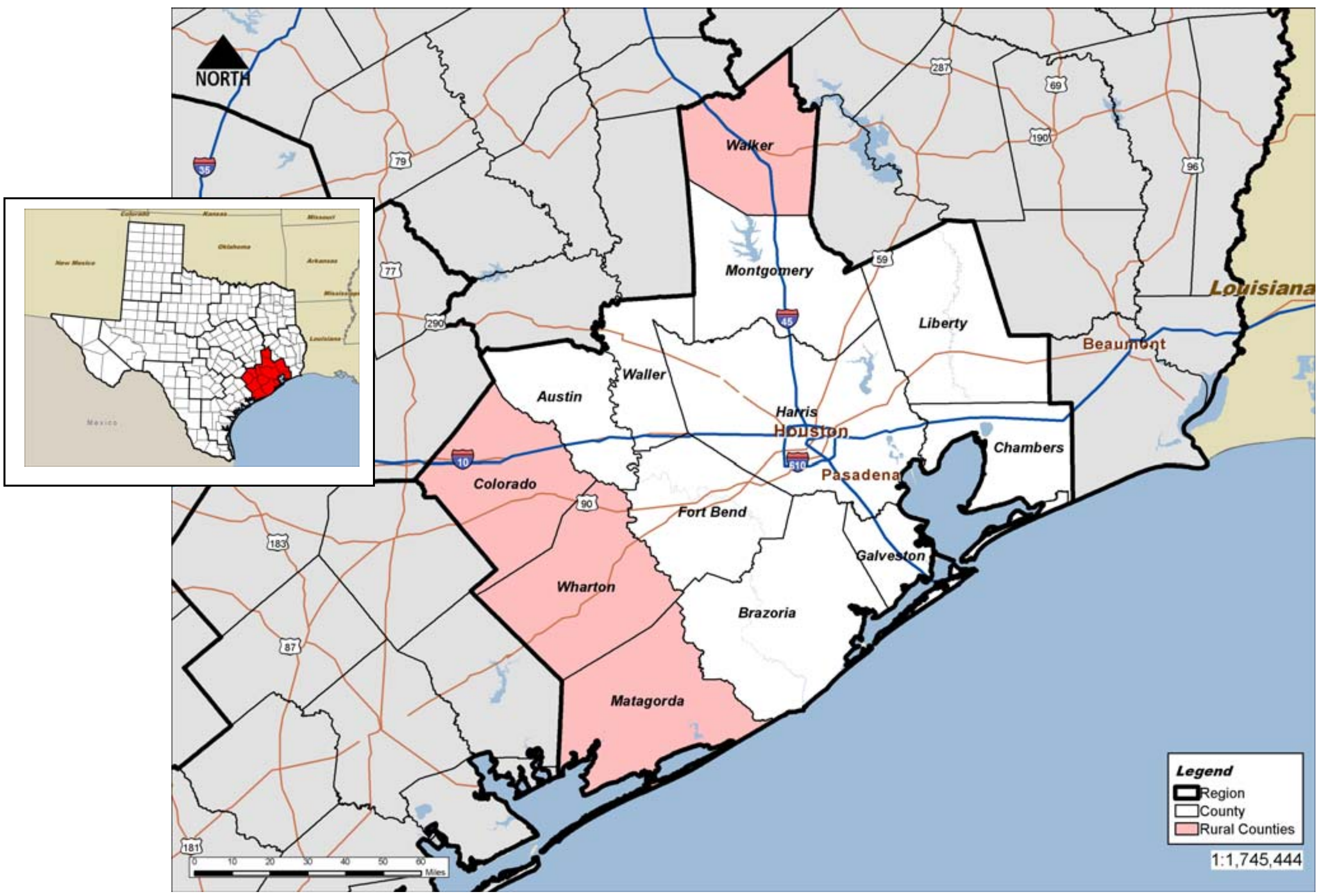
ADDENDUM F - REGION 6 (GULF COAST)

A. INTRODUCTION

Region 6 is located in the southeastern portion of the state of Texas. This region includes at total of 13 counties, of which 4 were classified as rural and were included in the following analysis. The largest rural county in the region is Wharton, with 41,280 people (2010 Census). The following are relevant facts about the region (note: data applies to rural counties studied in this region and does not include non-rural counties):

Region Size: 4,008 square miles
2010 Population Density: 42 persons per square mile
2010 Population: 166,717
2010 Households: 58,177
2010 Median Household Income: $50,649



The following table summarizes the rural designated counties that were included and evaluated in this report, as well as the non-rural counties that were excluded from our analysis:

Rural Counties (Studied) Within Region			
Colorado	Matagorda	Walker	Wharton
Non-Rural Counties (Excluded) Within Region			
Austin	Fort Bend	Harris	Montgomery
Brazoria	Galveston	Liberty	Waller
Chambers			

B. KEY FINDINGS

According to persons we interviewed in the region, affordable work force housing is in great demand in rural areas in the region. Due to the lack of housing, the turnover rate among moderate-income level households such as teachers and police officers has become an issue according to local representatives. The nuclear power plant located near Bay City is expected to expand from two reactors to four creating 2,000 additional short-term construction jobs and 200 permanent positions once the reactors are brought on line. Rental housing for both multifamily and single-family homes, especially during the construction phase, will be at a premium.

Based on the Bowen National Research rental housing inventory count, there are 2,141 affordable rental housing units in the region's study counties. Of those properties we were able to survey, 95.4% were occupied. Based on American Community Survey and U.S. Census data, there are 8,919 manufactured homes in the region. Bowen National Research was able to survey manufactured home parks with 439 lots/homes. These manufactured home parks had an 85.9% occupancy/usage rate, which is comparable to the overall state average of 86.1%. Finally, Bowen National Research identified 789 for-sale housing units in the region. These 789 available homes represent 2.1% of the 37,498 owner-occupied housing units in the region, an indication of limited availability of for-sale housing alternatives. It is of note that 29.0% of the for-sale housing stock is priced below $100,000, which would generally be affordable to those making approximately $30,000 or less annually.

According to area stakeholders, there is a need for family, senior and persons with disabilities housing in the region. This demand is expected to increase when an expansion of the Bay City nuclear power plant takes place. Lack of workforce housing has caused high employee turnover and a loss of working-age adults to urban areas. It was the opinion of area stakeholders that first-time homebuyer programs are needed to retain families in the rural communities in the region. The primary barriers to development in the region include lack of incentives for developers to build in rural areas, lack of infrastructure, and limitations and lack of clarity of city ordinances or land use codes.

Additional key regional findings include:

- Total households within the region are projected to increase by 797, a 1.4% increase between 2010 and 2015. Overall, the number of households in rural regions of Texas is projected to increase by 1.5% during this same time, while the overall state increase will be 8.4%. Among householders age 55 and older within the region, it is projected that this age cohort will increase by 9.0%. The overall rural regions of the state will experience an increase in its older adult (age 55+) households base of 8.5%, while the overall state will increase by 17.6% during this same time period.

- Approximately 45.3% of renters in the region are paying over 30% (cost burdened) of their income towards rent compared to 20.2% of owners in the region who are cost burdened. Statewide, these shares are 44.5% for renters and 25.6% for owners. The greatest share of cost burdened renters and the greatest number of cost burdened renter households is in Walker County. The greatest share of cost burdened homeowners and the greatest number of cost burdened homeowners is in Walker County.

- A total of 5.7% of renter households within the region are considered to be living in overcrowded housing (1.0 or more persons per room) compared to 3.4% of owner households. Statewide, these shares are 7.3% for renters and 3.2% for owners. The greatest share of overcrowded renter-occupied housing is in Colorado County, while the greatest number of overcrowded renter-occupied housing is in Walker County. The highest share among owner-occupied housing and the highest number among owner-occupied housing is within Matagorda County.

- Within the region, the share of renter housing units that lack complete plumbing facilities is 0.5% among renter-occupied units and 0.5% among owner-occupied units. Overall, the state average is 0.8% of renter-occupied units and 0.5% of owner-occupied units lack complete plumbing facilities.

- Total employment within the region increased by 1,207 employees between 2006 and 2011, representing a 1.7% increase. The statewide average increase during this same time period is 6.6%.

- The region's largest industry by total employment is within the Public Administration sector at 15.5%. The largest negative change in employment between 2000 and 2010 was within the Manufacturing industry, losing 3,227 employees; the largest positive change was within the Public Administration sector, increasing by 2,206 jobs.

- Between 2006 and 2011, the region's unemployment rate was at its lowest at 4.7% in 2007 and its highest rate in 2011 at 9.2%, indicating an upward trend in unemployment rates for the region. The state of Texas had unemployment rates ranging from 4.4% to 8.2% during the past six years.

- The overall occupancy rate of surveyed affordable rental-housing units in the region is 94.2%. This is below the statewide average of 97.3% for the rural regions of Texas.

- Of all affordable rental units surveyed in the region, 174 (7.9%) were built before 1970; 356 (16.1%) were built since 2000. A total 1,303 units were built between 1970 and 1989, comprising the largest share at 59.1%.

- The lowest gross rent among rental units surveyed in the region is $283; highest gross rent is $993. This is a wide range and indicates a wide variety of rental housing alternatives offered in the region.

- The estimated number of manufactured homes within the region is 8,919 units with approximately 23.5% renter-occupied and 76.5% owner-occupied. There were a total of 439 manufactured home lots surveyed with 62 available, representing an overall occupancy/usage rate of 85.9%. This is comparable to the state average (86.1%) occupancy rate for manufactured homes.

- Rental rates of manufactured homes surveyed range between $300 and $750/month. The rates fall within the rental rates of the affordable apartments surveyed in the region.

- A total of 789 for-sale housing units were identified within the region that were listed as available for purchase. Less than one-third (29.0%) of the units were priced below $100,000. The average listed price of homes under $100,000 is $70,583, representing a moderate base of affordable for-sale product that is available to low-income households. It should be noted, however, that much of this supply is older (pre-1960) and likely lower quality product that requires repairs or renovations.

- The total affordable housing gap for the entire region was 6,083 rental units and 1,099 for-sale units. This does not mean that the entire region can support 6,083 new rental units and 1,099 new for-sale units. Instead, these numbers are primarily representative of the number of households in the region that are living in cost burdened, overcrowded or substandard housing. Since not all households living in such conditions are willing or able to move if new product is built, only a portion of the units cited above could be supported. Typically, only about 10% of the housing gap within a county can be supported at an individual site. Housing gaps for individual counties are included at the end of this addendum. The largest renter-occupied housing gap and the largest owner-occupied housing gap are in Walker County.

