

Texas Statewide Rural Housing Analysis

Prepared For

Texas Department of Housing and Community Affairs
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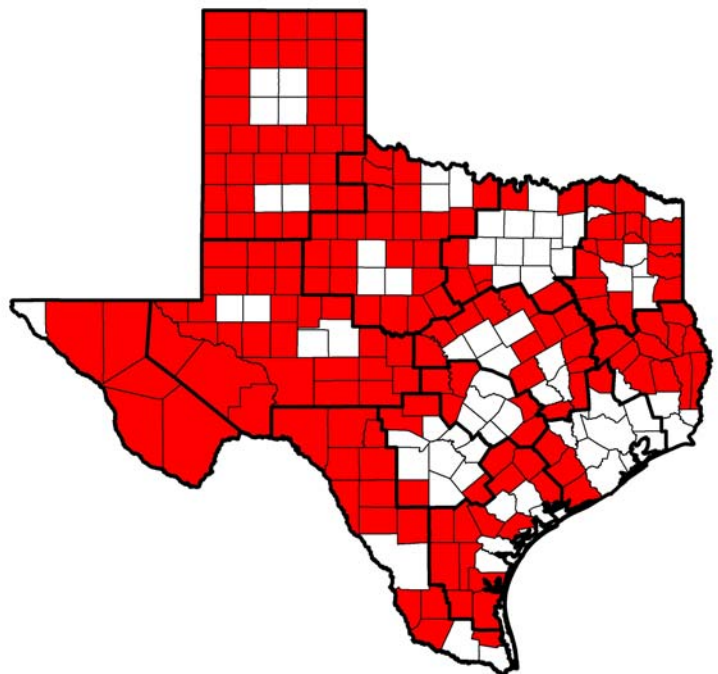
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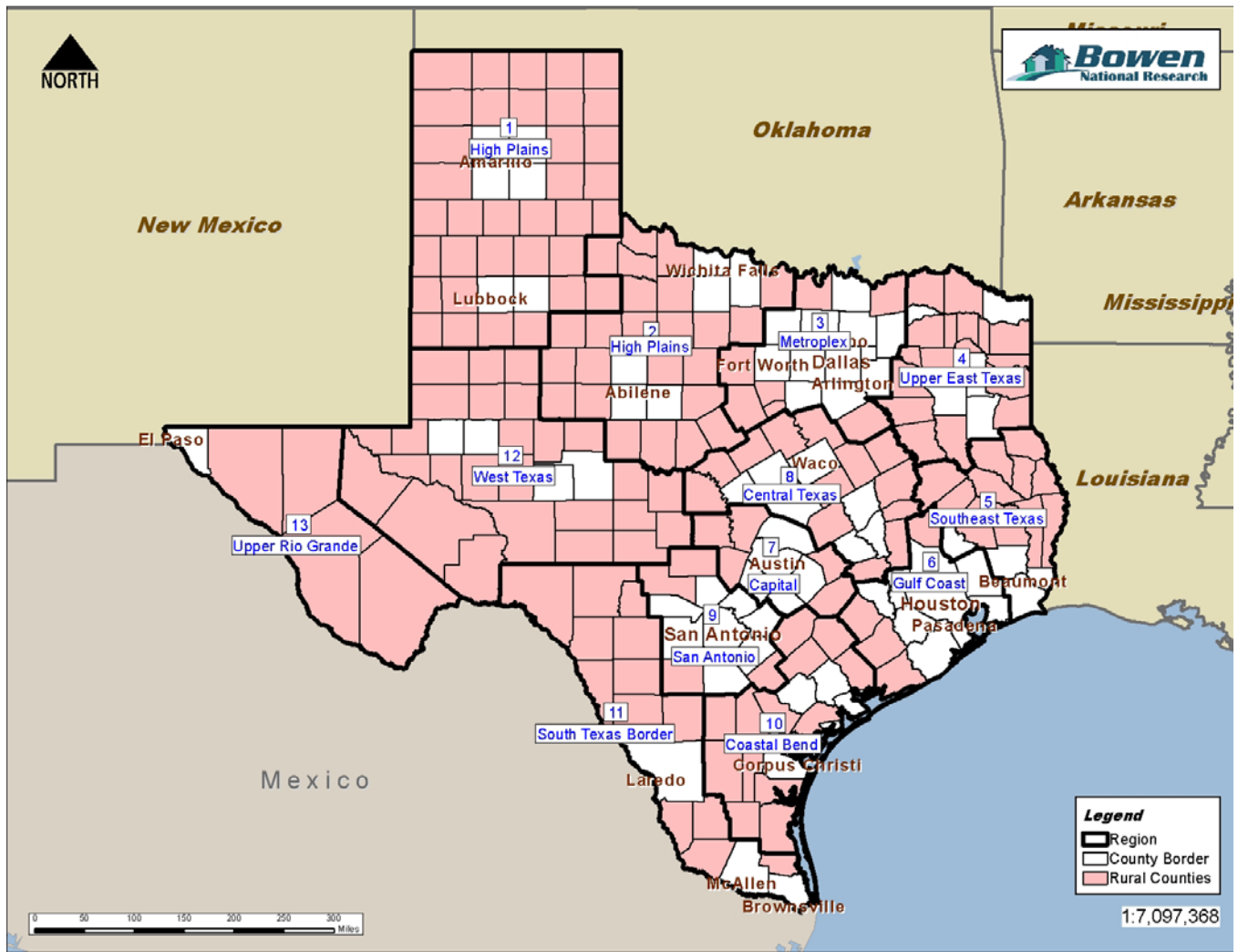
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I. INTRODUCTION

A. OVERVIEW OF OBJECTIVES

The Texas Department of Housing and Community Affairs (TDHCA) retained Bowen National Research in June 2011 for the purpose of evaluating the affordable housing needs of rural Texas and to determine common barriers to residential development in rural communities. Pursuant to the Request for Proposal (RFP) issued by TDHCA (Reference #332-RFP11-1005), rural counties were defined as non-MSA counties as identified by the Office of Management and Budget. Based on this definition, 177 counties were evaluated in this report. Following the RFP requirement, all counties were grouped and evaluated within TDHCA's 13 service regions. Each county was evaluated and compared with the other counties within its respective region; each region was compared with all other regions. A map of TDHCA's service regions and rural counties (shaded in red) evaluated in this report follows:



Specific objectives of this report include:

- Provide an overview of the existing housing supply, both rental and for-sale, in each of the study areas;
- Provide detailed demographic and economic trends and characteristics of each study area;
- Compile and present stakeholder perceptions and insights as to residential development experiences and barriers to developing housing in rural Texas;
- Calculate affordable housing gap estimates for both rental and for-sale housing components within the study areas, taking into consideration available and planned supply;
- Provide conclusions as to the housing needs of each region and to provide recommendations for improving development opportunities in rural Texas

By accomplishing the study's objectives, area stakeholders, local and state public officials, and housing developers can: (1) better understand rural Texas' evolving rural housing markets, (2) establish Texas' future affordable housing policies, and (3) enhance and/or expand Texas' housing supply to meet the needs of low-income households.

B. METHODOLOGY/APPROACH

- We evaluated general characteristics of each rural county including demographic and economic trends. The economic evaluation includes an assessment of area employment composition, income growth and employment/unemployment data. The demographic evaluation uses the most recently issued U.S. Census and Department of Labor information, as well as projections that determine the future characteristics of each market.
- We inventoried and surveyed existing affordable rental housing properties in each study county and region. These properties were identified and analyzed due to their purpose of serving low- and very-low-income households in rural Texas. For each region we have included details regarding all surveyed properties, including the overall occupancy rate, typical amenities offered, the number of units built per year, as well as the average rent and unit square footage for each unit type. A total of 862 (88.5%) of the 974 affordable housing projects identified in the subject areas were surveyed.

- We presented and evaluated manufactured/mobile home housing supply data for each study county and region. Information includes number of mobile home units, typical rental rates, occupancy rates, and common amenities. Primary research was conducted on over 3,000 manufactured/mobile home units, while secondary data was provided on over 173,000 units.
- We collected for-sale housing data for each study county and region. The data collected and analyzed includes product price point, bedroom type and year built for available for-sale housing. Primary data was collected on nearly 14,000 available for-sale housing units. Census data illustrating housing values for 2000 and 2010 are provided. The past 12 months of foreclosure filings is also presented.
- We collected area building statistics and conducted interviews with area officials familiar with area development in order to provide identification of those properties that might be planned or proposed for the area that will have an impact on each housing market. We also reviewed published listings of all state and federally financed projects in Texas, as well as the number of building permits issued since 2010 to determine potential product that could be added to each market. Overall, we interviewed representatives from over 100 planning and/or building departments within the study areas.
- We conducted stakeholder interviews with over 200 individuals from a variety of housing backgrounds throughout the state of Texas. These stakeholders included developers, planners, public housing authority officials, elected officials, economic development representatives, supportive service providers, chamber of commerce representatives, leasing agents, realtors and other housing professionals. These individuals were interviewed to gather information, insight and opinions on the quality and types of housing that are currently offered in respective markets, as well as to identify development issues associated with land availability and costs, financial and construction challenges, housing program conflicts or limitations, and other challenges that serve as barriers to development of affordable housing in rural Texas. Individual names and businesses have not been disclosed in order to protect the confidentiality of participants and encourage their candor.
- We evaluated state and federal rural housing programs in Texas and four other states with similar characteristics to determine program-related issues and to identify best practices involving rural housing development.

- We have estimated and projected the number of income-qualified households at 0% to 30% of the Area Median Household Income (AMHI), 31% to 50% AMHI, and 51% to 80% AMHI for the years 2010 and 2015. We have also considered the number of households residing in substandard housing (i.e. rent/cost burdened household, households in overcrowded housing, and households in units lacking complete plumbing facilities). The potential demand from new household growth and replacement housing (i.e. substandard households) is compared with available and planned housing supply to determine housing gaps within each study area. A detailed explanation of the demand analysis methodology is included in Section VII of this report.
- We conclude our report by providing a summary of key findings and our recommendations of best practices and policies that can be implemented or modified to improve the residential development opportunities in rural Texas.

C. TERMS AND DEFINITIONS

Various key terms associated with issues and topics evaluated in this report are used throughout this document. The following provides a summary of the definitions for these key terms. It is important to note that the definitions cited below include the source of the definition, when applicable. Those definitions that were not cited originated from the National Council of Affordable Housing Market Analysts (NCAHMA).

Area Median Household Income (AMHI) is the median income for families in metropolitan and non-metropolitan areas, used to calculate income limits for eligibility in a variety of housing programs. HUD estimates the median family income for an area in the current year and adjusts that amount for different family sizes so that family incomes may be expressed as a percentage of the area median income. For example, a family's income may equal 80 percent of the area median income, a common maximum income level for participation in HUD programs. (Bowen National Research, Various Sources)

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.

Basic Rent is the minimum monthly rent that tenants who do not have rental assistance pay to lease units developed through the USDA-RD Section 515 Program, the HUD Section 236 Program and the HUD Section 223 (d) (3) Below Market Interest Rate Program. The Basic Rent is calculated as the amount of rent required to operate the property, maintain debt service on a subsidized mortgage with a below-market interest rate, and provide a return on equity to the developer in accordance with the regulatory documents governing the property.

Contract Rent is (1) the actual monthly rent payable by the tenant, including any rent subsidy paid on behalf of the tenant, to the owner, inclusive of all terms of the lease (HUD & RD) or (2) the monthly rent agreed to between a tenant and a landlord (Census).

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.

Elderly or Senior Housing is housing where (1) all the units in the property are restricted for occupancy by persons 62 years of age or older or (2) at least 80% of the units in each building are restricted for occupancy by households where at least one household member is 55 years of age or older and the housing is designed with amenities and facilities designed to meet the needs of senior citizens.

Extremely low income is a person or household with income below 30% of Area Median Income adjusted for household size.

Facility is a structure, trailer, or vehicle, or two or more contiguous or grouped structures, trailers, or vehicles, together with the land appurtenant. (Texas Administrative Code, Title 10, Part 1, Chapter 90, Rule 90.1 *Definitions*)

Fair Market Rent (FMR) are the estimates established by HUD of the gross rents (contract rent plus tenant paid utilities) needed to obtain modest rental units in acceptable condition in a specific county or metropolitan statistical area. HUD generally sets FMR so that 40% of the rental units have rents below the FMR. In rental markets with a shortage of lower priced rental units HUD may approve the use of Fair Market Rents that are as high as the 50th percentile of rents.

Family is a group of people, whether legally related or not, that act as and hold themselves out to be a family; provided, however, that nothing herein shall be construed as creating or sanctioning any unlawful relationship or arrangement such as the custody of an unemancipated minor by a person other than their legal guardian. (Texas Administrative Code, Title 10, Part 1, Chapter 90, Rule 90.1 *Definitions*)

Garden apartments are apartments in low-rise buildings (typically two to four stories) that feature low density, ample open-space around buildings, and on-site parking.

Gross Rent is the monthly housing cost to a tenant which equals the Contract Rent provided for in the lease plus the estimated cost of all tenant paid utilities.

Household is one or more people who occupy a housing unit as their usual place of residence.

Housing Choice Voucher (Section 8 Program) is a Federal rent subsidy program under Section 8 of the U.S. Housing Act, which issues rent vouchers to eligible households to use in the housing of their choice. The voucher payment subsidizes the difference between the Gross Rent and the tenant's contribution of 30% of adjusted gross income, (or 10% of gross income, whichever is greater). In cases where 30% of the tenant's income is less than the utility allowance, the tenant will receive an assistance payment. In other cases, the tenant is responsible for paying his share of the rent each month.

Housing unit is a house, apartment, mobile home, or group of rooms used as a separate living quarters by a single household.

