

Colonias Primer



Legislative Budget Board

AN OVERVIEW OF COLONIA SERVICES BEING PROVIDED BY FOUR STATE AGENCIES

This report provides an overview of the colonia programs offered by (1) the Office of Rural Community Affairs, (2) the Department of Transportation, (3) the Water Development Board, and (4) the Department of Housing and Community Affairs. The goal of this report is to provide a source of information regarding the colonia programs provided by these agencies, including basic program descriptions; amounts awarded through these programs in recent years; and the effect of these awards on colonia residents. Most of the programs listed are specific to colonias, but for those programs that are eligible to individuals or organizations outside of colonias, there is a note to that effect and the dollar amounts provided show those funds awarded from that program that specifically benefited colonia residents. **Figure 1** provides an overview of the programs operated by these agencies as well as the funding source and funding levels.

OFFICE OF RURAL COMMUNITY AFFAIRS

The Office of Rural Community Affairs (ORCA) offers three colonia-specific programs: (a) the Colonia Planning and Construction Fund; (b) the Colonia Economically Distressed Areas Program, and (c) the Colonia Self-help Centers. Rider 7, Colonia Set-aside Program Allocation, of the agency's bill pattern in the General Appropriations Act, Eightieth Legislature, 2007, stipulates that these programs are to be allocated 12.5 percent of the Community Development Block Grant (CDBG) funding the agency receives from the U.S. Department of Housing and Urban Development (HUD). From this 12.5 percent set-aside, 10 percent is reserved for the Colonia Planning and Construction Fund and the Colonia Economically Distressed Areas Program, while the remaining 2.5 percent is reserved for the Colonia Self-help Centers operated by the Department of Housing and Community Affairs (TDHCA). **Figure 2** shows the

**FIGURE 1
COLONIA ASSISTANCE PROGRAMS BY AGENCY AND FUNDING SOURCES**

AGENCY	PROGRAM	STATE OR FEDERAL FUNDING	MOST RECENT AWARD CYCLE		ESTIMATED ASSISTANCE LEVEL IN 2008–09 (IN MILLIONS)
			YEAR OF AWARD	AWARD (IN MILLIONS)	
ORCA	Colonia Planning and Construction Fund —Provides first-time water and wastewater service to colonia residents and funding for counties to develop a comprehensive plan that addresses the priorities of the colonias in that county.	Federal	2007	\$5.3	\$10.3
	Colonia Economically Distressed Areas Program —Provides first-time water and wastewater service to colonia residents by providing improvements on private property (yard line connections).	Federal	2007	\$1.9	\$4.0
	Colonia Self-Help Centers —Transfers funds to TDHCA for operation of Colonia Self-Help Centers	Federal	2007	\$1.0	\$3.6
TXDOT	Border Colonia Access Program —Funding for roadway projects serving colonias	State/ General Obligation (GO) bond proceeds	Inception to date (as of November 2008)	\$78.9	Cannot be determined
	Job Access and Reverse Commute (JARC) Grant Program —Provides transportation for low-income individuals for jobs or other employment-related services	Federal	2005	\$2.3	Cannot be determined

