sociology and in the Lyndon B. Johnson School of Public Affairs. He also serves as Director of the Mexican Center of LLILAS (1993-1996, and 2001-present), and is the Editor in Chief of the *Latin American Research Review*.

Ward is an international authority on low-income housing and irregular settlement issues, community development programs and land regularization policy. Among his extensive writings in these principal areas are the following major texts: *Self-help housing: A Critique* (Editor, 1982); *Housing, the State and the Poor: Policy and Practice in Latin American Cities* (with Alan Gilbert, 1985); *Welfare Politics in Mexico: Papering over the Cracks* (1986); *Methodology for Land and Housing market Analysis* (1994, edited with Gareth Jones); *Colonias and Public Policy in Texas and Mexico: Urbanization by Stealth* (1999); and a (forthcoming) anthology *Common Origins, Segmented Futures: Mexican and Mexican-American Households in Transnational and Border Contexts*.

APPENDIX 1a &1b Questionnaire and Letters

Note that this is an early draft in English of the Questionnaire – that is why it has no Q #s. The draft dates from March 1st, 2002. Soon thereafter it was translated into Spanish and revised. But for non Spanish readers it will offer a good guide to be read alongside the final Spanish version contained in these Appendices.

(512) 471-6302 (Direct)
(512) 475-8621 (Assistant)

Date etc.

Dear Colonia Lot Owner,

Thank you for agreeing to be interviewed today by promotoras who are working on behalf of an evaluation team for the CRG (Receivership). The team involves researchers from UT-Austin, Texas A & M, the University of Wisconsin and members of the Receivership. Your household was selected from the listing of the property ownership files at the CRG.

As the interviewers will have explained, this is a piece of policy research that is being conducted within these Universities about the problems of colonia housing and property ownership here in Starr County, and about the effectiveness of policies that the CRG implemented. It is being undertaken with the CRG's full knowledge and support. The information that you have provided will be treated confidentially, and will never be identified with you or your family in particular, but only presented as general statistical tables about the land title and housing market conditions in this subdivision. Our aim in conducting this research is to improve policy relating to land ownership and property titling in colonias.

As I am sure you can appreciate, a study of this kind involves a lot of careful planning and preparation and I am especially grateful to you for having spent half an hour of your time in order to answer our questions. This letter is in Spanish and English (back of page) for your convenience. After interview if you have any questions regarding the survey, please do not hesitate to call my office on the following toll free number, 1-888-**, and leave a 'phone number where I may contact you. Alternatively you may call me on my direct line (512) 471-***.

Yours sincerely,

Dr. Peter M. Ward
Professor, Dept. of Sociology and
LBJ School of Public Affairs

Ms Rebecca Lightsey
Community Resources Group
(Receivership), 512-**

APPENDIX 1a

COLONIA RESIDENTS SURVEY—ENGLISH

Colonia Subdivision _____ Location: _____. Code _____
Selected household (Name and Address): Lot # _____

Interviewee: Mr/Mrs: _____ Interviewer(s) _____

(Interviewer: circle which to indicate gender of respondent)

*Good morning/afternoon. We are Promotoras from the ** conducting a survey on behalf of an evaluation team for the CRG (Receivership). The team involves researchers from UT-Austin, Texas A & M, the University of Wisconsin as well as members of the Receivership. Your household was selected from the listing of the property ownership files at the CRG, that we have reviewed already. The interview will take approximately 40 minutes, and as a small token of our appreciation we would like to offer you a coupon worth \$15 that you may use in any Walmart store.*

It is important that we explain that this is a piece of policy research that is being conducted within these Universities about the problems of colonia housing land property ownership here in Starr County, and about the effectiveness of policies that the CRG implemented. It is being undertaken with the CRG's full knowledge and support. The information that you provide will be treated confidentially, and will never be identified with you or your family in particular, but only presented as general statistical tables about the land title and housing market conditions in this subdivision. Our aim in conducting this research is to improve policy relating to land ownership and property titling in colonias in Texas

*It is important for the purposes of this survey that we interview the head of the household or spouse -- i.e. Sr/Sra ***in this case. Are you s/he?*

CRG

	Yes	
	No	

Inquire who is and ask to interview them

In which year did you first move to the colonia?

CRG

	19____.
--	---------

In what year did you buy this lot? (*emphasize buy this lot,- not move to colonia or to the lote*)

CRG

	19____.
--	---------

From whom did you purchase the lot (developer, previous resident)?

CRG

	Developer direct	
	Previous Owner	
	Other: please specify	

Did you move to live on this lot almost immediately (that is within two or three months) after you started making the first payments?

Yes	
No	

-- *Jump to Question **

So, in which year did you move to this lot or put another way, how long was it between your starting to buy land in the colonia (*see answer to Q **) and your moving into this particulate lot?

Less than six months	
Six months to one year	
More than a year; please specify how many years it was and the year in which your arrived here (interviewer cf. Q. #1	

_____ yrs; i.e. in 19____

Why didn't you move immediately into your lote? What were your reasons for not moving in straight away? (*Interviewer: If several reasons are given, specify in order of priority, #1, #2, #3, etc...*)

	Priority
Too far from house or work	
Didn't have the money to buy or construct a house	
Lived in shared accommodation with relatives in the colonia	
No services/ it was inhospitable	
No schools	
It was more of an investment than a place to live	
I bought it for my children not for myself	
We went to live in another city	
No sense of community spirit	
Don't know	
Other: please specify	

When did you arrive in the colonia? _____

After those years of living elsewhere but purchasing the lot, why did you finally move here?

<i>Family related issues</i>	
Some key services began to be installed	
Once we had finished paying off the land	
Once we had secure title	
Once many more lots were occupied	
Once a community spirit had developed	
Once we had sufficient money build buy a home to put on the lot	
Other (specify)	

What was the total cost of this lot (interviewer, get total price and then ask what was the monthly payment)

CRG

	Total cost \$	
	Monthly payments of \$	

Do you know the size of the lot? (Lot dimensions or area in square feet/acreage)

CRG

	Yes	Size _____
	No	

Have you finished making purchase payments on the lot?

CRG

Yes	
Not yet	

Jump to Question **#

How much do you still owe (more or less)? Total of \$_____

At any point, have you stopped a payment?

Yes		To whom? Developer () or CRG? ()
No, never		

Why did you stop

a payment?

Lack of \$	
Worried about developer's honesty	
Insecurities about titles at end of it	
Other reasons	

What type of contract do you currently have?

CRG

	Contract for Deed?	
	Warranty Deed	
	Not Know	
	Other (specify	

Do you think that Contract for Deed is a safe way to buy a property?

Yes	
No	

Interviewer: Ask this question only in Las Lomas (*?)

Have you registered your deeds in the County Court office?

CRG

	Yes		Why? _____
	No		Why not? _____

SECTION ON “MEANINGS” OF LAND TITLE

When you arrived and first purchased what papers/titles did you have?

CRG

	Contract for Deed	
	Warranty Deed	
	Full Title	
	None	
	Other (specify)	

What papers title do you now have?