HUD-code Manufactured Home (Chapter 1201 of the Texas Occupations Code):

(a) means a structure:

- (i) constructed on or after June 15, 1976, according to the rules of the United States Department of Housing and Urban Development;
- (ii) built on a permanent chassis;
- (iii) designed for use as a dwelling with or without a permanent foundation when the structure is connected to the required utilities;
- (iv) transportable in one or more sections; and
- (v) in the traveling mode, at least eight body feet in width or at least 40 body feet in length or, when erected on site, at least 320 square feet;

(b) includes the plumbing, heating, air conditioning, and electrical systems of the home; and

(c) does not include a recreational vehicle as defined by 24 C.F.R. Section 3282.8(g).

HUD Section 8 Program is a Federal program that provides project based rental assistance. Under the program HUD contracts directly with the owner for the payment of the difference between the Contract Rent and a specified percentage of tenants' adjusted income.

HUD Section 202 Program is a Federal program, which provides direct capital assistance (i.e. grant) and operating or rental assistance to finance housing designed for occupancy by elderly households who have income not exceeding 50% of the Area Median Income. The program is limited to housing owned by 501(c)(3) nonprofit organizations or by limited partnerships where the sole general partner is a 501(c)(3) nonprofit organization. Units receive HUD project based rental assistance that enables tenants to occupy units at rents based on 30% of tenant income.

HUD Section 236 Program is a Federal program which provides interest reduction payments for loans which finance housing targeted to households with income not exceeding 80% of Area Median Income who pay rent equal to the greater of Basic Rent or 30% of their adjusted income. All rents are capped at a HUD approved market rent.

HUD Section 811 Program is a Federal program, which provides direct capital assistance and operating or rental assistance to finance housing designed for occupancy by persons with disabilities who have income not exceeding 50% of Area Median Income. The program is limited to housing owned by 501(c)(3) nonprofit organizations or by limited partnerships where the sole general partner is a 501(c)(3) nonprofit organization.

Income Limits are the Maximum Household Income by county or Metropolitan Statistical Area, adjusted for household size and expressed as a percentage of the Area Median Income for the purpose of establishing an upper limit for eligibility for a specific housing program. Income Limits for federal, state and local rental housing programs typically are established at 30%, 50%, 60% or 80% of AMI. HUD publishes income limits each year for 30% median, Very Low Income (50%), and Low Income (80%), for households with one through eight people.

Low Income Household is a person or household with gross household income below 80% of Area Median Income adjusted for household size.

Low Income Housing Tax Credit is a program to generate equity for investment in affordable rental housing authorized pursuant to Section 42 of the Internal Revenue Code, as amended. The program requires that a certain percentage of units built be restricted for occupancy to households earning 60% or less of Area Median Income, and that the rents on these units be restricted accordingly.

Manufactured Home (a.k.a. manufactured housing) means a HUD-code manufactured home or a mobile home. (Chapter 1201 of the Texas Occupations Code)

Market vacancy rate (physical) is the average number of apartment units in any market which are unoccupied divided by the total number of apartment units in the same market, excluding units in properties which are in the lease-up stage. Bowen National Research considers only these vacant units in its rental housing survey.

Mixed income property is an apartment property containing (1) both income restricted and unrestricted units or (2) units restricted at two or more income limits (i.e. low income tax credit property with income limits of 30%, 50% and 60%).

Mobile Home (Chapter 1201 of the Texas Occupations Code):

(a) means a structure:

- (i) constructed before June 15, 1976;
- (ii) built on a permanent chassis;
- (iii) designed for use as a dwelling with or without a permanent foundation when the structure is connected to the required utilities;
- (iv) transportable in one or more sections; and
- (v) in the traveling mode, at least eight body feet in width or at least 40 body feet in length or, when erected on site, at least 320 square feet; and

(b) includes the plumbing, heating, air conditioning, and electrical systems of the home.

Moderate Income is a person or household with gross household income between 80 and 120% of Area Median Income adjusted for household size.

Multi-family are structures that contain more than two housing units.

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.

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.

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.

Population trends are changes in population levels for a particular area over a specific period of time which is a function of the level of births, deaths, and net migration.

Potential support is the equivalent to the *housing gap* referenced in this report. The *housing gap* is the total demand from eligible households that live in certain housing conditions (described in Section VII of this report) less the available or planned housing stock that was inventoried within each study area (i.e. region or county).

Project based rent assistance is rental assistance from any source that is allocated to the property or a specific number of units in the property and is available to each income eligible tenant of the property or an assisted unit.

Public Housing or Low Income Conventional Public Housing is a HUD program administered by local (or regional) Housing Authorities which serves Low- and Very-Low Income households with rent based on the same formula used for HUD Section 8 assistance.

Rent burden is gross rent divided by adjusted monthly household income.

Rent burdened households are households with rent burden above the level determined by the lender, investor, or public program to be an acceptable rent-to-income ratio.

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.

Residential housing is a specific work or improvement undertaken primarily to provide dwelling accommodations, including the acquisition, construction, reconstruction, remodeling, improvement, or rehabilitation of land and buildings and improvements to the buildings for residential housing and other incidental or appurtenant nonhousing facilities. (Texas Statutes - Section 2306.004)

Restricted rent is the rent charged under the restrictions of a specific housing program or subsidy.

Rural area is an area that is located (Texas Statutes-Section 2306.004):

- (a) outside the boundaries of a primary metropolitan statistical area or a metropolitan statistical area;
- (b) within the boundaries of a primary metropolitan statistical area or a metropolitan statistical area, if the statistical area has a population of 25,000 or less and does not share a boundary with an urban area; or
- (c) in an area that is eligible for funding by the Texas Rural Development Office of the United States Department of Agriculture, other than an area that is located in a municipality with a population of more than 50,000.

Rural Development (RD) Market Rent is a monthly rent that can be charged for an apartment under a specific USDA-RD housing program that reflects the agency's estimate of the rent required to operate the property, maintain debt service on an unsubsidized mortgage and provide an adequate return to the property owner. This rent is the maximum rent that a tenant can pay at an RD property.

Rural Development (RD) Program (Formerly the Farmers Home Administration Section 515 Rural Rental Housing Program) is a Federal program which provides low interest loans to finance housing which serves low- and moderate-income persons in rural areas who pay 30% of their adjusted income on rent or the basic rent, whichever is the higher (but not exceeding the market rent). The program may include property based rental assistance and interest reduction contracts to write down the interest on the loan to as low as one percent.

Rural Regions refers to the 13 Service Regions of TDHCA and includes only the counties that were defined as "rural". Urban counties within the rural regions were excluded from the rural regions' totals.

Single-Family Housing is a dwelling unit, either attached or detached, designed for use by one household and with direct access to a street. It does not share heating facilities or other essential building facilities with any other dwelling.

Special needs population is a specific market niche that is typically not catered to in a conventional apartment property. Examples of special needs populations include: substance abusers, visually impaired person or persons with mobility limitations.

Subsidized Housing is housing that operates with a government subsidy often requiring tenants to pay up to 30% of their adjusted gross income toward rent and often limiting eligibility to households with incomes of up to 50% or 80% of the Area Median Household Income. (Bowen National Research)

Subsidy is monthly income received by a tenant or by an owner on behalf of a tenant to pay the difference between the apartment's contract rent and the amount paid by the tenant toward rent.

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 it 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.

Substandard conditions are housing conditions that are conventionally considered unacceptable which may be defined in terms of lacking plumbing facilities, one or more major systems not functioning properly, or overcrowded conditions.

Tenant is one who rents real property from another.

Tenant paid utilities are the cost of utilities (not including cable, telephone, or internet) necessary for the habitation of a dwelling unit, which are paid by the tenant.

Tenure is the distinction between owner-occupied and renter-occupied housing units.

Townhouse (or Row House) is a single-family attached residence separated from another by party walls, usually on a narrow lot offering small front and back-yards; also called a row house.

Vacancy Rate – Economic Vacancy Rate (physical) is the maximum potential revenue less actual rent revenue divided by maximum potential rent revenue. The number of total habitable units that are vacant divided by the total number of units in the property.

Very Low Income is a person or household whose gross household income does not exceed 50% of Area Median Income adjusted for household size.

D. REPORT LIMITATIONS

The intent of this report is to collect and analyze significant levels of employment, demographic and housing data for rural counties and regions of Texas. Bowen National Research relied on a variety of data sources to generate this report (see Section IX). These data sources are not always verifiable; however, Bowen National Research makes a concerted effort to assure accuracy. While this is not always possible, we believe that our efforts provide an acceptable standard margin of error. Bowen National Research is not responsible for errors or omissions in the data provided by other sources.

We have no present or prospective interest in any of the properties included in this report, and we have no personal interest or bias with respect to the parties involved. Our compensation is not contingent on an action or event resulting from the analyses, opinions, or use of this study. Any reproduction or duplication of this study without the expressed approval of the Texas Department of Housing and Community Affairs or Bowen National Research is strictly prohibited.

II. EXECUTIVE SUMMARY

This report provides a housing needs assessment of the *rural* areas of Texas and determines the barriers to development in rural Texas. The report concludes by providing a variety of recommendations to additions or modifications to housing programs and procedures, education and outreach efforts, and overall strategies that should be considered to encourage the development required to best meet the affordable housing needs of residents in rural Texas.

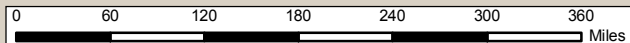
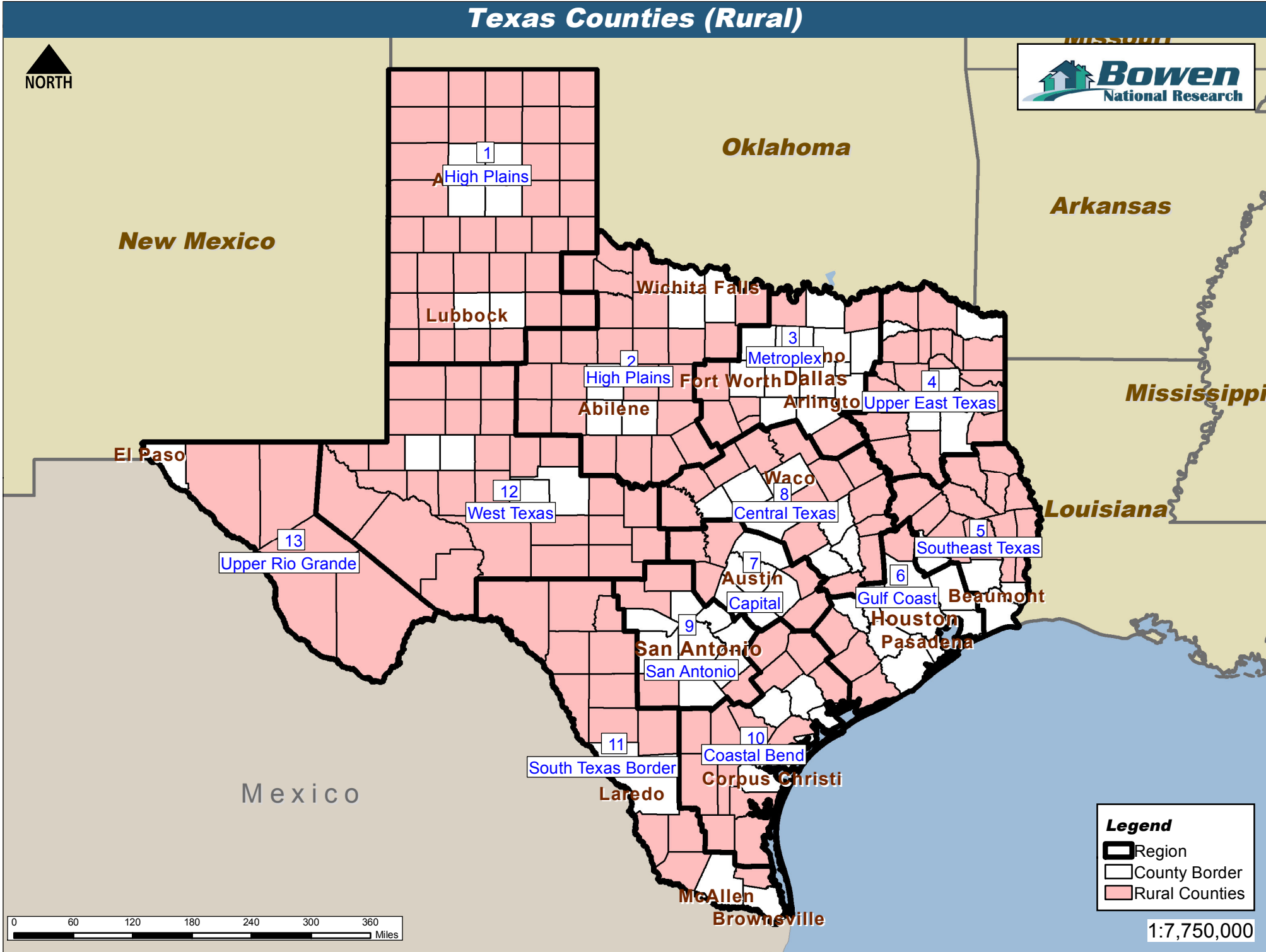
A. SCOPE OF WORK

The scope of work included in this report included:

- A housing survey and/or inventory of nearly 1,000 affordable rental housing properties with approximately 42,000 rental units, for-sale housing data on 13,881 currently available units, and over 3,000 manufactured homes were collected and analyzed. Housing data evaluated includes rents/price points, occupancy levels, amenities offered, year built, and other features.
- An evaluation of 17 different demographic and economic metrics related to the trends and characteristics of each region and corresponding rural counties was provided.
- Stakeholder interviews were conducted with over 200 representatives across all 13 rural regions in Texas as well as stakeholders who addressed housing issues at the state level. A summary of stakeholder perceptions and insights as to development experiences and barriers to developing housing in rural Texas was provided for each region, as well as for the overall state.
- Housing gap estimates for both rental and for-sale housing for each study region and corresponding counties was provided. The demand estimates were provided on three income stratifications: 0% to 30% of Area Median Household Income (AMHI), 31% to 50% of AMHI, and 51% to 80% of AMHI. This demand estimate took into consideration household growth and replacement housing needs along with the current available housing supply and product in the development pipeline.
- We provided recommendations for improving development opportunities in rural Texas, as they relate to programs, policies, and processes, and development of partnerships, as well education and outreach efforts.

