Broken Border, Local Impact: Liberty County, Texas

by Ken Oliver

Executive Summary

Decades of deficient border security and an immigration system that has been chronically unaligned with the nation’s jobs market continue to have deleterious consequences in communities across the nation. As is often the case, some of the most compelling examples of these consequences are found in Texas.

On the outskirts of Houston, the nation’s fourth most populous city, Liberty County is home to the fastest-growing Hispanic population in the United States—along with one of the fastest-growing school districts in Texas (Taylor, 2019; Fast Growth School Coalition, n.d.). That growth carries with it new and challenging pressures, fiscal and otherwise, which manifest most clearly in the area served by the Cleveland Independent School District (ISD). The most serious fiscal and law enforcement concerns arise from the fact that thousands of the newcomers to the county are not legally authorized to be in the country.

Cleveland ISD’s elementary, middle, and high schools are bursting at the seams with students, growing by over 100 new enrollments per month. To finance the multiple new schools that are needed at all levels, the district’s residents are on the hook for hundreds of millions of dollars of bonds issued and are experiencing crushing, double-digit growth in their property tax bills (Brashier, 2019a; J. Reaves, Liberty County Commissioner, personal communication, February 20, 2020; J. Knight, Liberty County Judge, personal communication, April 21 and May 7, 2020).

The initial, unrestricted development undertaken by the area’s largest housing land sales company, Colony Ridge Land, LLC, caused considerable consternation and foreboding among residents and local government officials alike. More recently, a number of measures have been taken to better manage the population boom, including the creation of a Municipal Management District for a core 5,000-acre section under development. Moreover, the Houston El Norte Property Owners Association has begun to aggressively enforce covenants and Colony Ridge is now working with Cleveland ISD to facilitate the construction of needed new schools (Taylor, 2017; Houston El Norte Property Owners Association, 2019; T. Harris, Colony Ridge Land, LLC, senior executive, personal communication, February 21 and April 21, 2020).

Because thousands of unauthorized immigrants are among the new residents, however, more needs to be done. Collaboration in enforcement of U.S. immigration laws should be maximized by federal, state, and local law enforcement authorities through initiatives such as U.S. Immigration and Customs Enforcement’s 287(g) and Warrant Service Officer programs (U.S. Immigration and Customs Enforcement, n.d.). These programs enable common-sense cooperation across jurisdictions and effectively prevent communities from becoming sanctuaries for criminal aliens. As a matter of corporate responsibility, developers in the area should also do their part by unequivocally supporting such cooperation.

Key Points

• The problem of illegal immigration significantly exacerbates fiscal and population growth pressures faced by Liberty County and the Cleveland Independent School District.

• The number of Houston El Norte residents who are unlawfully present in the United States is now in the thousands and is headed toward the tens of thousands.

• In order to mitigate the negative impact of a growing population of illegal aliens, county, state, and federal authorities need to step up their cooperation in immigration law-enforcement efforts, particularly in ICE’s 287(g) and Warrant Service Officer programs.

• Regardless of their legal status, the vast majority of property owners in Houston El Norte are productive contributors to the region’s economy. They are embracing the values of home ownership and individual responsibility. As newly minted property taxpayers, it is also likely that they will be inclined to favor lower tax burdens across the whole of government.
It should also be acknowledged that the overwhelming majority of the new residents of “Houston El Norte” in Liberty County are families who contribute positively to the region’s economy. These residents are to be encouraged in their embrace of the values of home ownership and ongoing investment in their properties and neighborhoods, in the confidence that they will also join their fellow Texans’ embrace of limited—and less fiscally burdensome—government.

**Introduction**

Home to the fastest-growing Hispanic population in the United States (Taylor, 2019)—along with one of the fastest-growing school districts in Texas (Fast Growth School Coalition, n.d.)—Liberty County, Texas, can well serve as an object lesson in how a broken border invariably exacerbates the challenges, fiscal and otherwise, of rapid development and population growth.

