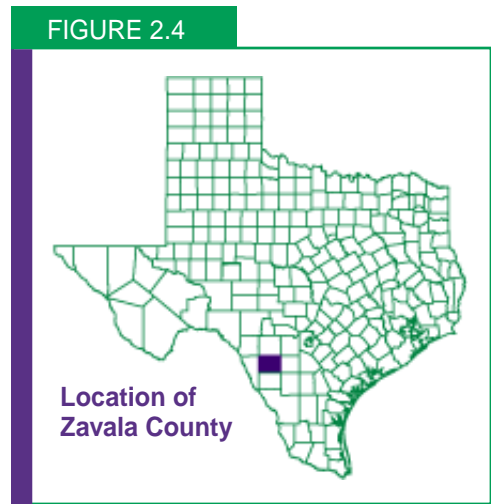


# Border Colonias Case Study

## Zavala County, Texas

Zavala County is located in South Texas almost directly between San Antonio and the U.S.-Mexico border (Figure 2.4). This large but sparsely populated county is situated in the Rio Grande Plain, a semi-arid brushland dotted with mesquite trees and cacti. With a climate extremely favorable for the cultivation of certain vegetable crops, Zavala County is also nestled in the heart of Texas’s “winter garden” region. Parts of the county are blessed with rich soils suitable for producing bumper crops of cabbage, corn, carrots, and most notably spinach, for which the county’s seat, Crystal City, is known as the spinach capital of the world. In fact, a statue of Popeye the Sailor, the famous spinach-eating cartoon character, stands on the steps of Crystal City’s town hall.

Like any area, Zavala’s current condition is deeply impacted not only by geographic factors, but also its past. This area has a unique and often erratic history that has produced periods of prosperity and more recently decline. Zavala County is in a portion of Texas that was disputed territory after the Texas Revolution. Mexican



general Santa Anna is believed to have crossed through Zavala County on his way to the famous siege and battle of the Alamo in 1836.<sup>38</sup> In the late 1800s, the discovery of artesian wells opened up the possibility of large scale agriculture. Subsequently, the cultivation of winter crops and large cattle ranches proliferated, dominating the county’s economy for most of the twentieth century. The increase in agricultural production also created a demand for labor, precipitating the migration of many Mexican farmworkers into the region. In the 1930s, the Works Project Administration (WPA) constructed a large migrant camp in the county seat to improve housing conditions for farmworkers in the region. Ironically, shortly after the camp was constructed, it was converted into an internment camp for nearly 3,000 Japanese, German, and Italian families during World War II.<sup>39</sup>

FIGURE 2.5

Zavala County Quick Facts, 2000

	Zavala County	Texas
2000 Population	11,600	20,851,820
Population Change 1990-2000	- 4.6%	22.8%
Population Hispanic	91.2%	32%
Population African-American	0.5%	11.5%
Median Household Income	\$16,844	\$39,927
Female-Headed Households	21.8%	12.7%
Persons Below Poverty	41.8%	15.4%
Homeownership Rate	73.1%	63.8%
Cost Burdened	24.3%	25.0%
Crowded	26.5%	9.4%
Lacking Complete Plumbing	4.6%	0.7%
Lacking Complete Kitchen	1.9%	0.7%



*Zavala County is the “Spinach Capital” with Popeye as mascot, but agriculture has diminished in recent decades.*



*As in much of the border region, colonias and their problems are ever-present in Zavala County.*

One of the more recent and profound developments affecting Zavala County happened in the late 1960s and 70s. Various “Hispanic revolts” erupted over race, class, and power structure issues in Zavala County at that time. Some county residents assert that these events still resonate in Zavala County today. Since the mid 1930s, white non-Hispanic or “anglo” persons had comprised less than one-third of Zavala’s population. Yet, the owners and operators of most of the county’s businesses and ranches were white non-Hispanic. In contrast, most of the county’s Hispanic residents were low-wage share croppers and farmworkers. This social structure was mirrored in the county’s public sector and governance.