CRG

	Contract for Deed	
	Warranty Deed	
	Full Title	
	None	
	Other (specify)	

Did you consider yourself the owner of your lot before gaining a Title Deed from the Receivership Office?

Yes	
No	

Do you consider those who live in the colonia who do not have full title to be “owners” of their land? (Interviewer: If they ask what do you mean “owners” – prompt and clarify that ownership would mean that they are secure in the ownership of their property)

Yes	
No	

If Yes: What gives them ownership ‘rights’ even without papers in your view?

No prompts:

Fact of Occupancy	
Poor and Needs	
Services and outside recognition	
CRG stated as much	
Homes they have built/erected give them the claim	
Pay the Taxes	
Others	

If No: Why Not?

What would those people have to do to become true owners in your opinion?

No Prompts

Get full Warranty Title	
Build a better/permanent dwelling	
Work with us to get services	
Go to the Receivership	
Pay for the land & get some papers even if not full Deeds	
Get the lot registered in the County Court House	
Pay the Taxes	
Others	

From the moment you occupied the lot did you consider yourselves to be the full owners of the lot?

Yes	
No	

If YES: Why? What made you certain of ownership?

No Prompts

Had a Contract for Deed	
Had a Warranty Deed Already	
We had some services	
Had got from Receivership so we were sure	
Believed te Developer's Word	
Had the lot registered in the County Court House	
We were paying Taxes	
Others	

If NO: Why not? (What made you uncertain of ownership)?

(No Prompts)

We did not have a Contract for Deed	
We did not yet have Warranty Deed	
There were no services or nothing	
No one was interested in us; we were ignored	
We distrusted the Developer	
Not registered in the County Court House	
Others	

What are the advantages of being an owner with full title? That is to say, what can you do with your lot as an owner with full title that you perhaps you couldn't do before?

(No Prompts)

Can sell the land freely	
Can subdivide the lot	
Can share lot with other households/family	
Can pass on as an inheritance	
Can use the lot as a place of work micro enterprise etc	
Can start building a proper home	
Can live her more easily/tranquilo	
Can use the lot as equity against a loan	
Don't really know	
Never really thought about it	
Others	

Why couldn't you do that before?

Open ended?

In what ways is being an owner important to you and your spouse?

Security	How so? _____
Patrimony for Children	How so? _____
Flexibility (\$)	How so? _____
Live more freely	How so? _____
Can borrow against	How so? _____

Before we Arrived Today, Had you ever heard of the Receivership?

Yes	
No	

What is the primary responsibility of the Receivership in your opinion? (If several reasons given, ask which is the most important and check that box)

Defend the colonia/residents	
Sort out the property ownership/give titles	
Install services	
Relocate people	
Resolve disputes	
Challenge the developers	
Not know	
Others	_____

What contact did you have with the receivership? If any

Minimal contact – 1 or 2 times only		
Multiple Contact		How many contacts roughly? _____
No Contact/no need		Go to Q #

For those not embraced by CRG:

Although you weren't directly affected by the Receivership process do you think that their intervention was helpful or unhelpful to this colonia's development?

Helpful:		In what Ways helpful? _____
Unhelpful:		In what ways unhelpful? _____
Neither/nor:		
No know/no opinion:		

For those embraced or affected substantially by CRG:

Which of the following Actions did the Receivership undertake in your case?

Provided a new title	
Cleaned up irregularities in old title	
Provided anew lot	
Lot swap with neighbors	
Found a lot for kin	
Got an improvement loan	
Installed basic services	
Other:	_____

How satisfied or dissatisfied were you with the intervention and titling program of CRG in this colonia?

Very satisfied	Satisfied	Nuetral	Dissatisfied	Very dissatisfied
----------------	-----------	---------	--------------	-------------------

In retrospect, what do you think that CRG could have done better:

In your case personally:

Yes		How _____
No		

--For the colonia generally?

Yes		How _____
No		

In whose name are the papers?

CRG

	Joint		
	Mrs		
	Mr		
	Children		Why to them?
	Grandchildren		Why to them?
	Don't know		

What prompted you to allocate the ownership in this way?

Texas Law	
Preference to protect him/her	
CRG Receivership instructions	
Instructed to do so (by whom)	_____
Seller	
Other (specify)	

Do you think that it is important to have a Will to indicate how you wish your property should be allocated?

Yes	
No	

Why?

To protect my spouse	
To avoid disputes between kin	
To keep the property in the family	
Others....	

Do you have a Will? Does your Spouse?

	Male Spouse:	Female Spouse:
YES		
NO		

For yes: when did you make that will?

Year? _____

Before or After getting title to this lot?

Before	
After	
Simultaneous	

Who suggested that you make a will?

Advised to by the receivership		
Advised to by A N Other.		Who _____

Who do you expect will inherit this lot and property in the event of your death?

Surviving spouse		
Eldest child		<i>Jump to Q</i>
Children jointly		<i>Jump to Q</i>
Parent(s)		<i>Jump to Q</i>
Others		<i>Jump to Q</i>

In the event that you died and it went to your spouse, who would inherit after his/her death?

Eldest child	
Children jointly	
Parent(s)	
That would be his/her decision under a new will	
No idea under Texas Law	
Others	

SECTION ON PERCEIVED LAND VALUE CHANGES

Do you have any idea what a vacant lot of a similar size to your own would sell for in this colonia today?

Yes		
No, no idea		<i>Jump to Question **</i>

How much approximately? \$_____

What do you think both the house and lot combined are worth today -- if you were to sell it?

\$_____	approximately
No idea	<i>Jump to Question</i>

How do you arrive at that guess/calculation?

(No prompting);

Those are the costs I paid for land and improvements	
That's how it is divided on my tax records	
That's what similar neighbors' lots are going for	
Just a guess	
Other	

Of that total: how much is land value and how much property/improvements?

Land/lot and services to it \$ _____
 Improvements: dwelling(s) \$ _____

Tell me, how do come to arrive at that guess/calculation of the price/value?
 (No prompting)

Those are the costs I paid for land and improvements	
That's how it is divided on my tax records	
That is the land value of recent sales	
The dwelling costs +/- appreciation or depreciation	

Do you think land prices have increased in the last years?

Yes		Question*
No		

Why do you think they have increased?

More services now	
Titles are now been given out	
Property values everywhere gone up	
Lots are more scarce now	
Other	

If you were to try to sell your lot right now, on the following scale would it be:

Very easy;	Easy;	Difficult;	Very difficult;

Why? _____

Have any of your 3 immediate neighbors (PROMPT: either side or directly in front) bought their lots or property in the past two years?

Yes		How many? _____
No		

Would you say that the number of people in this colonia who have sold their properties and moved elsewhere in the last five years has been:

Very many		Why so many are leaving? _____
Many		Why so many are leaving? _____
Some		
Only a few		

Have you seen or heard about people selling off a part of their lot?

Yes	
No	

Have you seen or heard about people subdividing their lots?

Yes	
No	

SECTION ON IMPACTS OF LAND TITLE:

Interviewer: This section only to those who have had significant title regularization by CRG.
This section only applies to those living in Colonias ** and who have been directly assisted by CRG in clearing their titles.

