PERSISTENT POVERTY and LAND TENURE IN RURAL AMERICA: Identifying the Nexus Between Long-Term Poverty, Homeownership, and Land Tenure

Abstract

While poverty is on the rise nationally, several predominately rural regions and communities have experienced persistently high poverty rates for long periods of time. Often forgotten or hidden from mainstream America, these areas are almost exclusively rural, isolated geographically, lack economic opportunities, and suffer from decades of disinvestment and double-digit poverty rates. Persistent poverty regions have many shared indices of economic distress, yet also differ in terms of demographic and cultural composition, geography, and underlying economies. Another "shared difference," is the prevalence of unique land tenure issues such as contract for deeds, absentee ownership, mineral rights, heirs' property, tribal trust lands, and leased land for manufactured homes. Such land-home arrangements often complicate homeownership, wealth accumulation, and the provision of affordable housing. The Housing Assistance Council (HAC) investigates the nexus between land tenure, low-income homeownership, and persistent poverty communities.

The policy goal of this research is to provide a better understanding of long-term and persistent poverty in rural communities, especially as it intersects the provision of housing. Often obscure land-related impediments frequently inhibit economic improvement and development in the poorest areas of our nation. Identifying and remedying land-tenure obstacles has implications on how low- and poverty income households can build assets across rural America. This research is not solely focused on advocating for increased or extended homeownership. Rather, it is to better understand land tenure obstacles and develop potential remedies and policies so that economically marginalized rural homeowners can maximize their current assets. The study addresses core topics of housing markets and neighborhood stabilization, asset building and community resilience, poverty and inequality, rural communities and minority communities.

Core topics: Housing markets and neighborhood stabilization, asset building and community resilience, poverty and inequality, rural communities and minority communities

PERSISTENT POVERTY and LAND TENURE IN RURAL AMERICA: Identifying the Nexus Between Land Tenure, Homeownership, and Long-Term Poverty

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HAC, founded in 1971, is a nonprofit corporation that supports the development of rural low-income housing nationwide. HAC provides technical housing services, loans from a revolving fund, housing program and policy assistance, research and demonstration projects, and training and information services. HAC is an equal opportunity lender.

Abstract

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Introduction

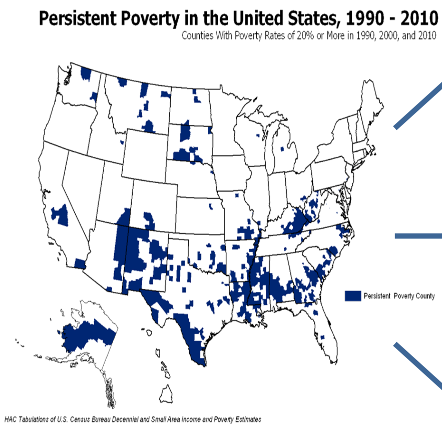
The stress and uncertainty of the recent economic downturn and crisis has been a reality for residents within rural high poverty regions for decades. Unlike much of the rest of the nation, these regions and populations experience widespread and persistent poverty. A high proportion of residents in these communities are unable to find jobs that provide a living wage. In this age of technology and growth, there are still homes in the United States without plumbing and electricity, and where sewage may run open in the streets. The economic downturn has only served to exacerbate these conditions as more jobs have been lost and assistance is more difficult to access. Although rural areas face common challenges, the causes and results of their lasting economic conditions are unique.

In some cases, intense need is juxtaposed by the incredible wealth of natural resources. The Central Appalachian region is well-known for its energy resources in the form of coal and, more recently, natural gas. It is equally well-known for the continued economic depression left after the coal industry declined and jobs disappeared. Ironically, the mountains that fueled the region's economy also act as a barrier to services and make it prohibitively expensive for thousands of households to access water and sewer lines. The natural wealth of the Lower Mississippi Delta and Southern Black Belt's fertile soil has produced food that has fueled the nation. But it also helped to create and maintain an economic system built on a racial divide that continues to have repercussions to this day.

Ownership and regulation of land lays a critical role in these communities. Land is a central issue for Native Americans, who were first relegated to reservations and who later had those sovereign lands further reduced through complex ownership issues. Today, the three U.S. counties with the highest poverty rates are entirely or predominantly located on reservation land. Along the U.S.-Mexico border, lax enforcement of land regulation led to the widespread development of informal subdivisions, called colonias, which are characterized by substandard housing and infrastructure. Often inhabited by Hispanics, these colonias present additional issues due to "under-the-table" financing mechanisms used by developers that often result in living conditions comparable to developing countries.

Despite the extreme poverty in these communities, their homeownership rates are relatively high compared to similarly distressed urban areas. Spatial and land availability dynamics, combined with an overall lack of rental housing contribute to higher homeownership rates among low-income and minority rural households. Yet while homeownership is often viewed as success or attainment in much of the U.S., the poor quality of housing and land complications all too often mitigate this sentiment in poor rural communities.

This research investigates the nexus between land tenure, low-income homeownership, and persistent poverty communities with the intent of identifying and remedying land-tenure obstacles so that low- and poverty income households can build assets with the overall goal of reducing persistent poverty in rural communities.



Rural Persistent Poverty Areas

- Central Appalachia
- Lower Mississippi Delta & Southern Black Belt
- Border Colonias Region
- Native American Lands

Homeownership

- Relativey High Level of Homeownership

Land Tenure Constraints

- Absentee Ownership & Mineral Rights
- Heirs Property
- Contract for Deed and Lack of Regulation
- Tribal Trust Status
- Manufactured Home Land Lease

Poverty and Persistent Poverty in Rural America[1]

