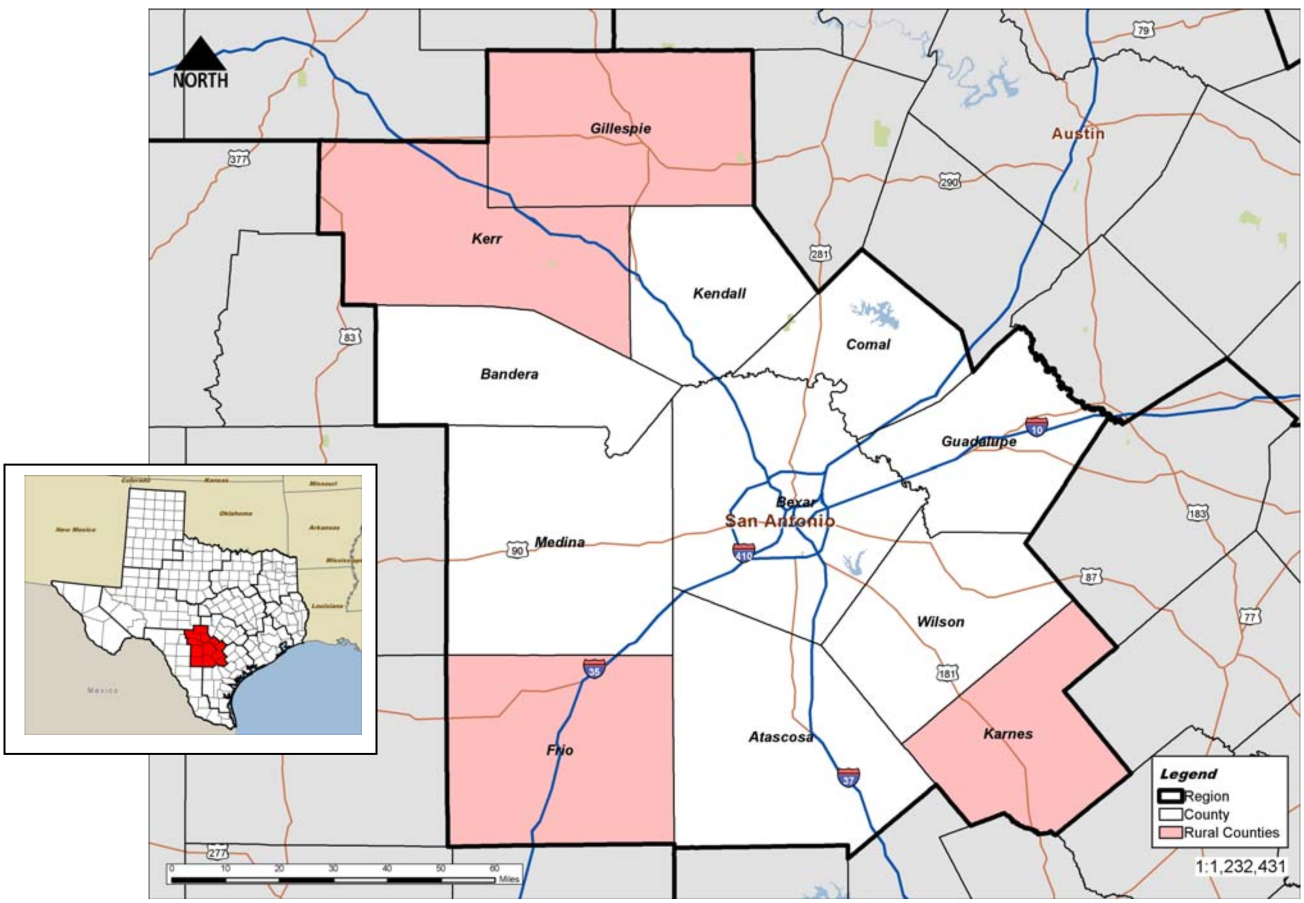
ADDENDUM I - REGION 9 (SAN ANTONIO)

A. INTRODUCTION

Region 9 is located in the south-central portion of the state of Texas. This region includes at total of 12 counties, of which 4 were classified as rural and were included in the following analysis. The largest rural county in the region is Kerr, with 49,625 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: 4,057 square miles
2010 Population Density: 26 persons per square mile
2010 Population: 106,503
2010 Households: 40,439
2010 Median Household Income: $44,060



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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	
Frio	Karnes
Gillespie	Kerr
Non-Rural Counties (Excluded) Within Region	
Atascosa	Guadalupe
Bandera	Kendall
Bexar	Medina
Comal	Wilson

B. KEY FINDINGS

The Eagle Ford Shale Oil boom has played a significant role in the need for additional affordable housing in rural areas of this region. According to local sources, due to the increase in oil production and the resulting rise in the transient work force population associated with the energy extraction industry, rents in the area have doubled or tripled based on demand.

Based on the Bowen National Research rental housing inventory count, there are 1,517 affordable rental housing units in the region's study counties. Of those properties we were able to survey, 96.5% were occupied, with many of the projects maintaining long waiting lists. Based on the American Community Survey and U.S. Census data, there are 6,205 manufactured homes in the region. Bowen National Research was able to survey manufactured home parks with 386 lots/homes. These manufactured home parks had a 98.4% occupancy/usage rate, which is well above the overall state average of 86.1%. Finally, Bowen National Research identified 631 for-sale housing units in the region. These 631 available homes represent 2.1% of the 29,405 owner-occupied housing units in the region, an indication of moderate availability of for-sale housing alternatives. It is of note that only 11.3% of the for-sale housing stock is priced below $100,000, which is a very limited supply of for-sale housing for low-income households.

According to area stakeholders, the influx of energy extraction workers has put a strain on the local housing market, which in turn has contributed to a rapid escalation of housing costs, making much of the housing supply unaffordable to low-income households. Low-income family housing appears to be in the greatest need. Rapidly escalating land costs due to the energy extraction industry boom, limited funding available to developers in rural areas, and lack of infrastructure were cited as the primary barriers to development.

Additional key regional findings include:

- Total households within the region are projected to increase by 1,992, a 4.9% decline 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 11.6%. 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 33.2% of renters in the region are paying over 30% (cost burdened) of their income towards rent compared to 22.0% 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 Kerr County. The greatest share of cost burdened homeowners and the greatest number of cost burdened homeowners is in Kerr County.

- A total of 7.6% of renter households within the region are considered to be living in overcrowded housing (1.0 or more persons per room) compared to 2.6% 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 Karnes County, while the greatest number of overcrowded renter-occupied housing is in Kerr County. The highest share among owner-occupied housing is within Frio County, while the highest number among owner-occupied housing is within Kerr County.