This analysis was limited to rural counties as defined by the Office of Management and Budget as non-MSA counties. Overall, 177 counties met this definition and were evaluated in this report. A map of TDHCA's 13 service regions and the corresponding counties (denoted by the red shading) that were included in this analysis are delineating in the map on the following page.

Texas Counties (Rural)



Legend

- Region
- County Border
- Rural Counties

1:7,750,000

B. SUMMARY OF KEY FINDINGS

Based on the findings contained in this report, it is evident that there remains a continued need for affordable housing in rural Texas and the support of the programs that help maintain and create such housing. Although rural Texas is expected to experience modest demographic growth between 2010 and 2015, the rural areas of Texas have a large base of households that live in cost burdened, overcrowded or older, substandard housing. While new housing will help meet a portion of rural Texas' housing needs, much of the housing need could be met through the replacement, renovations and modifications of the existing housing stock. The following are key findings from our statewide analysis of rural Texas.

- Overall demographic growth trends between 2010 and 2015 in the rural areas of Texas are projected to be modest with the population projected to increase by 39,390 (1.3%) and the number of households are projected to increase by 16,207 (1.5%). While this growth will require some new housing, additional focus of future housing needs should also include renovations, modifications or replacement of existing housing. Demographics trends and migration patterns indicate that younger people and families (under the age of 25) appear to be leaving the rural areas while the senior (age 55+) population and households are growing rapidly in the rural areas. Rapid senior demographic growth trends will increase need for senior-oriented housing. Without modifications to existing supply and/or development of new senior-oriented housing that will allow seniors to age in place, rural areas may experience migration of seniors from rural to more developed/urban markets.
- Overall demographic growth has been relatively slow in the rural regions (rural population growth was 10.9%, while urban areas have more than doubled this rate during the past decade). The rural regions with the greatest demographic growth are those with large metropolitan areas contained within them, primarily located in the central portion of the state. Rural counties generally located on periphery of the large urban/metropolitan areas are likely gaining population and households from the migration from the more densely populated areas to the rural areas. As such, these rural counties located on the periphery of urban/metropolitan areas will likely see the greatest demand for housing for the foreseeable future.
- Job growth in rural Texas between 2006 and 2011 has been modest, increasing by only 2.2%, which is only one-third the job growth rate of urban areas of Texas. Generally, rural regions of Texas have stable economies, partially attributed to the large base of employment within the Educational Services and the Health Care & Social Assistance employment sectors, which are typically more immune to large fluctuations in employment. It is noteworthy, however, that over 55,000 jobs in rural Texas have been lost within the Agriculture-related job sector, which was the largest decline in rural Texas. Manufacturing and Construction have also experienced notable

decreases in the rural regions, which is similar to the state of Texas and much of the nation, since the start of the national recession a few years ago. We believe these job trends in the rural regions, particularly given the large-scale of the job reductions among major job sectors, have contributed to the generally stagnant demographic trends of the rural regions. It is also believed that the job losses in rural Texas has likely contributed to the loss in the number of younger adults (under the age of 25) that has occurred in the rural regions over the past decade, and it is assumed that most of these younger adults are gravitating to more urban markets where education, social and employment opportunities are more abundant.

- As part of the housing supply analysis, Bowen National Research surveyed 860 affordable rental properties with 36,865 units within the rural counties of Texas. There is limited availability among the affordable rental alternatives in the market, with a combined 97.3% occupancy rate. Generally, healthy, well balanced markets have occupancy rates closer to 95%, allowing for internal market mobility and to accommodate growth. As a result, there appears to be limited availability within the apartment rental supply in the study areas from which low-income households can choose. This is likely forcing households into non-conventional, lower quality housing alternatives in their respective markets and is likely attributing to the large number of rent burdened households and those living in overcrowded and substandard housing situations. A combination of new affordable housing and modernization of the existing rental housing stock in rural Texas could reduce some of the housing issues faced by low-income households in these areas.
- Based on Bowen National Research's inventory and survey of for-sale housing and manufactured homes, there is a good base of available for-sale housing product and manufactured homes within rural Texas that would be affordable to low-income households (product generally priced under \$100,000). It should be noted, however, that much of this product is older (often decades old) and such housing will likely require additional costs to maintain and repair. Therefore, consideration should be given to helping get people into existing for-sale housing and manufactured housing and enabling households to improve and maintain such housing as needed.

- When considering new renter household growth, cost burdened households, overcrowded housing and substandard housing, compared with the affordable housing supply that is offered, each rural housing region and county has some level of an affordable housing gap. Overall, there will be a potential housing gap of up to 85,215 affordable rental housing units and 33,846 units of affordable for-sale housing for households with incomes of up to 80% of Area Median Household Income (AMHI) by the year 2015. This does not mean that the rural areas of Texas can support 85,215 *new* rental housing units or 33,846 new *for-sale* housing units. Instead, these numbers represent the number of units that will be occupied by households that are rent burdened or living in overcrowded or substandard housing, and new households that will be added to the market that will require rental housing by 2015. Markets with the greatest housing gaps are those that are more likely to require new or replacement rental housing.
- It appears that the greatest rural housing gaps are in 1.) The eastern half of the state in areas with larger rural populations, 2.) Rural counties on the periphery of urban/metropolitan areas, and 3.) Rural counties in southern Texas located along or near the U.S.-Mexico border. While all low-income segments have significant housing needs, renter housing gaps are largest among those households with income below 30% of Area Median Household Income (AMHI) and for-sale housing gaps are largest among those with incomes between 31% and 80% of AMHI.
- Over 200 stakeholder interviews were conducted in addition to the nearly 900 affordable rental housing property managers and leasing agents surveyed throughout rural Texas as part of this analysis. Stakeholders were asked a series of questions to identify the primary barriers to development of affordable housing in rural Texas. Housing development barriers focused on such things as infrastructure, availability of land, land costs, financing programs, community support and other government programs and regulatory policies impacting rural housing development. Generally, the more often cited barriers included limited financing options including deep subsidies, lack of available infrastructure, lack of community support, high construction costs and limited availability of skilled workers, the difficulty of understanding and preparing financing applications, and the high pre-development costs associated with development. Additional details regarding development barriers are included in Section VIII of this report.

- In an effort to evaluate best practices used in areas outside of Texas that relate to affordable housing development, we identified and presented overviews of a number of affordable housing programs and policies used in other states that share similar socioeconomic and geographic characteristics as Texas. States considered in this analysis included California, Florida, Oregon and Washington. The primary purpose of this evaluation is to identify those programs and policies utilized in other states that may serve as a guide for modifying existing Texas programs or policies or otherwise provide the basis for developing new programs or policies in Texas. The rural housing programs within these states vary, but primarily include self-help programs, direct and guaranteed loans for new construction or the repair of existing housing, low interest loans that serve to supplement other federal and state financing programs, predevelopment loans, and numerous first-time homebuyer programs. Many of these programs were used to develop the recommendations included in this report, beginning on pages II-28 and VIII-9.

C. DEMOGRAPHIC OVERVIEW

Significant *population* demographic findings are discussed below (note: “rural regions” include only the rural counties that fall within each of the study regions. Any county that is not considered “rural” for the purposes of this study is included in the urban data). Detailed demographic data is included in Section III of this report.

- **Total Population** - Overall, rural regions of Texas are projected to experience a modest population increase of 1.3% between 2010 and 2015, while overall urban population growth is projected to increase at seven times the rural rate, at 9.5% during this same time period. Population growth rates for all rural areas of the study regions are either steady or declining over time (1990 to 2015). Notably, Regions 3 (Metroplex Region near Dallas), 7 (Capital Region) and 9 (San Antonio Region), all located in the central corridor of the state, are experiencing the highest percentage increases in population, while Regions 1 (High Plains Region), 2 (Northwest Texas Region) and 10 (Coastal Bend Region), located in the far northwest and gulf coast areas of the state, are experiencing the highest percentage decreases. The more positive population growth trends in the central corridor regions are likely attributed to the fact that these regions have large, high-growth metropolitan areas within them including places like Dallas-Fort Worth, Austin, and San Antonio. As such, it appears that urban/metropolitan area growth in these areas is influencing growth patterns of the surrounding rural areas. Rural areas without a large urban center or metropolitan area generally have minimal population changes.

- Population by Age** – The distribution of rural population by age indicates that (1) over 75% of regions (10 of 13) will experience a decrease in households headed by persons 24 years and younger between 2000 and 2015, (2) nearly 70% of regions (9 of 13) will experience a decrease in households headed by persons 25 to 44 years of age, and (3) all regions will experience an increase in households headed by persons 55 and older. The overall rural regions are projected to experience a slight population decline among those under the age of 25 between 2010 and 2015. Conversely, urban areas are projected to experience a significant 8.4% increase in population under the age of 25 during this same time period. While both rural and urban areas will experience positive growth among its population age 55 and older, it is significant that the rural regions age 55 and older population will represent nearly one-third (30.7%) of the total population and the urban areas will have a population share of age 55 and older of less than a quarter (21.7%). Overall, households headed by younger people appear to be leaving the rural areas, while households headed by older people appear to be staying or aging in place.
- Education Attainment** – Education data revealed that (1) in aggregate for all rural regions, 25.4% of people are not high school graduates, compared with 24.1% in urban areas, (2) in aggregate for all rural regions, 40.5% of people attended college (not necessarily receiving a degree), compared with 52.8% in urban areas (3) in aggregate for all rural regions, 20.9% of people are college graduates or hold advanced degrees, compared with 29.9% in urban areas (4) Region 11 (South Texas Border Region) has the highest percentage of non-high school graduates, while Region 7 (Capital Region) has the lowest, (5) Region 4 (Upper East Texas Region) has the highest percentage of high school graduates only, while Region 11 (South Texas Border Region) has the lowest, and (6) Region 13 (Upper Rio Grande Region) has the highest percentage of college graduates, while Region 11 (South Texas Border Region) has the lowest. Overall, the share of college graduates in urban areas is almost 50% higher than the rural areas. As a result, the earning capability and potential for a large portion of the rural population is likely limited due to the limited education attainment of these individuals. This is evidenced by lower household income and higher share of population living in poverty in the rural areas of Texas.
- Population Living in Poverty** – Data relative to poverty indicated that (1) in aggregate for all rural regions, 19.2% of the population is living below the poverty level, compared with 16.4% in the urban areas of Texas, (2) Region 11 (South Texas Border Region) has the highest percent of its population living below the poverty level at 32.7%, while Region 7 (Capital Region) has the lowest percentage at 11.5%, (note: the statewide average is 16.8%), and (3) Region 13 (Upper Rio Grande Region) has the highest percent (3.7%) of its population living below the poverty level that is age 65 or older, while

Region 3 (Metroplex Region) has the lowest percentage at 1.5% (note: the statewide average is 1.2%). Based on this assessment, the rural areas of Texas have a higher share of the population living in poverty than urban areas or the overall state of Texas. While the shares of population living in poverty among all age groups in the rural regions of Texas are higher than the urban areas and the overall state of Texas, 2.1% of the overall population consists of seniors age 65+ living in poverty in rural regions, which is nearly double the 1.1% and 1.2% shares in the urban areas and Texas, respectively. As such, seniors in rural markets of Texas appear to suffer from poverty at a greater degree than seniors living elsewhere in Texas.

- **Mobility Patterns** – Generally, the rural population is more stationary and has lower annual turnover (16.9% annual turnover rate) in housing than the urban markets (19.5% annual turnover rate). This is likely primarily attributed to the lack of housing alternatives and limited employment opportunities in rural markets as opposed to urban markets which have a larger base of employment opportunities (job changes) and more housing options from which owners and renters can choose. Notable mobility patterns include: (1) in aggregate for all rural regions, 83.1% of the population had not moved for one year, compared with 80.5% in urban areas (2) in aggregate for all rural regions, 8.4% of the population had moved within a year from within their present county, compared with 12.0% in urban areas, (3) in aggregate for all rural regions, 6.6% of the population had moved within a year from outside their present county but within Texas, compared with 4.1% in urban areas, (4) in aggregate for all rural regions, 1.5% of the population had moved within a year from outside Texas, but within the USA, which is identical to urban areas, (5) in aggregate for all rural regions, 0.4% of the population had move within a year from outside the USA, compared with 0.9% in urban areas, and (6) Region 11 (South Texas Border Region) had the highest percentage of non-movers, while Region 3 (Metroplex Region) had the lowest.
- **Population by Race** - The “White Alone” classified population represents the majority of the rural Texas population, comprising more than 70% of the entire state’s population. However, more than one-third of the population is considered “Hispanic”. Within the rural regions of Texas, one-third of the entire population identify themselves as “Hispanic”. This is slightly lower than the 38.5% share of Hispanics in Texas’ urban areas and the 37.6% share in the overall state of Texas. As such, it appears the Hispanic population is more concentrated in the urban areas of Texas. Regions closest to the U.S.-Mexico border have the highest shares of Hispanics, with Region 11 (South Texas Border Region) at an 87.0% share of Hispanics and Region 13 (Upper Rio Grande Region) at a 62.6% share of Hispanics.