**FIGURE 1 (CONTINUED)
COLONIA ASSISTANCE PROGRAMS BY AGENCY AND FUNDING SOURCE**

AGENCY	PROGRAM	STATE OR FEDERAL FUNDING	MOST RECENT AWARD CYCLE		ESTIMATED ASSISTANCE LEVEL IN 2008–09 (IN MILLIONS)
			YEAR OF AWARD	AWARD (IN MILLIONS)	
TWDB	Economically Distressed Areas Program —Funding for the supply of water and wastewater services	State/General Obligation (GO) bond proceeds	Inception to date (as of fiscal year 2007)	\$325.1	\$68.8
	Colonia Self-help Program —Funding for projects that provide adequate water and wastewater services to colonias where local residents provide necessary labor	State	Inception to date (as of fiscal year 2007)	\$0.3	\$0.6
TDHCA	Colonia Self-help Centers —Provide technical assistance, infrastructure improvements, and other services to surrounding colonias	Federal	2007	\$1.0	\$3.6
	Contract for Deed Conversion Program —Helps colonia residents convert their contract for deeds into traditional mortgages and associated housing rehabilitation	Federal	2006	\$1.4	\$9.2
	Colonia Model Subdivision Program —Provides alternatives to colonias by promoting the development of new, high-quality, residential subdivisions.	Federal	2007	\$2.8	\$1.0
	Texas Bootstrap Loan Program —Enables owner-builders to purchase real estate and construct or renovate a home	State	2006	\$0.4	\$31,200 (fiscal year 2008 only)
	Owner-occupied Program —Funding for the rehabilitation of single family homes	Federal	2006	\$0.4	Cannot be determined
	HOME Homebuyer Assistance —Provides downpayment and closing cost assistance to first-time homebuyers	Federal	2005	\$0.04	Cannot be determined

SOURCES: Office of Rural Community Affairs; Department of Transportation; Water Development Board; Department of Housing and Community Affairs.

amount of CDBG funds distributed to each program from fiscal years 2004 to 2007 and estimates in fiscal years 2008 and 2009.

COLONIA PLANNING AND CONSTRUCTION FUND

The Colonia Planning and Construction Fund assists colonias by providing first-time water and wastewater service to colonia residents and through planning activities. Prior to fiscal year 2009, the Colonia Planning and Construction

Fund existed as two separate funds: the Colonia Planning Fund and the Colonia Construction Fund. These two former funds now make up the two separate components of the Colonia Planning and Construction Fund.

COLONIA CONSTRUCTION

The Colonia Construction component provides first-time water and wastewater service to colonia residents. Each county in which the colonia exists is eligible to apply for

**FIGURE 2
COMMUNITY DEVELOPMENT BLOCK GRANT ALLOCATION – COLONIAS PROGRAMS**

COLONIAS PROGRAMS	ELIGIBLE APPLICANTS OR RECIPIENTS	2004		2005		2006		2007		2008*		2009*	
		PERCENTAGE OF TOTAL CDBG FUNDS	AMOUNT	PERCENTAGE OF TOTAL CDBG FUNDS	AMOUNT	PERCENTAGE OF TOTAL CDBG FUNDS	AMOUNT	PERCENTAGE OF TOTAL CDBG FUNDS	AMOUNT	PERCENTAGE OF TOTAL CDBG FUNDS	AMOUNT	PERCENTAGE OF TOTAL CDBG FUNDS	AMOUNT
COLONIA CONSTRUCTION AND PLANNING FUND													
Colonia Construction	County	7.35%	\$6,333,689	7.11%	\$5,855,239	7.20%	\$5,280,076	7.17%	\$5,278,424	6.77%	\$4,862,081	6.77%	\$4,862,081
Colonia Planning	County	0.31%	\$270,000	0.46%	\$375,000	0.15%	\$110,068	0.24%	\$177,750	0.44%	\$315,828	0.44%	\$315,828
Colonia Economically Distressed Areas Program	County	2.32%	\$2,000,000	2.43%	\$2,000,000	2.65%	\$1,939,614	2.59%	\$1,905,000	2.79%	\$2,000,000	2.79%	\$2,000,000
Colonia Self-help Centers	TDHCA	2.52%	\$2,168,400	2.50%	\$2,057,638	2.50%	\$1,832,440	2.50%	\$1,840,293	2.50%	\$1,794,477	2.50%	\$1,794,477
TOTAL CDBG FUNDS		12.50%	\$10,772,089	12.50%	\$10,287,877	12.50%	\$9,162,188	12.50%	\$9,201,467	12.50%	\$8,972,386	12.50%	\$8,972,386

* Amounts in 2008 and 2009 are estimated.
SOURCE: Office of Rural Community Affairs.

these funds based on the future needs of colonias in that county. The Colonia Construction component projects must be completed within two years from the execution date of the contract agreement and range in awards of \$75,000 to \$500,00. **Figure 3** provides the number and types of projects awarded from the Colonia Construction component in fiscal years 2004 to 2007.