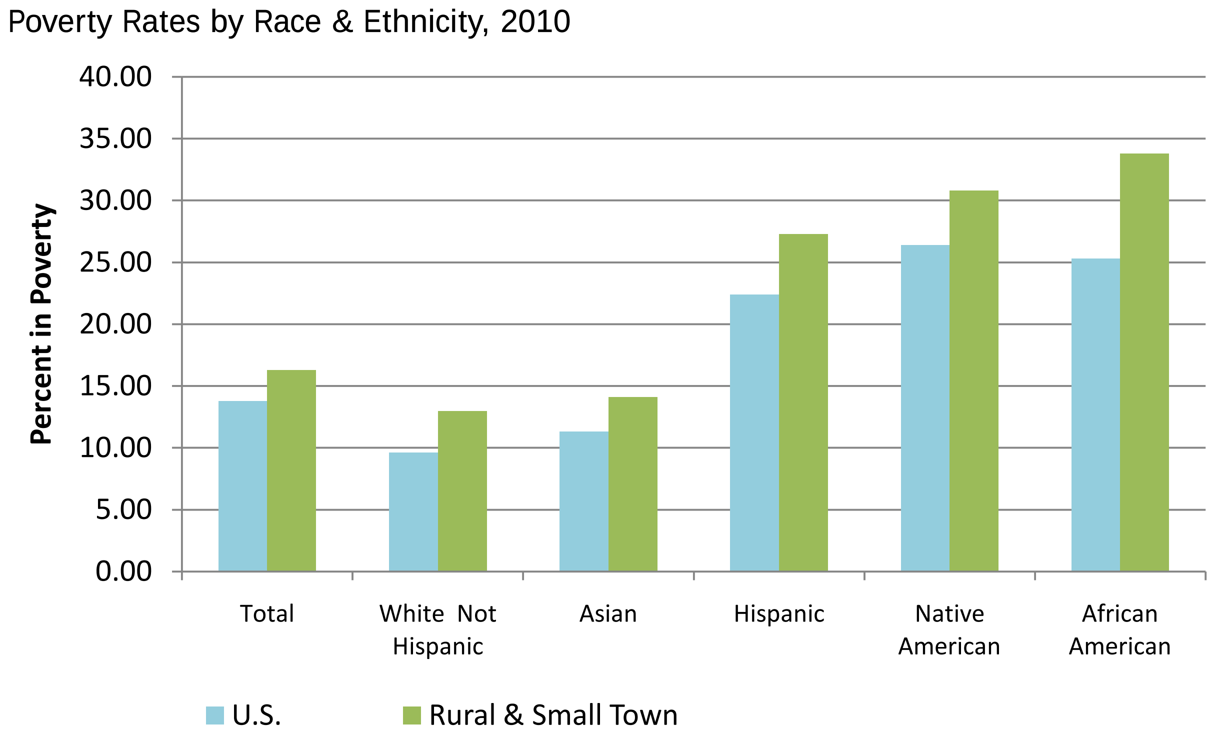
The issue of poverty is quite complex, but it is much more than an abstract condition for the over 40 million Americans who face daily struggles with food security, access to health care, and search for basic shelter. Poverty rates are on the rise and more Americans are living in poverty than at any other time since the Census Bureau began measuring its occurrence. According to 2006-2010 American Community Survey (ACS) figures, 40.7 million people have incomes below the poverty line, constituting a national poverty rate of 13.8 percent.

The Incidence of poverty is greatest in America's rural areas and central cities. Approximately 10 million persons, or 16.3 percent of the rural and small town population, live in poverty. Nearly one-quarter of people in poverty live in rural areas. Poverty rates are generally lower in suburban and exurban communities, at 10.5 percent, and highest in large cities, where 17.3 percent of the urban population have below-poverty level incomes.

Rural poverty rates generally follow the same trend as national rates, and have fluctuated up and down through periods of economic growth, as well as through recessions similar to what the U.S. experienced in the late 2000s. While some gains have been made in reducing poverty over the past several decades, poverty rates are still stubbornly high for certain populations in rural America – namely minorities and children.

Rural minorities continue to experience some of the highest poverty rates in the nation. The poverty rate of rural minorities is more than twice that of rural white not Hispanics, at 28 percent. Rural African Americans have among the highest poverty rates, at nearly 34 percent. Similarly, the poverty rate for rural Native Americans is also above 30 percent, and more than half of all Native Americans in poverty live in rural and small town areas. Large numbers of poor, rural Native Americans are concentrated on or near reservations, where the overall poverty rates can exceed half the population in these communities. The poverty rate among rural Hispanics is more than twice the national rate, and five percentage points higher than for Hispanics nationally, at 27.3 percent. In fact, rural minorities consistently have higher poverty rates compared to minorities nationally. Additionally, economic conditions for many rural minorities have not improved over the past decade, as poverty rates for most groups have either remained the same or increased between 2000 and 2010.

[1] Unless otherwise noted, all figures in this section derive from HAC tabulations of the 2006-2010 American Community Survey.

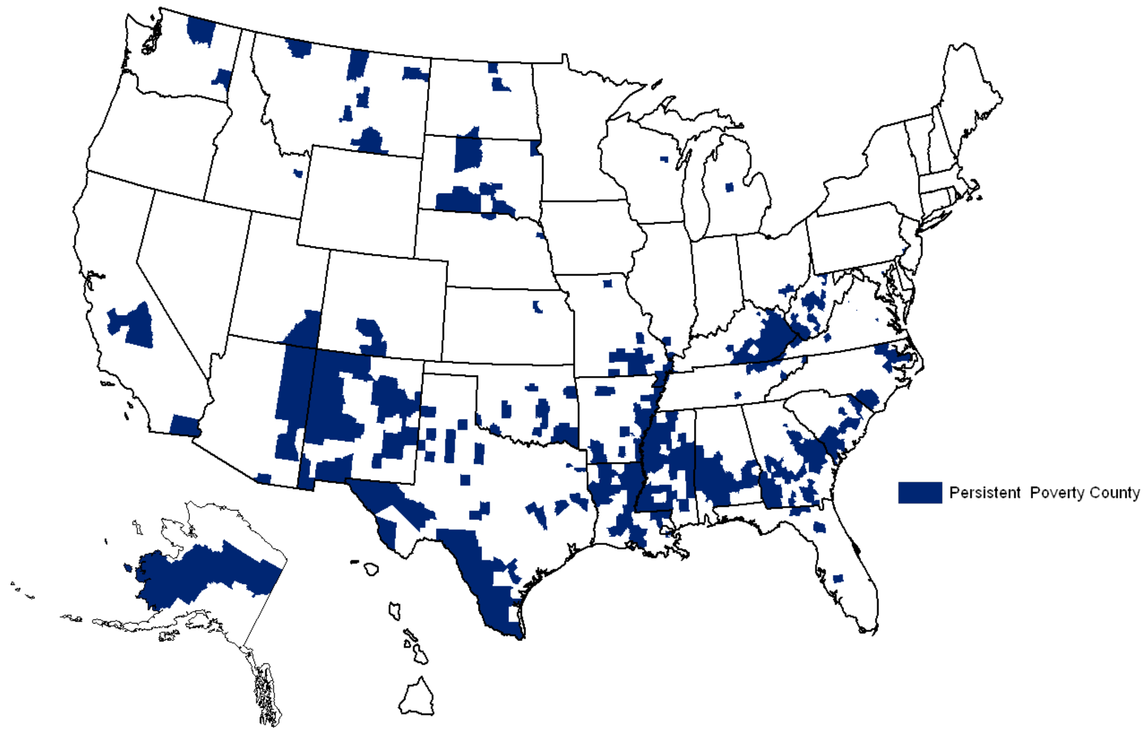


While minorities experience exceptionally high rates of poverty proportionate to their population size, it is important to remember that the vast majority of rural residents in poverty are white not Hispanics. More than 6 million individuals, or 63 percent of rural persons below the poverty line, are white not Hispanic.