Significant *household* and *income-related* findings include:

- **Total Households** – While household growth rates for all regions are either steady or declining over time (1990 to 2015), 10 of the 13 regions are projected to experience positive household growth between 2010 and 2015. Regions 3 (Metroplex Region), 7 (Capital Region) and 9 (San Antonio Region), which are generally located within the central corridor of Texas, are experiencing the highest percentage increases in households, while Regions 1 (High Plains Region), 2 (Northwest Texas Region) and 10 (Coastal Bend Region) are the only regions projected to experience household decreases. Overall, the rural regions are expected to experience a slight increase in households of 1.5% between 2010 and 2015, while urban areas are projected to experience a more rapid increase of 9.4% (the state average is 8.4%).
- **Households by Age** – Households by age data indicated that (1) over 75% of rural regions (10 of 13) will experience a decrease in households headed by persons 24 years and younger between 2000 and 2015, (2) nearly 70% of rural regions (9 of 13) will experience a decrease in households headed by persons 25 to 44 years of age, and (3) all rural regions will experience an increase in households headed by persons 55 and older. As is the case for population trends, households headed by younger people appear to be leaving these rural areas, while households headed by older people appear to be staying or aging in place. Such trends indicate the likely need to maintain the existing housing stock, to modify housing to accommodate senior needs and/or develop senior-housing that would allow seniors to age in place.
- **Households by Tenure** – Housing tenure (renter and owner) data revealed that (1) in all rural regions from 2000 to 2015, the percentage of renter households is expected to slightly increase, while the percentage of owner households is expected to slightly decrease, (2) in 2015, Region 7 (Capital Region) is expected to have the highest percentage of owner households, while Region 6 (Gulf Coast Region) is expected to have the lowest, and conversely, (3) in 2015, Region 6 (Gulf Coast Region) is expected to have the highest percentage of renter households, while Region 7 (Capital Region) is expected to have the lowest. Overall, by 2015, the share of renter households within the rural regions of Texas will be 26.6%, while in urban areas the share will be higher at 37.6%. The lower share of renter households in the rural regions of Texas is not unusual for rural markets. Generally, these household tenure shares in rural Texas will not differ much from 2010 shares of renter households.

- **Households by Income** - All rural regions will experience an increase in household income between 2000 and 2015. Region 7 (Capital Region) is expected to have the highest percentage of households earning \$60,000 or more per year, while Region 11 (South Texas Border Region) should have the highest percentage under \$20,000 per year. Between 2010 and 2015, households by income for each rural region are projected to decline for those making less than \$30,000 a year, while those households making \$30,000 or more are projected to increase during this time period. More importantly, however, is the fact that despite the projected decline in low-income households in the rural regions, these regions will still have a greater share (47.7%) of households making less than \$40,000 a year in 2015 compared with the share (40.4%) in urban areas of Texas. As a result, affordable housing will remain an important part to the housing inventory in rural Texas.
- **Median and Four-Person Median Household Incomes** - In aggregate for all rural regions, the median household income in 2015 is expected to be \$49,724 per year, (2) in aggregate for all regions, the median income for a 4-person household in 2015 is expected to \$53,738 per year, and (3) Region 7 (Capital Region) is expected to have the highest median household income in 2015 at \$58,192 per year, while Region 11 (South Texas Border Region) should have the lowest at \$39,011 per year. Overall, median household income is projected to increase by 12.7% in the rural regions between 2010 and 2015, while income growth in the urban regions will be comparable at 12.0%. Regardless, rural median household income lags far behind and is expected to remain much lower than urban areas, as the projected median household income in rural areas (\$49,724) will be 34.4% lower than the projected median household income in urban areas (\$66,417) in 2015.

D. ECONOMIC OVERVIEW

Significant economic findings are discussed below (note: “rural regions” include only the rural counties that fall within each of the study regions. Any county that is not considered “rural” for the purposes of this study is included in the urban data). Detailed economic data is included in Section IV of this report.

- **Unemployment Rates** - Rural Texas was not immune to the national recession that began in 2007. Overall, the 13 rural regions evaluated in this report began to experience an increase in unemployment beginning in 2008 when unemployment was 4.9%, up from 4.5% from the preceding year. The unemployment continued to increase each of the subsequent years, peaking at 8.3% by September of 2011. These increases in unemployment in the rural regions generally mirrored urban areas of Texas and the overall state of Texas. However, these increases in unemployment in rural Texas, as well as throughout Texas, were not as significant as national trends. While the unemployment rates in rural

Texas ranged from 4.5% to 8.3% between 2007 and 2011, the national unemployment rates ranged from 4.7% to 9.7% during this same time. As a result, the rural regions of Texas were able to withstand the recession relatively well.

- **Job Growth** – Overall, between 2006 and 2011, 28,025 jobs were added to rural regions of Texas, representing an overall increase of 2.2%. Job growth in urban Texas is three times the rural job growth rate at 7.2%, adding 678,990 jobs during this five year period. Of the 13 study regions, 11 have experienced an increase in their job bases between 2006 and 2011 (September). Only Regions 4 (Upper East Texas Region) and 5 (Southeast Texas Region) have experienced declines, albeit minimal decreases. Region 11 (South Texas Border Region) experienced the greatest growth in terms of total job growth, increasing by 8,187 jobs or 8.8% since 2006. However, this region has also experienced the highest unemployment rate, increasing from 8.1% in 2007 to 13.0% in 2011. This dichotomy of positive job growth and increasing unemployment rate is primarily attributed to the fact that population growth in this region is outpacing job growth. It should be noted, however, that based on our evaluation of economic and demographic characteristics, there does not appear to be a direct or consistent relationship between job growth and population growth. Generally, it appears that job growth within the rural regions is strongest in the western half of the state, while job growth is weakest in the eastern part of the state.
- **Employment by Job Sector** - Generally, healthy and stable economies are those that are balanced with the number of employees distributed among a wide range of employment sectors. Typically, economies with a good base of employment within Educational Services, Health Care and Social Assistance, and Public Administration are stable and have the ability to withstand downturns in the area economy. The Educational Services, Retail Trade, and Health Care & Social Assistance jobs are the most common industry sectors within rural regions of Texas. The largest shares of Educational Services and Health Care & Social Assistance employment in rural Texas helps keep their economies stable. No industry sector within any region represents more than 18.1% of the respective job base. As a result, it does not appear that any region is heavily reliant on a single industry. This contributes to the general stability of these regions and reduces their vulnerability to a major downturn in any one job sector.

- **Employment Sector Changes** - The largest changes in the rural regions' job bases have primarily been among the agriculture-related jobs. Employment trends within this specific job sector were negative within each rural region and the overall rural regions, which declined by 55,572 jobs. This is likely the result of the consolidation of many farms and the farming mechanization that has become more prevalent in recent years. Manufacturing and Construction have also experienced notable decreases in the rural regions, which is similar to the state of Texas and much of the nation, since the start of the national recession a few years ago. We believe these negative job trends in the rural regions, particularly given the large-scale of the job reductions, have contributed to the generally stagnant demographic trends of the rural regions. In addition, it is likely that the large number of agriculture-related jobs lost over the past decade has contributed to the decline in those employed as farmworkers within rural Texas. Finally, it is believed that the job losses in rural Texas has likely contributed to the loss in the younger adults (under the age of 25) that has occurred in the rural regions over the past decade, and it is assumed that most of these younger adults are gravitating to more urban markets where education, social and employment opportunities are more abundant.

E. HOUSING SUPPLY ANALYSIS

Significant housing supply findings are discussed below (note: "rural regions" include only the rural counties that fall within each of the study regions. Any county that is not considered "rural" for the purposes of this study is included in the urban data). Detailed housing data is included in Section V of this report.

- **Affordable Housing Inventory** - A total of 972 affordable housing options were identified and inventoried within the rural counties studied in this analysis. These include state and/or federally financed rental housing alternatives in each of the 13 regions of Texas and do not include market-rate only projects. These projects have a combined 42,307 units that are distributed as follows: 32.2% Public Housing, 30.3% USDA, 20.5% Tax Credit, and 17.0% HUD (includes HUD Section 8, 202, 236, and 811 programs). In an effort to eliminating the double counting of units when units fall within multiple housing program categories, we have allocated the units within the program that generally serves the lowest income housing segment. For example, units of a mixed Tax Credit and HUD financed project were grouped within the HUD category. Based on this inventory, the rural housing markets of Texas are being financed by a diverse mix of housing finance programs. Besides the inventory of affordable housing units, there are approximately 12,121 Housing Choice Vouchers issued within the study areas.

- **Overall Occupancy Rates, Rental Housing Survey** - Of the 972 affordable housing projects identified in the market, 860 of them were surveyed by Bowen National Research. The surveyed projects have a combined 97.3% occupancy rate. This is generally considered a high occupancy rate and an indication of the limited availability of affordable rental housing in the rural areas of Texas. Generally, healthy and well-balanced rental markets are those that have occupancy rates of around 94% to 96%. Occupancy levels within this range allow for internal market mobility, enable a market to absorb new renter households within the market, and deter unusual rental rate fluctuations for non-subsidized rentals. When occupancy levels are above this range, the limited availability puts upward pressure on rental rates, often limits the ability and/or the incentive of property owners to upgrade or maintain their rental units, and may force some households into less desirable or substandard housing alternatives.
- **Regional Occupancy Rates, Rental Housing Survey** - Of the 13 study regions, 11 have affordable housing occupancy levels above 96%, indicating limited availability in these rural regions. Occupancies were the lowest in Region 7 (Capitol Region, rural counties outside the Austin area), which had a 93.3% occupancy rate, and Region 6 (Gulf Coast Region, rural counties outside the Houston area). While many factors are likely attributing the vacancies in these two regions, it should be noted that both regions have large metropolitan areas within them (Austin and Houston), which offer large bases of rental alternatives and likely pull support from the outlying rural regions. Regardless, it appears that affordable housing demand in the rural counties of all 13 regions is good to strong.
- **Occupancy Rates by Program Type, Rental Housing Survey** - Based on Bowen National Research's survey of affordable rental housing alternatives in rural Texas, occupancy levels among the Tax Credit and Subsidized (i.e. HUD Section 8, Section 202, Section 236 programs, Rural Development Section 514, Section 515, and Section 516 programs, and Public Housing) supply, as well as among the mixed-income (Tax Credit and concurrent government-subsidy) supply were distributed as follows: Tax Credit housing was 93.9% occupied, Subsidized housing was 98.6% occupied, and mixed-income Tax Credit/Subsidized housing was 98.1% occupied. The 93.9% occupancy rate among the Tax Credit supply is good, while the Subsidized and mixed-income Tax Credit/Subsidized housing supplies have extremely high occupancy rates and very limited availability. It appears that there is a housing shortage within the Subsidized housing supply within Region 5 (Southeast Texas Region), Region 9 (San Antonio Region), Region 12 (West Texas Region), and Region 13 (Upper Rio Grande Region), as evidenced by the 100.0%

occupancy rates among all subsidized units surveyed within these particular regions.

- **Age of Product, Rental Housing Survey** - Overall, based on Bowen National Research's survey of rental housing of affordable housing alternatives, the rural regions of Texas have nearly one-quarter (22.1%) of its supply built prior to 1970, nearly one-half (47.2%) of its supply built between 1970 and 1989, and a little more than a quarter (30.6%) built since 1990. Based on Bowen National Research's experience in evaluating hundreds of markets throughout the United States, it appears that the rural Texas markets have a good balance of affordable housing by age of product. Regions 2 (Northwest Texas Region) and 8 (Central Texas Region) have some of the oldest affordable housing stock, with 31.6% and 38.4% of the surveyed supply being built prior to 1970, respectively. Over 80% of the surveyed supply in Region 2 (Northwest Texas Region) was built prior to 1990. Region 9 (San Antonio Region) has the largest share (34.9%) of the newest product (built since 2005) compared to the other regions.
- **Age of Product, Secondary Data** - Based on the U.S. Census Bureau (2010 Census) and the 2005-2009 American Community Survey, the occupied housing stock in the rural regions of Texas is considered old, among both its renter- and owner-occupied housing units. Approximately 40% of all occupied housing within the rural regions of Texas was built prior to 1970. Nearly another 40% was built between 1970 and 1989. Less than 10% of the rural housing stock was built in the past decade. The share of renter and owner-occupied housing stock in rural Texas is relatively even among the different development periods. It is significant that the age of occupied housing in rural Texas has a greater concentration of older units than the urban areas of Texas and overall Texas. The share of rental-occupied in rural Texas built prior to 1970 is 42.4%, compared with the urban areas share of 26.5% and the overall Texas share of 28.0%. The share of newer rental product (built since 2000) in rural Texas is 7.3%, while urban areas of Texas has a 15.7% share and the overall state of Texas has a 14.8% share of new product. When considering owner-occupied housing, rural regions of Texas are comprised of 39.0% of product built prior to 1970. Owner-occupied units built prior to 1970 in urban areas of Texas and in overall Texas are lower, at 28.4% and 29.9%, respectively.