**FIGURE 3
COLONIA CONSTRUCTION FUND**

FISCAL YEAR	NUMBER OF PROJECTS FUNDED	PROJECT DESCRIPTION
2004	14	water and sewer services
2005	13	water and sewer services
2006	11	housing rehabilitation, water, and sewer services
2007	11	water and sewer services

SOURCE: Office of Rural Community Affairs.

COLONIA PLANNING

The Colonia Planning component provides funding for counties to develop a comprehensive plan that addresses the priorities of the colonias in that county. ORCA provides this funding through two activities: Colonia Area Planning activities and Colonia Comprehensive Planning activities. Colonia Planning projects must be completed within two years, but generally take 12 to 18 months.

Colonia Area Planning activities assist colonias with costs of developing water, sewer, and housing activities. Eligible Colonia Area Planning activities are:

- planning community development and housing activities;
- providing information and technical assistance to residents, nonprofit agencies, and public agencies acting on behalf of the colonia residents; and
- conducting preliminary surveys and analyses of market needs, preliminary site engineering and architectural services, site options, applications, mortgage commitments, legal services, and obtaining construction loans.

Colonia Area Planning activities have a maximum contract amount of \$100,000.

Colonia Comprehensive Planning activities assist counties in conducting an inventory of colonias. Eligible activities for the Colonia Comprehensive Planning Fund are:

- verifying the number of dwellings, lots, occupied lots, and number of individuals living in each colonia in the county;
- mapping the locations of each colonia;
- collecting demographic and economic information on colonia residents;
- collecting information on the physical environment in each colonia;
- conducting an inventory of the existing infrastructure in each colonia;
- determining the condition of the existing housing stock in each colonia and projected housing costs;
- developing a ranking system for colonias;
- developing goals and objectives related to the colonias in the county; and
- developing a five-year capital improvement program.

Colonia Comprehensive Planning activities have a maximum contract amount of \$200,000.

From the Colonia Planning component of the Colonia Planning and Construction Fund, ORCA awarded funding to 3 projects in fiscal year 2004, 10 projects in fiscal year 2005, 2 projects in fiscal year 2006, and 4 projects in fiscal year 2007.

COLONIA ECONOMICALLY DISTRESSED AREAS PROGRAM

The Colonia Economically Distressed Areas Program (EDAP) provides assistance by allowing colonias to connect to a water and sewer system improvement project funded by the Water Development Board (TWDB). ORCA does not accept applications for this program until the construction of a TWDB-funded EDAP program has begun. Activities and expenses eligible for this program are:

- connection fees;
- plumbing improvements;
- service connections;
- taps and meters;
- yard service lines;
- water distribution lines connecting the area to water lines installed through TWDB's EDAP program;

- sewer collection lines connecting the area to sewer lines installed through TWDB's EDAP program; and
- other eligible approved costs associated with connecting an income-eligible housing unit to TWDB improvements.

Through the Colonia Economically Distressed Areas Program, ORCA awarded funding to four projects in fiscal year 2004, four projects in fiscal year 2005, five projects in fiscal year 2006, and four projects in fiscal year 2007.

COLONIA SELF-HELP CENTERS

ORCA transfers an amount equal to 2.5 percent of the CDBG monies it receives to TDHCA for the operation of the Colonia Self-help Centers through a memorandum of understanding. These centers provide various services including technical assistance, tool libraries, contract-for-deed conversions, and housing rehabilitation. Refer to **Figure 2** for the amounts transferred from ORCA to TDHCA in fiscal years 2004 to 2007 and the amount anticipated to be transferred in fiscal years 2008 and 2009.