In 1963, in what is commonly referred to as the Crystal City revolts, Mexican Americans of the county’s largest city organized and elected an all Hispanic city council.<sup>40</sup> This feat attracted state as well as national attention. Later in the 1970s, racial injustices in the Zavala County school system sparked the rise of the La Raza Unida Party, a now defunct Mexican-American political party. This political climate disturbed some non-white Hispanic residents in the county and throughout South Texas. The action prompted then Governor of Texas, Dolph Brisco, to call Zavala County “little Cuba.”<sup>41</sup> In response, a measurable number of the county’s white residents, including several ranchers and businesses, left the area. In 1980, the white non-Hispanic population in Zavala had dropped to 11 percent. The anglo population has since further declined to 8 percent with the remaining 92 percent of Zavala’s residents being of Hispanic origin. Some Zavala residents assert that the county’s recent political history and racial makeup have precipitated further “white flight” and in some ways contribute to the county’s declining economy.

## Population Characteristics

Zavala County is an extremely remote rural area with a population distribution of only 8.9 persons per square mile compared to the U.S. average of 79.6. Zavala County has a population of 11,600, which reflects a 5 percent decrease in population since 1990. However, several county officials question the Census’s accuracy. Zavala County’s planner maintains that housing permits have been increasing over the past decade. Zavala County has many inherent factors that contribute to a possible undercount of its residents using Census methodology. A General Accounting Office (GAO) report investigating the undercount of the 1990 Census found that the undercount is higher in rural areas and minority populations, both of which are factors in Zavala County. In addition, Zavala County has a significant migrant population, evidenced by the numerous vehicles in the county with license plates from Minnesota, a popular migrant destination for many of the county’s farmworkers. A significant portion of these migrants were possibly out of the county working in the migrant stream when the Census was being conducted, also adding to the undercount.

Like many rural areas, Zavala County has an aging population. The median age of Zavala residents is slightly higher than the statewide median, and 11.3 percent of Zavala’s population are age 65 or over compared to 9.9 percent for Texas as a whole. Several community officials note that there are very few jobs for younger persons in the county, and that many of them go elsewhere for employment. This age-based migration trend in Zavala County mirrors this issue in the whole of rural America. Increasingly, rural seniors are likely to live in

areas that have experienced an outmigration of young adults seeking employment. Often this type of migration reduces the availability of younger persons to work in support services for the elderly and also diminishes the level of informal support networks provided by family members.

Historically, education levels have been low in Zavala County. Just over 43 percent of Zavala County residents over the age of 25 have high school diplomas, compared to 75.7 percent of all Texas residents. Furthermore, only 7.6 percent have a college degree or higher. Some of this area's poor educational performance is likely attributable to the historical inequality of the Zavala County school system. For much of its history the school system practiced unequal segregation of Hispanic and white students. In the 1960s and 70s Hispanic students were prohibited from speaking Spanish on student grounds and excluded from extra-curricular activities.<sup>42</sup> Local officials assert that improvements in Zavala's educational system are being made. But they note equally that decades of educational disinvestment and inequity are hard to overcome in the course of one generation.

## Economic Conditions

Residents and community officials of Zavala County most frequently cite the economic situation as a central factor in many of the area's problems. "There are just not enough jobs in Zavala County, period," stated one local economic developer.<sup>43</sup> Approximately 42 percent of Zavala county's residents have incomes below the poverty level, compared to 15.4 percent of Texans as a whole. Furthermore, over half of the county's children live in poverty.<sup>44</sup> Poverty is nothing new to Zavala County; it is classified as a persistent poverty county by the USDA Economic Research Service (ERS).<sup>45</sup> Furthermore, the county median income is only \$16,844, just 42 percent of the Texas household median income. Zavala County also has an unemployment rate nearly three times higher than the national level at 15.3 percent. However, unemployment has dropped somewhat since 1996 when the unemployment rate was 23 percent.<sup>46</sup> Zavala County is also considered a transfers-dependent county by the ERS.<sup>47</sup> This dependence on federal aid worries some county officials; however, many of them also note that there are essentially no jobs and public benefits are the only income source for many residents.

