

This page is located on the U.S. Department of Housing and Urban Development's Homes and Communities website at <http://www.hud.gov/local/shared/working/groups/frmwrkcoln/history.cfm?STATE=az>.



History of Colonias in Arizona and New Mexico

Since the early 1990s, HUD has made available priority funding for colonias communities in the four border states. HUD and USDA Rural Development - the two federal agencies which have earmarked funding specifically for colonias in the four US states bordering Mexico-define them as nonmetropolitan, unincorporated neighborhoods and incorporated communities within 150 miles of the US-Mexico border that lack sewer, water or decent housing, or a combination of all three. Because this federal definition is so broad, colonias in Arizona and New Mexico represent a wide range of community types. For example, they include some tribal communities, long-established mining towns, fast growing retirement communities, as well as rural utility districts, and high-poverty illegal subdivisions.

Although colonias funding has been targeted throughout the 1990s to these communities that lack infrastructure, no agency or entity had conducted a needs assessment of these colonia-designated areas. To date, HUD has required that communities using CDBG funds have at least a 51% low-income population, as verified by Census data or door-to-door income surveys. However, HUD and other federal agencies have no complete assessment of infrastructure, housing needs and community assets of the colonias-designated areas.

In 1999, HUD did not have an accurate count of colonias-designated communities in Arizona and New Mexico. After we reviewed public records to identify the number of counties that have designated communities as colonias, we realized that we needed much more information on what was occurring within these communities.

The North American Development Bank, which funds border infrastructure, also needed this information to make strategic investments. We developed a template to assess these needs. We also identified university partners and hired graduate students from New Mexico State University (Brian Harper, Chad Wakefield, Steven Meadows, Javier De La Cruz Holguin) and the University of Arizona (Chris Cannizzo, Marcus Blair Carpenter, Nick Chapin, Jesus Romero) to work with us in collecting the information. The assessment we have prepared in the following pages is based on portions of this preliminary survey. (For copies of specific profiles for specific communities, which contain 1990 demographic information, please request them directly from us.) Much information is still missing, but it provides a preliminary assessment of colonias needs.

Types of Colonias That Exist

Most of the literature from Texas indicates that colonias are primarily unincorporated settlements. In New Mexico, less than one-tenth (12) of the 141 designated areas are incorporated communities. However, in Arizona, nearly one-third (25) of the approximately 80 designated colonias are incorporated cities and towns. Many of the colonia-designated communities in Arizona meet the federal definition, but they do not resemble the self-help homestead types of colonias common in New Mexico and

Texas. Many Arizona cities and towns that are designated colonias have substantially more capacity to manage their own affairs than do homestead communities.

In Arizona, at the time of the 1990 Census, approximately 162,000 persons lived in colonias designated areas, making up 5% of the state population. In New Mexico, approximately 70,000 persons, also 5% of that state's population, lived in colonias at the time of the 1990 Census.

Working with the graduate students, we attempted to extract socioeconomic indicators for these colonias from the 1990 Census (such as percentage of Hispanic residents, percent below poverty, percent with less than a high school education), but found it was a difficult, if not impossible, task. There is no common standard for designating a colonia area, so the boundaries rarely correspond neatly with Census Designated Places or census block groups, the most detailed level of analysis available for nonmetropolitan areas. Some communities are only a fraction of the larger block group, and others lie between two block groups. Still others, such as water districts, encompass portions of multiple census tracts.

Our analysis shows that county income survey data of these communities is often significantly different from the larger block group. For example, Padre Ranchitos (a very poor, illegal subdivision of 119 people in Yuma County, Arizona, as verified by a door-to-door county income survey) makes up 15 percent of its respective block group. However, the demographics for this block group as a whole show the 1990 median housing value as \$162,000. The data for this block group is skewed because Padre Ranchitos lies adjacent to the wealthiest neighborhood in Yuma County.

Age of Colonias

In Texas, studies have shown that many of the colonias are relatively new illegal developments, due largely to the lack of land use regulations. In New Mexico and Arizona, however, many the colonia-designated areas are long-standing communities. In New Mexico, we estimate that perhaps only 5 percent of the colonias have developed since the 1950s. Many of these communities both in Arizona and New Mexico were settled in the late 1800s to the 1950s.

An exception is the sprawling, illegal subdivided land known as "wildcat" subdivisions in Arizona. Often, these Arizona developments, which have developed from the 1950s to 1990s, are not typical farmworker, Hispanic communities, but rather, families of both lower and higher incomes who would like to own property and are unfamiliar with and/or unwilling to conform to government regulations. This form of development is especially a problem in places outside the urban core and suburban fringe of Pima County, Arizona, where many large parcels are split into smaller residential tracts without the benefit of infrastructure. Beginning in 1998, the Pima County Administrator's office has released three lengthy, well-publicized reports on the high costs of wildcat development to Pima County taxpayers. Pima County estimates that the cost of bringing this infrastructure up to county minimum standards is \$35 to \$55 million per year.

In New Mexico, the unregulated land dynamics tend to be significantly different. Many of the freestanding old settlements that have obtained federal colonia status are now facing development pressure adjacent to their core. Many new illegal subdivisions are fast developing around the older settlements, and many of the families residing within them are low-income Mexican farm labor immigrants looking for affordable housing. Many of these residents are buying the land on a contract for deed, and they make substantially less income than their counterparts in the older settlements.

Public Awareness and Legislative Responses

In New Mexico, public awareness of colonias began to emerge when federal funding was made available through EPA, USDA and HUD's CDBG program in the early 1990s. Local officials looked at the funding as an opportunity to gain more for local projects, although the federal funding agencies warned they would make funding contingent upon changes in subdivision law in New Mexico. At the time, New Mexico law allowed property owners were to split their property into four parcels without triggering subdivision laws. After two years, property owners could split their land again, and this process could continue indefinitely. It took the State Legislature eight years to change the law to make this process illegal, due to the influence of the development community. When the legislature did change the law, they only made it applicable to the 10 southern counties qualifying for colonias funding. Today, New Mexico legislators are perplexed by the emergence of colonia-like conditions around Albuquerque, New Mexico, where this form of lot splitting is still legal.

In Arizona, subdivision regulations allow an owner to divide property up to five times without complying with subdivision regulations. While Arizona regulations may be more stringent than those in New Mexico and Texas, there often is little enforcement, especially in the poorer, border counties, due to poor staffing and weak political commitment. In a February 2000 report, "Impact of Unregulated on the Pima County Tax Base," the Pima County Administrator's office found that approximately 41 percent of new development in Pima County is occurring through the unregulated process. Despite substantial population and business growth over the past ten years, the constant, per capita dollar value of the primary property tax base in Pima County has fallen 38 percent.

Next Steps

Our efforts to complete an analysis of the conditions within the colonias are still underway. Future steps would include an assessment and comparison with 2000 Census data. However, time and funding constraints have made it difficult to complete the project; it is a major undertaking to collect quantitative and qualitative data for more than 220 communities.

Content current as of 1 October 2010

U.S. Department of Housing and Urban Development

451 7th Street, S.W., Washington, DC 20410

Telephone: (202) 708-1112 [Find the address of a HUD office near you](#)