DEPARTMENT OF TRANSPORTATION

The Department of Transportation (TxDOT) has two colonia specific programs: the Border Colonia Access Program and the Job Access and Reverse Commute Grant Program. The Border Colonia Access Program uses general obligation bonds to construct or repair eligible roadway projects. The Job Access and Reverse Commute Grant Program provides funding to eligible recipients for supplying employment-related transportation services to colonia residents.

BORDER COLONIA ACCESS PROGRAM

The Border Colonia Access Program (BCAP) provides financial assistance to counties for roadway projects serving border colonias. Senate Bill 1296, Seventy-seventh Legislature, 2001, in accordance with Article III, Section 49-1 of the Texas Constitution, required the proceeds from the issuance of \$175 million in general obligation bonds to be used to provide financial assistance for colonia access roadway projects to serve border colonias. The first \$50 million of the \$175 million for BCAP was awarded in 2002; a second \$50 million from the original \$175 million was awarded in 2004. TxDOT awarded the remaining \$75 million of the \$175 million in 2008.

Eligible colonia roadway project costs under BCAP include administration, paving unpaved roads, repaving or repairing paved roads, acquiring materials or leasing equipment, and providing drainage. For a project to be eligible for funding under BCAP, it must be located in an eligible county, have one terminus at or within a border colonia and one terminus at a public road, and be designated and constructed by the county or its contractor to minimum colonia access road standards.

As of November 30, 2008, \$175 million had been awarded to 22 counties through BCAP. Of this amount, \$78.9 million had been expended.

JOB ACCESS AND REVERSE COMMUTE GRANT PROGRAM

The Job Access and Reverse Commute (JARC) Grant Program connects welfare recipients and other low-income individuals to jobs or other employment-related services. In 2004, TxDOT received a federal appropriation of \$2,379,023 specifically for employment transportation for colonia residents. These funds could be used to purchase buses and minivans to provide this transportation service or for general operations targeted to colonia residents and require a 50 percent match for each project. Eligible recipients of the program include states, local governments, metropolitan planning organizations, public transit agencies, private nonprofits, and Indian tribal organizations.

Through the end of fiscal year 2007, eight projects were approved through the colonia-specific JARC Grant Program. With these projects, 17 buses and minivans were purchased and 25,799 one-way trips were provided to eligible colonia residents.

WATER DEVELOPMENT BOARD

The Water Development Board (TWDB) offers two colonia-specific programs: the Economically Distressed Areas Program and the Colonia Self-help Program. Both programs provide financial assistance for the supply of water and wastewater services to colonias. The Economically Distressed Areas Program provides grants of up to 100 percent for planning and design costs and a combination grant and loan for construction projects. The Self-help Program provides 100 percent of project costs with a requirement that residents provide labor to construct the facilities and/or donate equipment, materials, and supplies to the project. In addition, the TWDB also administers the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund which offer disadvantaged funding options. These programs are not

specific to colonias; however, the eligibility determinations regarding income levels are the same.

ECONOMICALLY DISTRESSED AREAS PROGRAM

The Economically Distressed Areas Program (EDAP) was established by the Seventy-first Legislature, 1989, and provides financial assistance for the supply of water and wastewater services to economically distressed areas where water and wastewater facilities either do not exist or are currently inadequate to meet minimum state standards. TWDB was authorized through Constitutional amendment to issue a total of \$250 million in general obligation bonds to provide these services to colonias in 1989 and 1991. In addition to the original bond authority provided for EDAP of \$250 million, a constitutional amendment authorizing TWDB to issue an additional \$250 million in general obligation bonds for EDAP was approved by Texas voters in November, 2007. To complement the state’s EDAP program, the federal government has provided \$300 million through the federal Colonia Wastewater Treatment Assistance Program (CWTAP). A key component of EDAP is the deterrence to the proliferation of colonias through the implementation of model subdivision rules.

The Seventy-ninth Legislature, 2005, enacted legislation which modified certain eligibility requirements for communities to qualify for funding under EDAP, including the condition that the community needed to be in proximity to the international border. Currently, any county that contains an economically distressed area with a median household income of less than 75 percent of the median state household income may now be eligible for EDAP funding. This change in eligibility requirements does not affect the federal CWTAP program; a community must be located within 100 kilometers of the international border to be eligible for this program.