- **Housing by Tenure, Secondary Data** - U.S. Census Bureau data from 2010 indicates that rural regions of Texas have a higher share of owner-occupied units (and corresponding lower share of renter-occupied units) than the urban areas of Texas and the overall state of Texas. According to the 2010 Census, among all occupied housing units in rural regions of Texas, 27.5% are occupied by renters and 72.5% are occupied by homeowners. Within the urban areas of Texas, 37.5% are occupied by renters and 62.5% are occupied by homeowners. The overall state of Texas numbers, 36.3% were renter-occupied units and 63.7% are owner occupied, which are similar to urban area shares. Since owner-occupied units are primarily detached units, such as single-family homes or manufactured homes, and it is usually more difficult to build a large number of multifamily rental units due to the lower population density in most rural areas, there are fewer rental housing alternatives offered in most rural markets.
- **Affordable Apartments Rental Rates** - According to data provided by the U.S. Census Bureau (2010) and the 2005-2009 American Community Survey, within the rural regions of this analysis, owner housing costs range from \$865 to \$1,181 per month, which are approximately double renter-occupied housing costs, which range from \$434 to \$660 per month. Renter-occupied housing costs are highest in Region 3 (Metropolitan Region, outside of the Dallas area) and are lowest in Region 13 (Upper Rio Grande Region). Owner-occupied housing costs are highest in Regions 3 (Metropolitan Region) and 7 (Capital Region), while they are lowest in Regions 2 (Northwest Texas Region) and 11 (South Texas Border Region). According to Bowen National Research's survey of affordable rental housing in rural Texas, most non-subsidized affordable rental apartments (excludes market-rate rentals) have gross rents between \$250 and \$900 per month.
- **Cost Overburdened Households** - The prevalence of cost overburdened renters in rural Texas is less than in the urban areas of Texas and for the overall state of Texas. For the purposes of this analysis, cost overburdened households are generally considered those paying 35% or more of their adjusted gross income towards housing expenses. Based on data from the U.S. Census Bureau (2010) and the 2005-2009 American Community Survey, the share of renters that are cost overburdened in the rural regions of Texas is 37.4%, while renters in the urban areas of Texas have a cost overburdened share of 45.3%, which is comparable to the state average of 44.5%. The cost overburdened share among owners in rural Texas is 20.7%, which is lower than the urban area share of 26.4% and the overall state share of 25.6%.

- **Substandard Housing** - The share of renters and owners living in substandard housing in rural Texas is similar to Texas' urban areas and the overall state share. Generally, substandard housing is considered housing that has 1.0 or more persons per room and/or lacks complete indoor plumbing facilities. Based on data from the U.S. Census Bureau (2010) and the 2005-2009 American Community Survey, the share of renters in rural Texas that are living in overcrowded housing is 6.8%, which is slightly lower than the urban area and overall state share of 7.6%. Among homeowners, the share of overcrowded households in rural Texas is 3.3%, which is nearly identical to the 3.2% share in urban areas and overall state of Texas. The share of renter-occupied units lacking complete plumbing facilities in rural Texas is 1.1%, which is slightly above the 0.8% share of renter-occupied units in urban areas and overall state of Texas. Among homeowner-occupied units, only 0.7% of rural Texas units lack complete plumbing facilities, which is very comparable to the 0.5% share among owner-occupied units in urban areas and overall Texas. As such, rural Texas does not appear to have disproportionate substandard housing units.
- **Manufactured Housing Inventory and Tenure Data** - According to 2005-2009 American Community Survey, there were 173,235 occupied manufactured homes within the rural regions of Texas. These 173,235 occupied manufactured homes represent 15.5% of all occupied housing units in the rural regions of Texas. As expected, the share of manufactured homes (15.5%) in the rural regions of Texas is significantly higher than the shares in the urban areas of Texas (5.7%) and overall Texas (6.9%). The share of manufactured homes in rural Texas is higher among owner-occupied units (16.3%) than renter-occupied units (13.5%). Slightly less than one-fourth (23.9%) of all manufactured homes within rural regions are renter-occupied, while the remaining three-fourths (76.1%) are owner-occupied. Region 4 (Upper East Texas Region) has the largest number (9,911) of renter-occupied manufactured homes and Region 13 (Upper Rio Grande Region) has the lowest number (617). Region 3 (Metropolitan Region) has the highest share (30.4%) of renter-occupied units, while Region 2 (Northwest Texas Region) has the highest share (80.8%) of owner-occupied units.
- **Manufactured Housing Occupancy and Rental Rates** - Bowen National Research conducted a telephone survey of manufactured home communities within the rural regions of Texas. Of the 3,869 lots at these surveyed manufactured home communities, 3,331 (or 86.1%) were occupied or used. The 86.1% occupancy is generally typical for manufactured home communities. Rental rates for vacant lots in surveyed manufactured home communities range from \$100 to \$375 per month. Lots with a manufactured home included range in price from \$300 to \$750 per month. As such, the rental rates for manufactured homes are comparable to other affordable housing in rural Texas, including Tax

Credit rental housing. While manufactured home property amenities vary from park to park and region to region, most include offices, while approximately half include laundry facilities. Utilities are included in the rent at few of the communities, but residents are usually required to pay their own utilities.

- **For-Sale Housing Inventory** - Bowen National Research identified 13,881 housing units within the 13 study regions that were advertised as “for sale” housing. Approximately 40% of all for-sale housing identified is priced below \$100,000, providing a large supply of for-sale housing that would be available to low-income and very low-income households. The average price for product priced below \$100,000 is \$65,926, likely yielding a monthly mortgage payment that would be comparable to many affordable rental housing rates. It should be noted that prices cited in our analysis of available for-sale supply is the asking price and not necessary the actual price for which the homes will ultimately sale.
- **For-Sale Housing by Bedroom Type** - More than three-quarters of all available for-sale housing units identified are three-bedroom or larger units, while just over 20% of units are one- or two-bedroom units. The variety of bedroom types offered in the rural regions should be able to accommodate most household sizes. The shares of units by bedroom type of the available for-sale housing identified in the rural regions of Texas are very similar to U.S. Census Bureau 2010 estimated shares of all owner-occupied housing units for the rural regions. As such, the available for-sale housing stock in rural Texas appears to be in-line with the overall owner-occupied rural housing market.
- **For-Sale Housing by Age** - Over 15.0% of all available for-sale housing units were built over 50 years ago. The average price of these units is \$104,881. While some low-income households could afford these lower-priced units, the fact that the units are at least 50 years old is a possible indication that these units are of lower quality or require substantial improvements or maintenance. Residents purchasing and occupying such units will likely endure higher utility costs and possibly higher maintenance and repair costs. While nearly a third of identified available for-sale units were built in the past 20 years, the average price starts at \$148,639 for product built in the decade of 1991 to 2000. Product priced at this level may be a financial challenge for some lower income households due to their inability to afford the monthly mortgage payment, provide the down payment or secure financing.

- **Residential Building Permit Activity Trends** - Residential building permit activity for the rural regions, urban areas and overall state of Texas grew steadily between 2001 and 2006, then declined beginning in 2007 and extended through 2009. The decline coincides with the national recession and corresponding housing crisis. The initial permit activity decline that began in 2007 was mild in the rural regions of Texas, decreasing by only 1.6% in 2007, compared with the urban areas decline of 17.9% and the overall Texas decline of 17.5%. Since the peak permit activity of 2006, permit filings declined by 48.2% in rural regions by 2009, while permit activity during this same time period in urban markets declined by 60.9% and in overall Texas the decline was 60.5%. Between 2009 and 2010 (2011 data was not available), residential permit activity, representative of new housing development, increased by 31.5% in the rural regions, but only increased by 3.8% in urban areas and 4.8% in overall Texas. As such, rural regions experienced the least decline in residential permit activity during the national recession and have had the most rapid recovery since 2009.
- **Residential Foreclosure Filings** - With only a total 3,336 foreclosure filings within the rural regions over the preceding 12 months (October 2010 to September 2011), it appears that foreclosure activity is not a significant factor in the rural housing market. These foreclosures represent only 0.4% of all owner-occupied housing units in the rural regions of Texas. Regions 3 (Metroplex Region), 4 (Upper East Texas Region), and 8 (Central Texas Region) had the largest number of foreclosure filings in the past 12 months, while there were very few filings in Regions 12 (West Texas Region) and 13 (Upper Rio Grande Region).
- **Eagle Ford Shale Energy Extraction Impact** - The Eagle Ford Shale oil and gas extraction-related job growth has played a significant role in the need for additional affordable housing in rural areas of southern Texas. Due to the increase in oil and gas production and the resulting rise in the transient work force population associated with the energy extraction industry, rents in the area have escalated significantly. Affordable housing is also limited, as evidenced by Bowen National Research's survey of affordable rental housing that showed occupancy rates in the two southernmost regions of the state at 98.4% (Region 11 – South Texas Border) and 99.4% (Region 10 – Coastal Bend). As such, it appears that these regions have a shortage of available affordable housing.

F. HOUSING GAP ESTIMATES

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 the housing gap (the number of units that could potentially be supported) that is projected for each rural county and overall rural regions of Texas by 2015.

The demand components included in the housing gap estimates for each of the two housing types (rental and for-sale) are listed as follows:

Rental Housing Gap Analysis	
Demand Factors	Supply Factors
<ul style="list-style-type: none"> • Renter Household Growth 	<ul style="list-style-type: none"> • Available Rental Housing Units
<ul style="list-style-type: none"> • Rent Overburdened Households 	<ul style="list-style-type: none"> • Pipeline Units*
<ul style="list-style-type: none"> • Overcrowded Housing 	
<ul style="list-style-type: none"> • Housing Lacking Complete Indoor Plumbing 	

For-Sale Housing Gap Analysis	
Demand Factors	Supply Factors
<ul style="list-style-type: none"> • Owner Household Growth 	<ul style="list-style-type: none"> • Available For-Sale Housing Units
<ul style="list-style-type: none"> • Cost Overburdened Households 	<ul style="list-style-type: none"> • Pipeline Units*
<ul style="list-style-type: none"> • Overcrowded Housing 	<ul style="list-style-type: none"> •
<ul style="list-style-type: none"> • Housing Lacking Complete Indoor Plumbing 	<ul style="list-style-type: none"> •

*Units under construction, permitted, 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 gaps represent the number of new households that may need housing and/or the number of existing households that currently live in housing that needs replaced to relieve occupants of such things as housing cost-burdens, and overcrowded or substandard housing conditions. These supply and demand components are discussed in greater detail beginning on page VII-4 of this report.

- **Rental Housing Gap in Overall Rural Texas** - Within the 177 rural counties of Texas, it is estimated that there will be a potential housing gap of up to 85,215 affordable rental housing units for households with incomes of up to 80% of Area Median Household Income (AMHI) by the year 2015. This demand estimate takes into account renter household growth, current rent-burdened households and those living in

overcrowded or housing lacking complete indoor plumbing. These households are matched against the existing affordable rental housing identified in each market and the product in the development pipeline (either under construction or planned for development) to determine if there is a housing gap or surplus within a particular income segment. It is important to note that the demand estimates cited above does not mean that the rural areas of Texas can support 85,215 *new* rental housing units. Instead, these estimates indicate that up to 85,215 rental units in 2015 will be occupied by households that are rent burdened or living in overcrowded or substandard housing, or represent new households that will be added to the market that will require rental housing by 2015. Markets with the greatest housing gaps are those that may require new or replacement rental housing.

- **Rental Housing Gap by Region** - Region 4 (Upper East Texas Region) has the greatest rental housing gap (15,867) among the 13 study regions. More than half of this demand is for housing targeting households with incomes at or below 30% of Area Median Household Income (AMHI) levels. While Region 4 (Upper East Texas) has the largest supply of affordable rental housing (i.e. Tax Credit, HUD, RD 515, etc.), it also has a disproportionately high number of low-income households that create the relatively large housing gap in this region. The primary drivers behind this region's housing gap are the rapid growth that is projected to occur among low-income households and the large number of rent overburdened households in the region. Other regions with large numbers of potential demand include Region 5 (Southeast Texas Region) at 10,216 units, Region 3 (Metroplex Region, near Dallas-Fort Worth) at 9,436 and Region 1 (High Plains Region) at 7,485 units. There are less than 1,000 units of potential support in Region 13 (Upper Rio Grande Region). County level housing gap estimates for the rural counties within each study region are presented within their corresponding region in the Addendums to this report.
- **Rental Housing Gap by Income Level** - Overall, more than half of the entire rental housing gap within the 13 rural regions is for households with incomes at or below 30% of AMHI. A large housing gap among those households with incomes at or below 30% of AMHI is a potential indication for the need of government-subsidized housing or Low-income Tax Credit housing with targeting to very low-income households. The high occupancy rates (overall average was 97.3%) among the affordable rental housing supply we surveyed indicate that there is limited availability of affordable rental housing in the rural markets of Texas. Roughly a quarter of the entire rental housing gap in rural Texas is for households with incomes between 31% and 50% of AMHI and nearly a fifth of the overall rental housing gap is for households with incomes at 51% to 80% of AMHI.