Persistently Poor. Long-Term Poverty in Rural America
An increasing number of rural communities are experiencing persistently high poverty rates. These areas are often isolated geographically, lack resources and economic opportunities, and suffer from decades of disinvestment and double- digit poverty rates. Often forgotten or hidden from mainstream America, these areas and populations have had high poverty rates for decades. Persistently poor counties are classified as having poverty rates of 20 percent or more in 1990, 2000, and 2010. Using this metric, there were 429 persistently poor counties in 2010. These counties experiencing long-term poverty are almost exclusively rural, as 86 percent of persistent poverty counties have entirely rural populations.

Persistent Poverty in the United States, 1990 - 2010

Counties With Poverty Rates of 20% or More in 1990, 2000, and 2010



HAC Tabulations of U.S. Census Bureau Decennial and Small Area Income and Poverty Estimates

Overall, there are more than 21 million people living in persistent poverty counties. Nearly 60 percent of the population in these communities are racial and ethnic minorities, and the median household income is $31,581, more than 40 percent less than the national median.

There are approximately 5 million people living below the poverty line in these counties, with an overall poverty rate of 25 percent -nearly twice the national rate. The poverty rate for minorities in these communities is even higher, at 32 percent.

One highly visible impact of this economic distress can be seen in these areas' poor housing conditions. The incidence of housing units lacking adequate plumbing is more than twice the national rate, and nearly 400,000 households in these regions live in crowded conditions. Additionally, while housing costs are relatively low in many of these communities, more than half of persistent-poverty county renters encounter affordability problems and are considered housing cost burdened.

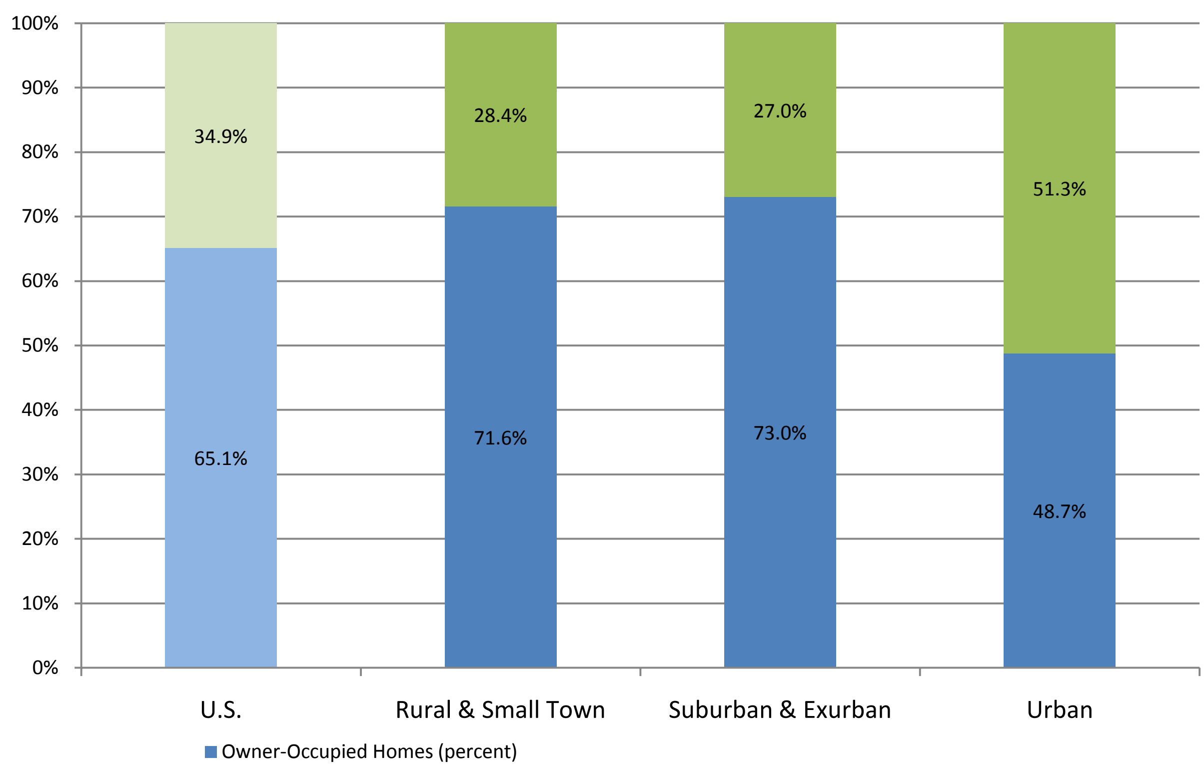
The continued persistence of poverty is most evident within several predominantly rural regions and populations such as Central Appalachia, the Lower Mississippi Delta, the southern Black Belt, the Colonias region along the U.S.-Mexico border, Native American lands, and migrant and seasonal farmworkers. One of the more distressing trends is that the number of persistent poverty counties is actually increasing. Using the same benchmark, the number of persistent-poverty counties increased by 8 percent from the year 2000 level.

Homeownership Among Low- and Poverty Income Rural Households [1]

The United States is largely a nation of homeowners. Owning a home has traditionally been a foundation of the "American Dream," conveying prosperity, financial security, and upward mobility. Homeownership was not always the norm in the United States. In 1910, less than half of all U.S. homes were owned by their occupants. Yet over the past century, Americans have increasingly purchased their own homes -- aided largely by rising incomes and a burgeoning mortgage finance system. In 2010, 65.1 percent of U.S. homes were owner occupied. This rate is actually lower than the 2000 homeownership level of 66.2 percent, but homeowner rates have consistently been above 60 percent since the 1960s.

In rural and small town communities, homeownership rates are even higher than the national level. In 2010, approximately 17.9 million, or 71.6 percent of occupied homes in rural communities were owned by their inhabitants. Consistent with national trends, the rural homeownership rate declined by two percentage points from the year 2000.Homeownership rates across the U.S. are highest in suburban and exurban communities, at 73 percent. In contrast, less than half of occupied homes in urban communities are owned by their inhabitants.