Previously a predominantly rural jurisdiction (Texas Association of Counties, 2019), Liberty County, some 40 miles northeast of the nation’s fourth most populous city of Houston, is in the midst of a massive transformation. The population explosion is most clearly seen in the county’s Cleveland Independent School District (ISD), where the student population has ballooned from 3,818 students (45% Hispanic) to 6,568 students (74% Hispanic) in just 4 years (2014-2018; Texas Education Agency, 2019a).

According to Cleveland ISD Superintendent Chris Trotter (personal communication, February 18 and April 22, 2020), his district is expected to close the 2019-20 academic year with 7,846 students and reach 13,588 students within the next four years. That growth comes with a steep price tag for taxpayers in the district, who have experienced sustained double-digit growth in their property tax bills and who are now on the hook for hundreds of millions of dollars in school-bond debt to finance increased operating expenses and the construction of several new schools (Mehrtens, 2019). Residents of Cleveland ISD and surrounding areas also face mounting costs for roads as well as adequate law enforcement and fire and emergency services, among other infrastructure needs, to keep pace with the growth.

At the epicenter of the population and school district growth are thousands of acres of land that Colony Ridge Land, LLC, has been developing since 2011 (Colony Ridge Land, LLC, n.d.). Detractors of the development, such as Plum Grove, Texas, Mayor Lee Ann Penton Walker, have accused Colony Ridge of facilitating a massive influx into the county of illegal immigrants. The developers deny the majority of their customers are unlawfully present in the United States and instead see themselves as promoting the values of ownership and the achievement of the American Dream (Bluebonnet News, 2019b; T. Harris, personal communication, February 21 and April 21, 2020, H. Marek, Colony Ridge Land, LLC, senior executive, personal communication, February 21 and April 21, 2020).
Illegal Immigrants in Houston El Norte

The reality is no one knows exactly how many illegal immigrants have taken up residence in recent years in the six master-planned communities known as Houston El Norte. While detractors in nearby Plum Grove have contended that a majority of the approximately 20,000 residents currently living in those communities are not lawfully present in the United States, estimates from county government and school district sources, as well as Colony Ridge itself, are much lower, in the 10-20% or 1,000-2,000 range (J. Knight, personal communication, April 21 and May 7, 2020; C. Trotter, personal communication, February 18 and April 22, 2020; T. Harris, personal communication, February 21 and April 21, 2020).

Prior to the outbreak of the Wuhan coronavirus pandemic, the population of Colony Ridge’s master-planned Houston El Norte communities was on a trajectory to surpass 100,000 in just a few short years. Whether or not the pace of growth is delayed, if conservative estimates hold that means the number of unauthorized immigrants living in the communities is expected to reach the 10,000 to 20,000 range. The “Terrenos Houston” marketing program for these communities features language tailored to appeal to many prospective buyers who are neither U.S. citizens nor lawful residents, such as by indicating that Social Security numbers are not needed (Terrenos Houston, 2019; Terrenos Houston, 2020).

In addition, according to Colony Ridge President John “Trey” Harris and sales manager Heath Marek, Deferred Action for Childhood Arrivals (DACA) beneficiaries also make up a significant number of property owners in the burgeoning communities. Both men make no apologies for specifically tailoring their product to attract Spanish-speaking immigrant families in Harris County, which, at well over one million, is a plentiful market (Data USA, n.d.).

It should also be pointed out that according to the Migration Policy Institute, over 3.7 million unauthorized immigrants currently own homes in the United States. Since they do not possess a valid Social Security number for their loan applications, they typically use an Internal Revenue Service-issued Individual Tax Identification Number (ITIN), an identification that allows foreign nationals to execute such transactions as opening a bank account, paying taxes, and purchasing property (Gogol, 2018).