Activities that are eligible for EDAP funding are any costs related to construction, acquisition, improvements, or necessary engineering work associated with water and wastewater services. All ongoing operation and maintenance expenses are the responsibility of the applicant. EDAP will fund up to 100 percent of the eligible project costs.

Through the end of fiscal year 2007, TWDB has committed a total of \$521,767,049 in EDAP planning, design and construction funds to projects that when complete will provide services to approximately 268,378 residents in economically distressed areas. A total of 67 EDAP projects in 20 counties with a total financial assistance of \$322,545,629

have been completed. These projects span 456 colonias with an estimated population of 205,875. Of the 67 completed EDAP projects, 25 were completed between fiscal years 2003 and 2007, with a total financial assistance of \$199 million and an estimated population served of 91,385.

COLONIA SELF-HELP PROGRAM

TWDB provides grant assistance for the actual cost to get water and wastewater systems to provide adequate service to colonias and the local residents provide labor to construct the facilities and/or donate equipment, materials, and supplies to the project through the Colonia Self-help Program. This program supplements TWDB’s EDAP program.

The Colonia Self-help Program is available to nonprofit organizations with tax exempt status under section 501(c)(3) of the IRS Code which have a demonstrated record of completing construction of self-help projects. The funding under this program is available to projects located in counties within 50 miles of the international border for expenses related to construction, planning, platting, surveying, engineering, equipment, and other necessary self-help project related expenses. The Colonia Self-help Program provides grants for 100 percent of eligible expenses.

Through the end of fiscal year 2007, nine Colonia Self-help Program projects had been completed with a total financial assistance of \$248,816. Two Colonia Self-help Program projects are currently committed for \$200,055. There is currently \$484,155 available.

DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

The Department of Housing and Community Affairs (TDHCA) has three programs that target colonias and colonia residents: Colonia Self-help Centers; the Contract for Deed Conversion Program; and the Colonia Model Subdivision Program. TDHCA also has three programs which benefit colonia residents, although they are not specifically targeted to colonias, including the Texas Bootstrap Loan Program; the HOME Owner-occupied Housing Assistance Program; and the HOME Homebuyer Assistance Program. All of these programs use federal funding except for the Texas Bootstrap Loan Program, which utilizes funding provided through the Housing Trust Fund. Most federal funds cannot be spent to undertake housing activities in a colonia without water service, because these houses would not meet basic housing standards upon project completion.

COLONIA SELF-HELP CENTERS

The Colonia Self-help Centers are facilities that serve surrounding colonias by providing technical assistance, housing resources, community development activities, infrastructure improvements, outreach, and education. Specific services provided by the Colonia Self-help Centers include:

- housing rehabilitation;
- new construction;
- surveying and platting;
- construction skills training;
- tool library access for self-help construction;
- housing finance;
- credit and debt counseling;
- grant writing;
- infrastructure construction; and
- contract for deed conversions.

There are seven Colonia Self-help Centers that serve 35 colonias, with a current total population of approximately 32,000 residents who qualify as beneficiaries of these services. Rider 8, Colonia Set-aside Program Allocation, in TDHCA’s bill pattern and Rider 7 in ORCA’s bill pattern stipulate that ORCA shall transfer 2.5 percent of the yearly CDBG allocation to TDHCA for the Colonia Self-help Centers. Each Colonia Self-help Center has a four-year contract with TDHCA; therefore, not every center is funded in each program year although TDHCA encourages each Self-help Center to leverage additional funding from political subdivisions or outside organizations to supplement the CDBG funding.

TDHCA has provided \$9,982,964 to Colonia Self-help Centers from fiscal years 2003 to 2007. **Figure 4** shows the amount of funding provided to the Colonia Self-help Centers, the number of households benefiting from home repair services, and the population served through other services and activities during these years.