- Within the region, the share of renter housing units that lack complete plumbing facilities is less than 0.1% 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 1,872 employees between 2006 and 2011, representing a 4.2% increase. The statewide average increase during this same time period is 6.6%.

- The region's largest industry by total employment is within the Healthcare and Social Assistance sector at 17.0%. The largest negative change in employment between 2000 and 2010 was within the Agriculture-related industry, losing 1,871 employees; the largest positive change was within the Accommodation and Food Services sector, increasing by 2,165 jobs.

- Between 2006 and 2011, the region's unemployment rate was at its lowest at 3.7% in 2007 and its highest rate in 2011 at 6.6%, 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 96.1%. This is below the statewide average of 97.3% for the rural regions of Texas.

- Of all affordable rental units surveyed in the region, 72 (5.7%) were built before 1970; 490 (38.7%) were built since 2000. The total 490 units which were built since 2000 comprise the largest share at 38.7%.

- The lowest gross rent among rental units surveyed in the region is $304; highest gross rent is $991. 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 6,205 units with approximately 22.5% renter-occupied and 77.6% owner-occupied. There were a total of 386 manufactured home lots surveyed with 6 available, representing an overall occupancy/usage rate of 98.4%. This is well above the state average (86.1%) occupancy rate for manufactured homes.

- Rental rates of manufactured homes surveyed range between $450 and $700/month. The rates fall within the rental rates of the affordable apartments surveyed in the region.

- A total of 631 for-sale housing units were identified within the region that were listed as available for purchase. Slightly over 10% (11.3%) of the units were priced below $100,000. The average listed price of homes under $100,000 is $77,253, representing a relatively small 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 3,072 rental units and 1,227 for-sale units. This does not mean that the entire region can support 3,072 new rental units and 1,227 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 Kerr County.