Based on many years of experience with their customers, Harris and Marek emphasize that the vast majority of the new property owners living in the communities of Houston El Norte, whether lawful immigrants or not, are either tradesmen, entrepreneurs themselves, or otherwise gainfully employed in the Houston metroplex’s vast service and retail industries. As both men see it, they are essentially helping formerly city-dwelling renters become suburban homeowners and taxpayers. Landowners in their communities who fail to pay their property taxes, they point out, lose their properties to foreclosure.

Liberty County’s highest-ranking elected official, Judge Jay Knight, agrees with that assessment. However, Judge Knight is also quick to point out that the unrestricted development that took place during the early years of Houston El Norte initially gave the communities a reputation for shoddy, substandard housing, one from which it is now recovering (Taylor, 2018).

Immediate Impact: Cleveland Independent School District

The communities of Houston El Norte are the principal drivers of the explosive growth of the Cleveland Independent School District. As a result, residents of Texas’s Liberty County city of Cleveland (2018 estimated population of 8,230) and Cleveland ISD, which encompasses approximately 70% of the ongoing Houston El Norte developments, have been the most immediately affected by the area’s rapid population increase (United States Census, n.d.; C. Trotter, personal communication, February 18 and April 22, 2020) and corresponding infrastructure requirements.
Residents of a district that for years registered negligible growth now grapple with jam-packed roads in the mornings and afternoons, particularly around the district’s current sole high school, middle school, and two elementary schools. Many residents resent the hefty fiscal burden that has accompanied the growth and its direct correlation with the arrival of new residents, with both lawful and unlawful status, in Houston El Norte.

Since 2015, taxpayers in the Cleveland ISD have approved over $300 million in bonds issued to finance the construction of three new elementary schools, a new middle school, expansion of the district’s high school, multiple portable classrooms, and new administrative offices. Approval of the last $198 million school bond in November 2019 was by a narrow margin: 720 votes in favor and 613 against (54% vs. 46%). A previous May 2019 attempt to raise $250 million in bonds for the district had been defeated 354 to 312 (53% to 47%) (County Information Resources Agency, 2019; Bluebonnet News, 2019a).

Between the two bond referendums, the school district saw a change in superintendents. Cleveland ISD Superintendent Chris Trotter, who assumed his position in May 2019, emphasized to citizens before the November 2019 vote that approval of the bond issue would not entail a property tax rate increase and that the county’s coffers would benefit as thousands of acres of formerly exempt forest land were in the process of being reclassified to be on the tax rolls (Gutierrez, 2019; C. Trotter, personal communication, February 18 and April 22, 2020). He noted that residents over 65 also benefit from a $13,000 tax exemption, and the district also benefited from the state’s new school finance law, the Texas Plan for Transformational School Finance Reform, enacted in June 2019 (Texas Education Agency, 2019b).

Despite the victory, opposition to saddling the district with hundreds of millions of new debt is still formidable. Out-going County Commissioner James “Boo” Reaves, whose district includes Cleveland ISD, said he voted against the measure, as “there’s no free money” and steep, double-digit property value increases in recent years have placed an increasingly heavy burden on the population in the area (J. Reaves, personal communication, February 20, 2020; Brashier, 2019b). For many residents of Cleveland ISD, it is clear that part of their heavier tax burden, at least in the hundreds of dollars, is directly attributable to the impact of the Houston El Norte population on taxpayer-funded education, law enforcement, and roads.

In a separate interview, Judge Jay Knight acknowledged the recent “aggressive appraisals” and said he totally sympathizes with his fellow taxpayers, but he also indicated that given the area’s proximity to Houston and in comparison to similarly situated jurisdictions, property owners in the area for years have benefitted from relatively low property appraisals. Knight estimates that average property taxes in the county are now in the $4,000 range, an average approximately $1,000 higher than five years ago (J. Knight, personal communication, April 21 and May 7, 2020).

From Unrestricted to Restricted Development
As Knight tells it, when he took office in 2015, he and the Colony Ridge developers did not get along. The biggest problem, he said, was the absence of adequate standards and restrictions on property development. Initially, for example, there were horror stories of people living in shacks of tar paper and wood pallets.