A map illustrating the projected rental housing gap for each rural county of Texas is included on the following page:

Rural Texas: Rental Housing Gap



New Mexico

Oklahoma

Arkansas

Mississippi

Louisiana

El Paso

Upper Rio Grande

West Texas

Central Texas

Southeast Texas

Austin Capital

Gulf Coast

Beaumont

San Antonio

San Antonio

Houston

Pasadena

South Texas Border

Coastal Bend

Corpus Christi

Laredo

McAllen

Brownsville

High Plains

Lubbock

Wichita Falls

High Plains

Fort Worth

Dallas

Arlington

Upper East Texas

Waco

Central Texas

Houston

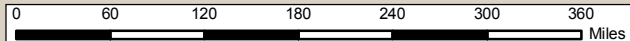
Pasadena

Legend

- Region
- County Border

Rental Housing Gap

- Non Rural
- 228 - 0
- 0 - 249
- 250 - 499
- 500 - 999
- 1,000 - 1,999
- 2,000+



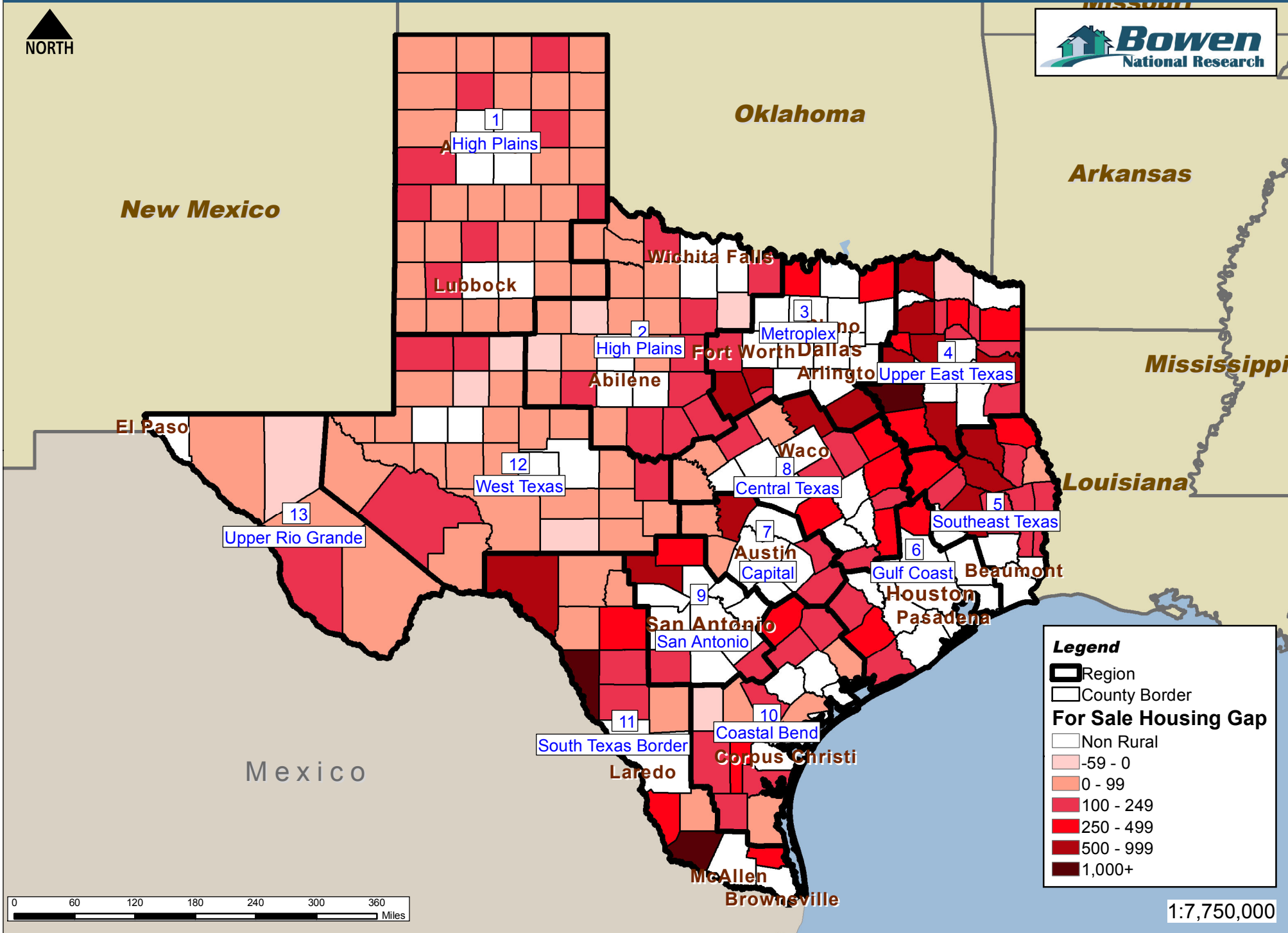
1:7,750,000

- **For-Sale Housing Gap in Overall Rural Texas** - Within the entire rural areas of Texas, it is estimated that by 2015 there will be potential housing gap for up to 33,846 units of for-sale housing targeting low-income households. This demand estimate takes into account owner household growth, current housing cost-burdened households and those living in overcrowded or substandard housing. Like the rental housing gap analysis, these households are compared against the existing affordable for-sale housing identified in each market and the product in the development pipeline (either under construction or planned for development) to determine the potential housing gap or surpluses that might exist. As in the case of the *rental* housing gap analysis, it is important to note that the for-sale housing gap estimate cited above does not mean that the rural areas of Texas can support 33,846 *new* for-sale housing units. Instead, these estimates indicate that up to 33,846 owner-occupied units in 2015 will be occupied by households that are cost burdened or living in overcrowded or substandard housing, or represent new households that will be added to the market that will require for-sale housing by 2015. Markets with the greatest housing gaps are those that may require new or replacement for-sale housing.
- **For-Sale Housing Gap by Region** - The for-sale housing gap by region is the highest in Region 4 (Upper East Texas Region), with a potential for 7,529 units. Regions 5 (Southeast Texas Region) and 11 (South Texas Border Region) also have a high number of potential for-sale demand, at 4,106 and 4,796 units, respectively. Region 13 (Upper Rio Grande Region) has the lowest potential for-sale housing demand at just 383 units. County level housing gap estimates for the rural counties are evaluated within their corresponding region in the Addendums to this report.
- **For-Sale Housing Gap by Income Level** - Overall, the housing gap for for-sale housing is greatest among the 51% to 80% AMHI level, or for housing priced between \$140,000 and \$200,000, though the for-sale housing gap is also high at the 31% to 50% AMHI level, or for housing priced between \$100,000 and \$139,999. The housing gap for product priced below \$100,000 is a little more than half that of the other two higher priced housing segments, but is still significant. Minimal support for new home purchases is expected to originate from new household growth. Instead, for-sale housing demand will primarily be created by the need for replacement housing. Besides first-time homebuyers, cost-burdened homeowners would be the most likely low-income residents who would respond to new affordable for-sale housing. While there appears to be a large supply of available for-sale product priced below \$100,000, which would be affordable to many households with annual incomes at or below 30% of Area Median Household Income (AMHI), it is likely that many of these lower income households would not have the

equity in their current homes or sufficient savings to afford a down payment for the closing costs on a new home purchase, without some type of financial assistance. It should be noted that much of the supply priced under \$100,000 is old (50+ years) and likely in need of ongoing maintenance and possible repairs. Therefore, many low-income households may lack the financial resources to maintain or repair these lower priced homes.

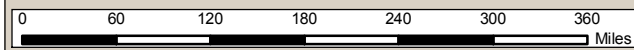
Overall projected for-sale housing gaps for each rural county of Texas are shown on the map included on the following page.

Rural Texas: For Sale Housing Gap



Legend

- Region
- County Border
- For Sale Housing Gap**
- Non Rural
- 59 - 0
- 0 - 99
- 100 - 249
- 250 - 499
- 500 - 999
- 1,000+



1:7,750,000

G. IDENTIFICATION OF 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. These interviews were used to identify the primary barriers to development of affordable housing in rural Texas. These barriers to development are presented by region, although many of the barriers from one region to another overlap.

- **Overall State Perceptions** - According to stakeholders with a statewide presence or knowledge, the critical barriers to the development of affordable housing are financing, financing complexity and the lack of financing options, lack of infrastructure, and availability of community services and transportation.

The difficulty of making a small, affordable, rental housing project financially feasible was often cited as the main impediment to rural housing development. Without deep subsidies, which are very limited, developers cannot make these projects work since larger projects need to be built to offset higher construction costs. However, due to the limited number of qualified tenants, the larger projects cannot meet the occupancy needed to keep them solvent. Lack of infrastructure and aging infrastructure are also major obstacles. Infrastructure is critical to a cost efficient development; however, the primary federal (USDA and CDBG) and state programs (Housing Trust Fund) have seen decreases in funding support for infrastructure upgrades and construction recently. Construction and supply costs are also prohibitive of building a small number of single-family homes, as transportation of materials to rural areas of Texas can drive up cost. The availability of construction financing is also a hurdle to developing affordable housing, as local or small regional banks are not often involved in providing lines of credit for construction-only financing. Lastly, many stakeholders cited the difficulty of understanding and navigating available financing options and the costs associated with the application process, in particular for less experienced housing providers (small rural towns or housing authorities) and those with limited staffing.

Since available community services receive scoring priority this can be a limiting factor to development in rural areas.

- **Region 1** - Due to the influx of energy extraction industry employees in the region, two separate areas of affordable housing need must be addressed in this region. In areas where the energy extraction industry has brought an influx of workers and renters, housing costs, particularly among rentals, has escalated significantly. This has limited the availability of affordable housing for low-income households. The development of market-rate housing and affordable housing would alleviate some of the rental rate pressure that has been occurring in the region.

The primary barriers to development cited for this region included the lack of available contractors, rapidly escalating land costs, and concerns over the duration of the growing and strong job and housing markets. Additional grant funding through the HOME program and funding availability for small-scale projects were cited as possible solutions for assisting housing development in the rural areas of this region.

- **Region 2** - While opinions were mixed on the actual need for housing, those respondents who stated there is a need for additional housing in the region indicated that single-family homes would best meet the need for families while adaptive reuse and revitalization of existing structures would best serve seniors. First-time homebuyer programs in rural communities were cited as a program type that could assist with placing low to moderate income families into single-family homes. Additional funding was cited as a need to help repair or maintain the existing homes of seniors to help them stay in their homes longer and to allow them to age in place.
- **Region 3** - While some affordable rental housing has been added to the region, the demand for affordable housing remains high, as evidenced by the high occupancy rates and waiting lists at most of the rental projects in the region. The primary barrier to developing affordable housing in the region is the region's proximity to the Dallas-Fort Worth-Arlington MSA, which has better development opportunities and financing options than the rural areas of the region. The LIHTC and HOME programs have worked well in this region and should continue to be supported.

- **Region 4** - While the minimal or no down payment requirements and low costs associated with manufactured homes makes this a viable housing option, some community representatives believe such housing has a short economic lifespan and does not add value to the community or to the land values as stick built homes would add. It is believed that the growing base of seniors will increase the need for more senior housing. Single-family housing development will help meet the needs of families. The lack of infrastructure, financial limitations and high construction costs were cited as the primary barriers to development.
- **Region 5** - There is clear demand for affordable housing, including single-family homes and manufactured homes for families, and housing for seniors, or at least assistance in revitalizing senior housing. Limited financing, lack and costs of infrastructure, and zoning issues were cited as the primary barriers to development.
- **Region 6** - 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.
- **Region 7** - There is strong demand for affordable housing, as the existing supply is old and in poor condition, yet typically fully occupied. The primary demand is for housing for working families and seniors. It is believed that funding for the rehabilitation of existing housing should be given priority. The limited financial programs for rural development and the difficulty in making small projects financially feasible are primary barriers.
- **Region 8** - Low- and moderate income families and seniors were cited as having the greatest housing needs in the region. With an old housing stock and the high cost associated with rehabilitating units to meet current standards, new construction appears to be a more viable option. The income eligibility limits, the low number of qualified residents, a lack of adequate funding, and more restrictive loan restrictions required by lenders were cited as primary barriers to development by stakeholders in this region.

- **Region 9** - 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.
- **Region 10** - The oil extraction energy boom and corresponding job growth has increased demand for housing and greatly contributed to the escalating housing and land costs. This in turn has made it more difficult for developers to build affordable housing. Limited funding and the lack of available, buildable land were the primary barriers to development in this rural region cited by stakeholders.
- **Region 11** - Large-family households have the greatest need for housing. Numerous items such as limited financing, lack of infrastructure, property ownership disputes, and environmental compliance issues were cited as barriers to development. Frequent changes to TDHCA's Qualified Allocation Plan were also cited as an area that adds development challenges.
- **Region 12** - Much of the existing housing stock is old and substandard. One- through three-bedroom single-family homes or apartments are in the greatest demand. The lack of infrastructure and community services limit development in rural areas. Funding constraints due to the small size of projects and high development costs also serve as barriers to development.
- **Region 13** - Housing needs cited by local sources include the need to renovate the older existing housing stock and the development of one- and two-bedroom multifamily units to help meet growing workforce housing demand. Development barriers in the region include lack of infrastructure and limited funding.

H. RECOMMENDATIONS

The following is a summary of recommendations for TDHCA and other government entities to consider, as they relate to policies, procedures and programs to implement or modify, in encouraging/supporting the development of affordable housing in rural Texas.

- 1) Consider Modification of the Tax Credit Program Selection Criteria:**
The Tax Credit Program currently uses one set of criteria (point system) to select all projects in the State for tax credit awards. Consideration should be given to establishing two sets of selection criteria, one for rural applications and one for urban applications. The selection criteria do not have to be different (although they can be), just tailored to the issues and conditions unique to urban and rural housing development. Clearly, rural housing has different development and operational issues than urban housing. A more customized selection process will allow the best applications/projects in rural areas to stand out in each region.

- 2) Promote Efforts and/or Create Incentives To Encourage Affordable Single-Family Home and Manufactured Home Development:** Based on Bowen National Research's stakeholders interviews, one of the most frequently recommended housing options for rural markets was the development of single-family dwellings. Support should be given to encourage the use of the first-time homebuyer program to assist more low-income households with purchasing their own homes. Efforts should also be made to support the expansion of the lending community's network for rural projects and marketing efforts should be encouraged to promote educating the public on the homebuyer programs. Consideration should be given to creating incentives that would encourage developers to develop single-family and/or manufactured homes, such as increased points in TDHCA's Low-Income Housing Tax Credit point scoring process, particularly in rural counties.