Since you received your title, have you sought to do any of the following since you purchased your lot and moved here? (Interviewer should ask each item in turn)

Item	Yes	No	What happened?
Sell the lot			
Take out a loan for the home against the title?			
Hook up to utilities			
Improve the Home			

What improvements specifically and how much did each cost more or less?

- 1) _____ \$ _____
- 2) _____ \$ _____
- 3) _____ \$ _____

Do you have any improvements planned for the next two years?

Yes	
No	

What improvements specifically and how much do you estimate each improvement is likely to cost you (more or less)?

1) _____ \$ _____

2) _____ \$ _____

3) _____ \$ _____

How do you propose to pay for those improvements?

From Income/Savings	
With a loan from a finance shop	
With credit from the seller	
On my credit cards	
With a loan from a kinsman	
With a loan from a friend	
Inheritance	
Other	_____

In the period that you have been living here, have you received a formal cash loan from a finance shop for dwelling improvements or for new dwelling units (i.e. not small temporary loans from kin)

Yes		_____ Times
No		Jump to Q #

When was the last time you applied for a loan (year); from whom; for what purpose; how much was the loan? And what were the terms (months and interest rate?)

Finance Shop	Year	Purpose	Total loan \$	Interest rate %/months?
1)				

Do you still owe on any of these loans?

Yes		Indicate above with a check mark if still owing
No		

Are there any other occasions when you have paid for major improvements or dwelling units on credit?

Yes	
No	

Creditor	Year	Amount	Interest Rate %
1)			
2)			
3)			

If yes, was collateral (garantia) requested against the credit loan?

Yes		Type of garantia_____
No		

Do you still owe on any of these loans?

Yes		Indicate above with a check mark if still owing
No		

Are you aware of the possibility of using your title to borrow and take out a loan?

Yes	
No	

Given that it is possible for owners such as yourself to use one's residence as collateral garantia for a loan, would you consider doing so in the future

Yes		Why not? _____
No		

Do you think that there is a strong risk that you might lose your lot were you not to repay any of these loans?

Yes		Why not? _____
No		

If you decided that you did want to use your lot as a garantia for a loan, for which of the following would you be most willing to use that loan?

Home improvement	
Buy a new dwelling unit	
Buying a car/truck	
Child's education	
Starting a business or	

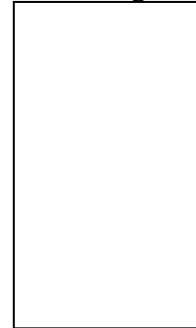
investing in a business	
-------------------------	--

SECTION ON HOUSING IMPROVEMENTS;

Interviewer: Below, identify the House Type & Lot Layout. Do so interactively with the respondent and for clarification draw a rough plan to the right annotating buildings T = trailer; M = manufactured home; C = Camper; S = shack structure; H = Self-help or consolidated dwelling; IC = building in construction/slab etc bit not occupied).

C: Camper	
T: Trailer	
M: Manufactured Home	
S: Shack structure	
H: Brick-built consolidated built home	
Combination: indicate which: (eg T & C; S & H; H & IC etc.)	

Lot Diagram



Turning now to your own residential arrangement in this lot: How many separate dwellings (hogares are there on the lot?

Clarify definition of hogar etc here check Q here on pooled incomes or separate

One only	
Two	
Three or more	

Jump to Q. 35

Who are the other households; that is what is the relationship if any to you the owners?

They are my parents/in-laws living with us	
They are kin/family who share the lot as owners	
They are kin/family who rent from us	
They are renters	
Other: please specify	

Do they own their half or portion of the lot? Yes____. No____.

If No, In your opinion what rights would they have to your lot if you died or decided to sell?

None	
Part beneficiary: explain what they would receive	
Part beneficiary but not know exactly how	
Don't know/Never thought about it	

In total: how many separate bedrooms do you have in your dwelling (i.e. do not include

those of other households?

of _____ separate bedrooms

How many other rooms in your dwelling and what are their functions?

Matrix functions and boxes for numbers

Kitchen#	Toilet #	Bathroom#	Dining#	Living#	Bedrooms#	Other#

Has Receiving Full Title affected your ability to make home improvements to the dwelling?

Yes		How _____
No		Why not _____

Which of the following services to you have on this lot?

	Has	Not have	Comments (if given)
Electricity			
Piped Water			
Septic			
Sewer lines			
Garbage collection			
Public transport			

SECTION ON HOUSING TRAJECTORIES/ASPIRATIONS

Where were you living immediately prior to moving to live here in the colonia? Which city or county (and state if not Texas)?

The home in which you lived immediately prior to moving here to this lot – were you owners or renters or sharers, or living with parents or other kin?

We owned the house	
We rented: from the owners	
We rented: from a housing association	
We lived with my parents/in-laws	
We shared with other kin	
We shared with friends	
Workplace was also residence	
Other: please specify	

What type of home did you live in immediately prior to moving here (An apartment; trailer home, condominium, regular house...and how many bedrooms did it have)?

An apartment: how many bedrooms?		_____bedrooms
Trailer/mobile home: in a trailer park		
Trailer/mobile home: in a colonia subdivision		
A manufactured/modular/regular home: how many bedrooms?		_____bedrooms
Other: please specify		_____

What were your main reasons and proposed purpose for buying a lot in this colonia subdivision? (*Interviewer:* If the respondent gives several reasons, prompt which was the most important, of second importance, etc., and check thus: 41 = main reason; 42 = second reason)

As a home - in the short term		
As a home in the long term		
As an investment		
To provide an inheritance for my children		
It was a good deal and opportunity		
To rent out or use for work		
Other, please specify		_____

What was the reason that led you to choose to live in a colonia subdivision over other housing options?

It was easy to buy -- no papers and closing costs, etc.		
I could afford it here		
Good anticipated return on my investment		
More space		
Rural atmosphere/away from the city		
Fear of crime and drugs elsewhere		
Family lived nearby		
Opportunity to self-build and improve home over a long period of time		
Lack of other options		
Other: please specify		_____

From whom or how did you find out about the opportunity to buy a lot in this colonia?

Signs in the colonia itself or along highway	
By chance/a visit	
Word of mouth	

From neighbors/friends	
From relatives	
From workmates/at work	
Other: please specify	

Have you considered leaving the colonia in the past two years?

Yes	
No	

If Yes, What makes you want to move? List all reasons given

Attractions elsewhere	
Want a better home in nicer n'hood	
Move closer to work/schools/family	
Family related/personal	
Lack of services	
Location distance	
Neighbors/n'hood unsuitable	
Other	

Where have you looked to move to? City & N'hood(s)

State _____

City _____ Neighborhood _____

How would you want a new home to be different from this one?

No prompting. If several reasons given check all and ask which of those checked is most important 1, second most important, # 2 etc.....

	Tick	Priority
It would be a different tenure (ie own or rent)		
Not a mobile structure		
Full services		
More bedrooms		
No need to do it ourselves		
Nicer neighborhood location		
Closer to x location (work, schools etc)		
Other		

So, what has prevented or is preventing you from moving?