C. DEMOGRAPHICS ANALYSIS

1. POPULATION TRENDS

		Year			
		1990	2000	2010	2015
Frio County	Population	13,472	16,251	17,217	17,177
	Population Change	-	2,779	966	-40
	Percent Change	-	20.6%	5.9%	-0.2%
Gillespie County	Population	17,203	20,813	24,837	26,581
	Population Change	-	3,610	4,024	1,744
	Percent Change	-	21.0%	19.3%	7.0%
Karnes County	Population	12,455	15,445	14,824	14,733
	Population Change	-	2,990	-621	-91
	Percent Change	-	24.0%	-4.0%	-0.6%
Kerr County	Population	36,303	43,652	49,625	52,443
	Population Change	-	7,349	5,973	2,818
	Percent Change	-	20.2%	13.7%	5.7%
Sum of Rural Region	Population	79,433	96,161	106,503	110,934
	Population Change	-	16,728	10,342	4,431
	Percent Change	-	21.1%	10.8%	4.2%
Urban Areas	Population	1,407,729	1,711,684	2,142,508	2,343,617
	Population Change		303,955	430,824	201,109
	Percent Change		21.6%	25.2%	9.4%
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+
Frio County	2000	6,485 39.9%	2,727 16.8%	2,273 14.0%	1,831 11.3%	1,216 7.5%	961 5.9%	758 4.7%
	2010	6,702 38.9%	2,750 16.0%	2,178 12.7%	1,939 11.3%	1,745 10.1%	1,019 5.9%	883 5.1%
	2015	6,662 38.8%	2,733 15.9%	2,068 12.0%	1,750 10.2%	1,789 10.4%	1,306 7.6%	868 5.1%
Gillespie County	2000	5,636 27.1%	1,778 8.5%	2,631 12.6%	2,846 13.7%	2,613 12.6%	2,638 12.7%	2,671 12.8%
	2010	6,257 25.2%	2,210 8.9%	2,555 10.3%	3,620 14.6%	4,089 16.5%	3,024 12.2%	3,082 12.4%
	2015	6,539 24.6%	2,372 8.9%	2,608 9.8%	3,422 12.9%	4,594 17.3%	3,928 14.8%	3,117 11.7%
Karnes County	2000	5,135 33.2%	2,826 18.3%	2,452 15.9%	1,672 10.8%	1,141 7.4%	1,099 7.1%	1,120 7.3%
	2010	4,676 31.5%	2,832 19.1%	1,973 13.3%	1,825 12.3%	1,447 9.8%	943 6.4%	1,130 7.6%
	2015	4,587 31.1%	2,841 19.3%	1,949 13.2%	1,574 10.7%	1,617 11.0%	1,071 7.3%	1,094 7.4%
Kerr County	2000	12,833 29.4%	4,008 9.2%	5,678 13.0%	5,344 12.2%	4,931 11.3%	5,349 12.3%	5,509 12.6%
	2010	13,618 27.4%	4,482 9.0%	4,857 9.8%	6,844 13.8%	7,361 14.8%	5,953 12.0%	6,510 13.1%
	2015	13,727 26.2%	5,155 9.8%	4,653 8.9%	6,254 11.9%	8,583 16.4%	7,420 14.1%	6,650 12.7%
Sum of Rural Region	2000	30,089 31.3%	11,339 11.8%	13,034 13.6%	11,693 12.2%	9,901 10.3%	10,047 10.4%	10,058 10.5%
	2010	31,253 29.3%	12,274 11.5%	11,563 10.9%	14,228 13.4%	14,642 13.7%	10,939 10.3%	11,605 10.9%
	2015	31,515 28.4%	13,101 11.8%	11,278 10.2%	13,000 11.7%	16,583 14.9%	13,725 12.4%	11,729 10.6%
Urban Areas	2000	659,330 38.5%	248,728 14.5%	266,590 15.6%	217,316 12.7%	134,782 7.9%	100,449 5.9%	84,489 4.9%
	2010	786,867 36.7%	301,499 14.1%	283,015 13.2%	299,687 14.0%	233,249 10.9%	128,644 6.0%	109,546 5.1%
	2015	847,190 36.1%	336,538 14.4%	298,112 12.7%	297,112 12.7%	271,769 11.6%	174,939 7.5%	117,960 5.0%
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
Frio County	Population	13,472	16,251	17,217	17,177
	Area in Square Miles	1,134.31	1,134.31	1,134.31	1,134.31
	Density	11.9	14.3	15.2	15.1
Gillespie County	Population	17,203	20,813	24,837	26,581
	Area in Square Miles	1,061.70	1,061.70	1,061.70	1,061.70
	Density	16.2	19.6	23.4	25.0
Karnes County	Population	12,455	15,445	14,824	14,733
	Area in Square Miles	753.54	753.54	753.54	753.54
	Density	16.5	20.5	19.7	19.6
Kerr County	Population	36,303	43,652	49,625	52,443
	Area in Square Miles	1,107.68	1,107.68	1,107.68	1,107.68
	Density	32.8	39.4	44.8	47.3
Sum of Rural Region	Population	79,433	96,161	106,503	110,934
	Area in Square Miles	4,057.23	4,057.23	4,057.23	4,057.23
	Density	19.6	23.7	26.3	27.3
Urban Areas	Population	1,407,729	1,711,684	2,142,508	2,343,617
	Area in Square Miles	7,333	7,333	7,333	7,333
	Density	192.0	233.4	292.2	319.6
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
Frio County	Households	4,129	4,743	4,854	4,867
	Household Change	-	614	111	13
	Percent Change	-	14.9%	2.3%	0.3%
Gillespie County	Households	6,711	8,521	10,572	11,356
	Household Change	-	1,810	2,051	784
	Percent Change	-	27.0%	24.1%	7.4%
Karnes County	Households	4,337	4,454	4,463	4,446
	Household Change	-	117	9	-17
	Percent Change	-	2.7%	0.2%	-0.4%
Kerr County	Households	14,384	17,813	20,550	21,777
	Household Change	-	3,429	2,737	1,227
	Percent Change	-	23.8%	15.4%	6.0%
Sum of Rural Region	Households	29,561	35,531	40,439	42,446
	Household Change	-	5,970	4,908	2,007
	Percent Change	-	20.2%	13.8%	5.0%
Urban Areas	Households	486,476	601,257	763,022	835,430
	Household Change	-	114,781	161,765	72,408
	Percent Change	-	23.6%	26.9%	9.5%
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+
Frio County	2000	214 4.5%	739 15.6%	953 20.1%	986 20.8%	638 13.5%	602 12.7%	611 12.9%
	2010	252 5.2%	717 14.8%	859 17.7%	951 19.6%	942 19.4%	594 12.2%	541 11.1%
	2015	235 4.8%	724 14.9%	806 16.6%	849 17.4%	961 19.7%	760 15.6%	532 10.9%
Gillespie County	2000	170 2.0%	784 9.2%	1,410 16.5%	1,512 17.7%	1,487 17.5%	1,604 18.8%	1,554 18.2%
	2010	261 2.5%	984 9.3%	1,340 12.7%	1,941 18.4%	2,309 21.8%	1,850 17.5%	1,886 17.8%
	2015	257 2.3%	1,110 9.8%	1,350 11.9%	1,817 16.0%	2,566 22.6%	2,366 20.8%	1,890 16.6%
Karnes County	2000	218 4.9%	534 12.0%	902 20.3%	803 18.0%	595 13.4%	702 15.8%	700 15.7%
	2010	172 3.9%	561 12.6%	681 15.3%	932 20.9%	799 17.9%	590 13.2%	727 16.3%
	2015	141 3.2%	590 13.3%	646 14.5%	794 17.9%	894 20.1%	682 15.3%	699 15.7%
Kerr County	2000	601 3.4%	1,708 9.6%	3,271 18.4%	2,799 15.7%	2,638 14.8%	3,264 18.3%	3,532 19.8%
	2010	707 3.4%	1,958 9.5%	2,596 12.6%	3,679 17.9%	3,946 19.2%	3,606 17.5%	4,057 19.7%
	2015	656 3.0%	2,320 10.7%	2,450 11.3%	3,312 15.2%	4,512 20.7%	4,439 20.4%	4,088 18.8%
Sum of Rural Region	2000	1,203 3.4%	3,765 10.6%	6,536 18.4%	6,100 17.2%	5,358 15.1%	6,172 17.4%	6,397 18.0%
	2010	1,392 3.4%	4,220 10.4%	5,476 13.5%	7,503 18.6%	7,996 19.8%	6,640 16.4%	7,211 17.8%
	2015	1,289 3.0%	4,744 11.2%	5,252 12.4%	6,772 16.0%	8,933 21.0%	8,247 19.4%	7,209 17.0%
Urban Areas	2000	33,615 5.6%	109,368 18.2%	143,767 23.9%	119,307 19.8%	78,976 13.1%	63,746 10.6%	52,478 8.7%
	2010	37,811 5.0%	132,496 17.4%	147,018 19.3%	165,732 21.7%	133,736 17.5%	78,898 10.3%	67,332 8.8%
	2015	37,822 4.5%	150,040 18.0%	153,484 18.4%	162,426 19.4%	153,474 18.4%	105,897 12.7%	72,286 8.7%
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
Frio County	2000	368 25.0%	285 19.4%	265 18.0%	282 19.2%	273 18.5%	1,472 100.0%
	2010	460 29.4%	263 16.8%	295 18.8%	280 17.9%	268 17.1%	1,567 100.0%
	2015	474 30.6%	247 15.9%	276 17.8%	299 19.3%	255 16.4%	1,551 100.0%
Gillespie County	2000	703 36.6%	540 28.1%	316 16.4%	243 12.6%	119 6.2%	1,921 100.0%
	2010	924 35.5%	741 28.5%	463 17.8%	343 13.2%	131 5.0%	2,603 100.0%
	2015	896 34.0%	757 28.7%	514 19.5%	363 13.8%	110 4.2%	2,639 100.0%
Karnes County	2000	310 27.0%	275 23.9%	225 19.6%	185 16.1%	153 13.3%	1,149 100.0%
	2010	373 29.3%	291 22.9%	264 20.8%	186 14.6%	158 12.4%	1,272 100.0%
	2015	346 28.9%	275 23.0%	259 21.7%	171 14.3%	144 12.0%	1,196 100.0%
Kerr County	2000	1,691 35.6%	1,284 27.0%	697 14.7%	584 12.3%	494 10.4%	4,750 100.0%
	2010	2,091 37.4%	1,383 24.7%	837 15.0%	694 12.4%	587 10.5%	5,592 100.0%
	2015	2,258 37.9%	1,438 24.1%	862 14.5%	761 12.8%	646 10.8%	5,965 100.0%
Sum of Rural Region	2000	3,072 33.1%	2,384 25.7%	1,503 16.2%	1,294 13.9%	1,039 11.2%	9,292 100.0%
	2010	3,848 34.9%	2,678 24.3%	1,859 16.8%	1,503 13.6%	1,144 10.4%	11,034 100.0%
	2015	3,974 35.0%	2,717 23.9%	1,911 16.8%	1,594 14.0%	1,155 10.2%	11,351 100.0%
Urban Areas	2000	71,264 33.4%	53,392 25.0%	34,544 16.2%	28,192 13.2%	26,101 12.2%	213,493 100.0%
	2010	99,680 36.3%	64,724 23.6%	42,420 15.5%	34,972 12.7%	32,705 11.9%	274,499 100.0%
	2015	109,301 36.7%	68,059 22.8%	45,871 15.4%	38,506 12.9%	36,339 12.2%	298,077 100.0%
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
Frio County	2000	598 18.3%	984 30.1%	612 18.7%	508 15.5%	569 17.4%	3,271 100.0%
	2010	612 18.6%	910 27.7%	632 19.2%	590 17.9%	543 16.5%	3,287 100.0%
	2015	619 18.7%	933 28.1%	636 19.2%	570 17.2%	557 16.8%	3,316 100.0%
Gillespie County	2000	1,455 22.0%	3,107 47.1%	789 12.0%	698 10.6%	550 8.3%	6,600 100.0%
	2010	1,520 19.1%	3,862 48.5%	993 12.5%	931 11.7%	663 8.3%	7,969 100.0%
	2015	1,600 18.4%	4,302 49.4%	1,078 12.4%	1,048 12.0%	688 7.9%	8,716 100.0%
Karnes County	2000	765 23.1%	1,129 34.2%	548 16.6%	442 13.4%	420 12.7%	3,305 100.0%
	2010	749 23.5%	1,080 33.8%	544 17.0%	429 13.4%	389 12.2%	3,191 100.0%
	2015	763 23.5%	1,122 34.5%	539 16.6%	440 13.5%	385 11.8%	3,250 100.0%
Kerr County	2000	3,143 24.1%	5,978 45.8%	1,711 13.1%	1,265 9.7%	965 7.4%	13,063 100.0%
	2010	3,497 23.4%	6,884 46.0%	2,104 14.1%	1,450 9.7%	1,023 6.8%	14,958 100.0%
	2015	3,677 23.3%	7,282 46.1%	2,236 14.1%	1,563 9.9%	1,054 6.7%	15,812 100.0%
Sum of Rural Region	2000	5,961 22.7%	11,198 42.7%	3,660 13.9%	2,913 11.1%	2,504 9.5%	26,239 100.0%
	2010	6,378 21.7%	12,736 43.3%	4,273 14.5%	3,400 11.6%	2,618 8.9%	29,405 100.0%
	2015	6,659 21.4%	13,639 43.9%	4,489 14.4%	3,621 11.6%	2,684 8.6%	31,094 100.0%
Urban Areas	2000	66,322 17.1%	126,641 32.7%	71,326 18.4%	64,946 16.7%	58,532 15.1%	387,764 100.0%
	2010	84,804 17.4%	164,052 33.6%	90,646 18.6%	79,660 16.3%	69,360 14.2%	488,523 100.0%
	2015	94,538 17.6%	182,166 33.9%	99,068 18.4%	86,187 16.0%	75,397 14.0%	537,354 100.0%
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
Frio County	Number	2,116	1,508	3,202	1,715	496	763	226	10,026
	Percent	21.1%	15.0%	31.9%	17.1%	4.9%	7.6%	2.3%	100.0%
Gillespie County	Number	1,648	1,303	5,757	4,045	1,042	3,070	1,580	18,445
	Percent	8.9%	7.1%	31.2%	21.9%	5.6%	16.6%	8.6%	100.0%
Karnes County	Number	2,070	2,071	3,401	1,478	379	669	333	10,401
	Percent	19.9%	19.9%	32.7%	14.2%	3.6%	6.4%	3.2%	100.0%
Kerr County	Number	2,516	2,733	10,960	7,851	2,290	5,858	3,216	35,424
	Percent	7.1%	7.7%	30.9%	22.2%	6.5%	16.5%	9.1%	100.0%
Sum of Rural Region	Number	8,350	7,615	23,320	15,089	4,207	10,360	5,355	74,296
	Percent	11.2%	10.2%	31.4%	20.3%	5.7%	13.9%	7.2%	100.0%
Urban Areas	Number	122,005	122,995	377,928	298,154	94,400	209,197	111,222	1,335,901
	Percent	9.1%	9.2%	28.3%	22.3%	7.1%	15.7%	8.3%	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 Alaska Native American	Asian Alone	Native Hawaiian and Other Pacific Islander Alone	Some Other Race Alone	Two or More Races	Total
Frio County	Number	13,326	584	85	367	1	2,518	336	17,217
	Percent	77.4%	3.4%	0.5%	2.1%	0.0%	14.6%	2.0%	100.0%
Gillespie County	Number	22,667	89	154	89	11	1,520	307	24,837
	Percent	91.3%	0.4%	0.6%	0.4%	0.0%	6.1%	1.2%	100.0%
Karnes County	Number	10,408	1,377	71	32	2	2,734	200	14,824
	Percent	70.2%	9.3%	0.5%	0.2%	0.0%	18.4%	1.3%	100.0%
Kerr County	Number	43,505	884	355	373	30	3,419	1,059	49,625
	Percent	87.7%	1.8%	0.7%	0.8%	0.1%	6.9%	2.1%	100.0%
Sum of Rural Region	Number	89,906	2,934	665	861	44	10,191	1,902	106,503
	Percent	84.4%	2.8%	0.6%	0.8%	0.0%	9.6%	1.8%	100.0%
Urban Areas	Number	1,617,352	141,468	17,322	45,330	2,681	248,363	69,992	2,142,508
	Percent	75.5%	6.6%	0.8%	2.1%	0.1%	11.6%	3.3%	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 9.