- 3) Promote Efforts to Enable Seniors to Age in Place:** As senior populations grow in rural regions, the need to modify existing homes to allow for aging in place increases. Efforts should be made to promote pre-emptive actions that lead to the removal of physical barriers and encourages property modifications that would enable seniors to age in place. This includes supporting home repair and home maintenance efforts to extend the usefulness of existing housing. Such efforts can include enhanced marketing of government housing improvement programs such as the HOME Investment Partnership Program, Amy Young Barrier Removal Program, and the Bootstrap Loan Program or encourage consulting services (public or private) that assist entities on various programs and how to access them. The adaptive reuse of existing buildings into senior housing and/or assisting seniors to overcome physical challenges of aging in place should

also be promoted in rural communities. Since seniors in rural markets have fewer housing options than do seniors in more urbanized markets, it is critical to increase long-term housing alternatives and/or the ability of seniors to age in place.

- 4) **Encourage Rural Affordable Housing Lending from Local Financial Institutions:** Many local banks in rural communities do not have the ability or are reluctant to loan money towards the development of affordable housing in their communities or area. Education and outreach efforts should be made by state and other government housing entities to reduce the reluctance that some local lending institutions may have in lending to rural housing projects. Consideration should be made to providing local banks incentives to become involved with rural housing development.
- 5) **Consolidate Housing Program Requirements and Coordinate Funding Timelines:** One of the barriers to development that was often cited during Bowen National Research's stakeholder interviews was that many developers must rely upon a variety of financing resources (i.e. USDA, TDHCA and HUD) concurrently to make projects financially feasible. Typically, each funding source has its own set of regulations and funding cycles, which are not coordinated with other agencies for easy use. Public funding entities should attempt to consolidate their program regulations and coordinate their funding cycles to facilitate housing development and reduce the cost and time of compliance activities.
- 6) **Consider Creating Regional Rural Housing Resource Centers:** One of the barriers often cited by developers and stakeholders in rural Texas is; (1) the lack of housing knowledge and experience by local/regional governments, and (2) the difficulty in reaching resources that can directly and quickly address local housing issues or challenges. It is recommended that consideration be given to establishing Rural Housing Resource Centers within each Service Region, staffed with a housing development specialist or representative who understands local market conditions, housing and infrastructure needs, financing tools, and housing programs. These regional rural housing resource centers would act as liaisons between developers/end users/local governments and the various government agencies in Austin or other metropolitan areas. The Colonia Self-Help Centers currently in some rural Texas border communities could be a potential model to follow. Entities such as Community Action Agencies could be good candidates for a regional rural housing resource center.
- 7) **Develop an Affordable Housing Inventory Clearinghouse:** While TDHCA has an on-line Vacancy Clearinghouse tool, it is recommended that an more comprehensive Housing Inventory Clearinghouse be developed that includes detailed summaries of the entire inventory of affordable housing projects in Texas. This would include TDHCA-financed projects, but also

Public Housing, HUD Section 8, RD 515 and other affordable housing alternatives. This will enable low-income households to more easily find out information about the affordable housing inventory available throughout Texas, including the rural communities. This could also serve as an effective planning and development tool for local communities, government entities, and developers.

- 8) **Modify TDHCA's Existing On-Line Housing Resource Center to Include a Rural Component:** The existing Housing Resource Center on TDHCA's website should be modified to have a specific section on rural housing. Information collected and maintained by government entities as it relates to rural housing programs, government contacts (both state and local) and website links, voucher data, utility allowance publications, demographic data, housing inventory data, and other housing materials could be maintained through the website. Non-profit and supportive service providers could be listed, allowing for private sector groups to identify organizations with which to build relationships or partnerships in the common goal of successful rural affordable housing. This would provide developers of rural housing a one-stop center for rural housing information and resources. A focused effort should be made to educate the public, particularly developers and stakeholders, of this resource. Many stakeholders we interviewed were unaware of current state housing programs, and those that did know many had misinformation.
- 9) **Consider Expanding Publicly-Funded Housing Programs for Rural Areas to Level the Development Playing Field:** One of the primary barriers to housing development in rural Texas is additional financial requirements that equity providers and lenders often place on developments in rural markets, due to the perceived higher risk that rural markets have over urban markets. It is recommended that government entities should consider expanding assistance through such things as gap financing, loan guarantees and other financial mechanisms that will encourage (or lower the risk of) investing or lending money to rural housing developments.
- 10) **Consider Expansion of Home Repair/Maintenance Programs (with Emphasis on Senior Housing):** Consideration should be given to the possible expansion of funding for home repair, home maintenance, and weatherization to allow lower-income households, particularly seniors, to remain in their homes longer. This will be particularly helpful to lower-income seniors in rural communities who have difficulty affording home upkeep, and have few housing options if forced to move. Such a program will enable seniors to stay in their homes longer and age in place (see next recommendation).

- 11) Encourage the Use of Universal Design Standards for New Development (and to the Extent Possible for Rehabilitation):** With the significant increase in senior populations within all Service Regions, it is critical that new and rehabilitated housing developments be designed to accommodate aging in place. Consideration should be given to requiring developers of affordable housing in rural communities (and possibly all communities) to incorporate features that will enable seniors to age in place and persons with disabilities to live more independently. Universal Design benefits both population groups.
- 12) Encourage the Development of Integrated/Mixed Residential-Use Projects:** It is recommended that development of integrated/mixed residential use development with one developer or between multiple developers be encouraged. Such developments could include a combination of intergenerational (family and seniors) housing, targeting different income stratifications (very-low, low- and moderate-income households, as well as market-rate households), special needs groups (i.e. homeless, disabled, etc) and include a variety product designs (i.e. single-family homes, cottage-style units, small multifamily projects, etc.). Benefits can be gained from economies of scale associated with the sharing of development costs such as infrastructure, construction, staffing and marketing that would help reduce costs for developers. Efforts should be made to insure that a cohesive master plan or equivalent is developed to enable the mixed residential uses to effectively coexist and complement each other, when possible. Further, it is critical that all Fair Housing regulations are implemented within such developments.
- 13) Expand and Improve Rural Housing Development Outreach and Education Efforts:** One of the challenges facing the development of affordable housing in rural Texas is the lack of knowledge about state housing programs and financing mechanisms. This lack of knowledge ranges from prospective residents who are unaware of assistance available to them in their area to developers and local government officials who may not be aware of programs that can encourage affordable housing development in their communities. Lack of information or misinformation often limits public interest in affordable housing. A greater involvement by government financing entities, whether it is through outreach, education, or information sharing, would greatly assist rural housing developers, encourage less experienced developers or developers with limited staffs to get involved with rural housing development, and reduce the timeline associated with the rural housing financing process. Cooperation and sharing between housing groups, such as for-profit and non-profit developers, housing authorities, and other housing and supportive service providers, will help to encourage rural housing development.

- 14) Encourage Local Government Entities to Start the Predevelopment Research Required for Housing Development:** Local governments can take a proactive approach to encouraging development by do the predevelopment work required for promoting housing development. Such involvement can range from community services and market research to implementing the infrastructure required to support development. Laying such groundwork could then be used by local government entities to attract developers to the community.
- 15) Encourage Involvement between Local Governments and the Development Community:** A barrier to development that was often cited during our research and interviews was that many local governments do not actively work with affordable housing developers in rural communities. Efforts should be made on the state level to help build relationships and partnerships between public and private sectors. Part of this effort could focus on basic outreach and education activities and other efforts to facilitate relationship-building, networking, and partnering between parties of mutual interests.

III. DEMOGRAPHIC ANALYSIS

Each rural county and region within the study area was evaluated based on various demographic characteristics and trends. Data sources used in this demographic analysis include ESRI, Ribbon Demographics, 2010 U.S. Census, American Community Survey, Nielson Claritas, Urban Decision Group and Bowen National Research. The data was illustrated for various points in time and include 1990, 2000, and 2010. Since the U.S. Census Bureau had not released detailed 2010 demographic data for most demographic categories at the time this report was prepared, we have applied detailed 2010 ESRI estimates and/or 2005-2009 American Community Survey information for various demographic characteristics to published 2010 Census data to extrapolate detailed 2010 demographic characteristics for the study areas. We have also projected most demographic characteristics and trends to 2015 using data projections provided by ESRI.

Demographic characteristics and trends considered in this analysis include:

- Total Population and Population Growth Trends
- Population by Age
- Population Density
- Total Households and Household Growth Trends
- Households by Age
- Population by Education Attainment
- Population by Race
- Population by Nationality
- Households by Renter Share
- Median Household Income
- Population by Poverty Status
- Special Needs Populations:
 - Homelessness
 - Persons with Disabilities
 - Elderly Persons
 - Persons with HIV/AIDS
 - Colonia Residents
 - Victims of Domestic Violence
 - Youth Aging out of Foster Care
 - Veterans

All data is first compared on an overall region level between all 13 regions studied in this analysis. We then evaluated all data points on an individual region level, comparing each county within the corresponding region.

A. KEY FINDINGS

Significant *population* demographic findings include the following (note: “rural regions” include only the rural counties that fall within each of the study regions. Any county that is not considered “rural” for the purposes of this study is included in the urban data):

- **Total Population** - Overall, rural regions of Texas are projected to experience a modest population increase of 1.3% between 2010 and 2015, while overall urban population growth is projected to increase at seven times the rural rate, at 9.5% during this same time period. Population growth rates for all rural areas of the study regions are either steady or declining over time (1990 to 2015). Notably, Regions 3 (Metroplex Region near Dallas), 7 (Capital Region) and 9 (San Antonio Region), all located in the central corridor of the state, are experiencing the highest percentage increases in population, while Regions 1 (High Plains Region), 2 (Northwest Texas Region) and 10 (Coastal Bend Region), located in the far northwest and gulf coast areas of the state, are experiencing the highest percentage decreases. The more positive population growth trends in the central corridor regions are likely attributed to the fact that these regions have large, high-growth metropolitan areas within them including places like Dallas-Fort Worth, Austin, and San Antonio. As such, it appears that urban/metropolitan area growth in these areas is influencing growth patterns of the surrounding rural areas. Rural areas without a large urban center or metropolitan area generally have minimal population changes.
- **Population by Age** – The distribution of rural population by age indicates that (1) over 75% of regions (10 of 13) will experience a decrease in households headed by persons 24 years and younger between 2000 and 2015, (2) nearly 70% of regions (9 of 13) will experience a decrease in households headed by persons 25 to 44 years of age, and (3) all regions will experience an increase in households headed by persons 55 and older. The overall rural regions are projected to experience a slight population decline among those under the age of 25 between 2010 and 2015. Conversely, urban areas are projected to experience a significant 8.4% increase in population under the age of 25 during this same time period. While both rural and urban areas will experience positive growth among its population age 55 and older, it is significant that the rural regions age 55 and older population will represent nearly one-third (30.7%) of the total population and the urban areas will have a population share of age 55 and older of less than a quarter (21.7%). Overall, households headed by younger people appear to be leaving the rural areas, while households headed by older people appear to be staying or aging in place.

- Education Attainment** – Education data revealed that (1) in aggregate for all rural regions, 25.4% of people are not high school graduates, compared with 24.1% in urban areas, (2) in aggregate for all rural regions, 40.5% of people attended college (not necessarily received degrees), compared with 46.0% in urban areas (3) in aggregate for all rural regions, 20.9% of people are college graduates or hold advanced degrees, compared with 29.9% in urban areas (4) Region 11 (South Texas Border Region) has the highest percentage of non-high school graduates, while Region 7 (Capital Region) has the lowest, (5) Region 4 (Upper East Texas Region) has the highest percentage of high school graduates only, while Region 11 (South Texas Border Region) has the lowest, and (6) Region 13 (Upper Rio Grande Region) has the highest percentage of college graduates, while Region 11 (South Texas Border Region) has the lowest. Overall, the share of college graduates in urban areas is almost 50% higher than the rural areas. As a result, the earning capability and potential for a large portion of the rural population is likely limited due to the limited education attainment of these individuals. This is evidenced by lower household income and higher share of population living in poverty in the rural areas of Texas.
- Population Living in Poverty** – Data relative to poverty indicated that (1) in aggregate for all rural regions, 19.2% of the population is living below the poverty level, compared with 16.4% in the urban areas of Texas, (2) Region 11 (South Texas Border Region) has the highest percent of its population living below the poverty level at 32.7%, while Region 7 (Capital Region) has the lowest percentage at 11.5%, (note: the statewide average is 16.8%), and (3) Region 13 (Upper Rio Grande Region) has the highest percent (3.7%) of its population living below the poverty level that is age 65 or older, while Region 3 (Metroplex Region) has the lowest percentage at 1.5% (note: the statewide average is 1.2%). Based on this assessment, the rural areas of Texas have a higher share of the population living in poverty than urban areas or the overall state of Texas. While the shares of population living in poverty among all age groups in the rural regions of Texas are higher than the urban areas and the overall state of Texas, 2.1% of the overall population consists of seniors age 65+ living in poverty in rural regions, which is nearly double the 1.1% and 1.2% shares in the urban areas and Texas, respectively. As such, seniors in rural markets of Texas appear to suffer from poverty at a greater degree than seniors living elsewhere in Texas.
- Mobility Patterns** – Generally, the rural population is more stationary and has lower annual turnover (16.9% annual turnover rate) in housing than the urban markets (19.5% annual turnover rate). This is likely primarily attributed to the lack of housing alternatives and limited employment opportunities in rural markets as opposed to urban markets which have a larger base of employment opportunities (job changes) and more housing options from which owners and renters can choose. Notable mobility patterns include: (1) in aggregate for all rural regions, 83.1% of the population had not moved for one year, compared with 80.5% in urban areas (2) in aggregate for

all rural regions, 8.4% of the population had moved within a year from within their present county, compared with 12.0% in urban areas, (3) in aggregate for all rural regions, 6.6% of the population had moved within a year from outside their present county but within Texas, compared with 4.1% in urban areas, (4) in aggregate for all rural regions, 1.5% of the population had moved within a year from outside Texas, but within the USA, which is identical to urban areas, (5) in aggregate for all rural regions, 0.4% of the population had move within a year from outside the USA, compared with 0.9% in urban areas, and (6) Region 11 (South Texas Border Region) had the highest percentage of non-movers, while Region 3 (Metroplex Region) had the lowest.