C. DEMOGRAPHICS ANALYSIS

1. POPULATION TRENDS

		Year			
		1990	2000	2010	2015
Colorado County	Population	18,383	20,389	20,874	21,256
	Population Change	-	2,006	485	382
	Percent Change	-	10.9%	2.4%	1.8%
Matagorda County	Population	36,927	37,956	36,702	36,852
	Population Change	-	1,029	-1,254	150
	Percent Change	-	2.8%	-3.3%	0.4%
Walker County	Population	50,916	61,757	67,861	69,196
	Population Change	-	10,841	6,104	1,335
	Percent Change	-	21.3%	9.9%	2.0%
Wharton County	Population	39,954	41,187	41,280	41,200
	Population Change	-	1,233	93	-80
	Percent Change	-	3.1%	0.2%	-0.2%
Sum of Rural Region	Population	146,180	161,289	166,717	168,504
	Population Change	-	15,109	5,428	1,787
	Percent Change	-	10.3%	3.4%	1.1%
Urban Areas	Population	3,750,843	4,693,020	5,920,416	6,541,686
	Population Change		942,176	1,227,396	621,270
	Percent Change		25.1%	26.2%	10.5%
State of Texas	Population	16,986,510	20,851,820	25,145,561	27,291,474
	Population Change	-	3,865,310	4,293,741	2,145,913
	Percent Change	-	22.8%	20.6%	8.5%

Source: 2000 Census; 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The population bases by age are summarized as follows:

		Population by Age						
		<25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+
Colorado County	2000	7,035 34.5%	2,031 10.0%	2,817 13.8%	2,641 13.0%	2,074 10.2%	1,907 9.4%	1,884 9.2%
	2010	6,639 31.8%	2,111 10.1%	2,235 10.7%	2,997 14.4%	2,924 14.0%	1,993 9.5%	1,976 9.5%
	2015	6,555 30.8%	2,234 10.5%	2,128 10.0%	2,622 12.3%	3,297 15.5%	2,435 11.5%	1,986 9.3%
Matagorda County	2000	14,742 38.8%	4,333 11.4%	5,877 15.5%	4,945 13.0%	3,348 8.8%	2,608 6.9%	2,103 5.5%
	2010	13,215 36.0%	4,625 12.6%	4,155 11.3%	5,419 14.8%	4,462 12.2%	2,629 7.2%	2,196 6.0%
	2015	12,910 35.0%	4,865 13.2%	4,072 11.0%	4,593 12.5%	5,042 13.7%	3,140 8.5%	2,230 6.1%
Walker County	2000	25,299 41.0%	9,433 15.3%	9,797 15.9%	7,319 11.9%	4,383 7.1%	3,154 5.1%	2,372 3.8%
	2010	26,976 39.8%	11,131 16.4%	9,451 13.9%	8,046 11.9%	5,907 8.7%	3,320 4.9%	3,031 4.5%
	2015	27,267 39.4%	11,269 16.3%	9,872 14.3%	7,427 10.7%	6,229 9.0%	4,014 5.8%	3,119 4.5%
Wharton County	2000	15,675 38.1%	4,763 11.6%	6,153 14.9%	5,237 12.7%	3,637 8.8%	2,909 7.1%	2,813 6.8%
	2010	14,509 35.1%	5,303 12.8%	4,891 11.8%	5,749 13.9%	4,945 12.0%	3,035 7.4%	2,848 6.9%
	2015	14,212 34.5%	5,257 12.8%	4,907 11.9%	4,914 11.9%	5,477 13.3%	3,638 8.8%	2,795 6.8%
Sum of Rural Region	2000	62,751 38.9%	20,560 12.7%	24,644 15.3%	20,142 12.5%	13,442 8.3%	10,578 6.6%	9,172 5.7%
	2010	61,339 36.8%	23,170 13.9%	20,732 12.4%	22,211 13.3%	18,238 10.9%	10,977 6.6%	10,051 6.0%
	2015	60,944 36.2%	23,625 14.0%	20,979 12.5%	19,556 11.6%	20,045 11.9%	13,227 7.8%	10,130 6.0%
Urban Areas	2000	1,823,815 38.9%	746,954 15.9%	792,414 16.9%	623,913 13.3%	342,138 7.3%	211,133 4.5%	152,653 3.3%
	2010	2,210,466 37.3%	886,112 15.0%	843,020 14.2%	850,466 14.4%	613,507 10.4%	300,996 5.1%	215,847 3.6%
	2015	2,415,446 36.9%	1,002,725 15.3%	891,805 13.6%	844,887 12.9%	726,115 11.1%	419,086 6.4%	241,619 3.7%
State of Texas	2000	8,085,640 38.8%	3,162,083 15.2%	3,322,238 15.9%	2,611,137 12.5%	1,598,190 7.7%	1,142,608 5.5%	929,924 4.5%
	2010	9,368,816 37.3%	3,653,545 14.5%	3,417,561 13.6%	3,485,240 13.9%	2,617,205 10.4%	1,431,667 5.7%	1,171,525 4.7%
	2015	10,067,025 36.9%	4,026,446 14.8%	3,562,076 13.1%	3,432,406 12.6%	3,052,202 11.2%	1,897,495 7.0%	1,253,824 4.6%

Source: 2000 Census; 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The population density for 1990, 2000, 2010 and 2015 are summarized as follows:

		Year			
		1990	2000	2010	2015
Colorado County	Population	18,383	20,389	20,874	21,256
	Area in Square Miles	973.44	973.44	973.44	973.44
	Density	18.9	20.9	21.4	21.8
Matagorda County	Population	36,927	37,956	36,702	36,852
	Area in Square Miles	1,139.32	1,139.32	1,139.32	1,139.32
	Density	32.4	33.3	32.2	32.3
Walker County	Population	50,916	61,757	67,861	69,196
	Area in Square Miles	801.44	801.44	801.44	801.44
	Density	63.5	77.1	84.7	86.3
Wharton County	Population	39,954	41,187	41,280	41,200
	Area in Square Miles	1,094.38	1,094.38	1,094.38	1,094.38
	Density	36.5	37.6	37.7	37.6
Sum of Rural Region	Population	146,180	161,289	166,717	168,504
	Area in Square Miles	4,008.58	4,008.58	4,008.58	4,008.58
	Density	36.5	40.2	41.6	42.0
Urban Areas	Population	3,750,843	4,693,020	5,920,416	6,541,686
	Area in Square Miles	8,299	8,299	8,299	8,299
	Density	452.0	565.5	713.4	788.2
State of Texas	Population	16,986,510	20,851,820	25,145,561	27,291,474
	Area in Square Miles	261,797.12	261,797.12	261,797.12	261,797.12
	Density	64.9	79.6	96.0	104.2

Source: 2000 Census; 2010 Census; ESRI; Urban Decision Group; Bowen National Research

2. HOUSEHOLD TRENDS

Household trends are summarized as follows:

		Year			
		1990	2000	2010	2015
Colorado County	Households	7,024	7,641	8,182	8,337
	Household Change	-	617	541	155
	Percent Change	-	8.8%	7.1%	1.9%
Matagorda County	Households	13,164	13,901	13,894	13,980
	Household Change	-	737	-7	86
	Percent Change	-	5.6%	-0.1%	0.6%
Walker County	Households	14,918	18,303	20,969	21,569
	Household Change	-	3,385	2,666	600
	Percent Change	-	22.7%	14.6%	2.9%
Wharton County	Households	14,210	14,799	15,132	15,110
	Household Change	-	589	333	-22
	Percent Change	-	4.1%	2.3%	-0.1%
Sum of Rural Region	Households	49,316	54,644	58,177	58,996
	Household Change	-	5,328	3,533	819
	Percent Change	-	10.8%	6.5%	1.4%
Urban Areas	Households	1,346,165	1,648,077	2,062,529	2,269,076
	Household Change	-	301,912	414,452	206,547
	Percent Change	-	22.4%	25.1%	10.0%
State of Texas	Households	6,070,937	7,393,354	8,922,933	9,673,279
	Household Change	-	1,322,417	1,529,579	750,346
	Percent Change	-	21.8%	20.7%	8.4%

Source: 2000 Census; 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The household bases by age are summarized as follows:

		Households by Age						
		<25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+
Colorado County	2000	260 3.4%	751 9.8%	1,518 19.9%	1,468 19.2%	1,193 15.6%	1,193 15.6%	1,258 16.5%
	2010	235 2.9%	927 11.3%	1,163 14.2%	1,619 19.8%	1,687 20.6%	1,268 15.5%	1,283 15.7%
	2015	210 2.5%	1,014 12.2%	1,087 13.0%	1,391 16.7%	1,856 22.3%	1,510 18.1%	1,269 15.2%
Matagorda County	2000	676 4.9%	2,102 15.1%	3,246 23.4%	2,704 19.5%	1,955 14.1%	1,809 13.0%	1,409 10.1%
	2010	710 5.1%	2,112 15.2%	2,236 16.1%	3,048 21.9%	2,644 19.0%	1,692 12.2%	1,452 10.5%
	2015	644 4.6%	2,286 16.4%	2,148 15.4%	2,541 18.2%	2,923 20.9%	1,977 14.1%	1,461 10.5%
Walker County	2000	3,096 16.9%	2,987 16.3%	3,502 19.1%	2,963 16.2%	2,182 11.9%	1,986 10.9%	1,587 8.7%
	2010	3,695 17.6%	3,550 16.9%	3,057 14.6%	3,493 16.7%	3,104 14.8%	2,075 9.9%	1,994 9.5%
	2015	3,699 17.1%	3,640 16.9%	3,235 15.0%	3,175 14.7%	3,271 15.2%	2,504 11.6%	2,045 9.5%
Wharton County	2000	653 4.4%	1,965 13.3%	3,289 22.2%	3,048 20.6%	2,064 13.9%	1,880 12.7%	1,900 12.8%
	2010	601 4.0%	2,239 14.8%	2,470 16.3%	3,133 20.7%	2,799 18.5%	1,899 12.5%	1,991 13.2%
	2015	522 3.5%	2,291 15.2%	2,430 16.1%	2,635 17.4%	3,051 20.2%	2,243 14.8%	1,938 12.8%
Sum of Rural Region	2000	4,685 8.6%	7,805 14.3%	11,555 21.1%	10,183 18.6%	7,394 13.5%	6,868 12.6%	6,154 11.3%
	2010	5,241 9.0%	8,828 15.2%	8,926 15.3%	11,293 19.4%	10,234 17.6%	6,934 11.9%	6,720 11.6%
	2015	5,075 8.6%	9,231 15.6%	8,900 15.1%	9,742 16.5%	11,101 18.8%	8,234 14.0%	6,713 11.4%
Urban Areas	2000	93,651 5.7%	339,804 20.6%	436,589 26.5%	352,542 21.4%	200,975 12.2%	130,161 7.9%	94,355 5.7%
	2010	108,880 5.3%	390,121 18.9%	440,611 21.4%	469,391 22.8%	348,882 16.9%	176,954 8.6%	127,690 6.2%
	2015	110,996 4.9%	446,708 19.7%	458,527 20.2%	460,905 20.3%	406,749 17.9%	241,827 10.7%	143,364 6.3%
State of Texas	2000	477,063 6.5%	1,430,025 19.3%	1,800,482 24.4%	1,455,189 19.7%	924,316 12.5%	718,080 9.7%	588,199 8.0%
	2010	535,328 6.0%	1,626,238 18.2%	1,777,887 19.9%	1,914,271 21.5%	1,485,204 16.6%	862,658 9.7%	721,347 8.1%
	2015	542,204 5.6%	1,818,970 18.8%	1,834,258 19.0%	1,869,304 19.3%	1,710,141 17.7%	1,127,683 11.7%	770,719 8.0%