Can't afford it	
Not find anywhere suitable	
Family reasons	
We have debts here	
Other	

For those who received titles from CRG

Has the receivership intervention made it more likely that you will remain here in the next five years or less likely?

More likely	Less Likely	No difference	Don't know

SECTION ON SOCIO-ECONOMIC DATA:

Do you have family who live elsewhere in the colonia/subdivision?

Yes	
No	

Including yourself, how many people make up your own household? (do not include members of other households on lot where these exist.)

_____ people

Are there any of members of your household who are migrant workers -- that is they live away from the home for more than three months in the year?

Yes	
No	

How many of them are migrant workers_____?

Please list each member of the household that has had paid employment in the past 12 months:

Who?	Type of work	Migrant worker? Months away from home	Full time?	Part time?	Years of completed schooling?
Self					
Spouse					
1)					
2)					
3					

Do any members of your household have fixed income from social security?

Yes	
No	

Who? _____ Type & \$ amount per month _____

Is anyone in the household classified as being disabled?

Yes		Relationship _____
No		

Which of the following boxes comes closest to your estimate of the household's total weekly or monthly income (including any income you receive from migrant workers or from other sources outside of the household – such as social security benefits for example)? Please do not include earnings of any household members who do not contribute their earnings to the running of the home, but you should do include any rent or contributions (to food etc.) that they may regularly give you.

(Interviewer shows the two columns and ask the respondent to tell you the box letter: A, B, C, .etc)

Interviewer shows and talk through with respondent and then check **one box** only in either column -- depending on whether s/he estimates weekly or monthly household income.

	Estimate Household Income per WEEK		Estimate of Household Income per MONTH		
A	\$50-\$150		\$200-\$600		A
B	\$150-\$250		\$600-\$1000		B
C	\$250-\$400		\$1000-\$1600		C
D	\$400-\$600		\$1600-\$2400		D
E	Over \$600		Over \$2500		E

No Response _____

(Over \$600 per week or over \$2500 per month is equivalent to more than \$30,000 per year)

Interviewer: If you have checked the over \$600 per week or over \$2500 per month, please ask for rough annual household income showing the table below:

Between \$30,000-40,000	
Between \$40,000-50,000	

Over \$50,000	
---------------	--

In which of the following categories do you consider yourself?

Mexican (by birth)	
Mexican-American	
No answer	
Other (specify)	

How long have you lived in permanently in the US?_____years

Thank you very much. That concludes our survey. Once again, we are most grateful for your collaboration and once again reiterate that all information is confidential and will not be related to your lot and household in particular. Please keep this letter and the phone number for your records, and do not hesitate to contact the project director should you have any questions or comments regarding the survey.

CRG Colonia Survey

Colonia _____

Date : _____

Nombre y apellido de la familia seleccionada: _____

Manzana # _____ Solar / Lote # _____

Nombre de la Calle (si hay) _____

Entrevistador(es) _____

¿Se encuentra el Sr/Sra (nombre de arriba) – los dueños de este solar?

Buenos tardes – me llamo _____, soy promotor(a) trabajando con el Texas A&M y estamos haciendo una encuesta aquí en esta colonia.

¿Es Usted y/o su esposo(a) dueño de este solar?

*Sí

No *Si dice que No, averigue quien es, y explica que es necesario entrevistarse con el/ella*

*Muy buenos días/tardes. Estamos colaborando en una evaluacion solicitada por la organización **CRG** (que aquí también se conoce como el Receivership). El equipo consiste de investigadores de UT-Austin, Texas A&M – College Station y la Universidad de Wisconsin. Su caso ha sido seleccionada de una lista de solares y propiedades que tiene la oficina encargada con el CRG . Esperemos que usted este dispuesto/a de participar en el estudio y contestar a las preguntas en nuestro cuestionario que estamos haciendo a unas 300 familias en esta parte del condado Starr. La encuesta tardará aproximadamente 40 minutos y como una muestra de nuestro agradecimineto le podemos ofrecer un cupón de \$15 dolares.*

Es importante explicar que esta encuesta cuenta con el pleno apoyo del CRG. Ninguna de la información que usted nos proporcione hoy será vinculada con usted o con su familia, sino que será totalmente confidencial. Las preguntas se tratan de información sobre títulos de propiedad y condiciones de vivienda en Starr County. (Nuestro propósito es mejorar las políticas de vivienda que se están promoviendo en las colonias de Texas.)

¿Esta Usted dispuesto(a) a colaborar y contestar esta serie de preguntas?

Gracias también debo decirle que si Usted se sienta incomodo(a) durante a entrevista puede terminarlo en cualquier momento.

Entrevistador: una vez asentados puede repetir parte de lo de arriba si es necesario. Si no

Muy bien, vamos a comenzar:

Sue nombre y apellido es: Sr / Sra: _____

Entrevistador: subrayar el género del entrevistador (Sr o Sra o los dos)

1) Ahora, es muy importante para el propósito de esta encuesta que entrevistemos al jefe de hogar o su esposo(a) ¿Sr/Sra, es Usted el jefe (la jefa) – o sea cabeza del hogar en este solar?

CRG

	Sí	
	No	

Preguntar quién es para entrevistarle

2) ¿En qué año Ustedes se mudaron a esta colonia?

CRG_____ 19____.

Si fue más de hace 10 años, pase a la pregunta AA

***¿En dónde radicaban Ustedes antes de cambiarse aquí (a esta colonia). Cuál era el nombre de la ciudad, condado y estado (si no era Texas)?**

Ciudad o condado: _____

Estado (si no es Texas) _____

****) ¿Cuál era la tenencia de la vivienda en la cual Ustedes vivían antes de cambiarse aquí? O sea, eran dueños o inquilinos u otro?**

Eramos los dueños	
Rentábamos: del dueño	
Rentábamos:de una asociación de vivienda/moradores	
Compartimos con mis padres/suegros	
Compartimos con otros parientes	
Compartimos con amigos	
Era de mi trabajo	
Otro: favor de especificar	

****)** ¿En qué tipo de casa vivía Usted antes de cambiarse aquí?

Un apartamento: ¿Cuántas recámaras?		_____ recámaras?
Una casa tipo "trailer": dentro de un trailer park		
Una casa tipo "trailer": dentro de una colonia parecida a la nuestra		
Un condominio: ¿Cuántas recámaras?		_____ recámaras
Una casa particular: ¿Cuántas recámaras?		_____ recámaras
Otro: favor de especificar		_____

***AA)** ¿En qué año Ustedes compraron este solar (lote/predio) en esta colonia? (enfaticar ESTE solar)

CRG: _____ 19 _____

****)** ¿En el momento que Usted compró su solar, cuáles fueron los motivos principales para comprarlo?

(Encuestador: si dan más de una razón, especificar y indique el orden de prioridad, #1 motivo, #2, #3, etc.)