CONTRACT FOR DEED CONVERSION PROGRAM

The Contract for Deed Conversion Program helps colonia residents to convert their contracts for deed into traditional mortgages and provides colonia residents with the opportunity to rehabilitate their homes up to federal housing standards. Many colonia residents purchase their homes through contracts for deed because they do not have traditional financing available or professional assistance when they purchase real property. Through participation in the Contract for Deed Conversion Program, colonia residents have the opportunity to own the home in which they live. To be eligible for this program, residents must not earn more than 60 percent of the Area Median Family Income, and the property must be located in a colonia and be the primary residency of the applicant. Rider 6, Conversions of Executory Contracts, of TDHCA’s bill pattern requires the agency to spend no less than \$4 million during the biennium for contract for deed conversions and stipulates that TDHCA should make a good-faith effort to complete at least 200 contracts for deed conversions during the 2008–09 biennium. TDHCA uses funds provided through the federal HOME Investment Partnerships Program for this program. To meet Rider 6 requirements, Conversions of Executory Contracts, of the agency’s bill pattern in the General Appropriations Act, Eightieth Legislature, 2007, TDHC annually reserves \$2 million in HOME funds for this activity.

For the period of fiscal years 2004 to 2006, TDHCA awarded a total of \$2,334,135 for the Contract for Deed Conversion

**FIGURE 4
COLONIA SELF-HELP CENTERS**

	2003	2004	2005	2006	2007
Community Development Block Grant Funds	\$2,131,000	\$2,121,593	\$2,057,638	\$1,832,440	\$1,840,293
Households receiving home repair/ home ownership assistance	339	116	117*	161*	91*
Population served through other services	8,201	7,331	6,040*	18,836*	13,581*

*Denotes the current estimate;

NOTE: Households and persons served are based on awards made within the year noted and do not reflect households and persons served through all existing contracts within a year.

SOURCE: Department of Housing and Community Affairs.

Program and served 45 households. **Figure 5** shows the amount of funding provided for the Contract for Deed Conversion Program and the number of households served from fiscal years 2004 to 2006.

**FIGURE 5
CONTRACT FOR DEED CONVERSIONS**

	2004	2005	2006
Funding for Contract for Deed Conversions	\$239,935	\$742,200	\$1,352,000
Households Served	5	14	26

SOURCE: Department of Housing and Community Affairs.

TDHCA reports that due to capacity issues, organizations involved in contract for deed conversions had not been seeking additional funding. Therefore, not all funds reserved for this activity in 2006–07 were awarded within those years. As a result, the agency has made approximately \$9 million available for contract for deed conversions in fiscal year 2008, reflecting new and previously reserved funds. TDHCA also reports an overall decrease in contract for deed conversions in response to state regulation. This may decrease future demand for these funds.

COLONIA MODEL SUBDIVISION PROGRAM

The Colonia Model Subdivision Program is intended to promote the development of new, high-quality residential subdivisions that provide alternatives to substandard colonias. TDHCA implements the Colonia Model Subdivision Program with federal HOME funds, which limits the kinds of activities that can be funded. The loans provided under this program are provided to Community Housing Development Organizations to pay for costs associated with the purchase of real property; surveying, platting, subdividing, or resubdividing real property; fees, insurance costs, or recording costs associated with the development of subdivisions; utility connections; and various professional fees.

The agency reports that the program is still in its infancy and began funding developments in fiscal year 2007. In fiscal

year 2007, the program awarded \$2,816,043 for two subdivisions for a total of 35 households served.

TEXAS BOOTSTRAP LOAN PROGRAM

The Texas Bootstrap Loan Program is a self-help construction program, which is designed to provide very low-income families an opportunity to help themselves through sweat equity. TDHCA provides funding to nonprofit agencies to enable owner-builders to purchase real estate, construct, or renovate a home. All participants under this program provide at least 60 percent of the labor necessary for the construction or rehabilitation of their home and in return, receive zero-interest loans up to \$30,000 from TDHCA. The projects may utilize additional funding for each house, but the total loan amount cannot exceed \$60,000 per household. In the construction or rehabilitation of these homes, all applicable building codes must be adhered to under this program.