Source: 2000 Census; 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The renter household sizes by tenure within the each county, based on the 2000 Census, 2010 estimates, and projected to 2015, were distributed as follows:

		Persons Per Renter Household					
		1-Person	2-Person	3-Person	4-Person	5-Person	Total
Colorado County	2000	678 38.0%	455 25.5%	299 16.8%	183 10.3%	170 9.5%	1,784 100.0%
	2010	756 38.7%	480 24.6%	324 16.6%	214 10.9%	180 9.2%	1,955 100.0%
	2015	793 39.1%	489 24.1%	326 16.1%	234 11.5%	185 9.1%	2,027 100.0%
Matagorda County	2000	1,590 34.4%	1,069 23.1%	734 15.9%	621 13.4%	606 13.1%	4,619 100.0%
	2010	1,802 38.8%	964 20.7%	693 14.9%	595 12.8%	592 12.7%	4,646 100.0%
	2015	1,943 40.6%	914 19.1%	683 14.3%	618 12.9%	622 13.0%	4,780 100.0%
Walker County	2000	2,471 33.6%	2,395 32.6%	1,333 18.1%	697 9.5%	455 6.2%	7,351 100.0%
	2010	3,262 35.3%	2,828 30.6%	1,686 18.2%	881 9.5%	592 6.4%	9,249 100.0%
	2015	3,217 35.4%	2,670 29.3%	1,688 18.5%	905 9.9%	620 6.8%	9,100 100.0%
Wharton County	2000	1,447 31.3%	1,077 23.3%	765 16.6%	709 15.3%	622 13.5%	4,620 100.0%
	2010	1,664 34.5%	1,086 22.5%	798 16.5%	671 13.9%	610 12.6%	4,829 100.0%
	2015	1,705 35.4%	1,057 21.9%	791 16.4%	651 13.5%	613 12.7%	4,816 100.0%
Sum of Rural Region	2000	6,186 33.7%	4,996 27.2%	3,131 17.0%	2,210 12.0%	1,853 10.1%	18,374 100.0%
	2010	7,484 36.2%	5,358 25.9%	3,501 16.9%	2,361 11.4%	1,974 9.5%	20,679 100.0%
	2015	7,658 37.0%	5,130 24.8%	3,488 16.8%	2,408 11.6%	2,040 9.8%	20,723 100.0%
Urban Areas	2000	216,945 33.5%	159,860 24.7%	105,364 16.3%	80,972 12.5%	83,882 13.0%	647,025 100.0%
	2010	279,388 36.0%	180,547 23.3%	122,708 15.8%	93,344 12.0%	100,120 12.9%	776,106 100.0%
	2015	305,548 36.2%	190,752 22.6%	133,847 15.8%	102,707 12.2%	111,724 13.2%	844,578 100.0%
State of Texas	2000	900,225 33.6%	675,181 25.2%	436,715 16.3%	335,107 12.5%	329,168 12.3%	2,676,395 100.0%
	2010	1,169,147 36.1%	766,951 23.7%	514,648 15.9%	392,300 12.1%	394,534 12.2%	3,237,580 100.0%
	2015	1,276,764 36.4%	807,734 23.0%	558,721 15.9%	431,217 12.3%	437,636 12.5%	3,512,073 100.0%

Source: 2000 Census; 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The owner household sizes by tenure within the counties, based on the 2000 Census, 2010 estimates, and projected to 2015, were distributed as follows:

		Persons Per Owner Household					
		1-Person	2-Person	3-Person	4-Person	5-Person	Total
Colorado County	2000	1,318 22.5%	2,163 36.9%	877 15.0%	839 14.3%	660 11.3%	5,857 100.0%
	2010	1,296 20.8%	2,361 37.9%	919 14.8%	919 14.8%	732 11.8%	6,227 100.0%
	2015	1,277 20.2%	2,420 38.4%	935 14.8%	937 14.8%	742 11.8%	6,310 100.0%
Matagorda County	2000	1,920 20.7%	3,100 33.4%	1,628 17.5%	1,491 16.1%	1,144 12.3%	9,282 100.0%
	2010	2,080 22.5%	3,151 34.1%	1,592 17.2%	1,384 15.0%	1,042 11.3%	9,248 100.0%
	2015	2,106 22.9%	3,218 35.0%	1,549 16.8%	1,329 14.4%	999 10.9%	9,200 100.0%
Walker County	2000	2,369 21.6%	4,208 38.4%	1,751 16.0%	1,503 13.7%	1,121 10.2%	10,952 100.0%
	2010	2,582 22.0%	4,511 38.5%	1,936 16.5%	1,535 13.1%	1,156 9.9%	11,720 100.0%
	2015	2,758 22.1%	4,755 38.1%	2,089 16.8%	1,626 13.0%	1,241 10.0%	12,469 100.0%
Wharton County	2000	2,112 20.7%	3,407 33.5%	1,745 17.1%	1,600 15.7%	1,315 12.9%	10,179 100.0%
	2010	2,102 20.4%	3,466 33.6%	1,921 18.6%	1,532 14.9%	1,282 12.4%	10,303 100.0%
	2015	2,068 20.1%	3,481 33.8%	1,921 18.7%	1,519 14.8%	1,305 12.7%	10,293 100.0%
Sum of Rural Region	2000	7,719 21.3%	12,878 35.5%	6,001 16.5%	5,433 15.0%	4,240 11.7%	36,270 100.0%
	2010	8,060 21.5%	13,489 36.0%	6,368 17.0%	5,370 14.3%	4,212 11.2%	37,498 100.0%
	2015	8,209 21.4%	13,874 36.3%	6,494 17.0%	5,411 14.1%	4,287 11.2%	38,272 100.0%
Urban Areas	2000	165,985 16.6%	314,080 31.4%	182,471 18.2%	183,358 18.3%	155,158 15.5%	1,001,053 100.0%
	2010	216,818 16.9%	418,443 32.5%	240,085 18.7%	226,209 17.6%	184,867 14.4%	1,286,423 100.0%
	2015	242,598 17.0%	471,387 33.1%	265,373 18.6%	244,264 17.1%	200,874 14.1%	1,424,499 100.0%
State of Texas	2000	837,449 17.8%	1,575,067 33.4%	831,761 17.6%	802,092 17.0%	670,590 14.2%	4,716,959 100.0%
	2010	1,008,796 17.7%	1,928,236 33.9%	1,024,767 18.0%	946,252 16.6%	777,302 13.7%	5,685,353 100.0%
	2015	1,098,415 17.8%	2,106,810 34.2%	1,108,772 18.0%	1,010,386 16.4%	836,823 13.6%	6,161,206 100.0%

Source: 2000 Census; 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The population by highest educational attainment within each county, based on the 2010 estimates, is distributed as follows:

		Less Than 9th Grade	High School, No Diploma	High School Graduate	Some College, No Degree	Associate Degree	Bachelor's Degree	Graduate Degree	Total
Colorado County	Number	2,031	1,664	5,277	2,358	864	1,647	727	14,568
	Percent	13.9%	11.4%	36.2%	16.2%	5.9%	11.3%	5.0%	100.0%
Matagorda County	Number	3,092	2,761	8,187	5,021	1,583	2,590	805	24,039
	Percent	12.9%	11.5%	34.1%	20.9%	6.6%	10.8%	3.3%	100.0%
Walker County	Number	3,663	4,903	13,598	7,601	1,635	5,263	2,930	39,593
	Percent	9.3%	12.4%	34.3%	19.2%	4.1%	13.3%	7.4%	100.0%
Wharton County	Number	3,738	2,975	8,590	5,210	2,191	2,976	1,399	27,079
	Percent	13.8%	11.0%	31.7%	19.2%	8.1%	11.0%	5.2%	100.0%
Sum of Rural Region	Number	12,524	12,303	35,652	20,190	6,273	12,476	5,861	105,279
	Percent	11.9%	11.7%	33.9%	19.2%	6.0%	11.9%	5.6%	100.0%
Urban Areas	Number	380,505	366,097	943,945	769,543	237,520	707,829	348,766	3,754,205
	Percent	10.1%	9.8%	25.1%	20.5%	6.3%	18.9%	9.3%	100.0%
State of Texas	Number	1,465,389	1,649,091	3,176,650	2,858,720	668,476	1,996,204	976,012	12,790,542
	Percent	11.5%	12.9%	24.8%	22.4%	5.2%	15.6%	7.6%	100.0%

Source: 2000 Census; ESRI; Urban Decision Group; Bowen National Research

The population by race within the counties, based on 2010 Census estimates, is distributed as follows:

		White Alone	Black or African American Alone	American Indian and Alaskan Native American	Asian Alone	Native Hawaiian and Other Pacific Islander Alone	Some Other Race Alone	Two or More Races	Total
Colorado County	Number	15,676	2,740	125	77	16	1,846	394	20,874
	Percent	75.1%	13.1%	0.6%	0.4%	0.1%	8.8%	1.9%	100.0%
Matagorda County	Number	26,137	4,200	258	719	8	4,530	850	36,702
	Percent	71.2%	11.4%	0.7%	2.0%	0.0%	12.3%	2.3%	100.0%
Walker County	Number	45,511	15,257	302	631	28	4,737	1,395	67,861
	Percent	67.1%	22.5%	0.4%	0.9%	0.0%	7.0%	2.1%	100.0%
Wharton County	Number	29,793	5,817	161	160	2	4,596	751	41,280
	Percent	72.2%	14.1%	0.4%	0.4%	0.0%	11.1%	1.8%	100.0%
Sum of Rural Region	Number	117,117	28,014	846	1,587	54	15,709	3,390	166,717
	Percent	70.2%	16.8%	0.5%	1.0%	0.0%	9.4%	2.0%	100.0%
Urban Areas	Number	3,559,241	1,023,065	38,072	388,884	3,851	728,315	178,988	5,920,416
	Percent	60.1%	17.3%	0.6%	6.6%	0.1%	12.3%	3.0%	100.0%
State of Texas	Number	6,570,152	1,088,836	57,265	307,373	6,353	714,396	178,558	8,922,933
	Percent	73.6%	12.2%	0.6%	3.4%	0.1%	8.0%	2.0%	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The table below summarizes the Hispanic and Non-Hispanic populations within the study counties of Region 6.