Housing Tenure by Location, 2010



Homeownership Rates Vary Across Rural America

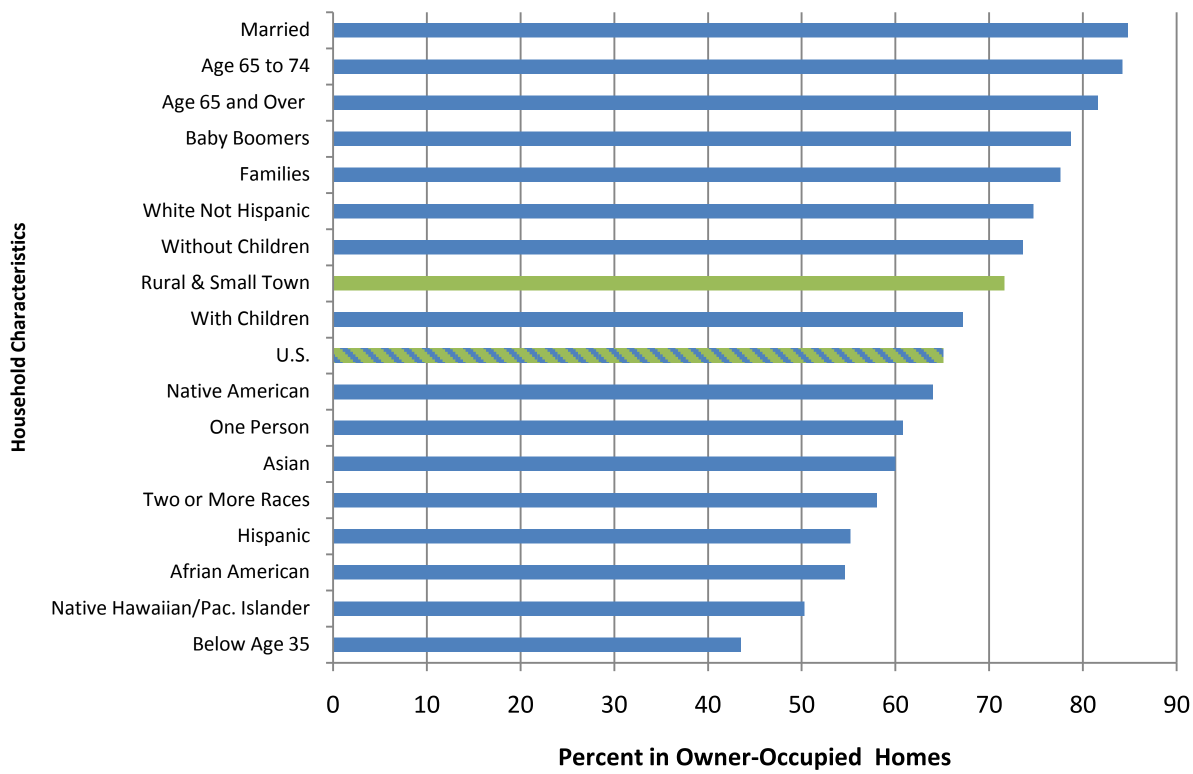
Homeownership rates have traditionally been higher in rural and small town areas than in the nation as a whole. Yet, homeownership varies across demographic groups, and regions within rural

[1] Unless otherwise noted, all figures in this section derive from HAC tabulations of the 2006-2010 American Community Survey.

and small town America.

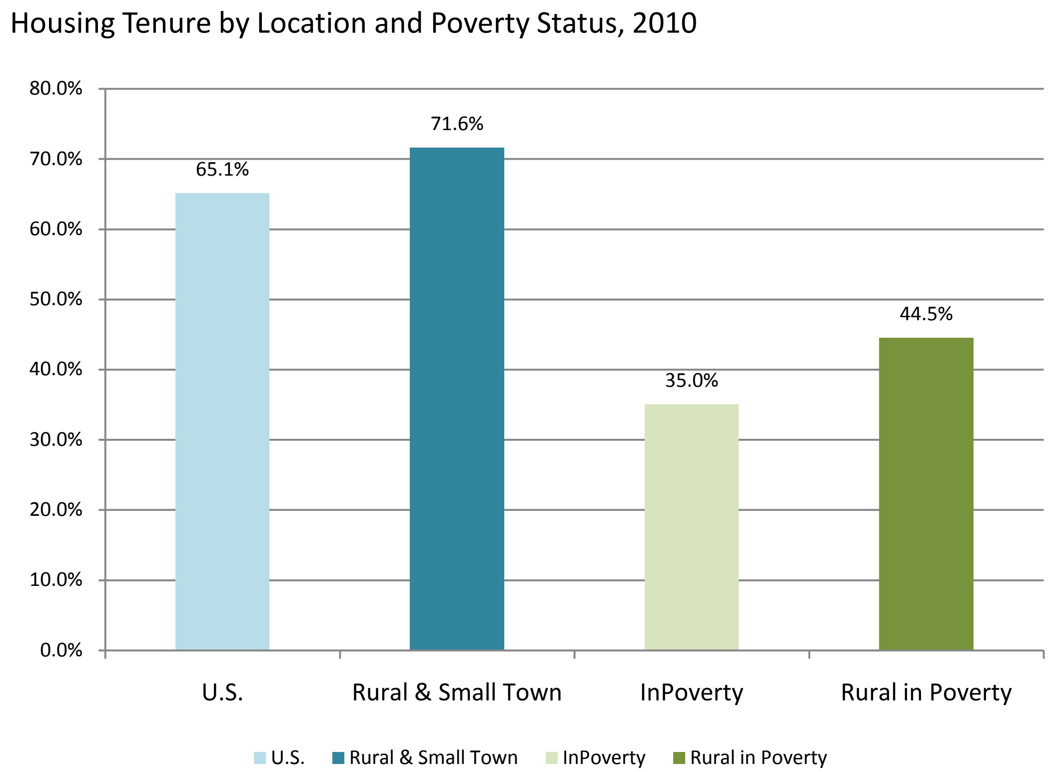
Ownership of housing also varies across racial and ethnic groups in rural and small-town communities. Similar to national characteristics, rural and small town minorities have substantially lower homeownership rates than white non-Hispanic households. Nearly three-quarters of rural white non-Hispanic-headed households own their homes, while just 56 percent of rural minority-headed households own their homes. The homeownership rate for rural and small town African Americans and Hispanics (55 percent) is 20 percentage points lower than that of white non-Hispanics households in rural communities. At the same time, the level of rural minority homeownership is 8 percentage points higher than that of minorities in the United States as a whole.