Both dramatic and subtle changes have systemically altered Zavala County's economy. Agriculture was the economic mainstay for much of the county over the past century. While some large scale corporate farms and cattle feed lots have located in the county, agricultural



*In 1994, Zavala County's largest employer, the Del Monte cannery, downsized, affecting hundreds of workers.*

production on the whole has continued a steady decline over the past couple of decades. With factors such as increased labor and production costs, many ranchers and small farmers have gotten out of the business or even left Zavala County. Some ranchers have opted to convert their farmland into hunting ranches. The South Texas brushland is teeming with prize game of all sorts including whitetail deer, wild boars, quail, and fish. Many of these hunting ranches cater to high-income clients and visitors who often pay thousands of dollars for the heads of trophy deer. However, this type of industry is generally seasonal, and its impacts on the overall economy are minimal.

Unquestionably, the most significant economic force in Zavala County over the past half century has been the Del Monte Cannery. Originally named the California Packing Corporation, the cannery, located in Crystal City, first started production in 1946 and was the county's largest employer for decades. However, in 1994, the cannery went through a major downsizing in which production and employment were cut to one-third of the cannery's 1980s peak levels. While production has increased slightly in the past few years to nearly half of peak production, employment at the plant has been severely reduced. Currently the cannery employs 627 workers, but over 500 of these are part-time or seasonal positions. The average salary at the plant hovers around \$6.50 per hour, and part-time employees do not receive any benefits. Approximately two-thirds of the cannery's employees live in Zavala County, and the other third commute from surrounding counties. County residents and officials alike agree that the cannery's downsizing was traumatic because it has been such a vital and longstanding part of the community's prosperity.





*Like many rural communities in the 1990s, Zavala County embraced prison construction as a form of economic development.*

With reduction in employment at the cannery, the local government is now the largest employer in the county. As a result Zavala County is considered a government-dependent county by the USDA Economic Research Service. Many counties that are classified as government-dependent have a large government outpost such as a military base, or a public university. However, Zavala is classified as government-dependent for the absence of any other type of industry, in which virtually the only jobs in the county are those needed to maintain essential public functions such as education and public services. As a result, several county residents note that Zavala is highly politicized. Because so much of the county's economy is controlled by local leaders, the elections for local government positions are often hotly contested.

Consistent with some rural development trends of the 1990s, Zavala County has witnessed a dramatic increase in its prison population with the expansion of the Crystal City correctional facility. The institution is owned by the city and managed by a for-profit corporation. Originally, the facility housed 240 women prisoners. However, the prison has expanded to include an additional 280 beds, which primarily hold inmates for the U.S. Marshall's Service. The correctional facility employs approximately 75 employees at an average of \$6.80 per hour. Prison officials also report that the probability of further expansion of the correctional facility is high.

## Housing Conditions

Housing conditions in Zavala County are one of the most visible indicators of this remote rural area's depressed state. Like in many rural areas, the homeownership rate is high in Zavala County with 84 percent of households owning their homes. While Zavala

County has a high homeownership rate, the quality of homes here is not equivalent to the rest of the state. While only 0.7 percent of homes in Texas lack complete plumbing, 4.6 percent of homes in Zavala County have this deficiency. In addition, nearly 2 percent of homes in Zavala County, compared to 0.7 percent of homes in the entire state of Texas, lack complete kitchens.

Household crowding is also a significant problem among residents of the area. The average size of households in owner-occupied units in Zavala County is 3.2 persons compared to the U.S. average of 2.7 persons. Over one-quarter of Zavala's households (26.5 percent) have more than one person per room and are therefore considered crowded.

Housing costs are relatively low in Zavala County. The HUD Fair Market Rent (FMR) for the area is around \$400 and most housing officials note that many renters probably pay less than that.<sup>48</sup> Housing quality is a primary problem for many Zavala residents. Despite the low FMR, nearly 33 percent of the county's renters and approximately 20 percent of the owners are paying more than 30 percent of their income for housing and considered to be cost burdened.

Like most areas of South Texas and the border region, colonias are probably the greatest single issue impacting the housing of this area. The Texas Water Development Board has officially designated seven different rural subdivisions in Zavala County as colonias. Some of these colonias are small, and others comprise large portions of the county's three cities. Housing officials note that most of the colonias in Zavala County sprang out of the migrant labor camps that developed over the last half-century. According to a local housing official, "Fifty years ago these communities were just temporary settlements of campsites and tents. Over time, they have developed into communities."<sup>49</sup>

*The condition of housing is one of the most visible signs of Zavala County's depressed economy.*



However, the development of these communities has been crude at best. Many of Zavala's colonias are packed with ramshackle and makeshift homes. These units are often colloquially referred to as "self-help" homes, which describes rudimentary construction of housing with whatever materials are available. Many of these units consist of old mobile homes or dilapidated shacks with various rooms and out-shoots tacked on at different stages of development.