County	Total Population	Total Hispanic Population	Percent Hispanic	Total Non-Hispanic Population	Percent Non-Hispanic
Colorado County	20,874	5,452	26.1%	15,422	73.9%
Matagorda County	36,702	14,074	38.3%	22,628	61.7%
Walker County	67,861	11,389	16.8%	56,472	83.2%
Wharton County	41,280	15,445	37.4%	25,835	62.6%
Sum of Rural Region	166,717	46,360	27.8%	120,357	72.2%
Urban Areas	24,978,844	9,414,561	37.7%	15,564,283	62.3%
State of Texas	25,145,561	9,460,921	37.6%	15,684,640	62.4%

The population by ancestry within each county based on 2005-2009 American Community Survey estimates is distributed as follows:

	Top 5 Highest Nationality Shares						
	Nationality 1	Nationality 2	Nationality 3	Nationality 4	Nationality 5	Remaining Nationalities	Total
Colorado County	German (25.8%)	Czech (9.5%)	English (6.8%)	Irish (6.7%)	American (3.6%)	47.6%	23,572
Matagorda County	German (14.3%)	Irish (9.0%)	English (5.7%)	Czech (5.2%)	American (2.9%)	62.9%	42,468
Walker County	American (12.6%)	German (11.6%)	English (8.3%)	Irish (7.7%)	French (2.3%)	57.5%	68,682
Wharton County	German (13.6%)	Czech (13.3%)	Irish (7.6%)	English (3.9%)	American (2.4%)	59.3%	47,644
Sum of Rural Region	German (14.6%)	Irish (7.8%)	American (6.5%)	English (6.4%)	Czech (6.3%)	58.4%	182,366
Urban Areas	German (9.4%)	Irish (6.4%)	English (6.1%)	American (4.5%)	French (2.6%)	71.0%	6,074,971
State of Texas	German (10.4%)	Irish (7.5%)	English (7.0%)	American (5.5%)	French (2.3%)	67.3%	25,910,495

Source: U.S. Census Bureau, 2005-2009 American Community Survey; Urban Decision Group; Bowen National Research

The migration information within each county based on 2005-2009 American Community Survey estimates is distributed as follows:

		Same House	Different House in Same County	Different County Same State	Different County in Different State	Elsewhere	Total
Colorado County	Number	17,334	1,692	1,054	210	19	20,309
	Percent	85.4%	8.3%	5.2%	1.0%	0.1%	100.0%
Matagorda County	Number	31,469	2,657	1,747	470	67	36,410
	Percent	86.4%	7.3%	4.8%	1.3%	0.2%	100.0%
Walker County	Number	46,717	3,520	11,902	816	181	63,136
	Percent	74.0%	5.6%	18.9%	1.3%	0.3%	100.0%
Wharton County	Number	34,573	4,115	1,279	228	143	40,338
	Percent	85.7%	10.2%	3.2%	0.6%	0.4%	100.0%
Sum of Rural Region	Number	130,093	11,984	15,982	1,724	410	160,193
	Percent	81.2%	7.5%	10.0%	1.1%	0.3%	100.0%
Urban Areas	Number	4,434,072	676,556	182,900	131,193	51,351	5,476,072
	Percent	81.0%	12.4%	3.3%	2.4%	0.9%	100.0%
State of Texas	Number	18,934,892	2,702,009	1,042,342	557,097	188,594	23,424,934
	Percent	80.8%	11.5%	4.4%	2.4%	0.8%	100.0%

Source: U.S. Census Bureau, 2005-2009 American Community Survey; ESRI; Urban Decision Group; Bowen National Research

Households by tenure are distributed as follows:

	Household Type	2000 Number	2000 Percent	2010 Number	2010 Percent	2015 Number	2015 Percent
Colorado County	Owner-Occupied	5,857	76.7%	6,227	76.1%	6,310	75.7%
	Renter-Occupied	1,784	23.3%	1,955	23.9%	2,027	24.3%
	Total	7,641	100.0%	8,182	100.0%	8,337	100.0%
Matagorda County	Owner-Occupied	9,282	66.8%	9,248	66.6%	9,200	65.8%
	Renter-Occupied	4,619	33.2%	4,646	33.4%	4,780	34.2%
	Total	13,901	100.0%	13,894	100.0%	13,980	100.0%
Walker County	Owner-Occupied	10,952	59.8%	11,720	55.9%	12,469	57.8%
	Renter-Occupied	7,351	40.2%	9,249	44.1%	9,100	42.2%
	Total	18,303	100.0%	20,969	100.0%	21,569	100.0%
Wharton County	Owner-Occupied	10,179	68.8%	10,303	68.1%	10,293	68.1%
	Renter-Occupied	4,620	31.2%	4,829	31.9%	4,816	31.9%
	Total	14,799	100.0%	15,132	100.0%	15,110	100.0%
Sum of Rural Region	Owner-Occupied	36,270	66.4%	37,498	64.5%	38,272	64.9%
	Renter-Occupied	18,374	33.6%	20,679	35.5%	20,723	35.1%
	Total	54,644	100.0%	58,177	100.0%	58,996	100.0%
Urban Areas	Owner-Occupied	1,001,053	60.7%	1,286,423	62.4%	1,424,499	62.8%
	Renter-Occupied	647,025	39.3%	776,106	37.6%	844,578	37.2%
	Total	1,648,077	100.0%	2,062,529	100.0%	2,269,076	100.0%
State of Texas	Owner-Occupied	4,716,959	63.8%	5,685,353	63.7%	6,161,206	63.7%
	Renter-Occupied	2,676,395	36.2%	3,237,580	36.3%	3,512,073	36.3%
	Total	7,393,354	100.0%	8,922,933	100.0%	9,673,279	100.0%

Source: 2000 Census; 2010 Census; ESRI; Urban Decision Group; Bowen National Research

3. INCOME TRENDS

The distribution of households by income within each county is summarized as follows:

		Households by Income						
		<$10,000	$10,000 - $19,999	$20,000 - $29,999	$30,000 - $39,999	$40,000 - $49,999	$50,000 - $59,999	$60,000+
Colorado County	2000	1,086	1,389	1,088	910	751	711	1,706
	2010	910	1,145	978	912	757	624	2,856
	2015	834	1,006	972	828	790	606	3,301
Matagorda County	2000	2,131	2,216	2,222	1,558	1,454	1,031	3,289
	2010	1,878	2,035	1,829	1,560	1,538	1,029	4,025
	2015	1,775	1,931	1,724	1,617	1,379	1,134	4,420
Walker County	2000	2,810	3,027	2,858	2,221	1,955	1,423	4,010
	2010	2,736	2,906	2,867	2,497	2,028	1,846	6,089
	2015	2,595	2,743	2,750	2,515	2,050	1,803	7,113
Wharton County	2000	2,065	2,415	2,437	1,850	1,520	1,119	3,393
	2010	1,747	1,990	2,172	1,838	1,446	1,277	4,662
	2015	1,606	1,800	1,951	1,803	1,485	1,201	5,264
Sum of Rural Region	2000	8,092	9,047	8,605	6,539	5,680	4,284	12,398
	2010	7,271	8,076	7,846	6,807	5,769	4,776	17,632
	2015	6,810	7,480	7,397	6,763	5,704	4,744	20,098
Urban Areas	2000	144,194	186,459	207,563	198,924	168,233	141,307	601,396
	2010	151,005	186,689	211,352	219,543	199,774	169,765	924,401
	2015	161,501	198,638	225,174	234,983	216,668	185,669	1,046,443
State of Texas	2000	766,921	977,043	1,019,750	938,180	773,525	636,862	2,281,073
	2010	777,984	958,678	1,036,681	1,022,435	906,500	755,169	3,465,486
	2015	815,417	1,001,101	1,089,326	1,082,945	972,338	814,916	3,897,236

Source: 2000 Census; 2010 Census; ESRI; Urban Decision Group; Bowen National Research

		Household Incomes		
		Median Income	Mean Income	HUD 4-Person Median Income
Colorado County	2000	$41,583	$52,682	$36,400
	2010	$51,593	$61,848	$52,900
	2015	$58,018	$69,639	$56,350
Matagorda County	2000	$40,559	$49,104	$43,800
	2010	$49,705	$56,288	$51,300
	2015	$55,327	$62,565	$50,650
Walker County	2000	$42,495	$51,927	$40,200
	2010	$51,666	$61,104	$53,800
	2015	$58,746	$68,639	$57,900
Wharton County	2000	$39,919	$48,924	$40,000
	2010	$48,943	$55,996	$50,800
	2015	$54,299	$62,317	$57,050
Sum of Rural Region	2000	$41,139	$50,659	$40,100
	2010	$50,477	$58,809	$52,200
	2015	$56,598	$65,790	$55,488
Urban Areas	2000	N/A	N/A	N/A
	2010	N/A	N/A	N/A
	2015	N/A	N/A	N/A
State of Texas	2000	$60,903	$45,858	N/A
	2010	$59,323	$74,825	N/A
	2015	$66,417	$85,091	N/A

Source: 2000 Census; 2010 Census; ESRI; HUD; Urban Decision Group; Bowen National Research

The population by poverty status is distributed as follows:

		Income below poverty level:			Income at or above poverty level:			
		<18	18 to 64	65+	<18	18 to 64	65+	Total
Colorado County	Number	1,042	1,575	482	3,608	10,240	2,982	19,929
	Percent	5.2%	7.9%	2.4%	18.1%	51.4%	15.0%	100.0%
Matagorda County	Number	3,240	4,087	619	6,924	17,640	3,854	36,364
	Percent	8.9%	11.2%	1.7%	19.0%	48.5%	10.6%	100.0%
Walker County	Number	2,295	6,808	437	7,926	20,685	5,047	43,198
	Percent	5.3%	15.8%	1.0%	18.3%	47.9%	11.7%	100.0%
Wharton County	Number	2,693	3,131	878	8,523	20,445	4,565	40,235
	Percent	6.7%	7.8%	2.2%	21.2%	50.8%	11.3%	100.0%
Sum of Rural Region	Number	9,270	15,601	2,416	26,981	69,010	16,448	139,726
	Percent	6.6%	11.2%	1.7%	19.3%	49.4%	11.8%	100.0%
Urban Areas	Number	340,072	430,357	49,932	1,234,473	3,038,907	393,321	5,487,062
	Percent	6.2%	7.8%	0.9%	22.5%	55.4%	7.2%	100.0%
State of Texas	Number	1,549,110	2,063,809	279,613	4,992,273	12,306,555	2,016,796	23,208,156
	Percent	6.7%	8.9%	1.2%	21.5%	53.0%	8.7%	100.0%

Source: U.S. Census Bureau, 2005-2009 American Community Survey; Urban Decision Group; Bowen National Research

D. ECONOMIC ANALYSIS

This region is located in the southeastern portion of the state. Primary job sectors in this region include Health Care & Social Assistance and Public Administration. The overall job base has increased by 1,207, or by 1.7%, between 2006 and 2011. The region's unemployment rate ranged from 4.7% to 9.2% over the past six years.