County	Total Population	Total Hispanic Population	Percent Hispanic	Total Non-Hispanic Population	Percent Non-Hispanic
Frio County	17,217	13,401	77.8%	3,816	22.2%
Gillespie County	24,837	4,969	20.0%	19,868	80.0%
Karnes County	14,824	7,376	49.8%	7,448	50.2%
Kerr County	49,625	11,895	24.0%	37,730	76.0%
Sum of Rural Region	106,503	37,641	35.3%	68,862	64.7%
Urban Areas	25,039,058	9,423,280	37.6%	15,615,778	62.4%
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
Frio County	American (6.2%)	German (5.4%)	English (5.3%)	Irish (2.2%)	Polish (1.7%)	79.3%	16,824
Gillespie County	German (35.7%)	English (11.5%)	Irish (10.1%)	American (4.6%)	Scotch-Irish (3.0%)	35.1%	28,864
Karnes County	German (11.7%)	Polish (10.0%)	Irish (5.4%)	English (4.7%)	American (2.0%)	66.3%	16,571
Kerr County	German (21.5%)	English (12.2%)	Irish (11.6%)	French (4.3%)	American (3.9%)	46.5%	56,560
Sum of Rural Region	German (21.3%)	English (10.0%)	Irish (9.0%)	American (4.1%)	French (2.9%)	52.7%	118,819
Urban Areas	German (11.5%)	Irish (6.1%)	English (5.6%)	American (3.7%)	French (2.0%)	71.1%	2,225,558
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
Frio County	Number	13,627	657	1,244	209	253	15,990
	Percent	85.2%	4.1%	7.8%	1.3%	1.6%	100.0%
Gillespie County	Number	20,217	1,521	1,224	149	81	23,192
	Percent	87.2%	6.6%	5.3%	0.6%	0.3%	100.0%
Karnes County	Number	10,699	697	3,031	224	361	15,012
	Percent	71.3%	4.6%	20.2%	1.5%	2.4%	100.0%
Kerr County	Number	37,112	5,474	3,380	831	160	46,957
	Percent	79.0%	11.7%	7.2%	1.8%	0.3%	100.0%
Sum of Rural Region	Number	81,655	8,349	8,879	1,413	855	101,151
	Percent	80.7%	8.3%	8.8%	1.4%	0.8%	100.0%
Urban Areas	Number	1,576,675	240,530	66,285	52,825	13,892	1,950,207
	Percent	80.8%	12.3%	3.4%	2.7%	0.7%	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:

		2000		2010		2015	
	Household Type	Number	Percent	Number	Percent	Number	Percent
Frio County	Owner-Occupied	3,271	69.0%	3,287	67.7%	3,316	68.1%
	Renter-Occupied	1,472	31.0%	1,567	32.3%	1,551	31.9%
	Total	4,743	100.0%	4,854	100.0%	4,867	100.0%
Gillespie County	Owner-Occupied	6,600	77.5%	7,969	75.4%	8,716	76.8%
	Renter-Occupied	1,921	22.5%	2,603	24.6%	2,639	23.2%
	Total	8,521	100.0%	10,572	100.0%	11,356	100.0%
Karnes County	Owner-Occupied	3,305	74.2%	3,191	71.5%	3,250	73.1%
	Renter-Occupied	1,149	25.8%	1,272	28.5%	1,196	26.9%
	Total	4,454	100.0%	4,463	100.0%	4,446	100.0%
Kerr County	Owner-Occupied	13,063	73.3%	14,958	72.8%	15,812	72.6%
	Renter-Occupied	4,750	26.7%	5,592	27.2%	5,965	27.4%
	Total	17,813	100.0%	20,550	100.0%	21,777	100.0%
Sum of Rural Region	Owner-Occupied	26,239	73.8%	29,405	72.7%	31,094	73.3%
	Renter-Occupied	9,292	26.2%	11,034	27.3%	11,351	26.7%
	Total	35,531	100.0%	40,439	100.0%	42,446	100.0%
Urban Areas	Owner-Occupied	387,764	64.5%	488,523	64.0%	537,354	64.3%
	Renter-Occupied	213,493	35.5%	274,499	36.0%	298,077	35.7%
	Total	601,257	100.0%	763,022	100.0%	835,430	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 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+
Frio County	2000	1,013 21.4%	974 20.5%	829 17.5%	593 12.5%	474 10.0%	358 7.5%	502 10.6%
	2010	825 17.0%	800 16.5%	713 14.7%	620 12.8%	464 9.6%	433 8.9%	998 20.6%
	2015	741 15.2%	720 14.8%	660 13.6%	593 12.2%	475 9.8%	407 8.4%	1,272 26.1%
Gillespie County	2000	779 9.1%	1,132 13.3%	1,354 15.9%	1,229 14.4%	1,189 14.0%	778 9.1%	2,060 24.2%
	2010	725 6.9%	887 8.4%	1,176 11.1%	1,248 11.8%	1,120 10.6%	1,073 10.1%	4,343 41.1%
	2015	693 6.1%	805 7.1%	1,051 9.3%	1,188 10.5%	1,109 9.8%	1,055 9.3%	5,455 48.0%
Karnes County	2000	777 17.4%	868 19.5%	827 18.6%	537 12.1%	303 6.8%	358 8.0%	784 17.6%
	2010	619 13.9%	697 15.6%	680 15.2%	577 12.9%	426 9.5%	267 6.0%	1,197 26.8%
	2015	556 12.5%	614 13.8%	609 13.7%	582 13.1%	422 9.5%	316 7.1%	1,348 30.3%
Kerr County	2000	1,978 11.1%	2,850 16.0%	2,933 16.5%	2,585 14.5%	1,891 10.6%	1,468 8.2%	4,108 23.1%
	2010	1,788 8.7%	2,404 11.7%	2,653 12.9%	2,537 12.3%	2,340 11.4%	1,863 9.1%	6,963 33.9%
	2015	1,704 7.8%	2,186 10.0%	2,485 11.4%	2,533 11.6%	2,319 10.6%	2,001 9.2%	8,550 39.3%
Sum of Rural Region	2000	4,547 12.8%	5,824 16.4%	5,943 16.7%	4,944 13.9%	3,857 10.9%	2,962 8.3%	7,454 21.0%
	2010	3,957 9.8%	4,788 11.8%	5,222 12.9%	4,982 12.3%	4,350 10.8%	3,636 9.0%	13,501 33.4%
	2015	3,694 8.7%	4,325 10.2%	4,805 11.3%	4,896 11.5%	4,325 10.2%	3,779 8.9%	16,625 39.2%
Urban Areas	2000	60,201 10.0%	80,789 13.4%	85,377 14.2%	80,781 13.4%	66,916 11.1%	55,236 9.2%	171,957 28.6%
	2010	65,990 8.6%	83,584 11.0%	92,923 12.2%	92,322 12.1%	80,806 10.6%	68,350 9.0%	279,051 36.6%
	2015	70,444 8.4%	88,876 10.6%	99,322 11.9%	98,977 11.8%	88,033 10.5%	74,527 8.9%	315,247 37.7%
State of Texas	2000	766,921 10.4%	977,043 13.2%	1,019,750 13.8%	938,180 12.7%	773,525 10.5%	636,862 8.6%	2,281,073 30.9%
	2010	777,984 8.7%	958,678 10.7%	1,036,681 11.6%	1,022,435 11.5%	906,500 10.2%	755,169 8.5%	3,465,486 38.8%
	2015	815,417 8.4%	1,001,101 10.3%	1,089,326 11.3%	1,082,945 11.2%	972,338 10.1%	814,916 8.4%	3,897,236 40.3%