Colony Ridge executives also candidly admit to the “growing pains” that came with the overwhelming response to the opportunity to own one-third to two-acre tracts of land
at affordable, easily financed prices in the $20,000-$30,000 range. “Some of the first ones were the roughest ones,” recalls Heath Marek of the early “pioneer” families that settled in the unrestricted sections of Montebello, their first 500-acre, 900-lot community (H. Marek, personal communication, February 21, 2020).

Working with the county, the developers have subsequently put into place effective restrictions, including the Architectural Control Committee of the Houston El Norte Property Owners Association, which is tasked with ensuring compliance for the benefit of the residents of all six Houston El Norte communities (Houston El Norte Property Owners Association, n.d.).

Another important improvement was the June 2017 creation of Liberty County Municipal Management District (MMD) No. 1, under Chapter 3795 of the Texas Special District Local Laws Code. This initial 5,000-acre district, led by a board of directors with representation from the county, Cleveland ISD, and Colony Ridge, was created, like other MMDs throughout the state, to enable “commercial property owners to work together to supplement City and County services and improvements.” As explained by Colony Ridge’s Trey Harris, the new MMD is now helping to provide the incentives and infrastructure necessary for major commercial developments, including big box retailers and supermarkets like Walmart, HEB, and Home Depot to move into the area, in addition to capturing resulting sales tax revenues (Taylor, 2017).

“We want this to be like The Woodlands,” says Harris of his aspirations for Houston El Norte, which, when fully built out, could encompass more than 25 square miles (over 16,000 acres) and a population of over a quarter million people. It is an aspiration that is not as far-fetched as it first sounds, Harris notes, since, after all, the tony Woodlands of today also had humble origins, starting with low-income housing grants from the government (Hagerty, 2016; T. Harris, personal communication, February 21 and April 21, 2020).

Law Enforcement

If Houston El Norte is ever going to be like The Woodlands, however, it is going to also need a much larger footprint by law enforcement (Criminal Justice Division, 2017). This summer, the Liberty County Sheriff’s Office is slated to open a substation adjacent to one of the community’s new schools. The communities are currently patrolled around the clock by at least two deputies, and the Sheriff’s Office anticipates adding four more in the near future. In addition, Colony Ridge is subsidizing the deputies’ salaries and donating vehicles to the Sheriff’s Office (Liberty County Sheriff’s Office, personal communication, February 20, 2020).

“The families here are more concerned about getting the bad guys out than anyone else is,” says Harris, who says he is all for improving law enforcement and border security. As the scale of the development has grown exponentially, Judge Knight observes that he has seen the developers implement the changes necessary to make Houston El Norte a more attractive place to live for the long term.

“They foreclose on the people who are out of compliance, and the attrition has been clearing it up,” Knight observed. As a testament to the improvements, Knight noted how top national and regional home builders, such as D.R. Horton, First America, and Camden Homes, have been buying lots and are selling from model homes directly in the communities (D.R. Horton, n.d.; First America Homes, n.d.; Camden Homes, 2018).

“Our customers are not as poor as they may look,” said Harris. While the development has typically catered to buyers with little or no credit, who finance their purchases with minimal deposits at steep interest rates, Harris said he is now working to facilitate refinancing at lower rates for his established, creditworthy customers. He adds that his frugal, hardworking customers are often able to pay off their loans early, and cash purchases also happen regularly.
Outlook
Though Houston El Norte is not exempt from the wrench thrown into the entire economy by the reaction to the coronavirus pandemic, various indicators point to an overall positive outlook, including the cooperation of the developer with Cleveland ISD to meet the challenge of surging enrollment. At no cost to Cleveland ISD, Colony Ridge has donated the land tracts, with all utilities, upon which the new elementary schools and junior high school are being built. The developer has also committed to donating the land for a new high school for the district once that is needed (T. Harris, personal communication, February 21 and April 21, 2020).