1. EMPLOYMENT BY JOB SECTOR

Employment by industry is illustrated in the following table:

	Largest Industries by County	
	Industry	Percent of Total Employment
Colorado County	Health Care & Social Assistance	15.2%
Matagorda County	Health Care & Social Assistance	19.1%
Walker County	Public Administration	28.3%
Wharton County	Retail Trade	17.1%
Sum of Rural Region	Public Administration	15.5%
Urban Areas	Retail Trade	11.9%
State of Texas	Retail Trade	13.1%

Source: 2000 Census; ESRI; Urban Decision Group; Bowen National Research

Employment by industry growth, between 2000 and 2010, is illustrated in the following table:

	Largest Industry Changes by County between 2000 and 2010	
	Industry	Number of Jobs
Colorado County	Agriculture, Forestry, Fishing & Hunting	-596
Matagorda County	Utilities	-1,257
Walker County	Public Administration	1,957
Wharton County	Agriculture, Forestry, Fishing & Hunting	-990
Sum of Rural Region	Manufacturing	-3,227
Urban Areas	Wholesale Trade	84,567
State of Texas	Health Care & Social Assistance	345,031

Source: 2000 Census; ESRI; Urban Decision Group; Bowen National Research

2. WAGES BY OCCUPATION

Typical Wage by Occupation Type		
Occupation Type	Gulf Coast Texas Nonmetropolitan Area	Texas
Management Occupations	$81,600	$102,840
Business and Financial Occupations	$54,660	$66,440
Computer and Mathematical Occupations	$52,140	$77,400
Architecture and Engineering Occupations	$65,430	$79,590
Community and Social Service Occupations	$40,440	$43,640
Art, Design, Entertainment and Sports Medicine Occupations	$39,820	$46,720
Healthcare Practitioners and Technical Occupations	$54,400	$67,420
Healthcare Support Occupations	$21,680	$24,570
Protective Service Occupations	$38,070	$39,330
Food Preparation and Serving Related Occupations	$18,320	$19,420
Building and Grounds Cleaning and Maintenance Occupations	$20,310	$22,080
Personal Care and Service Occupations	$18,420	$21,400
Sales and Related Occupations	$26,740	$35,650
Office and Administrative Support Occupations	$27,930	$32,400
Construction and Extraction Occupations	$32,790	$36,310
Installation, Maintenance and Repair Occupations	$35,790	$39,730
Production Occupations	$29,760	$32,710
Transportation and Moving Occupations	$28,630	$31,820

Source: U.S. Department of Labor, Bureau of Labor Statistics

3. TOP EMPLOYERS

The 10 largest employers within the Gulf Coast region comprise a total of 8,229 employees. These employers are summarized as follows:

Business	Total Employed	County
Estelle Unit	2,000	Walker County
Sam Houston State University	2,000	Walker County
Criminal Justice Department	1,000	Walker County
Wynne Unit	755	Walker County
Holliday Transfer Facility	499	Walker County
Matagorda General Hospital	400	Matagorda County
Goree Unit	400	Walker County
Huntsville Memorial Hospital	400	Walker County
Greenleaf Nursery	400	Wharton County
Wharton Independent School District	375	Wharton County
Total:	8,229	

Source: InfoGroup

4. EMPLOYMENT GROWTH

The following illustrates the total employment base by county:

		Total Employment					
		2006	2007	2008	2009	2010	2011*
Colorado County	Number	10,205	10,055	10,473	10,055	9,836	9,689
	Change	-	-1.5%	4.2%	-4.0%	-2.2%	-1.5%
Matagorda County	Number	14,824	15,486	15,851	16,055	16,279	15,990
	Change	-	4.5%	2.4%	1.3%	1.4%	-1.8%
Walker County	Number	24,778	24,577	24,867	25,730	25,994	25,826
	Change	-	-0.8%	1.2%	3.5%	1.0%	-0.6%
Wharton County	Number	19,542	19,701	19,909	19,724	19,396	19,051
	Change	-	0.8%	1.1%	-0.9%	-1.7%	-1.8%
Sum of Rural Region	Number	69,349	69,819	71,100	71,564	71,505	70,556
	Change	-	0.7%	1.8%	0.7%	-0.1%	-1.3%
Urban Areas	Number	2,523,627	2,585,526	2,631,054	2,616,442	2,641,325	2,694,600
	Change	-	2.5%	1.8%	-0.6%	1.0%	2.0%
State of Texas	Number	10,757,510	10,914,098	11,079,931	11,071,106	11,264,748	11,464,525
	Change	-	1.5%	1.5%	-0.1%	1.7%	1.8%

Source: U.S. Department of Labor, Bureau of Labor Statistics
*September

5. UNEMPLOYMENT RATES

The following illustrates the total unemployment base by county:

		Unemployment Rate					
		2006	2007	2008	2009	2010	2011*
Colorado County	Rate	4.3%	3.6%	4.0%	6.4%	7.5%	7.9%
	Change	-	-0.7	0.4	2.4	1.1	0.4
Matagorda County	Rate	7.1%	6.0%	6.9%	9.9%	11.3%	11.9%
	Change	-	-1.1	0.9	3.0	1.4	0.6
Walker County	Rate	5.4%	4.8%	5.3%	7.0%	7.6%	8.1%
	Change	-	-0.6	0.5	1.7	0.6	0.5
Wharton County	Rate	4.8%	4.2%	4.5%	7.0%	8.6%	8.8%
	Change	-	-0.6	0.3	2.5	1.6	0.2
Sum of Rural Region	Rate	5.4%	4.7%	5.2%	7.6%	8.7%	9.2%
	Change	-	-0.7	0.5	2.3	1.2	0.5
Urban Areas	Rate	5.0%	4.3%	4.8%	7.6%	8.5%	8.3%
	Change	-	-0.7	0.5	2.7	0.9	-0.2
State of Texas	Rate	4.9%	4.4%	4.9%	7.5%	8.2%	7.9%
	Change	-	-0.5	0.5	2.6	0.7	-0.3

Source: U.S. Department of Labor, Bureau of Labor Statistics
*September

E. HOUSING SUPPLY ANALYSIS

This housing supply analysis considers both rental and for-sale housing. The data collected and analyzed includes primary data collected directly by Bowen National Research and secondary data sources including American Community Survey, U.S. Census housing information and data provided by various government entities such as the Texas Department of Housing and Community Affairs, HUD, Public Housing Authorities and USDA.

At the time this report was prepared, housing-specific data from the 2010 Census was limited to total housing, housing units by tenure, and total vacant units. For the purposes of this supply analysis, as it relates to secondary data, we have used 2010 Census data and ESRI estimates combined with the most recent data from American Community Survey (2005 to 2009) to extrapolate various housing characteristics for 2010, whenever possible.

Rental Housing

Rental housing includes traditional apartments, single-family homes, duplexes, and manufactured/manufactured homes. As part of this analysis, we have collected and analyzed the following data for each study area:

Primary Data (Information Obtained from our Survey of Rentals):

- The Number of Units and Vacancies by Program Type
- Number of Vouchers
- Gross Rents of Tax Credit Projects Surveyed
- Distribution of Surveyed Units by Bedroom Type
- Distribution of Surveyed Units by Year Built
- Square Footage Range by Bedroom Type
- Share of Units with Selected Unit and Project Amenities
- Distribution of Manufactured Homes
- Manufactured Homes Housing Costs
- Manufactured Home Park Occupancy Rates
- Manufactured Housing Project Amenities

Secondary Data (Data Obtained from Published Sources)

- Households by Tenure (2010 Census)
- Housing by Tenure by Year Built (ACS)
- Housing by Tenure by Number of Bedrooms (ACS)
- Housing Units by Tenure by Number of Units in Structure (ACS)
- Median Housing Expenditures by Tenure (ACS)
- Percent of Income Applied to Housing Costs (ACS)
- Number of Occupants Per Room by Tenure (ACS)
- Housing Units by Inclusion/Exclusion of Plumbing Facilities (ACS)
- Distribution of Manufactured Homes
- 10-Year History of Building Permits Issued (SOCDS)

<u>For-Sale Housing</u>

We collected and analyzed for-sale housing for each study area. Overall, 13,881 available housing units were identified in the 13 study regions. We also included residential foreclosure filings from the past 12 months. Additional information collected and analyzed includes:

- Distribution of Available Housing by Price Point (Realtor.com)
- Distribution of Available Housing by Bedrooms (Realtor.com)
- Distribution of Available Housing by Year Built (Realtor.com)
- Distribution of Owner-occupied Housing by Housing Value (U.S. Census & ESRI)
- Foreclosure Rates (RealtyTrac.com)

Please note, the totals in some charts may not equal the sum of individual columns or rows or may vary from the total reported in other tables, due to rounding.

1. RENTAL HOUSING

We identified 2,141 affordable housing units contained in 37 projects within study counties of the region. Bowen National Research surveyed projects with a total of 2,103 units. These units have a combined 94.2% occupancy rate.

The following table summarizes the inventory of all affordable rental housing options by program type that were identified within the rural counties within the region.