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

		Households Income		
		Median Income	Mean Income	HUD 4-Person Median Income
Frio County	2000	$26,795	$34,737	$23,700
	2010	$32,416	$39,733	$34,000
	2015	$37,392	$44,619	$45,750
Gillespie County	2000	$45,274	$57,211	$42,300
	2010	$54,339	$65,479	$60,000
	2015	$60,495	$74,249	$77,550
Karnes County	2000	$30,581	$41,853	$27,500
	2010	$37,354	$45,634	$39,000
	2015	$43,499	$50,453	$55,200
Kerr County	2000	$40,711	$55,060	$40,300
	2010	$50,766	$63,868	$51,900
	2015	$57,019	$72,423	$58,350
Sum of Rural Region	2000	$35,840	$47,215	$33,450
	2010	$43,719	$53,679	$46,225
	2015	$49,601	$60,436	$59,213
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
Frio County	Number	1,127	1,389	486	3,241	6,493	1,467	14,203
	Percent	7.9%	9.8%	3.4%	22.8%	45.7%	10.3%	100.0%
Gillespie County	Number	357	922	289	4,442	11,680	5,018	22,708
	Percent	1.6%	4.1%	1.3%	19.6%	51.4%	22.1%	100.0%
Karnes County	Number	254	1,119	320	973	4,900	1,326	8,892
	Percent	2.9%	12.6%	3.6%	10.9%	55.1%	14.9%	100.0%
Kerr County	Number	2,368	3,152	635	7,770	20,893	10,306	45,124
	Percent	5.2%	7.0%	1.4%	17.2%	46.3%	22.8%	100.0%
Sum of Rural Region	Number	4,106	6,582	1,730	16,426	43,966	18,117	90,927
	Percent	4.5%	7.2%	1.9%	18.1%	48.4%	19.9%	100.0%
Urban Areas	Number	121,270	160,089	25,722	417,453	1,025,750	179,161	1,929,445
	Percent	6.3%	8.3%	1.3%	21.6%	53.2%	9.3%	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 central portion of the state. Primary job sectors in this region include Educational Services and Retail Trade. The overall job base has increased by 1,872, or by 4.2%, between 2006 and 2011. The region's unemployment rate ranged from 3.7% to 6.6% over the past six years.

1. EMPLOYMENT BY JOB SECTOR

Employment by industry is illustrated in the following table:

	Largest Industry by County	
	Industry	Percent of Total Employment
Frio County	Educational Services	15.4%
Gillespie County	Retail Trade	20.0%
Karnes County	Educational Services	23.1%
Kerr County	Health Care & Social	19.9%
Sum of Rural Region	Health Care & Social Assistance	17.0%
Urban Areas	Retail Trade	14.8%
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 between 2000 and 2010	
	Industry	Number of Jobs
Frio County	Agriculture, Forestry, Fishing & Hunting	-600
Gillespie County	Retail Trade	624
Karnes County	Agriculture, Forestry, Fishing & Hunting	-294
Kerr County	Accommodation & Food Services	1,758
Sum of Rural Region	Accommodation & Food Services	2,165
Urban Areas	Health Care & Social Assistance	30,420
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	Central Texas Nonmetropolitan Area	Texas
Management Occupations	$81,910	$102,840
Business and Financial Occupations	$51,410	$66,440
Computer and Mathematical Occupations	$57,960	$77,400
Architecture and Engineering Occupations	$56,860	$79,590
Community and Social Service Occupations	$39,660	$43,640
Art, Design, Entertainment and Sports Medicine Occupations	$36,590	$46,720
Healthcare Practitioners and Technical Occupations	$52,680	$67,420
Healthcare Support Occupations	$22,510	$24,570
Protective Service Occupations	$32,840	$39,330
Food Preparation and Serving Related Occupations	$18,690	$19,420
Building and Grounds Cleaning and Maintenance Occupations	$21,970	$22,080
Personal Care and Service Occupations	$22,810	$21,400
Sales and Related Occupations	$27,270	$35,650
Office and Administrative Support Occupations	$28,810	$32,400
Construction and Extraction Occupations	$32,630	$36,310
Installation, Maintenance and Repair Occupations	$36,410	$39,730
Production Occupations	$30,830	$32,710
Transportation and Moving Occupations	$28,740	$31,820

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

3. TOP EMPLOYERS

The 10 largest employers within the San Antonio region comprise a total of 5,530 employees. These employers are summarized as follows:

Business	Total Employed	County
Peterson Hospital	800	Kerr County
Peterson Regional Medical Center	785	Kerr County
Hill Country Memorial Hospital	650	Gillespie County
Kerrville State Hospital	600	Kerr County
Walmart Supercenter	500	Kerr County
VA Medical Center-Kerrville	451	Kerr County
Southwest Texas Veteran Healthcare	450	Kerr County
U.S. Veterans Medical Center	449	Kerr County
Criminal Justice Department	445	Karnes County
H-E-B Foods	400	Kerr County
Total:	5,530	

Source: InfoGroup

4. EMPLOYMENT GROWTH

The following illustrates the total employment base by county:

		Total Employment					
		2006	2007	2008	2009	2010	2011*
Frio County	Number	6,100	6,180	6,476	6,881	7,039	7,278
	Change	-	1.3%	4.8%	6.3%	2.3%	3.4%
Gillespie County	Number	12,378	12,530	12,747	13,078	13,046	12,973
	Change	-	1.2%	1.7%	2.6%	-0.2%	-0.6%
Karnes County	Number	4,990	4,899	4,960	4,988	5,011	4,982
	Change	-	-1.8%	1.2%	0.6%	0.5%	-0.6%
Kerr County	Number	21,551	21,726	22,103	21,970	21,746	21,658
	Change	-	0.8%	1.7%	-0.6%	-1.0%	-0.4%
Sum of Rural Region	Number	45,019	45,335	46,286	46,917	46,842	46,891
	Change	-	0.7%	2.1%	1.4%	-0.2%	0.1%
Urban Areas	Number	872,519	884,048	898,322	901,279	916,220	921,867
	Change	-	1.3%	1.6%	0.3%	1.7%	0.6%
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*
Frio County	Rate	5.4%	4.9%	5.5%	7.5%	7.6%	7.5%
	Change	-	-0.5	0.6	2.0	0.1	-0.1
Gillespie County	Rate	3.3%	2.8%	3.1%	4.4%	4.8%	5.1%
	Change	-	-0.5	0.3	1.3	0.4	0.3
Karnes County	Rate	6.1%	5.6%	6.0%	9.0%	9.4%	9.0%
	Change	-	-0.5	0.4	3.0	0.4	-0.4
Kerr County	Rate	4.1%	3.5%	4.1%	5.8%	6.2%	6.6%
	Change	-	-0.6	0.6	1.7	0.4	0.4
Sum of Rural Region	Rate	4.3%	3.7%	4.2%	6.0%	6.4%	6.6%
	Change	-	-0.5	0.5	1.8	0.4	0.2
Urban Areas	Rate	4.6%	4.1%	4.7%	6.7%	7.3%	7.5%
	Change	-	-0.5	0.6	2.0	0.7	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)

For-Sale Housing

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 1,517 affordable housing units contained in 27 projects within study counties of the region. Bowen National Research surveyed projects with a total of 1,235 units. These units are 96.1% occupied.

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**
Frio	68	0	80	176	0	63	0	36	68	63	80	212
Gillespie	220	23	0	48	0	0	0	0	220	23	0	48
Karnes	76	0	80	92	24	0	51	32	100	0	131	124
Kerr	226	98	0	48	76	0	0	0	302	98	0	48
Region Total	**590**	**121**	**160**	**364**	**100**	**63**	**51**	**68**	**690**	**184**	**211**	**432**

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

Tax Credit units represent the largest number of units in the region.