While Zavala's colonias vary in size and condition, it is readily apparent that life is not easy in these communities. Some lots are neat and well kept, but many are visible indicators of the poverty and despair experienced by so many colonia residents. In the community of Batesville, one of Zavala's worst colonias, the yards of shacks and shanty homes are cluttered with old automobiles and discarded appliances. The most striking characteristic of Zavala's colonias communities is their size. Many rural communities have small pockets of several impoverished areas. But the colonias often spread for miles and in many cases have hundreds of households living in near-third world housing conditions.

Various characteristics inherent to colonias such as subdivided land and the contract for deed system have stifled housing officials' ability to remedy Zavala's deplorable housing conditions. "I've been trying hard to help some families in the Batesville colonia," stated a local RD official, "but we can't proceed because the land plats are all messed up...the [lots] were subdivided without any formal process."<sup>50</sup> Other area housing officials cite similar occurrences in which they are precluded from developing or rehabilitating housing because original owners of the land never recorded the fulfillment of contracts for deed long after the contracts had been paid off.

The low income levels of county residents are most often cited by housing officials as the primary problem affecting housing conditions within the county. "People just don't have the incomes here to buy or support good housing, it's as simple as that," according to the county planner.<sup>51</sup> These sentiments are furthered by other housing providers. The extremely low incomes of residents coupled with vast numbers of poor quality housing units prompted the local RD official to remark, "I could process a thousand rehabilitation grants if I had the funds."<sup>52</sup>

When new housing units are developed in the county they often take the form of used mobile homes as that is all most county residents can afford. On the other end of the spectrum, there also appears to be a lack of housing for middle- and upper-income residents in the county. While this may seem to be an ancillary point in comparison to the plight of many low-income residents, several officials from both the public and private sectors note the lack of zoning and building codes. They assert that those issues inhibit the construction of housing for moderate- and upper-income residents. It is also an economic development issue. As one business leader said, "What company is going to locate here when there is no decent housing or neighborhoods for their employees?"<sup>53</sup>

As if Zavala County does not have enough problems, Mother Nature also contributes to the county's housing woes. Flooding is an annual problem in this area of Texas. On average, Zavala County only gets 20 inches of rain a year. But as one county official noted jokingly, "you should be here the week we get it."<sup>54</sup> Several of the colonias and new housing developments in the county are located in flood plain areas. While some steps, such as government-sponsored flood insurance and relocation programs, have been taken to mitigate flood damage in the area, many Zavala County residents are still negatively impacted by flooding every year.

*This previously dilapidated home was rehabilitated with assistance from RHS and Housing Plus.*



## Significant Developments

Since HAC researchers last visited Zavala County in the early 1990s, some significant developments have impacted the county's social, economic, and housing situation. As noted above, the county has continued a gradual economic transformation in which the role of agriculture has been greatly reduced. This factor, coupled with the dramatic downsizing in the early 1990s of the county's largest employer, the Del Monte Corporation, has drastically altered the economic status of the county. However, the cannery has slightly increased production recently and the county's unemployment rate dropped by 8 percentage points between 1996 and 2001.

The North American Free Trade Agreement (NAFTA) was a prominent issue for this area in the early 1990s, and many local residents speculated on its impacts for Zavala County. Today the near-universal consensus of county residents and officials is that NAFTA has had minimal impacts, at best, for the county. Many note the population and business boom of nearby communities closer to the Mexican border, but Zavala is too far from the border, and most important, the county has no significant transportation corridors, which would be essential to be associated with any development related to NAFTA.