Rural Texas Rental Housing Inventory 2011												
	Surveyed Units				Not Surveyed Units				Total Units			
County	TAX	HUD	PH	USDA	TAX	HUD	PH	USDA	TAX	HUD	PH	USDA
Colorado	0	89	0	124	0	0	0	0	0	89	0	124
Matagorda	60	220	92	180	0	0	0	38	60	220	92	218
Walker	514	109	100	0	0	0	0	0	514	109	100	0
Wharton	0	241	150	224	0	0	0	0	0	241	150	224
Region Total	**574**	**659**	**342**	**528**	**0**	**0**	**0**	**38**	**574**	**659**	**342**	**566**

Tax – Tax Credit (both 9% and 4% bond)
HUD – Department of Housing and Urban Development (HUD Sections 8, 202, 236 and 811)
PH – Public Housing
USDA – United States Department of Agriculture (RD 514, 515 and 516)
Note: Unit counts do not include Housing Choice Vouchers, but do include project-based subsidized units

HUD financed projects make up the greatest number of affordable housing units in the region.

A total of 517 Housing Choice Vouchers were issued in the region.

Apartments

The following table summarizes the breakdown of units surveyed within the region. The distribution is illustrated by whether units operate under the Tax Credit program or under subsidy, as well as those that may operate under overlapping programs (Tax Credit/Subsidized).

	Surveyed Projects		
	Units	Vacant	Occ.
<1-BR	902	55	93.9%
2-BR	840	42	95.0%
3+-BR	351	10	97.2%

Source: Bowen National Research Telephone Survey; July-October 2011

	Tax Credit			Tax Credit/Subsidized			Subsidized			Total Units
	Units	Vacant	Occ.	Units	Vacant	Occ.	Units	Vacant	Occ.	
<1-BR	186	32	82.8%	485	23	95.3%	231	0	100.0%	902
2-BR	271	36	86.7%	426	3	99.3%	143	3	97.9%	840
3+-BR	107	10	90.7%	228	0	100.0%	16	0	100.0%	351

Source: Bowen National Research Telephone Survey; July-October 2011

The following is a distribution of units surveyed by year built for the region:

	Year Built					
	<1970	1970-1989	1990-1999	2000-2004	2005+	Total
Number	174	1,303	372	64	292	2,205
Percent	7.9%	59.1%	16.9%	2.9%	13.2%	100.0%

Source: Bowen National Research Telephone Survey; July-October 2011

The following is a distribution of gross rents for units surveyed in the region:

	Tax Credit Gross Rent Range
1-BR	$283 - $693
2-BR	$341 - $815
3-BR	$383 - $993

Source: Bowen National Research Telephone Survey; July-October 2011

The following is a distribution of the range of square footages by bedroom type for units surveyed in the region:

Square Footage		
1-Bedroom	2-Bedroom	3-Bedroom+
500 - 811	610 - 1,100	750 - 1,291

Source: Bowen National Research Telephone Survey; July-October 2011

The distribution of unit amenities for all projects surveyed in the region is as follows:

Unit Amenities (Share Of Units With Feature)										
Range	Refrigerator	Dishwasher	Disposal	Microwave Oven	Window A/C	Central A/C	Washer/ Dryer	Washer/ Dryer Hook-ups	Window Blinds	Patio
100.0%	100.0%	24.3%	24.3%	5.4%	8.1%	91.9%	0.0%	27.0%	91.9%	54.1%

Source: Bowen National Research Telephone Survey; July-October 2011

The distribution of project amenities for all projects surveyed in the region is as follows.

Project Amenities (Share Of Units With Feature)							
On-Site Management	Laundry Facility	Playground	Picnic Area	Storage	Sports Court	Clubhouse	Community Space
75.7%	73.0%	54.1%	48.6%	0.0%	5.4%	18.9%	56.8%

Source: Bowen National Research Telephone Survey; July-October 2011

As part of our survey of rental housing, we identified the number of units set aside for persons with a disability at each rental property. The following table provides a summary of the number of disabled units among the rental housing units surveyed in the market.

Units for Persons with Disabilities		
Total Units	Disabled Units	Percent of Disabled Units
2,141	91	4.3%

Source: Bowen National Research – 2011 Survey

Manufactured Housing

We identified and evaluated manufactured homes (manufactured homes) through a variety of sources, including Bowen National Research's telephone survey of manufactured home parks, TDHCA's Manufactured Housing Division, U.S. Census, American Community Survey, and www.manufacturedhome.net.

The following table summarizes the estimated number of manufactured home rental units based on ACS's 2005-2009 inventory of manufactured homes.

Manufactured Home Units by Type (Rent vs. Own)		
Renter-Occupied	**Owner-Occupied**	**Total**
2,100	6,819	8,919

Source: ACS 2005-2009

The following table illustrates the occupancy/usage percentage of lots within manufactured home parks within the region.

Manufactured Home Park Survey Percent Occupancy/Usage		
Total Lots	**Total Lots Available**	**Percent Occupancy/Usage**
439	62	85.9%

Source: Bowen National Research – 2011 Survey

The following summarizes the ranges of quoted rental rates within the surveyed manufactured home parks for the region. The rates illustrated include fees for only the lot as well as fees for lots that already have a manufactured home available for rent.

Manufactured Home Park Survey Rental Rates Range	
Lot Only	**Lot with Manufactured Home**
$175 - $310	$300 - $750

Source: Bowen National Research – 2011 Survey

As part of the Bowen National Survey, we identified which manufactured home parks included an on-site office and laundry facilities, as well as which facilities included all standard utilities in the rental rates. This information is illustrated for the region in the following table.

Manufactured Home Park Survey Percent of Parks Offering On-Site Amenities & Utilities		
Office	**Laundry Facility**	**All Utilities***
60.0%	40.0%	0.0%

*Project offered all landlord-paid utilities (water, sewer, trash collection and gas)

Secondary Housing Data (US Census and American Community Survey)

In addition to our survey of rental housing, we have also presented and evaluated various housing characteristics and trends based on U.S. Census Data. The tables on the following pages summarize key housing data sets for the region. In cases where 2010 Census data has not been released, we have used ESRI data estimates for 2010 and estimates from the American Community Survey of 2005 to 2009 to extrapolate rental housing data estimates for 2010.

The following table summarizes 2000 and 2010 housing units by tenure and vacant units for the region.

	Housing Status				
	Renter-Occupied	Owner-Occupied	Total Occupied	Vacant	Total Households
2000	18,374	36,269	54,643	11,103	65,746
2010	20,679	37,498	58,177	12,336	70,513

Source: 2000 Census; 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The following is a distribution of all housing units within each County in the region by year of construction.

		Housing by Tenure by Year Built					
		<1970	1970-1989	1990-1999	2000-2004	2005+	Total
Colorado County	Renter	1,019 52.1%	660 33.8%	167 8.5%	84 4.3%	26 1.3%	1,955 100.0%
	Owner	2,776 44.6%	1,806 29.0%	993 15.9%	473 7.6%	179 2.9%	6,227 100.0%
Matagorda County	Renter	1,943 41.8%	2,348 50.5%	239 5.1%	100 2.2%	16 0.3%	4,646 100.0%
	Owner	3,946 42.7%	3,719 40.2%	926 10.0%	465 5.0%	191 2.1%	9,248 100.0%
Walker County	Renter	1,070 11.6%	4,708 50.9%	2,176 23.5%	859 9.3%	436 4.7%	9,249 100.0%
	Owner	1,959 16.7%	5,144 43.9%	3,256 27.8%	1,179 10.1%	182 1.6%	11,720 100.0%
Wharton County	Renter	2,085 43.2%	2,048 42.4%	465 9.6%	230 4.8%	0 0.0%	4,829 100.0%
	Owner	5,197 50.4%	3,067 29.8%	1,232 12.0%	559 5.4%	248 2.4%	10,303 100.0%
Sum of Rural Region	Renter	6,117 29.6%	9,764 47.2%	3,047 14.7%	1,273 6.2%	478 2.3%	20,679 100.0%
	Owner	13,878 37.0%	13,736 36.6%	6,407 17.1%	2,676 7.1%	800 2.1%	37,498 100.0%
Urban Areas	Renter	191,756 24.7%	363,566 46.8%	99,340 12.8%	87,140 11.2%	34,305 4.4%	776,106 100.0%
	Owner	330,662 25.7%	459,674 35.7%	216,793 16.9%	193,646 15.1%	85,648 6.7%	1,286,423 100.0%
State of Texas	Renter	906,296 28.0%	1,383,596 42.7%	466,897 14.4%	350,273 10.8%	130,517 4.0%	3,237,580 100.0%
	Owner	1,701,505 29.9%	1,941,572 34.2%	1,002,690 17.6%	732,282 12.9%	307,303 5.4%	5,685,353 100.0%

Source: U.S. Census Bureau, 2005-2009 American Community Survey; 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The following is a distribution of all housing units within the region by number of bedrooms.

	Number of Bedrooms				
	No Bedroom	1-Bedroom	2-Bedroom	3+-Bedroom	Total
Renter	628	5,179	9,404	5,469	20,679
Owner	72	1,014	7,702	28,711	37,498

Source: U.S. Census Bureau, 2005-2009 American Community Survey; 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The following is a distribution of all housing units within the region by units in structure. Please note other product types such as RVs, Boats, and Vans that are counted by the US Census are not included in the following table.

	Units in Structure					
	1	2-9	10-49	50+	Manufactured Homes	Total
Renter	7,558	5,821	3,405	1,774	2,100	20,679
Owner	30,338	183	41	17	6,819	37,498
Total	37,896	6,004	3,445	1,791	8,919	58,177

Source: U.S. Census Bureau, 2005-2009 American Community Survey; 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Median renter and owner housing expenditures for the subject region, based on the 2005-2009 American Community Survey, are summarized as follows:

Owner	Renter
$1,054	$598

Source: U.S. Census Bureau, 2005-2009 American Community Survey

The following chart provides distributions of occupied housing units by percent of household income applied to the cost of maintaining a residence in each rural county of the region.