A total of 186 Housing Choice Vouchers were issued in the region.

The following table summarizes the inventory of all Public Housing projects and units, low rent projects and units under development, and HUD Section 8 projects and units identified within the region. The following numbers were provided by TDHCA.

Rural Texas Public Housing Inventory 2011		
PH Projects	**PH Units**	**Vouchers**
5	211	186

PH – Public Housing

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	468	13	97.2%
2-BR	546	33	94.0%
3+-BR	219	4	98.2%

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	180	13	92.8%	248	0	100.0%	40	0	100.0%	468
2-BR	295	33	88.8%	205	0	100.0%	46	0	100.0%	546
3+-BR	114	4	96.5%	85	0	100.0%	20	0	100.0%	219

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	72	358	346	48	442	1,266
Percent	5.7%	28.3%	27.3%	3.8%	34.9%	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	\$304 - \$769
2-BR	\$412 - \$891
3-BR	\$696 - \$991

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+
400 - 1,072	700 - 1,072	850 - 1,264

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%	37.0%	37.0%	18.5%	18.5%	88.9%	3.7%	63.0%	96.3%	74.1%

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
77.8%	66.7%	44.4%	63.0%	7.4%	11.1%	25.9%	59.3%

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
1,517	11	0.7%

Source: Bowen National Research – 2011 Survey

Manufactured Housing

We identified and evaluated 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
1,394	4,812	6,205

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
386	6	98.4%

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
\$150 - \$260	\$450 - \$700

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*
100.0%	60.0%	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	9,292	26,238	35,530	5,738	41,268
2010	11,034	29,405	40,439	7,666	48,105

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
Frio County	Renter	516 32.9%	795 50.7%	210 13.4%	46 2.9%	0 0.0%	1,567 100.0%
	Owner	1,317 40.1%	1,222 37.2%	622 18.9%	115 3.5%	10 0.3%	3,287 100.0%
Gillespie County	Renter	745 28.6%	1,113 42.8%	511 19.6%	129 5.0%	104 4.0%	2,603 100.0%
	Owner	2,560 32.1%	2,453 30.8%	1,410 17.7%	1,135 14.2%	410 5.1%	7,969 100.0%
Karnes County	Renter	577 45.4%	423 33.3%	228 17.9%	42 3.3%	2 0.2%	1,272 100.0%
	Owner	1,618 50.7%	860 27.0%	413 12.9%	258 8.1%	42 1.3%	3,191 100.0%
Kerr County	Renter	1,574 28.1%	2,913 52.1%	506 9.0%	497 8.9%	102 1.8%	5,592 100.0%
	Owner	3,599 24.1%	6,627 44.3%	2,700 18.1%	1,508 10.1%	524 3.5%	14,958 100.0%
Sum of Rural Region	Renter	3,412 30.9%	5,244 47.5%	1,455 13.2%	714 6.5%	208 1.9%	11,034 100.0%
	Owner	9,094 30.9%	11,162 38.0%	5,145 17.5%	3,016 10.3%	986 3.4%	29,405 100.0%
Urban Areas	Renter	76,514 27.9%	117,267 42.7%	36,336 13.2%	30,914 11.3%	13,470 4.9%	274,499 100.0%
	Owner	149,674 30.6%	154,468 31.6%	88,081 18.0%	63,897 13.1%	32,405 6.6%	488,523 100.0%
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	258	1,748	4,906	4,123	11,034
Owner	50	1,028	7,474	20,852	29,405

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	5,728	3,091	498	220	1,394	11,034
Owner	24,346	107	32	0	4,812	29,405
Total	30,073	3,198	530	220	6,205	40,439

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
$1,070	$616

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
Frio County	Renter	491 31.3%	298 19.0%	331 21.1%	446 28.5%	1,567 100.0%
	Owner	1,968 59.9%	723 22.0%	596 18.1%	0 0.0%	3,287 100.0%
Gillespie County	Renter	644 24.7%	734 28.2%	804 30.9%	421 16.2%	2,603 100.0%
	Owner	4,579 57.5%	1,603 20.1%	1,761 22.1%	25 0.3%	7,969 100.0%
Karnes County	Renter	422 33.2%	202 15.9%	419 32.9%	229 18.0%	1,272 100.0%
	Owner	2,048 64.2%	585 18.3%	533 16.7%	25 0.8%	3,191 100.0%
Kerr County	Renter	1,503 26.9%	1,123 20.1%	2,115 37.8%	851 15.2%	5,592 100.0%
	Owner	8,586 57.4%	2,709 18.1%	3,606 24.1%	58 0.4%	14,958 100.0%
Sum of Rural Region	Renter	3,060 27.7%	2,357 21.4%	3,669 33.3%	1,947 17.6%	11,034 100.0%
	Owner	17,181 58.4%	5,620 19.1%	6,496 22.1%	108 0.4%	29,405 100.0%
Urban Areas	Renter	66,003 24.0%	63,961 23.3%	122,056 44.5%	22,480 8.2%	274,499 100.0%
	Owner	255,355 52.3%	111,540 22.8%	118,550 24.3%	3,077 0.6%	488,523 100.0%
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
Frio County	Renter	1,452 92.7%	115 7.3%	0 0.0%	1,567 100.0%
	Owner	3,049 92.8%	200 6.1%	38 1.2%	3,287 100.0%
Gillespie County	Renter	2,520 96.8%	83 3.2%	0 0.0%	2,603 100.0%
	Owner	7,878 98.9%	52 0.7%	40 0.5%	7,969 100.0%
Karnes County	Renter	1,109 87.2%	78 6.1%	85 6.7%	1,272 100.0%
	Owner	3,033 95.0%	154 4.8%	4 0.1%	3,191 100.0%
Kerr County	Renter	5,145 92.0%	313 5.6%	134 2.4%	5,592 100.0%
	Owner	14,672 98.1%	242 1.6%	44 0.3%	14,958 100.0%
Sum of Rural Region	Renter	10,226 92.7%	589 5.3%	219 2.0%	11,034 100.0%
	Owner	28,632 97.4%	648 2.2%	126 0.4%	29,405 100.0%
Urban Areas	Renter	258,534 94.2%	12,245 4.5%	3,720 1.4%	274,499 100.0%
	Owner	475,082 97.2%	10,778 2.2%	2,662 0.5%	488,523 100.0%
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
Frio County	Renter	1,564 99.8%	3 0.2%	1,567 100.0%
	Owner	3,287 100.0%	0 0.0%	3,287 100.0%
Gillespie County	Renter	2,603 100.0%	0 0.0%	2,603 100.0%
	Owner	7,950 99.8%	19 0.2%	7,969 100.0%
Karnes County	Renter	1,272 100.0%	0 0.0%	1,272 100.0%
	Owner	3,165 99.2%	26 0.8%	3,191 100.0%
Kerr County	Renter	5,592 100.0%	0 0.0%	5,592 100.0%
	Owner	14,848 99.3%	110 0.7%	14,958 100.0%
Sum of Rural Region	Renter	11,031 100.0%	3 0.0%	11,034 100.0%
	Owner	29,250 99.5%	155 0.5%	29,405 100.0%
Urban Areas	Renter	272,492 99.3%	2,007 0.7%	274,499 100.0%
	Owner	486,307 99.5%	2,216 0.5%	488,523 100.0%
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	31	51	2	0	64	57	66	49	25	0
Single-Family	175	209	194	290	195	104	118	147	137	111
Total	206	260	196	290	259	161	184	196	162	111