Rural & Small Town Homeownership by Selected Demographics, 2010



Some of the largest differences in rural and small town homeownership rates are seen across age groups. Typically, homeownership rates increase with age. For example, only 44 percent of rural and small-town householders below age 34 own their homes, compared to an 82 percent homeownership rate for householders age 65 and over. While seniors have among the highest homeownership levels of any rural and small town demographic groups, these also vary by age. The homeownership rate for householders age 65 to 74 is 84 percent, while the homeownership rate for seniors age 85 and over is lower at 70.8 percent. The much discussed “baby boom” generation (age 45 to 64 in 2010) also has high homeownership rates in rural and small-town areas. Nearly eight in ten rural and small town baby boomers own their homes which is six percentage points higher than their suburban and urban boomer counterparts.

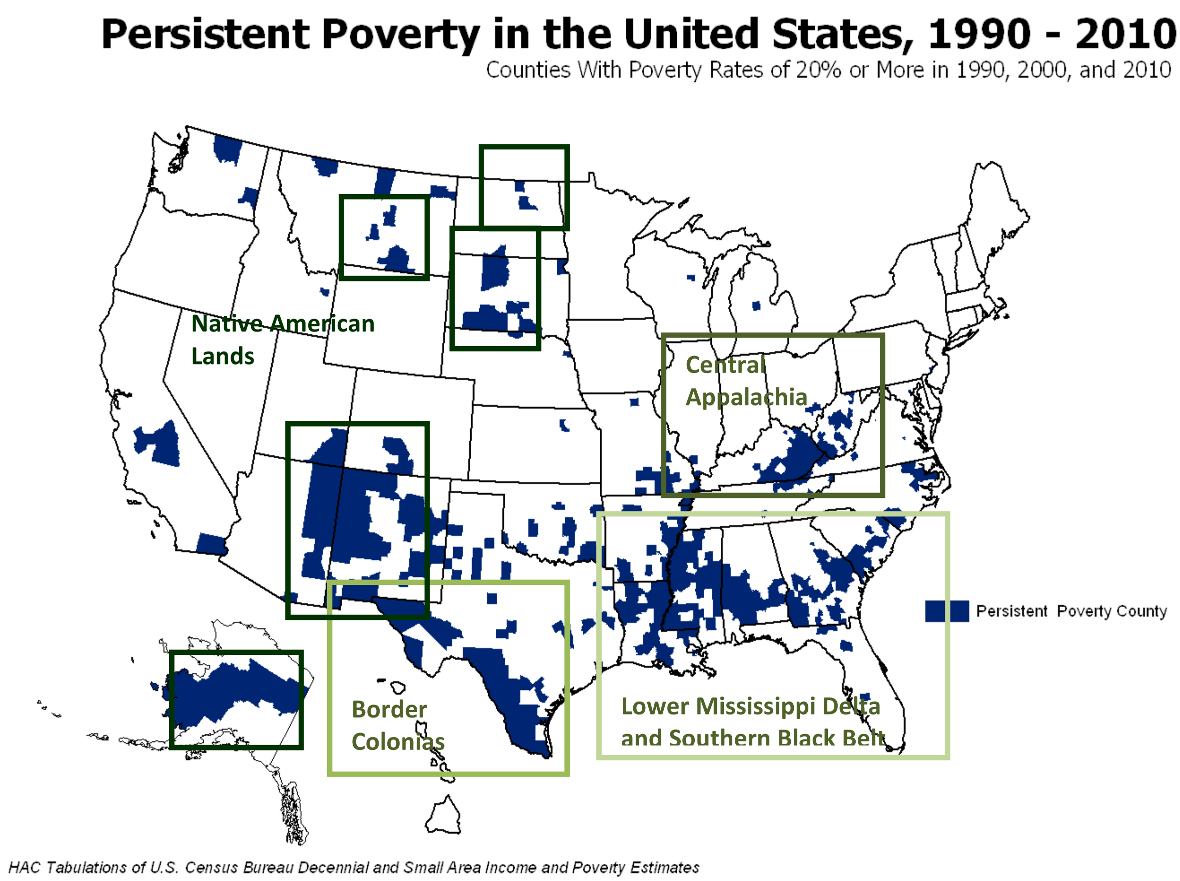
Homeownership rates are also higher among low- and poverty level income households living in rural and small town areas than their urban and suburban counterparts. It is estimated that roughly one-third of families in the United States with below poverty incomes own the homes in which they reside. In rural and small town communities the homeownership rate among families living in poverty is a full ten percentage points higher at 43 percent.



Land Tenure Issues in Rural Persistent Poverty Areas

Poverty is particularly pervasive among several concentrated geographical areas and populations in rural America. Central Appalachia, the Lower Mississippi Delta, the colonias along the U.S.-Mexico border, Native American lands have experienced decades, if not centuries, of pervasively poor economic conditions. Many of these areas and populations' problems originate from historical patterns of unsustainable use of land and natural resources combined with a lack of reinvestment in their communities. These systemic problems have been further exacerbated by decades of neglect and continued disinvestment, which produce a cycle of poverty that is extremely hard to break.

While the locations share common housing problems, each also has unique characteristics – such as contract for deed issues in the colonias, the impact of seasonal housing need for farmworkers, legal land issues on Native American lands, the prevalence of "heirs properties" throughout the Lower Mississippi Delta and the southeastern U.S., and absentee land ownership and the issue of mineral rights in Central Appalachia. These unique land issues often exacerbate housing problems and stifle strategies for improvement.



Contract for Deed in the Border Colonias Region

Colonias are typically thought of as rural, border settlements inhabited overwhelmingly by individuals and families of Mexican heritage living in impoverished conditions.[1] The public health issues posed by the poor living conditions that characterize colonias were first brought to public attention in the 1980s.[2] The process by which most colonias developed (i.e., the sale of land without infrastructure and the gradual construction of a dwelling) is the dominant method of housing provision in many countries, including Mexico.[3] Residents were drawn to these settlements because they offered an opportunity for them to be land and homeowners, a source of great pride for many. In many cases, the visible substandard conditions mask thriving communities where neighbors support and provide for one another.