While the overall housing picture in Zavala County is grim, small inroads of progress are being made. Most notable is the increased activity of affordable housing production by RHS and local nonprofit developers. Over the 1990s the number of housing units provided with Section 502 new construction funds increased dramatically. The number of Section 502 loans processed between 1997 and 2002 was nearly double the number of loans processed from 1990 to 1996. Much of this increase is directly attributable to increased partnership with local nonprofits. RD has developed one such

partnership with Housing Plus, an organization that has been actively doing outreach in the area. In 1998, the City of Crystal City bought 17 units of older dilapidated housing, and, with assistance from Housing Plus and financing from RD, rehabilitated the units, transforming a neighborhood from a blighted community to a neighborhood with high quality attractive homes. Furthermore, the nonprofit also constructed 14 new units in another neighborhood of Crystal City. RD has also partnered with long-time affordable housing providers Neighborhood Housing Services and the Community Council of Southwest Texas to develop several units of affordable housing. A local RD official notes that the development of these homes also has other benefits in addition to providing decent housing for low-income families. It may also help spur development in this depressed area, as he has already seen a rise in lot costs and improvement in the overall appearance of the area. Local officials express some hope that this progress in affordable housing will develop into an overall improvement of housing conditions in the county.

Another significant development relating to housing has impacted the development of colonias in the state of Texas. In 1995 the Texas state legislature prohibited the subdividing of lots until plats had been approved and services such as water and roads had been installed.<sup>55</sup> Zavala's county planner states that the law has had some effect in the county. While some unscrupulous land owners have sneaked past the system, the new regulations have generally curtailed rapid expansion of Zavala's colonias without proper infrastructure. For the most part, the county planner sees the new regulations as positive for Zavala residents in improving their living conditions. However he also points out that this regulation has increased the cost of developing housing, whereas low cost was the main attraction to unregulated colonias development.



While minor in comparison to the vast need, some improvements are also being made in Zavala’s colonias — particularly with infrastructure. Since the late 1990s the county’s largest colonia, Chula Vista, has received water service and had its streets paved, and it will soon be attached to sewer service developed by a water and wastewater development grant from RD. In addition, the county planner notes that Zavala County is slated to receive additional funding from the Texas Water Development Board to help pave the streets in several other Zavala County colonias. Local officials note that the increased attention paid to colonias issues nationwide has had effects in the area. However, the county planner also believes that local officials and residents need to work harder in lobbying and informing policymakers about colonias issues, particularly at the state level.

One recent occurrence that may hold a significant impact for Zavala County and its economy is its designation as part of the FUTURO (Families United to Utilize Regional Opportunities) federal Empowerment Zone (EZ) along with parts of five other counties in South Texas. The Empowerment Zone designation by the U.S. Department of Agriculture provides severely economically depressed areas with non-traditional federal funding support to help revitalize distressed communities. While the amount of grant funds has yet to be determined, each EZ is entitled to millions of dollars of funding and benefits such as Internal Revenue Service tax incentives for the development and attraction of industry. Since the designation, the community has held several town meetings with public officials to strategize what economic development the Empowerment Zone initiative will undertake. While preliminary ideas such as expansion of the local prison have been discussed, no significant courses of action have been taken as of the time of this report. However, some local

public and economic development officials indicate that any possibility of attracting industry would have to concentrate on low-tech or a low-grade industry as the area simply does not have the skilled workforce or educational attainment level to support high-tech or highly skilled industry. As one business official noted, “The residents of Zavala County are some of the hardest working people in the U.S., but in this global economy hard work alone won’t cut it.”<sup>56</sup>

## Conclusion

Like much of the U.S.-Mexico border and colonias region, Zavala County can best be described as an area of hard work and hardship, but also hope.<sup>57</sup> This is truly a depressed and poor community with socio-economic problems that rival the nation’s poorest areas. However, there appears to be a glimmer of hope for improvement. Much of the divisive racial and ethnic tension of previous decades seems to be healing, and with declining unemployment and poverty, small but important inroads are being made. This hope can also be witnessed in Zavala County’s housing conditions. While the need is still immense, collaboration between federal and nonprofit entities has resulted in paved roads, better homes, and services for the county’s colonias. Furthermore, the plight of the entire border region is finally being noticed and benefitting from increased attention and resources. However, only the future will tell if this attention can be capitalized on and sustained with widespread improvement. It seems possible that with a lot of hard work and some help, Zavala County can put its geographical, political, and historical disadvantages behind it to create improvement for its residents. It will not be an easy task.