The Texas Bootstrap Loan Program is available in communities throughout the state, including colonias. Unlike the other TDHCA wholly federally funded programs, this program is allocated \$3 million from the Housing Trust Fund each fiscal year. Since the program does not target colonias, the funding benefiting colonias will vary from year to year. Between fiscal years 2003 and 2006, TDHCA provided a total of \$2,340,240 through the Texas Bootstrap Loan Program to colonias and served a total of 67 households. **Figure 6** shows the amount of funding provided from this program to colonias and the number of households served during fiscal years 2003 to 2006. While these figures reflect Bootstrap loans used to provide decent housing within colonias, more often the program benefits colonia residents by providing alternative housing, allowing them to leave overcrowded colonias. Assistance of this nature is not captured in **Figure 6**.

HOME OWNER-OCCUPIED HOUSING ASSISTANCE PROGRAM

The HOME Owner-occupied Housing Assistance Program provides funds for the rehabilitation of single family homes, including roof repair or replacement, electrical system, and

**FIGURE 6
TEXAS BOOTSTRAP LOAN PROGRAM**

	2003	2004	2005	2006
Texas Bootstrap Loan Program Fund Benefitting Colonias	\$441,600	\$1,337,040	\$156,000	\$405,600
Colonias Households Served	15	34	5	13

SOURCE: Department of Housing and Community Affairs.

plumbing repairs. To qualify for this program, an individual must be a homeowner, and the house must be the individual's primary residence.

The Owner-occupied Program is available throughout the state, including colonias. TDHCA reports that approximately \$137,465,643 has been appropriated for this program statewide between fiscal years 2003 and 2007. Through this program, a total of \$1,850,593 was provided between fiscal years 2003 and 2006 to colonia residents to benefit a total of 54 households. TDHCA reports that since this program is not targeted specifically to colonia residents, the contractors administering these awards do not report to the agency which funds go to colonias until the funds have already been expended. Since there are outstanding contracts that were awarded between fiscal years 2003 and 2007, it is possible that the number of colonia residents benefitting from this program may actually be greater than the current figures represent. **Figure 7** shows the most recent data provided by TDHCA indicating the funding provided to colonias through this program and the number of households affected in fiscal years 2003 to 2006.

**FIGURE 7
OWNER-OCCUPIED PROGRAM**

	2003	2004	2005	2006
Colonia Funding for Owner-occupied Program	\$511,156	\$299,041	\$597,660	\$442,736
Households Served	13	15	12	14

SOURCE: Department of Housing and Community Affairs.

HOME HOMEBUYER ASSISTANCE PROGRAM

Through the HOME Homebuyer Assistance Program, TDHCA provides down payment and closing cost assistance to first time homebuyers for the acquisition of affordable single family housing. Eligible participants may receive up to \$10,000 or 6 percent of the purchase price, whichever is greater, for down payment and closing costs through a zero interest, 10-year deferred forgivable loan.

TDHCA provided \$18,068,299 in awards through the HOME Homebuyer Assistance Program in fiscal years 2003 through 2007. **Figure 8** shows the amount of funding provided through this program to colonias and the number of households benefitting in fiscal years 2004 and 2005. TDHCA reports that since this program is not targeted specifically to colonia residents, the organizations administering these awards do not report to the agency which

funds go to colonias until the funds have already been expended. Since there are outstanding contracts that were awarded between fiscal years 2003 and 2007, it is possible that the number of colonia residents benefitting from this program may actually be greater than the current figures represent.

**FIGURE 8
HOME HOMEBUYER ASSISTANCE PROGRAM**

	2004	2005
Funding to Colonias for HOME Homebuyer Assistance Program	\$40,000	\$40,000
Households Served	4	6

SOURCE: Department of Housing and Community Affairs.