Land Regulation and Finance Issues in Colonias

Despite being categorized together, colonias have varied histories. Some colonias emerged in the last 50 years, but others have been in existence since the 19th century. The unmet need for affordable housing was a key factor driving the demand for homes in colonia developments in both recent and historic colonias.[4] Various other factors led colonia development within each border state; however, the increased visibility of colonias in Texas tends to guide common perceptions and even government policy based on the situations of colonias found there.[5]

Colonias developments resulted from lax land regulations, particularly over the last few decades.[6] For much of the 20th century, county governments in Texas lacked the power to regulate the subdivision of land that lies outside the stronger jurisdiction of city governments. Without these controls in place, landowners were able to illegally subdivide and sell their property without the necessary infrastructure.[7]

Another element impacting the proliferation of colonias in Texas involves the contract-for-deed system. Through a contract-for-deed, the buyer makes payments directly to the developer while the land title remains with the developer until the amount is paid in full. These arrangements often involved high interest rates, and many of them were not recorded with the county clerk.[8] If even one payment is missed, the developer may foreclose on a property and the buyer loses his or her entire investment.[9]

A variety of settlements have been designated colonias in Arizona, California, and New Mexico, including those on Native American lands, in old mining towns, and in retirement communities. In Arizona, "wildcat" subdivisions emerged in the 1950s and are inhabited by individuals and families who do not understand or wish to follow government regulations, as opposed to the largely Hispanic residents of Texas colonias.

Colonias in Arizona, California, and New Mexico are generally older than those found in Texas.[10] Many New Mexico colonias have been in existence since the mid-1800s and all California colonias were developed prior to 1929, when subdivision laws went into effect in that state.[11] Additionally, New Mexico's historic settlements are experiencing new fringe growth in the form of illegal subdivisions similar to those created in Texas under contract-for-deed arrangements.[12]

Colonias in these states are often connected to infrastructure systems, although they are aging and in need of upgrades, and they often have more access to services than those in Texas.[13] Land regulation is also less of an issue in the other border states, although codes were not always enforced in Arizona.[14]

Mineral Rights and Absentee Ownership in Central Appalachia

The Appalachian Mountain range is one of the most prominent geographic features in eastern North America. The hills and valleys of this ancient mountain chain stretch from Newfoundland to Mississippi, encompassing an area more than 2,000 miles long and up to 300 miles wide. The majority of the Appalachian range is found in the United States where it covers parts of 17 states. Poverty and economic distress have persisted for decades in the central portion of the Appalachians.

Economic challenges continue to plague Central Appalachia with much higher poverty levels than the nation as a whole. These conditions have existed in the region for decades. The poverty rate in the entire Appalachian region was over 30 percent in 1960, a level that drew the attention of the nation and helped lead to the "War on Poverty." While those efforts have certainly made a difference, poverty remains a problem, particularly in certain areas. The poverty rate for white, non-Hispanic residents in the United States is 9.4 percent, but for those in Central Appalachia it is 16.7 percent. For all racial and ethnic groups the poverty rates are higher in rural areas than in urban places in the region. For example, in rural Central Appalachia the proportion of non-Hispanic whites living in poverty was 19.5 percent.

Another indicator of the region's poor economic situation is the Appalachian Regional Commission's (ARC's) designation of "distressed counties." ARC designates distressed counties as those with a three-year average unemployment rate that is at least 1.5 times the U.S. average; a per capita market income that is two-thirds or less than the U.S. average; and a poverty rate that is 1.5 to 2 times the U.S. average (depending on whether unemployment or income level is used as the indicator of poverty). Over the entire 13-state ARC region, 96 counties are designated as distressed. Central Appalachian is home to 74 distressed areas, representing 77 percent of all such ARC-designated counties.

Land Usage and Tenure Issues in Central Appalachia

The Central Appalachian region's economy has traditionally been defined by the abundance of its many natural resources, coal and timber, and efforts to extract them. Coal mining, in particular, functioned as the primary source for growth in the region throughout the 19th and 20th centuries. The vast coal fields in Eastern Kentucky and Southern West Virginia served as an energy repository for a growing nation. The harsh working conditions and poor treatment of miners led to some of the nation's most bitter and violent labor conflicts, which ultimately helped expand labor rights efforts. As a result of the prominent role coal has played in the Central Appalachian region's past, many associate the region with coal mining and assume most residents are either directly or indirectly involved in the industry.

Similarly, Land is inextricably linked to Central Appalachian's, their economies and their housing. However, land issues are at the crux of many of the region's problems. The terrain of Central Appalachia is rugged and steep. As a result, the region has traditionally been much more isolated than the rest of the nation. Many mountain areas are inaccessible to commerce and industry. Furthermore, lots suitable for affordable housing construction and development are scarce and costly to build on.[15]

Today, a more recent iteration of these land problems is evidenced in the controversial issue of "mountain top removal," particularly in southwestern West Virginia throughout the Appalachians. Mountain top removal mining techniques involve coal companies bulldozing the mountains' forests and removing the topsoil. [16] Then the underlying rock is blasted away, with powerful explosions. Next, large dump trucks remove the rubble to get to thin, multiple layers of low-sulfur coal. In a process called valley fill, the "overburden" is dumped into valleys and streams, in piles that can be two miles long and over 100 feet high. At least 750 miles of the state's streams have been buried by valley fills. It is estimated that 20 percent of Southern West Virginia's the land mass has been mined by mountaintop removal.

The impacts of mountaintop mining also affect central Appalachian residents and their housing. The continual blasting damages homes, dries up wells and pollutes air and water sources. Many residents near mountain top removal sites have sold their homes to the coal companies while others stay and watch their once beautiful communities being transformed into a barren landscape.[17]

These extractive land uses not only impact quality of life for low-income residents of Appalachia, but they also serve to inhibit land value and assets, destroying many communities and affecting resale and investment value for homes that are in close proximity to industrial mining sites.

Tribal Trust Land and Native American Lands

Over 500 Native American tribes live in disparate locations across the United States. Of these tribes, each has a unique structure of governance, culture, history, and identity. Native American lands can be found in all geographic regions of the United States. Although their spatial locations are diverse, these tracts are also the product of a common set of historical and political actions. As a result, similarities exist among Native American communities, including persistent poverty and inadequate housing conditions that are often endemic to the largely rural Native American Indian, Alaska Native, and Hawaii Homeland (Native American) lands.

Native American lands are often among the poorest regions in the United States. Common obstacles to housing provision exist, including the legal complexities of tribal and trust lands, barriers to financial lending, undercounted federal population data, limited employment and economic opportunities, and a scarcity of safe, secure housing. Beyond these roadblocks, social concerns, such as substance abuse, a lack of access to quality education, and youth suicides are prevalent. Low incomes are commonplace on reservation and trust lands. The rate of families and individuals in poverty are almost two times as high on Native American lands than elsewhere in the United States.