		Cost as a Percent of Income				
		Less Than 20%	20% - 29%	30% or More	Not Computed	Total
Colorado County	Renter	599 30.6%	431 22.0%	537 27.5%	388 19.8%	1,955 100.0%
	Owner	3,902 62.7%	1,311 21.1%	994 16.0%	19 0.3%	6,227 100.0%
Matagorda County	Renter	1,183 25.5%	906 19.5%	1,888 40.6%	669 14.4%	4,646 100.0%
	Owner	6,026 65.2%	1,464 15.8%	1,738 18.8%	20 0.2%	9,248 100.0%
Walker County	Renter	1,404 15.2%	1,578 17.1%	4,970 53.7%	1,297 14.0%	9,249 100.0%
	Owner	6,474 55.2%	2,429 20.7%	2,746 23.4%	72 0.6%	11,720 100.0%
Wharton County	Renter	1,288 26.7%	887 18.4%	2,037 42.2%	618 12.8%	4,829 100.0%
	Owner	6,445 62.6%	1,750 17.0%	2,096 20.3%	12 0.1%	10,303 100.0%
Sum of Rural Region	Renter	4,474 21.6%	3,802 18.4%	9,432 45.6%	2,972 14.4%	20,679 100.0%
	Owner	22,847 60.9%	6,954 18.5%	7,574 20.2%	123 0.3%	37,498 100.0%
Urban Areas	Renter	197,227 25.4%	178,774 23.0%	352,710 45.4%	47,394 6.1%	776,106 100.0%
	Owner	627,567 48.8%	300,805 23.4%	349,527 27.2%	8,524 0.7%	1,286,423 100.0%
State of Texas	Renter	788,401 24.4%	742,012 22.9%	1,442,041 44.5%	265,126 8.2%	3,237,580 100.0%
	Owner	2,882,501 50.7%	1,311,320 23.1%	1,453,941 25.6%	37,591 0.7%	5,685,353 100.0%

Source: U.S. Census Bureau, 2005-2009 American Community Survey; 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The following is a distribution of all housing units within the rural counties in the region by number of occupants per room. Occupied units with more than 1.0 person per room are considered overcrowded.

		Occupants per Room			
		Less Than 1.0	1.0 – 1.5	1.5 or More	Total
Colorado County	Renter	1,736 88.8%	144 7.4%	76 3.9%	1,955 100.0%
	Owner	6,068 97.4%	118 1.9%	41 0.7%	6,227 100.0%
Matagorda County	Renter	4,268 91.9%	310 6.7%	68 1.5%	4,646 100.0%
	Owner	8,817 95.3%	299 3.2%	132 1.4%	9,248 100.0%
Walker County	Renter	8,952 96.8%	178 1.9%	119 1.3%	9,249 100.0%
	Owner	11,280 96.2%	360 3.1%	80 0.7%	11,720 100.0%
Wharton County	Renter	4,554 94.3%	162 3.4%	112 2.3%	4,829 100.0%
	Owner	10,087 97.9%	182 1.8%	34 0.3%	10,303 100.0%
Sum of Rural Region	Renter	19,510 94.3%	794 3.8%	375 1.8%	20,679 100.0%
	Owner	36,252 96.7%	959 2.6%	287 0.8%	37,498 100.0%
Urban Areas	Renter	703,324 90.6%	52,305 6.7%	20,476 2.6%	776,106 100.0%
	Owner	1,246,397 96.9%	33,474 2.6%	6,552 0.5%	1,286,423 100.0%
State of Texas	Renter	2,992,816 92.4%	177,803 5.5%	66,961 2.1%	3,237,580 100.0%
	Owner	5,502,669 96.8%	146,079 2.6%	36,605 0.6%	5,685,353 100.0%

Source: U.S. Census Bureau, 2005-2009 American Community Survey; 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The following is a distribution of all housing units by plumbing facilities within the rural counties in the region.

		Plumbing Facilities		
		Complete Plumbing Facilities	Lacking Complete Plumbing Facilities	Total
Colorado County	Renter	1,955 100.0%	0 0.0%	1,955 100.0%
	Owner	6,136 98.5%	91 1.5%	6,227 100.0%
Matagorda County	Renter	4,613 99.3%	33 0.7%	4,646 100.0%
	Owner	9,234 99.8%	14 0.2%	9,248 100.0%
Walker County	Renter	9,230 99.8%	19 0.2%	9,249 100.0%
	Owner	11,665 99.5%	55 0.5%	11,720 100.0%
Wharton County	Renter	4,775 98.9%	54 1.1%	4,829 100.0%
	Owner	10,258 99.6%	45 0.4%	10,303 100.0%
Sum of Rural Region	Renter	20,573 99.5%	106 0.5%	20,679 100.0%
	Owner	37,293 99.5%	205 0.5%	37,498 100.0%
Urban Areas	Renter	771,065 99.4%	5,041 0.6%	776,106 100.0%
	Owner	1,281,067 99.6%	5,356 0.4%	1,286,423 100.0%
State of Texas	Renter	3,211,698 99.2%	25,882 0.8%	3,237,580 100.0%
	Owner	5,657,396 99.5%	27,957 0.5%	5,685,353 100.0%

Source: U.S. Census Bureau, 2005-2009 American Community Survey; 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The following table illustrates single-family and multifamily building permits issued within the region for the past ten years.

Permits	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Multi-Family	217	108	18	281	198	198	608	0	0	436
Single-Family	233	218	249	404	323	316	339	259	218	337
Total	450	326	267	685	521	514	947	259	218	773

Source: SOCDS Building Permits Database at http://socds.huduser.org/permits/index.html

2. FOR-SALE HOUSING

We identified, presented and evaluated for-sale housing data for the region.

The available for-sale housing stock by price point for the region is summarized as follows:

Available For-Sale Housing by Price Point							
Less Than $100k		$100,000-$139,999		$140,999-$199,999		$200,000-$300,000	
Units	Avg. Price	Units	Avg. Price	Units	Avg. Price	Units	Avg. Price
229	$70,583	175	$124,259	226	$168,521	159	$252,208

The distribution of available for-sale units by bedroom type, including the average sales price, is illustrated as follows:

Available For-Sale Housing by Number of Bedrooms									
One-Bedroom		Two-Bedroom		Three-Bedroom		Four-Bedroom		Five-Bedroom+	
Units	Avg. Price	Units	Avg. Price	Units	Avg. Price	Units	Avg. Price	Units	Avg. Price
39	$108,622	189	$131,781	443	$148,631	102	$177,713	8	$226,650

The age of the available for-sale product in the region is summarized in the following table:

Available For-Sale Housing by Year Built									
2006 to Present		2001 to 2005		1991 to 2000		1961 to 1990		1960 & Earlier	
Units	Avg. Price	Units	Avg. Price	Units	Avg. Price	Units	Avg. Price	Units	Avg. Price
68	$181,201	73	$191,724	64	$157,846	374	$142,737	159	$125,090

The following table illustrates estimated housing values based on the 2000 Census and 2010 estimates for owner-occupied units within the region.

	Estimated Home Values						
	<$40,000	$40,000 - $59,999	$60,000 - $79,999	$80,000 - $99,999	$100,000 -$149,999	$150,000 - $199,999	$200,000+
2000	18,374	36,269	54,643	11,103	65,746	18,374	36,269
2010	20,679	37,498	58,177	12,336	70,513	20,679	37,498

Source: 2000 Census; ESRI; Urban Decision Group; Bowen National Research

Foreclosure filings over the past year for this region are summarized in the following table:

	Total Foreclosures (10/2010-9/2011)
Region 6	131

F. STAKEHOLDER INTERVIEWS & DEVELOPMENT BARRIERS

Stakeholder interviews were conducted with over 200 representatives across all 13 rural regions in Texas as well as stakeholders who address housing issues at the state level. Opinions on affordable housing issues were sought from many disciplines throughout the housing industry including local, county, regional and state government officials, developers, housing authorities, finance organizations, grant writers, and special needs advocates. With the vast size and diverse nature of rural areas throughout the state of Texas, these interviews provided valuable information allowing us to complement statistical analysis with local insight and perspectives on those factors that influence and impact development of housing in rural Texas.

Regional stakeholders were asked to respond to the following rural housing issues as they relate to their specific area of Texas as well as their particular area of expertise.

- **Existing Housing Stock**
    - Affordability
    - Availability of subsidized and non-subsidized rental housing
    - Availability of for-sale housing
    - Quantity of affordable multifamily housing versus single-family homes
    - Condition and quality of manufactured housing
    - Quality and age of housing stock (both subsidized and non-subsidized)
    - Location

- **Housing Needs**
    - Segments of the population with the greatest need for affordable housing in rural areas of Texas
    - Type(s) of housing that best meet rural Texas housing needs
    - The need for homebuyer programs versus rental programs
    - New construction versus revitalization of existing housing

- **Housing for Seniors**
    - Affordability
    - Availability
    - Demand for additional housing
    - Accessibility Issues
    - Access to community and social services
    - Obstacles to the development of rural senior housing
    - Transportation issues

- **<u>Housing for Persons with Disabilities</u>**

  - Affordability
  - Availability
  - Demand for additional housing
  - Accessibility Issues
  - Access to community and social services
  - Obstacles to the development of rural housing for persons with disabilities
  - Transportation issues

- **<u>Manufactured Housing</u>**

  - Affordability
  - Availability
  - Quality
  - Demand
  - Role of manufactured housing in rural Texas

- **<u>Barriers to Housing Development</u>**

  - Infrastructure
  - Availability of land
  - Land costs
  - Financing programs
  - Community support
  - Capacity of developers to develop affordable housing in rural Texas
  - Recommendations to reduce or eliminate barriers

- **<u>Residential Development Financing</u>**

  - Rating existing finance options with regard to effectiveness in rural Texas markets
  - Residential development financing options that work well in rural Texas
  - Prioritizing rural development funding
  - How existing finance options may be modified to work better

The following summarizes the general content and consensus (when applicable) of the interviews we conducted and are not necessarily the opinions or conclusions of Bowen National Research.

1. Introduction

Region 6 is located in the Gulf Coast portion of the state of Texas. This region includes the following four counties which were classified as rural.

Counties in Region			
Colorado	Matagorda	Walker	Wharton

Affordable work force housing is in great demand in rural areas in the region. Due to the lack of housing, the turnover rate among moderate-income level households such as teachers and police officers has become an issue according to local representatives. The nuclear power plant located near Bay City is expected to expand from two reactors to four creating 2,000 additional short-term construction jobs and 200 permanent positions once the reactors are brought on line. Rental housing for both multifamily and single-family homes, especially during the construction phase, will be at a premium.

Based on the Bowen National Research rental housing inventory count, there are 2,141 affordable rental housing units in the region's study counties. Of those properties we were able to survey, 95.4% were occupied, with many of the projects maintaining long waiting lists. Based on American Community Survey and U.S. Census data, there are 8,919 manufactured homes in the region. Bowen National Research was able to survey manufactured home parks with 439 lots/homes. These manufactured home parks had an 85.9% occupancy/usage rate, which is comparable to the overall state average of 86.1%. Finally, Bowen National Research identified 789 for-sale housing units in the region. These 789 available homes represent 2.1% of the 37,498 owner-occupied housing units in the region, an indication of limited availability of for-sale housing alternatives. It is of note that 29.0% of the for-sale housing stock is priced below $100,000, which would generally be affordable to those making approximately $30,000 or less annually.

2. Existing Housing Stock

According to local representatives, there is a need for additional affordable housing. Non-subsidized, affordable, rental housing is non-existent in the rural areas within the region and the majority of subsidized and subsidized/ Tax Credit properties are fully occupied. There is a demand for affordable for-sale housing, but little availability.