Como vivienda, al corto plazo		
Como vivienda, al largo plazo		
Como una inversión		
Como un patrimonio para mis hijos		
Se presentó como un buena oportunidad que no quise perder		
Para rentar o para utilizar en mi trabajo		
No queríamos seguir pagando la renta		
Otro, (especificar)		_____

78) ¿Por qué prefirió Usted comprar un solar en una colonia en lugar de buscar otras alternativas de vivienda? (Encuestador: si dan más de una razón, especificar y indique el orden de prioridad, #1, #2, #3, etc.)

Era lo más fácil - sin papeles ni enganche etc.		
Era lo más barato		
Pensaba que sería una buena inversión		
Había más espacio aquí para vivir tranquilo		
Me gustó el ambiente rural, fuera de la ciudad		
Tenía temor de crímenes y drogas en otros lugares		
Tenía familia que vivía cerca		
Era la oportunidad de ir construyendo a medida que habia dinero para invertir en la casa		
No había otra opción		
Otro, favor de especificar		_____

79) ¿De quién(es) o cómo supo de la oportunidad para comprar aquí? (Encuestador: si dan más de una fuente de información, pregúntele cuál fue lo más importante y indique con #1.)

Anuncios en la prensa		
Anuncios en la colonia misma		
Por casualidad / visita		
Se corrió la voz		
De unos vecinos / amigos		
De unos parientes		
Otro: favor de especificar		_____

4) ¿A quién le compraron Ustedes este solar -- Al fraccionador (o sea Blas Chapa o Elías López) o al dueño anterior o a otra persona)?

Al fraccionador directamente	
Al dueño anterior	
Otro - especifique	

5) ¿Ustedes se mudaron a este solar inmediatamente después de empezar hacer os pagos del solar? (inmediatamente se entiende como dentro de los tres primeros meses)

Sí		<i>Pase a la pregunta # *BB</i>
No		

6) ¿Cuánto tiempo tardo entre empezar a hacer los pagos para comprar el solar y en cambiarse y vivir en esta propiedad?

Menos de seis meses	
Entre seis meses y un año	
Más de un año; Por favor especificar cuántos años pasaron antes de cambiarse	

Entrevistador – se no cambiaron durante más de 3 anos (pregunta ** arriba) haga a siguiente pregunta: Después de varios años viviendo en otro lugar y pagando el solar, ¿por qué se decidieron a cambiarse acá?

Asuntos familiares	
Ya se habían empezado a instalar servivios básicos	
Ya habíamos terminado de pagar el solar	
Ya tuvimos seguro el titulo de propiedad	
Muchos solares ya más fueron ocupados	
Ya existía un mayor espíritu de comunidad	
Ya tuvimos dinero suficiente para comprar la vivienda o a comencar a construir en el solar	
Otro: favor de especificar	

7) ¿Por qué no se cambiaran inmediatamente a este solar? ¿Cuáles fueron las razones de no cambiarse inmediatamente? (Encuestador: si dan más de una razón, especificar y indique el orden de prioridad, #1, #2, #3, etc.)

Muy lejos del trabajo	
No teníamos e dinero para comprar o construir una vivienda	
Vivíamos con familiares en la colonia	
No habían servicios básicos / No se podía vivir aquí	
No había escuela	
Era más una inversión que un lugar para vivir	
Lo compramos para nuestros hijos y no para nosotros	
Fuimos a vivir a otra ciudad	

No sé	
Otro: favor de especificar	

9) ¿Cuál fue el costo total de este solar? Entrevistador – si dicen que compraron mas de un solar, indique el numero de lotes que compraron, y solo el costo del solar en la cual están viviendo....

CRG

	Costo Total	
--	-------------	--

***Compraron este solar al contado o por pagos mensuales?**

Al contado

Por pagos mensuales

Cuanto cada mês?

10) ¿Ha terminado de pagar por el solar?

Sí	<i>Pase a la pregunta 12</i>
Todavía no	

11) ¿Cuánto debe todavía? (más o menos) Total de \$_____

12) En algún momento, ¿dejó de pagar alguna cuota / pago mensual?

Sí	¿A quién? Al Blas o Elías? indicar() Al CRG indicar() Pase a la pregunta *CC
No, nunca	

13) ¿Por qué paró el pago mensual?

No tenía dinero	
Preocupación por la falta de confianza en el Blas o Elías	
Inseguridad sobre el titulo de propiedad	
CRG nos dijeron	
Otras razones	Especificar_____

CC) ¿ Piensa usted que es importante tener su titulo de propiedad registrado en la corte del condado?

Sí	
No	

17) ¿ Ha registrado su propiedad en la corte del condado?

CRG

	Sí		¿Por qué?
	No		¿ Por qué no?

[ENTREVISTADOR LA SIGUIENTE SECCION SE TRATA DEL “SIGNIFICADO” DEL TITULO DE PROPIEDAD]

18) Cuando ustedes originalmente compraron este solar, ¿Qué papeles les dieron?

CRG

	Titulo de compra y venta /Contract for Deed	
	Titulo de propiedad /Warranty Deed	
	Nota	
	Contrato oral	
	Ninguno	
	Otro	Especificar_____
	No Sabe	

****Que papees tienen ahora ** Favio insert**

20) ¿Ustedes se consideraban dueños del solar antes de recibir el pleno titulo de propiedad – o sea el warranty deed?

Sí	
No	

21) ¿Ustedes se consideraban dueños del solar desde el momento en que empezaron a hacer sus pagos?

Sí		Pase a pregunta 22 y luego brincar 23
No		Pase a la pregunta # 23

22) Si se consideraban dueños, Por qué? Que los hacia sentirse seguros de la propiedad?

(OJO - Entrevistador - No den sugerencias)

Tenía un contrato de compra y venta/ Contract for Deed	
Tenía un titulo do propiedad/Warranty Deed	
Teníamos servicios básicos	
Porque sentimos que eramos una comunidad	
Lo obtuvimos del CRG, entonces si era algo seguro	
Confiabamos en el vendedor/fraccionador	
Habíamos registrado el titulo en la Casa de Corte	
Pagabamos impuestos por el terreno	
Otro: favor de especificar	

23) Si no se consideraban dueños, Por qué? Qué fue lo que hacia sentirse inseguros de la propiedad en ese entonces?

(OJO - Entrevistador - No den sugerencias)

No tenía un contrato de compra e venta/Contract for Deed	
No tenía un titulo de propiedad (escritura)/Warranty Deed	
No habían servicios ni nada	
Había muy poca gente viviendo aquí.	
Nadie se interesaba por nosotros; estabamos ignorados	
No teníamos confianza en el fraccionador	
No teníamos registrado el titulo en la Casa de Corte	
Porque no podía vender lo	
No Sabe	
Otro: favor de especificar	

24) ¿En su opinión, cuales son las ventajas de ser dueños de su propiedad? En otras palabras, ¿qué pueden hacer con el solar ahora que son dueños, comparado con lo que podían hacer antes? (OJO - Entrevistador - No den sugerencias)

Podemos venderlo libremente	
Podemos sub-dividir el solar si queremos	
Podemos compartir el solar con otros (o sea con parientes/vecinos)	
Podemos dejarlo como herencia	
Podemos usar el solar como lugar para hacer un negocio	
Ya podemos construir una casa bien fincada	
Podemos vivir más tranquilos, sin problemas	
Podemos usar el solar como garantía / o para atravesar un préstamo	
Realmente no sé	
No lo había pensado	
Otro: favor de especificar	

25) ¿En qué sentido es importante para Ud ser dueño?