Land Tenure Issues on Native American Lands

The legal complexities of land ownership on Native American lands present a major barrier to securing a home mortgage. Numerous types of tribal lands exist, including trust, tribally owned, and allotted lands as well as conversions that allow lands within reservations to be in a variety of ownership types (also known as "checkerboarding"). Trust and tribally owned lands are often the most complex arrangements. Trust land is owned either by an individual Native American or a tribe, and the title is held in trust by the federal government. Most trust land is within reservation boundaries, but it can also be off-reservation. Tribally owned land is owned by a group of Native American tribes federally recognized by the U.S. government. The title is held by the tribe and not by the federal government. Because tribal land sales to non-Native American lead to severe fragmentation of tribal lands, most tribes do not allow such transactions. Mortgages are difficult to secure on tribal lands due to the possibility of foreclosure, in which the land would no longer be held by the tribe and instead would belong to the bank.

Heirs Property and the Lower Mississippi Delta and Southern Black Belt

The Lower Mississippi Delta (LMD) has distinct economies, cultures, and even languages, which set it apart from much of mainstream America. The Delta is a paradoxical place where Antebellum mansions set next to hamlets of dilapidated shotgun shacks. Both, are legacies of a fading agricultural economy and the race based system which drove it. Today, change and modernization have also come to the Delta. Strip malls, new ranch homes, and other trappings of middle class life are increasingly emerging. Yet the Lower Mississippi Delta, endures a systemic and long-term economic depression which stifles the quality of life for many of its inhabitants.[18]

Despite the richness of the land and its diverse background, this region is now known for its extreme levels of poverty that exceed that of the nation as a whole. The Delta also experiences high levels of unemployment, teenage pregnancy and infant mortality; a lack of affordable housing, struggling and segregated school systems; and limited economic resources. The highest concentration of poor African Americans live here and they are more likely than African Americans in the rest of the country to be poor.

Land Tenure Issues in Lower Mississippi Delta and Southeastern Persistent Poverty Areas

The complicated issue of “heirs property” land tenure common in many rural communities, but is not widely known or addressed. Heirs property is generally defined as land held collectively by family members after the landowner has died without a will. Some evidence indicates that heirs property situation are is most common among the African American families in the rural southeastern United States.[19]

When an individual dies intestate – or without a properly probated will – his or her property gets passed on to family members according to state laws. The land is not divided, nor is the deed to the property, which remains under the original owner’s name.[20]

While there are some advantages to heirs property, they are largely outweighed by the inherent complexities and entanglements involved in this form of land tenure. There are often numerous rightful claimants to the land and they often do not agree on the ultimate use or distribution of the land.[21] Over time the number of relatives with rightful claims also grows the longer the property is in heirs status further complicating the circumstances. Home mortgages are virtually impossible to obtain with and unclear title including federal assisted housing loans.[22] As a result, heirs property severely constrains the value and liquidity of land that most land owners take for granted.

Manufactured Home Owners and Land Leases

Manufactured housing is an important source of housing for millions of Americans, especially those with lower incomes, and in rural areas. Often referred to as mobile homes or trailers, manufactured housing in the United States is a compilation of varied structures, technologies, perceptions, and persisting challenges. There are approximately seven million occupied manufactured homes in the U.S., comprising about seven percent of the nation’s housing stock. More than half of all manufactured homes are located in rural areas, making this form of housing especially important to rural America. Manufactured homes are concentrated in the South, as more than half of all manufactured homes are located in southeastern states. The income demographics of manufactured housing are increasing in variety, but households at the lower end of the income spectrum are still the primary residents of manufactured homes.

Land Tenure Issues with Manufactured Homes

While land tenure issues related to manufactured homes are not specific to persistent poverty areas, manufactured housing is a significant source of the housing stock, especially for low-income families in these areas. Likewise, the leasing of land for manufactured home owners is yet another land tenure issue impacting low income residents in persistent poverty communities. Although manufactured homes are constructed with design features that allow them to be mobile, most of these units remain stationary after their initial placement. These design factors, combined with a history of being placed on rented land, have created a pattern of land tenure status that is unique to this form of housing. Many manufactured home residents have a foot in each tenure world, as they may own their homes but rent the land on which their unit is located. Ownership of land is an important component to nearly every aspect of manufactured housing, ranging from quality to assets and wealth accumulation. Residents who do not have control over the land on which their home is placed often have reduced legal protection. It is also well established that ownership of land is at the heart of property values and is essential for potential appreciation of value in manufactured homes.

Discussion

This research focuses on identifying and remedying the nexus between persistent poverty, homeownership, and unique land tenure issues prevalent in several distinct rural regions across the United States. After investigating basic housing characteristics in these communities, the research identified several shared indices, related to social, economic, and housing patterns in rural communities with long-term poverty. Housing tenure and ownership of land in these regions and communities was a specific characteristic that the research focused on. Identifying unique land tenure constraints became a primary and important component of the research. The regions and populations presented in this study can be considered forgotten America, and many of the reasons for their economic distress are often forgotten or misunderstood. But a closer look at these communities and their underlying and often unique characteristics is imperative to any improvement of housing and social conditions. The second major component of the study - suggestions for remedying land tenure constraints - proves much more difficult. In reality, many of the identified land tenure issues are rooted in deep historic, social, and legal complexities that have manifested for generations, if not centuries. In summary, the research successfully identified and examined an often obscure economic element that is arguably a factor in economic and wealth creation, but the study is short on remedies or recommendations to directly address the situation. Presented below are some recent developments and strategies related to housing and land tenure. The identified strategies are generally of small scale in relation to the problems. But this information should be used to advance the next stage of study in providing recommendations to mitigate or remove land tenure constraints and maximize the economic benefit of homeownership regardless of location and income status.

Modest Gains: Contract for Deed and Land Barriers in the Colonias

Modest gains are being made along the border to improve housing conditions, install and upgrade infrastructure, and extend other services. In some colonias, residents have organized to improve living conditions through various activities, including organizing community clean-up efforts, sending representatives to regional meetings, or even forming nonprofit organizations to solicit funds.[23] Although local, independent nonprofits often struggle to provide services to the colonias, those that are aided by external networks have seen success in meeting community needs.[24]

As the state with the greatest presence of colonias, Texas has also led efforts to address the housing problems in the border region. Texas worked to first prevent the spread of colonias and then to improve the conditions in existing colonias.[25] Legislation was passed in 1995 that requires developers to install the needed infrastructure and services before subdividing and selling land. This legislation had unintended consequences: It greatly increased the cost of developing a new subdivision and it blocked sales, restricted land use, and limited commercial activities in the colonias.[26] As a result, expansion within the colonias was facilitated by residents further subdividing their land and putting additional strain on sewage systems.[27]

In 2001, Texas passed legislation to increase the authority of counties to regulate subdivisions and the installation of sewer and water systems. The legislation also required greater coordination between cities and counties in regulating subdivisions in the area just outside incorporated boundaries.[28] In 2005, the Texas legislature mandated a colonia identification system in addition to the tracking of state-funded projects in the colonias.[29]