3. **Housing Need**

Stakeholders that we spoke with believe that underemployed families with low- to moderate-income levels have the greatest need for affordable housing in rural areas of the region, followed by seniors and persons with disabilities. Due to the lack of workforce housing in rural areas, some small cities are experiencing employee turnover rates of 50% to 75%. As residents find jobs closer to urban areas, they are relocating to these areas where housing availability is greater and more varied. If they are already living closer to urban areas they generally do not have to commute. The type of housing in greatest demand would be three-bedroom, affordable owner-occupied, single-family homes and affordable two- and three-bedroom apartments. The First Time Home Buyer program provides the greatest assistance to families in need of housing, but there is typically not enough funding in this program to meet demand. Funding for affordable single-family housing should be the first priority and then additional multifamily development funding.

4. **Housing for Seniors/Persons with Disabilities**

Additional housing for seniors and persons with disabilities is also needed; with one- and two-bedroom affordable rental units best filling this gap in housing. This should also be balanced with rehabilitation and accessibility modifications of owner-occupied senior housing and is needed most in cities with fewer than 10,000 residents. Many nonprofit agencies in the area connect seniors and persons with disabilities with community and social services and this arrangement appears to be the most cost effective means of providing access.

5. **Barriers to Housing Development**

Representatives within this region stated that the most common barriers to development in rural areas of this region are the lack of incentives for developers, lack of infrastructure, and some city and land use ordinances that prohibit manufactured housing. Developers absolutely have the capacity to develop in rural areas in Texas; however, it is much easier and less risky to develop in urban, suburban and exurban areas since construction costs are lower, profit margins are not as slim and there is a larger pool of potential residents

6. **Residential Development Financing**

According to local developers and government officials, equity partners and financing institutions have increased the percentage of funds required to be pledged toward the note well above 20%, and combined with the risk of developing in rural areas and small profit margins this has stifled much needed development.

Developers and private builders tend to build housing in urban areas with populations of greater than 50,000 because it is easier to make the project financially feasible. Incentives need to be put in place to bring developers to the more rural areas, such as additional points in the scoring process for rural area affordable housing development and possibly tax-exempt state or local bonds. Partnerships between TDHCA and rural, nonprofit, housing authorities or for-profit developers would allow TDHCA to more easily and accurately assess needs in rural areas and make sure that funds are distributed most effectively. The down payment and closing cost programs offered work very well in this region of the state and mandatory homeowner education classes associated with these programs bring foreclosure rates down far below typical state averages (.0256 overall foreclosure rate for homeowners attending these classes).

7. Conclusions

There is a need for family, senior and persons with disabilities housing in the region. This demand is expected to increase when an expansion of the Bay City nuclear power plant takes place. Lack of workforce housing has caused high employee turnover and a loss of working-age adults to urban areas. First-time homebuyer programs are needed to retain families in the rural communities in the region. The primary barriers to development in the region include lack of incentives for developers to build in rural areas, lack of infrastructure, and limitations and lack of clarity of city ordinances or land use codes.

G. DEMAND ANALYSIS

Pursuant to the Texas Department of Housing and Community Affairs' RFP, Bowen National Research conducted a housing gap analysis for rental and for-sale housing that considers three income stratifications. These stratifications include households with incomes of up to 30% of Area Median Household Income (AMHI), households with incomes between 31% and 50% of AMHI, and households with incomes between 51% and 80% of AMHI. This analysis identifies demand for additional housing units for the most recent baseline data year (2010) and projected five years (2015) into the future.

The demand components included in each of the two housing types are listed as follows:

Rental Housing Gap Analysis	
Demand Factors	**Supply Factors**
• Renter Household Growth	• Available Rental Housing Units
• Cost Overburdened Households	• Pipeline Units*
• Overcrowded Housing	
• Households in Substandard Housing	

*Units under construction, planned or proposed

For-Sale Housing Gap Analysis	
Demand Factors	**Supply Factors**
• Owner Household Growth	• Available For-Sale Housing Units
• Replacement Housing	• Pipeline Units*

*Units under construction, planned or proposed

The demand factors for each housing segment for each income stratification are combined, as are the housing supply components. The overall supply is deducted from the overall demand to determine the housing gaps (or surpluses) that exist among the income stratifications in each study area.

These supply and demand components are discussed in greater detail on the following pages.

Rental Housing Gap Analysis

We compared various demand components with the available and pipeline housing supply to determine the number of potential units that could be supported in each of the study areas. The following is a narrative of each supply and demand component considered in this analysis of rental housing:

- Renter household growth is a primary demand component for new rental units. Using 2010 Census data and ESRI estimates for renter households by income level for 2010 and 2015, we are able to project the number of new renter households by income level that are expected to be added to each study area.

- *Cost overburdened* households are those renter households that pay more than 35% of their annual household income towards rent. Typically, such households will choose a comparable property (including new affordable housing product) if it is less of a rent burden. For the purposes of this analysis, we have used the share of rent overburdened households from the 2000 Census and applied it to the estimated number of households within each income stratification in 2010.

- *Overcrowded* housing is often considered housing units with 1.01 or more persons per room. These units are often occupied by multi-generational families or large families that are in need of more appropriately-sized and affordable housing units. For the purposes of this analysis, we have used the share of overcrowded housing from the 2000 Census and applied it to the estimated number of households within each income stratification in 2010.

- *Substandard* housing is typically considered product that lacks complete indoor plumbing facilities. Such housing is often considered to be of such poor quality and in disrepair that is should be replaced. For the purposes of this analysis, we have used the share of households living in substandard housing from the 2000 Census and applied it to the estimated number of households within each income stratification in 2010.

- *Available* rental housing is any rental product that is currently available for rent. This includes any units identified through our survey of nearly 900 affordable rental properties identified in the study areas, published listings of available rentals, and rentals disclosed by local realtors or management companies. It is important to note, however, that we only included available units developed under state or federal housing programs, and did not include units that may be offered in the market that were privately financed.

- *Pipeline* housing is housing that is currently under construction or is planned or proposed for development. We identified pipeline housing during our telephone interviews with local and county planning departments and through a review of published listings from housing finance entities such as TDHCA, HUD and USDA.

For-Sale Housing Gap Analysis

This section of the report addresses the market demand for for-sale housing alternatives in the study areas. There are a variety of factors that impact the demand for new for-sale homes within an area. In particular, area and neighborhood perceptions, quality of school districts, socio-economic characteristics, demographics, mobility patterns, and active builders all play a role in generating new home sales. Support can be both internal (households moving within the market) and external (households new to the market).

While new household growth alone is often the primary contributor to demand for new for-sale housing, the lack of significant development of such housing in a market over an extended time period and the age of the existing housing stock are indicators that demand for new housing will also be generated from the need to replace some of the older housing stock. As a result, we have considered two specific sources of demand for new for-sale housing in the study areas:

- New Housing Needed to Meet Projected Household Growth
- Replacement Housing for Functionally Obsolete Housing

These two demand components are combined and then compared with the available for-sale housing supply and any for-sale projects planned for the market to determine if there is a surplus or deficit of for-sale housing. This analysis is conducted on three price point segmentations: Under $100,000, between $100,000 and $139,999, and between $140,000 and $200,000. Housing priced above $200,000 is not considered affordable to low- and moderate-income households, and was therefore not considered in this analysis.

For the purposes of this analysis, we conservatively assume that a homebuyer will be required to make a minimum down payment of $10,000 or 10.0% of the purchase price for the purchase of a new home. Further, we assume that a reasonable down payment will equal approximately 35.0% to 45.0% of a household's annual income. Using this methodology, the following represents the potential purchase price by income level:

Income Level	Down Payment	Maximum Purchase Price
Less Than $29,999	$10,000	Up to $100,000
$30,000-$39,999	$15,000	$100,000-$139,999
$40,000-$49,999	$20,000	$140,000-$199,999
$50,000-$74,999	$25,000	$200,000-$299,999
$75,000-$99,999	$30,000	$300,000-$399,999
$100,000 And Over	$35,000	$400,000+

Naturally, there are cases where a household can afford a higher down payment to purchase a more expensive home. There are also cases in which households purchase a less expensive home although they could afford a higher purchase price. This broad analysis provides the basis in which to estimate the *potential* demand for for-sale housing.

The following is a narrative of each supply and demand component considered in this analysis of for-sale housing:

- *New owner-occupied household growth* within a market is a primary demand component for demand for new for-sale housing. For the purposes of this analysis, we have evaluated growth between 2010 and 2015. The 2010 households by income level are based on ESRI estimates applied to 2010 Census estimates of total households for each study area. The 2015 estimates are based on growth projections by income level by ESRI. The difference between the two household estimates represents the new owner-occupied households that are projected to be added to a study area between 2010 and 2015. These estimates of growth are provided by each income level and corresponding price point that can be afforded.

- *Replacement of functionally obsolete housing* is a demand consideration in most established markets. Given the limited development of new housing units in many rural areas, homebuyers are often limited to choosing from the established housing stock, much of which is considered old and/or often in disrepair and/or functionally obsolete. There are a variety of ways to measure functionally obsolete housing and to determine the number of units that should be replaced. For the purposes of this analysis, we have applied the highest share of any of the following three metrics: cost burdened households, units lacking complete plumbing facilities, and overcrowded units. This resulting housing replacement ratio is then applied to the existing (2010) owner-occupied housing stock to estimate the number of for-sale units that should be replaced in the study areas.

1. Rental Housing

Region 6 is located in the east portion of the state of Texas. This region includes four counties which were classified as rural and were included in this analysis. The following tables summarize the housing gaps by AMHI and county for this region:

	County Level Rental Housing Gap			
	Target Income			Total
	0% - 30%	31% - 50%	51% - 80%	
Colorado County	227	91	117	436
Matagorda County	562	301	71	934
Walker County	1,595	794	759	3,148
Wharton County	786	364	415	1,565
Region Total	3,171	1,550	1,363	6,083

Source: U.S. Census Bureau, 2005-2009 American Community Survey; 2000 Census; 2010 Census; ESRI; Urban Decision Group; Bowen National Research

2. For-Sale Housing

	County Level For-Sale Housing Gap			
	Price Point			Total
	<$100,000	$100,000 to $139,999	$140,000-$200,000	
Colorado County	85	8	92	185
Matagorda County	31	134	-49	116
Walker County	80	162	163	405
Wharton County	60	175	158	393
Region Total	256	479	364	1,099

Source: U.S. Census Bureau, 2005-2009 American Community Survey; 2000 Census; 2010 Census; ESRI; Urban Decision Group; Bowen National Research