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
71	$77,253	124	$122,456	187	$170,918	249	$251,719

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
13	$158,323	150	$149,683	400	$193,637	58	$196,670	6	$225,733

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
54	$187,204	53	$202,654	83	$196,379	223	$181,873	67	$151,657

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	9,292	26,238	35,530	5,738	41,268	9,292	26,238
2010	11,034	29,405	40,439	7,666	48,105	11,034	29,405

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 9	107

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 9 is located in the San Antonio portion of the state of Texas. This region includes four counties which were classified as rural.

Counties in Region			
Frio	Gillespie	Karnes	Kerr

The Ford Eagle Shale Oil boom has played a significant role in the need for additional affordable housing in rural areas of this region. Due to the increase in oil production and the resulting rise in the transient work force population associated with the energy extraction industry, rents in the area have doubled or tripled based on demand.

Based on the Bowen National Research rental housing inventory count, there are 1,517 affordable rental housing units in the region's study counties. Of those properties we were able to survey, 96.5% were occupied, with many of the projects maintaining long waiting lists. Based on the American Community Survey and U.S. Census data, there are 6,205 manufactured homes in the region. Bowen National Research was able to survey manufactured home parks with 386 lots/homes. These manufactured home parks had a 98.4% occupancy/usage rate, which is well above the overall state average of 86.1%. Finally, Bowen National Research identified 631 for-sale housing units in the region. These 631 available homes represent 2.1% of the 29,405 owner-occupied housing units in the region, an indication of moderate availability of for-sale housing alternatives. It is of note that only 11.3% of the for-sale housing stock is priced below $100,000, which is a very limited supply of for-sale housing for low-income households.

2. Existing Housing Stock

According to several representatives that we spoke with, there is a demonstrated demand for additional affordable housing in Region 9 associated with the oil boom. Landlords are not renewing the leases of previous tenants in order to rent to energy extraction industry workers at two to three times the previous rents, leaving those in need of more affordable housing unable to find it locally. Much of the non-subsidized affordable rental housing stock is older and poor quality and affordable subsidized housing is, for the most part, full. However, one stakeholder noted that a new, subsidized, low-income, housing project is having difficulty qualifying tenants at low AMFI levels due to the increase in wages for typically low paying jobs ($12/hour for a local fast food chain).

There is a balance in the demand for multifamily housing versus single-family housing. Manufactured housing does serve a need in the region since it is affordable and quickly available. However, comments from stakeholders indicate that they prefer to limit the amount of manufactured housing in their communities because this type of housing tends to deteriorate more rapidly than traditional housing.

3. <u>Housing Need</u>

Representatives state that the segment of the population in the greatest need for affordable rural housing are low-income families followed by seniors and persons with disabilities. Three-bedroom single-family rental and affordable for-sale housing, as well as two- and three-bedroom triplex and quad rental units would best serve the needs of these communities. Both the First Time Home Buyer program and affordable rental programs are needed to meet the demand.

With the aging of housing stock, revitalization needs to be balanced with new in-fill construction single-family homes.

4. <u>Housing for Seniors/Persons with Disabilities</u>

The demand for senior housing, although not as pronounced as the need for low-income family housing, exists according to the stakeholders. Affordable senior housing that is available in the region is fully occupied, demonstrating additional demand. The majority of seniors prefer to age in place, indicating a continued need for funding programs for the rehabilitation of existing housing and for accessibility upgrades.

Developers and housing managers believe the state mandated percentage of units that are set aside for persons with disabilities in affordable rental units is sufficient to meet demand. Advocates for persons with disabilities state that future construction of affordable housing should be integrated as well as accessible and be subsidized to assist low- to very low-income levels.

The key to the success of both senior housing and housing for persons with disabilities is close proximity to social, medical and community services as public transportation in this rural region is not available.

5. Barriers to Housing Development

Limited funding is the major barrier associated with the development of additional affordable housing according to the developers and regional housing representatives. Due to the oil boom in this region, available land prices have increased, contributing to the difficulty in making affordable housing financial feasible. Although developers are considered to have the capacity to develop additional affordable and market-rate housing, many are unwilling at this time stating that the risk is currently too great based on uncertainty with the length of time energy extraction employees will remain in the region. Planners have seen an increase in submission of plans for RV park facilities; however, few plans are being approved because local communities do not wish to over saturate the housing market with RV's and manufactured housing. In some areas of the region the lack of infrastructure is also a contributing factor to the lack of development and adds to the cost of development that neither the developers nor the communities are able or willing to incur.

6. Residential Development Financing

The Low-Income Housing Tax Credit program, as well as the HOME program have both worked well according to developers and local representatives however since there have been recent development through these programs in the region, it is believed that projects in the San Antonio Region will not be funded by these programs in the near future leaving few other options to fund affordable housing. It was also noted that variations from year to year with the LIHTC program make it difficult to utilize effectively.

Representatives state that the First Time Home Buyer programs are too complex to be easily accessed.

All financing options need to be streamlined to make the process easier to understand and to comply with all the regulations associated with the programs.

7. Conclusions

The influx of energy extraction workers has put a strain on the local housing market, which in turn has contributed to a rapid escalation of housing costs, making much of the housing supply unaffordable to low-income households. Low-income family housing appears to be in the greatest need. Rapidly escalating land costs due to the energy extraction industry boom, limited funding available to developers in rural areas, and lack of infrastructure were cited as the primary barriers to development.

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 9 is located in the south central 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 demand by AMHI and county for this region:

	County Level Rental Housing Gap			
	Target Income			Total
	0% - 30%	31% - 50%	51% - 80%	
Frio County	225	20	65	310
Gillespie County	445	316	-80	681
Karnes County	272	122	-197	197
Kerr County	780	507	597	1,884
Region Total	1,723	965	385	3,072

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	
Frio County	47	43	39	129
Gillespie County	69	81	104	254
Karnes County	24	70	41	135
Kerr County	222	262	225	709
Region Total	362	456	409	1,227

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