In addition to being 45 miles away from Houston’s city center, Houston El Norte is adjacent and will have direct access to State Highway 99 (Braate, 2020), the Liberty County portions of which are currently under construction and are expected to be completed in 2022. This will also make it more accessible and attractive within the greater Houston metroplex (Braate, 2020; Texas Department of Transportation, 2020).

Looking at the big picture, Harris, Marek, and Superintendent Trotter agree that despite the fact that illegal immigrants are indeed among the new residents, the vast majority of the newcomers are moving directly from the more urban sectors of Houston, where they have previously been renters. “We’re not just changing lives, we’re changing generations,” said Marek, extolling the multiplier effects of the pride of ownership, turning people into taxpayers (specifically property taxes), and helping people escape from environments where they are more likely to fall into multi-generational cycles of dependence on big government.

At this stage in the massive development, Marek and Harris say they take enormous satisfaction in seeing customer after customer “achieving the American Dream.” Liberty County Judge Jay Knight, who speaks Spanish, agrees that most of the new residents are on the upward track to achieving the American Dream, adding that it is “totally unfair” to malign the communities as “colonias”—the perennially ramshackle and largely lawless communities, often without utility infrastructure, that dot the U.S.-Mexico border region (Texas Low Income Housing Information Service, n.d.). “Trey’s developments have some of the best infrastructure in the county,” says the judge (J. Knight, personal communication, April 21 and May 7, 2020).

Conclusion and Recommendations
Without a doubt, Liberty County and especially longtime residents of Cleveland ISD are experiencing unprecedented pressures, fiscal and otherwise, that stem directly from the rapid addition of tens of thousands of new residents in the communities of Houston El Norte. A significant number of these new residents are not lawfully present in the United States.

Whether the percentage of the new residents who are unlawfully present in the United States is in the 10-20% range or double that, the number is now clearly in the thousands and is headed toward the tens of thousands. By definition, illegal immigration adds an unwelcome, damaging layer of lawlessness to the development that needs to be addressed.

Colony Ridge and their associates can do their part by supporting an increased law enforcement presence by the Liberty County Sheriff’s Office, along with strict enforcement of the covenants of the Houston El Norte Property Owners Association. These steps are essential for the orderly growth of a population center of this magnitude.
Liberty County also has an essential role to play in preventing Houston El Norte from becoming a magnet or sanctuary for unlawful immigration. Like other local jurisdictions around the country, it can participate in the U.S. Immigration and Customs Enforcement (ICE) agency’s 287(g) program or Warrant Service Officer (WSO) program. These programs enable commonsense cooperation between local and federal jurisdictions in immigration law enforcement (U.S. Immigration and Customs Enforcement, n.d.). Participating 287(g) officers and WSO officers, for example, serve administrative warrants and execute arrests on behalf of ICE, but only within the confines of the jails where they work.

Created in May 2019, the WSO program, in particular, is specifically designed for more rural jurisdictions that do not have the budget and personnel resources to participate in the full 287(g) program. As a matter of course, county law enforcement officers should swiftly cooperate with ICE detainer requests. In addition, in order to foster both respect for and compliance with the law in the area, both state and county government officials should strictly enforce applicable business licensing requirements (Von Spakovsky & Stimson, 2019).

Federal authorities, of course, have ultimate responsibility for aligning U.S. immigration laws with the nation’s needs, enforcing those laws, and providing the border security necessary to prevent unlawful entries and overstays. As is also evident, whether authorized to be in the country or not, the vast majority of the new residents in Houston El Norte are net contributors to the region’s economy. They are embracing the values of home ownership as well as ongoing investment in their properties and neighborhoods, behaviors that are closely correlated with fiscal discipline and personal responsibility. As property taxpayers, it is hoped, they should also join the ranks of all Texas taxpayers who favor lower tax burdens across the whole of government.
References


References


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