Da más seguridad	
Es un patrimonio para nuestros hijos	
Tenemos más flexibilidad monetaria (\$)	
Vivimos más libremente / más tranquilos	
Podemos usar la propiedad para atravesar para un prestamo	
No sabe	

26) ¿Tener el titulo de propiedad le ha ayudado para hacer mejoras en su propiedad?

Sí		¿Cómo -----
No		¿ Por qué no? -----

27) ¿Al nombre de quién estan los papeles?

	A los dos	
	Al nombre de la señora	
	Al nombre del señor	

	Al nombre de los hijos	¿ Por qué al nombre de ellos?
	Al nombre de los nietos	¿ Por qué al nombre de ellos ?
	No sabe	

28) ¿Por que decidiron poner la propiedad bajo ese nombre(s)?

Es la ley (de Texas)	
Para proteger a el /ella	
Fueron las propiedad□nes del CRG	
Nos dijeron que asi debía ser (¿Pregunta y apunta Quien?)	
El fraccionador nos dijo	
Otro (Especificar)	_____

29) ¿A Usted, le parece importante tener un testamento para determinar quien debe heredar su propiedad?

Sí	
No	

Pase al la pregunta DD

DD) ¿Tiene Ud un testamento? ¿Tiene su esposo(a) un testamento?

	Esposo	Esposa	Lo hicieron antes o después de recibir su titulo	
			Antes	Después
Sí				
No				

34) ¿Quién cree Usted que heredará el solar y la propiedad en caso de su fallecimiento?

El conyuge que sobrevive	
El hijo(a) mayor	
Todos los hijos iguales	
Los padres/abuelos	
Otros: favor de especificar	_____

[ENTREVISTADOR: LA SIGUIENTE SECCION SE TRATA DE CÓMO PERCIBEN CAMBIOS EN EL VALOR DE LA PROPIEDAD EN LA COLONIA]

35) ¿Se ha fijado Usted que hay varios solares vacantes (baldíos) aquí en esta colonia (o sea, no están ocupados) del mismo tamaño al suyo que estén a la venta?

36)

Sí	
No,	

Pase a la pregunta 37

36) ¿Sabe Ud a cuánto los están vendiendo, aproximadamente? \$ _____

No lo se _____

37) ¿Cuánto cree que sea el valor de vender su casa y el solar, hoy en día, -- es decir si Ud decidiera venderlo?

\$ _____ Aproximadamente
No tengo idea _____ -Pase a la pregunta 40

38) ¿Cómo ha llegado a estimar esta cantidad?

Eso es lo que pagué por el solar y la construcción	
Así aparece en los registros de impuestos	
Así cuestan otras propiedades que se han vendido recientemente	
Es el precio de la propiedad más (o menos) y la apreciación (depreciación) con los años	
Otro: favor de especificar	

39) Del precio de venta total, ¿cuánto corresponde al solar y cuanto a la construcción?

Solar/ terreno y servicios \$ _____
Construcción \$ _____
No sabe _____

40) ¿Cree que los precios han aumentado en los últimos cinco años?

Sí	
No	

Pase a la pregunta
42

41) ¿Por qué cree que han subido? (Encuestador: si dan más de una razón, especificar y indique el orden de prioridad, #1, #2, #3, etc.)

Más servicios disponibles	
Se han distribuido los títulos de propiedad	
Todos los precios de propiedades han subido en todas partes	
Hay menos solares disponibles ahora	
Otro: favor de especificar	

42) Si Usted quisiera vender ahora, Usted piensa que la venta sería:
(Entrevistador lea los cuatro alternativas)

Muy fácil	Fácil	Difícil	Muy difícil

43) ¿Alguno de sus dos vecinos colindantes (a un lado u otro lado de este solar) ha vendido sus solares en los últimos dos años?

Sí	
No	

¿Cuántos vecinos
(familias) se han
ido?

44) ¿Diría Usted que el numero de gente que ha vendido sus solares y se ha cambiado fuera de la colonia en los últimos cinco años ha sido? (Entrevistador – lea las alternativasda abajo)

Muchísimas		¿Por qué se estan yendo?_____
Bastantes		¿Por qué se estan yendo?_____
Algunas		
Pocas		
Nadie se ha cambiado		

45) ¿Ha visto o ha oído de gente que está vendiendo una parte de su solar?

Sí	
No	
No Sabe	

46) ¿Ha visto o ha oído de gente que están subdividiendo su solar?

Sí	
No	
No Sabe	

[ENTREVISTADOR: LA SIGUIENTE SECCION SE TRATA DE LA ACTUACION DE LA OFICINA DE LOS SOLARE S/ CRG]

47) Antes de que las preguntas de hoy, ¿Había escuchado alguna vez de la oficina encargada do los solares – o sea el CRG?

Sí	
No	

Pase a a pregunta EE

48) En su opinión, ¿cuál es la tarea principal del CRG?

(Encuestador: si dan más de una razon, especificar y indique el orden de prioridad, #1, #2, #3, etc.)

Defender la colonia / sus residentes – en qué sentido? (especifique)	
Entregar los títulos de propiedad en limpio	
Promover la instalación de servicios	
Reubicar a la población	
Resolver disputas entre vecinos	
Enfrentarse con los fraccionadores	
No sabe	
Otro: favor de especificar	_____

49) ¿Cuántas veces ha tenido contacto con el CRG? Si lo ha tenido.... (puede ser a través de cartas, reuniones, etc.)

Múltiples contactos		Aproximadamente, ¿Cuántos contactos ?_____
Prácticamente ningún contacto / no hubo necesidad		

50) En su opinión, la participación de la oficina de los solares (CRG) aquí en la colonia ¿ha sido positivo o negativo para el desarrollo de la colonia?

Positivo	
Negativo	
Ni uno ni otro	
No sabe / No opina	

¿En qué sentido ha sido positivo?

¿En qué sentido negativo?

OJO ENCUESTADOR: - GRAN SALTO AQUÍ!!! en la Colonia Las Lomas debe pasar a la pregunta **. En otras colonias siga con la siguiente pregunta (1...). Página **.**

51) ¿Cuál de las siguientes acciones tomó el CRG en su caso? (Encuestador lea todos)

Me dio e título	
Arreglo un problema que tenía con mi título	
Ayudó con mejoras a la casa	
Otro: favor de especificar	

52) ¿En la siguiente escala sobre la intervención del CRG en esta colonia? Usted esta (Entrevistador – lea los cinco alternativas)

Muy satisfecho	Satisfecho	Ni bien ni mal	Decepcionado	Muy decepcionado

53) Mirando hacia atrás, en su opinión, ¿cree que el CRG podría haber llevado a cabo su tarea y responsabilidades mejor en poner os títulos en limpios y legalizándolos -

En su caso personal?