In 2010, New Mexico passed the Colonias Infrastructure Act that will provide dedicated state funds to colonias infrastructure projects. However, it only applies to the 10 counties within the 150-mile zone designated by HUD, so colonia-like developments that have appeared around Albuquerque will not be impacted.[30]

Some state programs, mostly in Texas, have been implemented. Legislation passed in 1995 addressed the contract-for-deed problems and, in some cases, laid the groundwork for converting these deeds into conventional mortgages.[31] The Texas Department of Housing Community Affairs administers the Contract for Deed Conversions (CFDC) program using funds from HUD's federal HOME Investment Partnerships program. Through CFDC, a contract-for-deed may be converted into a warranty deed and the resident can thereby obtain ownership and property rights.[32]

The process of installing and upgrading infrastructure in border colonias is ongoing. The small size and remote location of some colonias greatly increases the per capita cost to extend water lines and build water treatment plants, making these basic necessities prohibitively expensive. Similarly, the lack of land platting has left many colonias without clearly delineated property lines or access roads. Without these features, even those colonias bordering incorporated areas are unlikely to be annexed due to the high cost of alleviating the problems.[33]

For some areas, other issues must first be addressed before significant upgrades can be made. Homes must be brought to code before being connected, water lines must be extended, and sometimes not enough water is available.[34]

A Shifting Target: Mineral Rights and Absentee Ownership Land Issues in Central Appalachia
The mining industry has been an integral aspect of the Appalachian people and economy for more than a century. The region's abundant natural resources have produced a paradox between jobs and economic development and boom-and-bust economies and environmental degradation. Over the past 10 years, the issue of "mountain top removal" has exploded, quite literally, in local economies, courts, congress, and the public press. In a region where unemployment is persistently high and few opportunities exist, residents are often forced into a choice between the environment that they cherish and putting food on the table.

Problems with the region's mining industry are also often associated with land issues. For decades the existence of the notorious "broad form deed," forced many Appalachian's from their homes and land without compensation due to unfair laws protecting the mineral rights of large coal companies. The broad form deed was determined unconstitutional by the Kentucky supreme court in the 1990s.[35] The 1970s and 80s witnessed the growing concern over strip mining with its devastating impacts to the region's environment and safety.

The practice of hydraulic fracturing, or "fracking" as it is more commonly known, has increased rapidly in many rural communities across the nation including portions of central Appalachis. Fracking refers to a method of extracting natural gas or oil from hard rock formations – commonly shale. Highly pressurized liquids are injected into the rock to create fissures from which natural gas or oil seep out and are extracted.[36] While the technology itself is not entirely new, the use of fracking has expanded greatly over the last decade, occurring for the most part in rural areas. The Marcellus Shale region of Pennsylvania and the Bakken Shale field of North Dakota have been particularly impacted.

Environmental concerns are frequently raised about fracking-related activities, but this form of mineral extraction also impacts communities in several other ways. The fracking process typically involves the rapid influx of large numbers of workers into communities which are often small, rural, and have limited resources. The new workers and work-related activities easily overwhelm community infrastructure. Housing is of particular concern, since fracking creates a high demand for housing in areas where rental units are limited. This increased demand drives up rents for the rental housing units that exist.[37] Local residents, who often have limited means, simply cannot afford the inflated rents.

Despite its negative environmental and housing impacts, fracking has provided a degree of economic benefits to several communities and regions, many of which were previously lacking economic vibrancy. The challenge is to access resources without damaging either the environment or local residents' quality of life.

Communities of *Scale: Remedying Tribal Trust Constraints on Native American Lands*

Although lending is still complex on Native American lands, banks have an increased understanding of the legalities of lending on tribal lands and are more willing to begin investing there. Moreover, through NAHASDA, tribes have been able to create their own mortgage companies that better suit the needs of their populations.[1]

Because of the dearth of private lending activity on Native American lands, federally funded and sponsored loan products play a substantial role in home mortgage finance in tribal areas and reservations. One of the largest homeownership programs dedicated solely for Native Americans is the HUD Section 184 loan guarantee program. Instituted under the Housing and Community Development Act of 1992, Section 184 authorizes HUD to operate a Native American home loan guarantee program that will stimulate access to private financing for Native Americans. Under the program, HUD guarantees loans made by private lenders to Native American families, tribes, or Indian housing authorities for construction, acquisition, or rehabilitation of single family homes. Since the inception of Section 184 in 1994, HUD has issued over 12,000 loan guarantees totaling more than $1.8 billion to private lenders.[38]

Some tribal housing authorities, like that in the Choctaw Nation, have their own mortgage company that operates a revolving loan fund. The Choctaw Tribal Housing Authority's mortgage company is much more willing to work with clients to refinance than other banks so that individuals are less likely to lose their homes in the event of a foreclosure.[39] Tribally owned mortgage companies also offer housing counseling and assistance to clients. This increased assistance has significantly improved financial literacy, which is typically weak among Native Americans, such as those in the Choctaw Nation.[40]

Manufactured Housing Done Right: Remedying Land Lease Constraints for Manufactured Home Owners

The past decade has witnessed some dramatic developments in the manufactured housing realm. Some of the most promising developments in manufactured housing are a result of local, regional, and national level affordable housing providers developing affordable housing with manufactured homes. At the community level, development of manufactured housing has often been met with resistance and, at times, vehement opposition. Nevertheless, some nonprofit organizations and developers are increasingly using manufactured housing to create and preserve affordable homes in rural communities. This "manufactured housing done right" model has been largely coordinated

[1]Passed in 1996, the Native American Housing Assistance and Self-Determination Act (NAHASDA) simplified federal housing assistance to Native American, Alaska Native, and Hawaii Homeland communities by reducing regulatory structures and allowing, without federal interference, tribes to determine how best to use grants.

through several national organizations including CFED's Innovations in Manufactured Housing (I'M HOME) initiative, NeighborWorks America, and the Ford Foundation.[41] Through its network of national and local partners, I'M HOME seeks to install high quality manufactured homes, help homeowners in manufactured housing communities secure long-term control over the land beneath their homes, advocate for public policies that help owners of manufactured homes, and promote access to fair and responsibly priced mortgage financing for manufactured housing.[42]

One proven strategy to stabilize and improve manufactured home communities is the process of conversion to resident or nonprofit ownership. One resource in combating park closures is Resident Owned Communities USA. Also known as ROC USA, this nonprofit organization provides financial and technical assistance to help residents buy their manufactured home communities from private owners.[43]

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