Sí		¿Como? _____
No		

Por la colonia en general?

Sí		¿Como? _____
No		

SECCION SOBRE EL IMPACTO DEL TITULO SOBRE EL SOLAR

EE) Desde que recibió su título de propiedad y se mudó a esta colonia, ¿ha tratado de hacer alguna de las siguientes opciones?

	No	Sí		
¿Pedir un préstamo contra el título				
¿Conectarse a los servicios públicos?				
¿Hacer mejoras en su propiedad?			¿Qué mejoras?	¿Cuánto costaron?

1)	1)
2)	2)
3)	3)

56) ¿Tiene planes de hacer mejoras a su vivienda en los próximos dos años?

Sí	
No	

Pase a la pregunta 59

57) ¿Que mejoras específicas tiene planeadas, y cuánto estima que van a costar aproximadamente?

1) _____ \$ _____
 2) _____ \$ _____
 3) _____ \$ _____

58) ¿Cómo piensa financiar estas mejoras?

Con mi propio ingreso / ahorros	
Con un préstamo de una casa financiera	
A través del banco	
Con crédito del vendedor	
Con mis tarjetas de crédito	
Con un préstamo de un pariente	
Con un préstamo de un amigo	
Con mi herencia	
Otro: favor de especificar	

59) En el tiempo que usted esta viviendo aquí, ¿ha recibido un préstamo de dinero de una casa financiera / banco u otro organismo para mejorar su vivienda o para nueva construcción en su solar? (OJO: no se refiere a préstamos de parientes sino solo de casas financieras)

Sí		¿Cuántas veces? _____
No		Pase a la pregunta 65

60) ¿Cuándo fue la última vez que usted solicitó un préstamo (año); ¿a quién se lo solicitó? ¿para qué fue? ¿de cuánto fue el préstamo?; ¿recuerda USTED cuál fue la tasa de interés y el periodo de pago?

Nombre del Casa Financiera / Banco etc	Año	Para Que?	Préstamo total	Tasa de interés y meses de re-pago

61) ¿Todavía debe una cantidad de ese préstamo?

Sí		Cuánto? _____
No		

63) Usted utilizó algo para atravesar el préstamo?

Sí		Tipo de garantía/atrevsar _____
----	--	---------------------------------

No	
----	--

****& hopefuy new page go back to white here on inOJO DESDE AQUÍ VUELVE A APLICARSE EL CUESTIONARIO A LA POBLACIÓN DE LAS LOMAS**

65 ¿Esta Usted enterado de que puede usar su título de propiedad para atravesar (como garantía) y solicitar un préstamo de dinero?

Sí	
No	

66) Dado que es posible usar su propiedad como garantía para solicitar un préstamo, ¿estaría dispuesto a hacerlo en el futuro?

Sí	
No	¿Por qué no?

67) ¿Cree Usted que habría un riesgo grande de perder el solar en caso de que no pudiera pagar el préstamo?

Sí	
No	¿Por qué no?

68) En caso de que quisiera usar su solar para atravesar un préstamo, ¿cuál de estos usos le daría a su préstamo?

Para hacer mejoras en la propiedad	
Comprar una nueva unidad de vivienda (trailer, casa prefabricada, etcetera	
Comprar un camión/ carro	
Educación de sus hijos	
Empezar un nuevo negocio	

ENTREVISTADOR – LA SIGUIENTE SECCION SE TRATA DE MEJORAS ALA VIVIENDA Y A LA PROPIEDAD

Encuestador: en la siguiente pregunta add in Flavio, identificar el tipo de casa /construcciones y su distribución en el predio. (Broken line for in construction)**

Cmp: Camper	
T: Trailer "casa tipo trailer"	
Cp: Manufactured home (casa prefabricada y portátil en partes armada en el sola	
P: Shack structure (casa muy provisional)	
C: Consolidated built home (casa construida/consolidada alli mismo)	
Combinación: indicar cuál: (por ej. T & Cmp; P & C;, C & T etc.)	

Lot Diagram

Calle

87) ¿Incluyendo a Usted mismo, cuántas personas hay en su hogar? (Entrevistador, solo incluir miembros de este hogar/familia y no los de otra familia que viven aparte en el mismo solar)

_____ en total

69) ¿Cuántos hogares hay en el solar? (Hogar quiere decir viviendas con familias que viven aparte en su propia hogar / familia)

Solo una		Pase a la pregunta XX
Dos		
Tres o mas		

En total cuántas personas viven en el solar?

_____ en total

70) ¿Cuál es la relación de las demás familias con la suya?

Con mis suegros que viven conmigo		
Son parientes que son tambien propietarios		Son propietarios de la mitad o parte del solar? Sí _____ No _____
Son parientes a quienes alquilamos o con quien compartimos el solar		
Son inquilinos (y no parientes nuestros)		
Otro (especificar)	_____	

71) Si no son propietarios, en su opinión, ¿qué derechos tienen sobre el solar en caso de que usted fallezca o decida vender?

Ninguno	
Parcialmente beneficiarios: explicar qué recibirían	
Parcialmente beneficiarios pero no sé cómo	
No se; nunca lo he pensado	

XX2) ¿Cuántas recámaras (dormitorios) hay en su casa? ¿Cuántos baños hay?

	#
Dormitorios/recámaras	
Baños (sol wc)	
Baño completo (p.ej. que tiene por tina o ducha y/o wc)	

(ENTREVISTADOR LA SIGUIENTE SECCION SE TRATA DE LA TRAYECTORIA DE HOGARES / ASPIRACIONES DE VIVIENDA DE LA FAMILIA)

80) ¿Ha pensado cambiarse fuera de la colonia en los dos últimos años?

Sí		Pase a la pregunta 85
No		

81) Si la respuesta es positiva, ¿por qué se cambiaría? Cuales son las razones? (Encuestador: si dan más de una razón, especificar y indique el orden de prioridad, #1, #2, #3, etc.)

Le atraen otros lugares	
Quiere una casa mejor en un area/barrio más bonito	
Quiere estar más cerca del trabajo o a la escuela o a la familia, etc.	
Razones personales (familiares)	
Por la falta de servicios	
Por falta de drenaje, calles pavimentadas	
Porque esta muy lejos de todo	
El barrio no es apropiado ni adecuado para mi familia	
Otros (especificar)	_____

82) ¿A dónde ha pensado cambiarse?

Estado o condado: _____

Ciudad _____ Barrio/vecindario _____

83) ¿En qué sentido piensa Usted Que sería diferente su nueva casa comparada con su casa actual?

(Encuestador: si dan más de una razon, especificar y indique el orden de prioridad, #1, #2, #3, etc.)

	Marque	Prioridad
Una modalidad de propiedad diferente		
No sería una casa móvil		
Tendría Muchos servicios disponibles		
Más dormitorios		
No necesitaría construirla yo mismo		
Mejor ubicación del barrio / vecindario		
Más cerca del trabajo / escuela		
Otros (especificar)		_____

84) Hasta ahora, ¿qué le ha detenido de cambiarse de esta colonia?

No tengo suficiente dinero	
No encuentro un lugar apropiado	
Razones familiares	
Tengo deudas aquí	
Otro, favor de especificar	_____

85) Ya teniendo el título de propiedad en la mano, es más probable o menos probable que se quede en la colonia los próximos cinco años más ?

Más probable	Menos probable	No hay diferencia	No sabe

(ENCUESTADOR: SECCION DE INFORMACIÓN SOCIO-ECONOMICA)

86) ¿Tiene Ud parientes/familia que también radican aquí, o sea en otra parte de esta misma colonia subdivisión?

Sí	
No	

87) ¿Incluyendo a Usted mismo, cuántas personas hay en su hogar? (Entrevistador, solo incluir miembros de este hogar/familia y no los de otra famiulia que viven aparte en el mismo solar)

_____ varones _____ mujeres _____ personas en total

88) ¿Algunos de ustedes trabajan fuera del área de la ciudad por lo menos tres meses al año?

Sí	
No	

Cuántos están trabajando afuera_____?

89) Cuántos miembros del hogar han tenido trabajo pagado en los últimos 12 meses

¿Quién?	Tipo de trabajo	# meses ausente	Es de tiempo completo? Sí o No	Hasta que grado llegó?
El entrevistado				
Conyuge				
1)				
2)				
3)				

90) ¿Alguno de los miembros del hogar tiene ingreso del Seguro Social u otro fuente de ingreso suplemental?

Sí	
No	

Pase a la pregunta 92

91) Si contesta Sí, entonces:

¿Quién?	Tipo de ingreso	Cuanto recibe cada mes
1)		
2)		
3)		

92) ¿Alguno de los miembros del hogar es considerado incapacitado?

Sí	
No	

Parentezco_____

93) ¿Cuál de los siguientes cajones o categorías corresponde más o menos al ingreso TOTAL actual de su hogar -- por semana o por mes (incluyendo cualquier ingreso de trabajadores migrantes o de otras fuentes fuera del hogar como seguridad social). No incluya ingresos de personas que no aportan la mayor parte de sus ingresos al hogar; pero sí incluya algunas aportaciones que le den a Usted por concepto de renta, para gastos de comida, etcétera.

El encuestador muestra y habla con los entrevistados y marca solo un casillero en cada columna, dependiendo si el estimado de ingreso es mensual o semanal.

	Ingreso estimado del hogar por SEMANA		Ingreso estimado del hogar por MES		
A	\$50-\$150		\$200-\$600		A
B	\$150-\$250		\$600-\$1000		B
C	\$250-\$400		\$1000-\$1600		C
D	\$400-\$600		\$1600-\$2400		D
E	Más de \$600		Más de \$2500		E

No quiere responder _____

(Ojo: Más de \$600 por semana o más de \$2500 por mes, equivale a \$30,000 por año)

94) *Encuestador.* Si marcó más de \$600 por semana , o más de \$2500 por mes, pregunte cuál es el ingreso anual del hogar – más o menos, e indique en el cuadro :

Favor de indicar aproximadamente cuánto es el ingreso total del hogar cada año:

A	Entre US\$30,000-40,000	
B	Entre US \$41,000-50,000	
C	Más de US \$51,000	

95) ¿A cuál de las siguientes categorías considera que Usted pertenece?

Mexicano (por nacimiento)	
Hispanic / Norte Americano	
No quiso decir	
Otro: favor de especificar	

Cuántos años lleva Usted viviendo en los EE UU? ____Años

Muchas gracias. Con esto terminamos la encuesta. Otra vez, estamos muy agradecidos a Usted por su colaboración en este estudio. Reiteramos que toda información es confidencial y sólo será utilizada para crear cuadros estadísticos generales sobre la colonias en el condado. Vamos a dejar esta carta con Usted, la cual incluye una explicación sobre el estudio y nuestra dirección. También hay un número local que puede hablar si tiene usted alguna duda o pregunta sobre esta encuesta. Ahora , y como una muestra de nuestro agradecimiento le podemos ofrecer un cupón de \$15.00 dólares que puede usar en Wal-Mart.

*Estaria Ud interesado(a) en participar en otras encuestas de esto indole en el futuro? Le preguntamos porque si quisieramos ****

APPENDIX 2 CODING GUIDE

APPENDIX 3 CRG and Survey Sets w/o Addresses

The following pages provide sight of the variable listings and the first screen of the datasets for the CRG dataset generated from their files; and for the information gathered during the colonias survey. This is to orient the reader to how the datasets are organized in electronic form and of what they might expect to see in the SPSS or EXCEL versions available on the CD Rom for interactive analysis. Please note that the SPSS and EXCEL database do not come with household identifying information.

APPENDIX 4 FOCUS GROUP MATERIALS

Ultimately we ran seven focus group meetings, the first five being conducted jointly by Larson and Giusti, and the last two by Giusti and Ward. All focus group meetings were held at a community center located in Las Lomas colonia close to Rio Grande City, and each usually lasted 1½ hours. Cookies and refreshments were provided, and each participant received a \$15 voucher for exchange in a local Wal-Mart. In all cases the voucher had to be signed for by the recipient.

The groups were chosen randomly based on the following criteria:

- Two women-only groups: Friday June 28 2002 (8 each: total 16 women)
- Three couples and family groups: Saturday June 29, 2002: (20 each: total 60 individual)
- Two individuals group: Saturday October 12, 2002 (6 & 7 each: 13 individuals)

In total there were 89 participants in the focus group format, none of whom had been previously involved in the questionnaire survey, which we judged might bias their responses or give prior knowledge of the issues to be discussed.

The purpose of these discussions was (1) by qualitative method, to explore issues of meaning and perception not easily susceptible to inquiry by survey, and (2) to obtain qualitative information about some of the topics covered in the survey to help us interpret our results. We organized the focus groups around our research agenda, and inquired first into the perception of participants towards land ownership, specifically legal issues, including inheritance, ownership and marriage. A second topic was the perceived financial implications of receiving full ownership. And finally, we explored how title shaped community cohesiveness, community organizing, and feelings of political efficacy.

The tapes from the first five focus groups were translated into English and transcribed in their entirety. Larson and Giusti reviewed these transcripts in fine detail for a report to the research group, and Larson later applied a simple content analysis to the electronic transcripts. Data from the focus groups are part of the findings reported in various chapters of the Report. The texts of the transcripts are stored on the CD Rom and are also available from the CRG upon request.

Code Dictionary for Focus Group Analysis (in the CD Rom) is marked up and color coded thus:

- **GET AHEAD** (LIGHT ORANGE)
- **LOAN** (BLUE)
- **TAXES** (RED)
- **WAITING** (LIME)
- **IMPROVEMENTS** (PINK)
- **TAKEN AWAY** (GOLD)
- **INHERITANCE** (BROWN)
- **CONFLICT** (LAVENDAR)
- *SELL* (*BLACK ITALICS*)
- **INSURANCE** (ROSE)
- **TITLE** (TURQUOISE)
- **PROPERTY VALUE** (LAVENDAR BOLD)