- **Population by Race** - The “White Alone” classified population represents the majority of the rural Texas population, comprising more than 70% of the entire state’s population. However, more than one-third of the population is considered “Hispanic”. Within the rural regions of Texas, one-third of the entire population identify themselves as “Hispanic”. This is slightly lower than the 38.5% share of Hispanics in Texas’ urban areas and the 37.6% share in the overall state of Texas. As such, it appears the Hispanic population is more concentrated in the urban areas of Texas. Regions closest to the U.S.-Mexico border have the highest shares of Hispanics, with Region 11 (South Texas Border Region) at an 87.0% share of Hispanics and Region 13 (Upper Rio Grande Region) at a 62.6% share of Hispanics.

Significant *household* and *income-related* findings include:

- **Total Households** – While household growth rates for all regions are either steady or declining over time (1990 to 2015), 10 of the 13 regions are projected to experience positive household growth between 2010 and 2015. Regions 3 (Metroplex Region), 7 (Capital Region) and 9 (San Antonio Region), which are generally located within the central corridor of Texas, are experiencing the highest percentage increases in households, while Regions 1 (High Plains Region), 2 (Northwest Texas Region) and 10 (Coastal Bend Region) are the only regions projected to experience household decreases. Overall, the rural regions are expected to experience a slight increase in households of 1.5% between 2010 and 2015, while urban areas are projected to experience a more rapid increase of 9.4% (the state average is 8.4%).
- **Households by Age** – Households by age data indicated that (1) over 75% of rural regions (10 of 13) will experience a decrease in households headed by persons 24 years and younger between 2000 and 2015, (2) nearly 70% of rural regions (9 of 13) will experience a decrease in households headed by persons 25 to 44 years of age, and (3) all rural regions will experience an increase in households headed by persons 55 and older. As is the case for population trends, households headed by younger people appear to be leaving these rural areas, while households headed by older people appear to be staying or aging in place. Such trends indicate the likely need to maintain the existing housing stock, to modify

housing to accommodate senior needs and/or develop senior-housing that would allow seniors to age in place.

Households by Tenure – Housing tenure (renter and owner) data revealed that (1) in all rural regions from 2000 to 2015, the percentage of renter households is expected to slightly increase, while the percentage of owner households is expected to slightly decrease, (2) in 2015, Region 7 (Capital Region) is expected to have the highest percentage of owner households, while Region 6 (Gulf Coast Region) is expected to have the lowest, and conversely, (3) in 2015, Region 6 (Gulf Coast Region) is expected to have the highest percentage of renter households, while Region 7 (Capital Region) is expected to have the lowest. Overall, by 2015, the share of renter households within the rural regions of Texas will be 26.6%, while in urban areas the share will be higher at 37.6%. The lower share of renter households in the rural regions of Texas is not unusual for rural markets. Generally, these household tenure shares in rural Texas will not differ much from 2010 shares of renter households.

- **Households by Income** - All rural regions will experience an increase in household income between 2000 and 2015. Region 7 (Capital Region) is expected to have the highest percentage of households earning \$60,000 or more per year, while Region 11 (South Texas Border Region) should have the highest percentage under \$20,000 per year. Between 2010 and 2015, households by income for each rural region are projected to decline for those making less than \$30,000 a year, while those households making \$30,000 or more are projected to increase during this time period. More importantly, however, is the fact that despite the projected decline in low-income households in the rural regions, these regions will still have a greater share (47.7%) of households making less than \$40,000 a year in 2015 compared with the share (40.4%) in urban areas of Texas. As a result, affordable housing will remain an important part to the housing inventory in rural Texas.
- **Median and Four-Person Median Household Incomes** - In aggregate for all rural regions, the median household income in 2015 is expected to be \$49,724 per year, (2) in aggregate for all regions, the median income for a 4-person household in 2015 is expected to be \$53,738 per year, and (3) Region 7 (Capital Region) is expected to have the highest median household income in 2015 at \$58,192 per year, while Region 11 (South Texas Border Region) should have the lowest at \$39,011 per year. Overall, median household income is projected to increase by 12.7% in the rural regions between 2010 and 2015, while income growth in the urban regions will be comparable at 12.0%. Regardless, rural median household income lags far behind and is expected to remain much lower than urban areas, as the projected median household income in rural areas (\$49,724) will be 34.4% lower than the projected median household income in urban areas (\$66,417) in 2015.

A comparison of the 13 study regions, along with urban and statewide data, for various demographic metrics is included on the following pages. It is important to note, however, the rural region data only includes the rural-designated counties within each region. Additionally, the highest and lowest variables of each data set are denoted on bold print in each table.

B. REGIONAL COMPARISON

The following tables compare various demographic characteristics and trends of each rural region of Texas, as well as overall urban areas and statewide Texas.

1. POPULATION TRENDS

		Year			
		1990	2000	2010	2015
Region 1 High Plains	Population	308,043	304,500	304,815	302,128
	Population Change	-	-3,543	315	-2,687
	Percent Change	-	-1.2%	0.1%	-0.9%
Region 2 Northwest Texas	Population	235,419	237,490	233,692	232,065
	Population Change	-	2,071	-3,798	-1,627
	Percent Change	-	0.9%	-1.6%	-0.7%
Region 3 Metroplex	Population	182,890	220,660	245,760	255,904
	Population Change	-	37,770	25,100	10,144
	Percent Change	-	20.7%	11.4%	4.1%
Region 4 Upper East Texas	Population	483,136	552,248	589,817	597,410
	Population Change	-	69,112	37,569	7,593
	Percent Change	-	14.3%	6.8%	1.3%
Region 5 Southeast Texas	Population	289,081	333,617	352,093	353,707
	Population Change	-	44,536	18,476	1,614
	Percent Change	-	15.4%	5.5%	0.5%
Region 6 Gulf Coast	Population	146,180	161,290	166,717	168,477
	Population Change	-	15,110	5,427	1,760
	Percent Change	-	10.3%	3.4%	1.1%
Region 7 Capital	Population	73,226	97,066	113,714	119,850
	Population Change	-	23,840	16,648	6,136
	Percent Change	-	32.6%	17.2%	5.4%
Region 8 Central Texas	Population	205,930	234,016	249,495	253,191
	Population Change	-	28,086	15,479	3,696
	Percent Change	-	13.6%	6.6%	1.5%
Region 9 San Antonio	Population	79,433	96,162	106,503	110,934
	Population Change	-	16,729	10,341	4,431
	Percent Change	-	21.1%	10.8%	4.2%
Region 10 Coastal Bend	Population	200,788	217,968	217,044	215,675
	Population Change	-	17,180	-924	-1,369
	Percent Change	-	8.6%	-0.4%	-0.6%
Region 11 South Texas Border	Population	206,691	245,516	269,430	276,619
	Population Change	-	38,825	23,914	7,189
	Percent Change	-	18.8%	9.7%	2.7%
Region 12 West Texas	Population	187,432	181,966	186,046	188,659
	Population Change	-	-5,466	4,080	2,613
	Percent Change	-	-2.9%	2.2%	1.4%
Region 13 Upper Rio Grande	Population	23,585	24,695	25,266	25,163
	Population Change	-	1,110	571	-103
	Percent Change	-	4.7%	2.3%	-0.4%

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

Note: Rural Region data is limited to only the counties that met the rural county designation

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		Year			
		1990	2000	2010	2015
Sum of Rural Regions	Population	2,621,834	2,907,194	3,060,392	3,099,782
	Population Change	-	285,360	153,198	39,390
	Percent Change	-	10.9%	5.3%	1.3%
Urban Areas	Population	14,364,676	17,944,626	22,085,169	24,191,692
	Population Change		3,579,950	4,140,543	2,106,523
	Percent Change		24.9%	23.1%	9.5%
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%

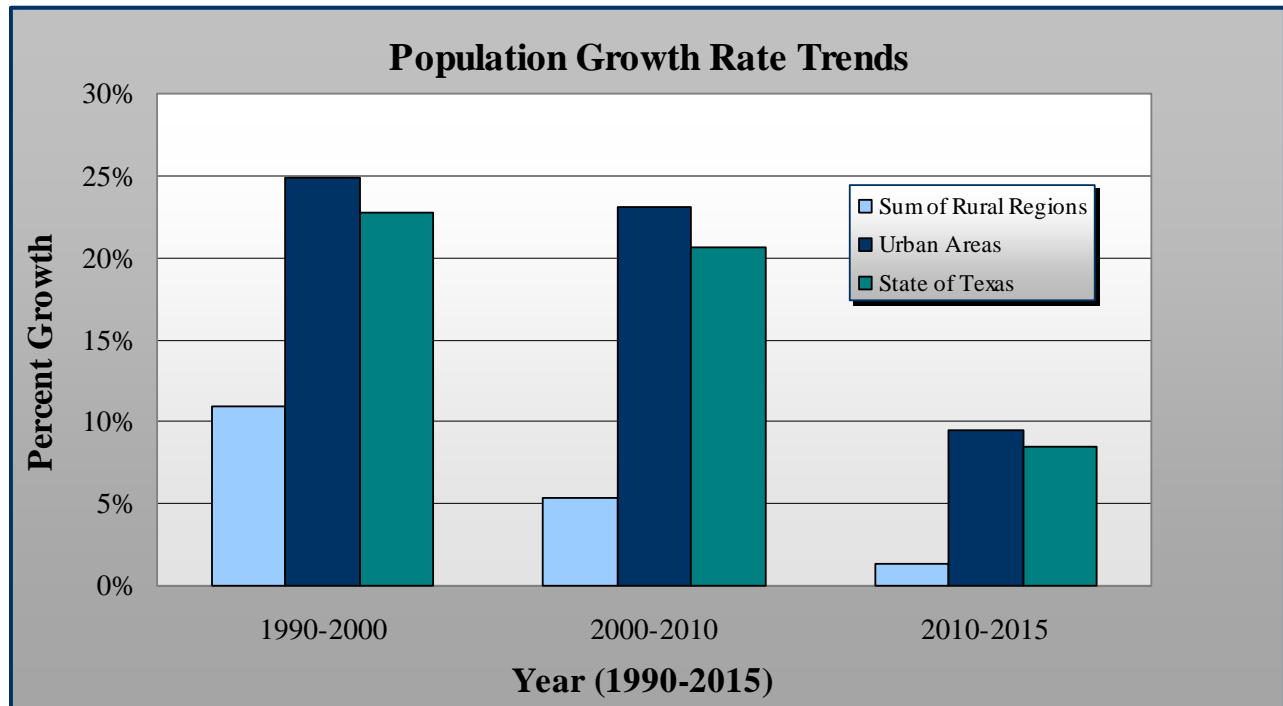
Source: 2000 Census; 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Note: Rural Region data is limited to only the counties that met the rural county designation

Significant findings from the above table include: (1) population growth rates for most regions are either steady or declining over time (1990 to 2015), and (2) Regions 3, 7 and 9 are experiencing the highest percentage increases in population, while Regions 1, 2 and 10 are experiencing the highest percentage decreases.

Overall, rural regions of Texas are projected to experience a modest population increase of 1.3% between 2010 and 2015, while overall urban population growth is projected to increase at seven times the rural rate, at 9.5% during this same time period.

The graph below compares the percent change in population growth from 1990 to 2000, from 2000 to 2010, and from 2010 to 2015 for Texas' rural regions and urban areas and the overall state of Texas.



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+
Region 1 High Plains	2000	116,442 38.2%	36,301 11.9%	43,976 14.4%	36,487 12.0%	27,244 8.9%	23,288 7.6%	20,762 6.8%
	2010	110,890 36.4%	37,830 12.4%	36,501 12.0%	40,660 13.3%	34,553 11.3%	22,312 7.3%	22,069 7.2%
	2015	108,886 36.0%	37,161 12.3%	35,403 11.7%	35,504 11.8%	37,988 12.6%	25,731 8.5%	21,454 7.1%
Region 2 Northwest Texas	2000	79,267 33.4%	25,302 10.7%	33,181 14.0%	30,459 12.8%	24,844 10.5%	22,262 9.4%	22,175 9.3%
	2010	73,702 31.5%	26,188 11.2%	26,161 11.2%	32,640 14.0%	30,840 13.2%	21,656 9.3%	22,505 9.6%
	2015	71,934 31.0%	26,506 11.4%	25,206 10.9%	28,001 12.1%	33,090 14.3%	25,215 10.9%	22,113 9.5%
Region 3 Metroplex	2000	77,748 35.2%	26,180 11.9%	32,142 14.6%	28,295 12.8%	22,252 10.1%	17,870 8.1%	16,173 7.3%
	2010	80,530 32.8%	29,683 12.1%	29,513 12.0%	34,871 14.2%	31,019 12.6%	21,260 8.7%	18,884 7.7%
	2015	82,328 32.2%	30,054 11.7%	30,541 11.9%	32,458 12.7%	34,702 13.6%	25,945 10.1%	19,875 7.8%
Region 4 Upper East Texas	2000	184,992 33.5%	67,460 12.2%	81,348 14.7%	72,618 13.1%	57,706 10.4%	46,958 8.5%	41,166 7.5%
	2010	183,938 31.2%	71,983 12.2%	73,609 12.5%	83,306 14.1%	78,253 13.3%	52,635 8.9%	46,093 7.8%
	2015	183,933 30.8%	71,159 11.9%	72,608 12.2%	75,390 12.6%	84,497 14.1%	62,774 10.5%	47,049 7.9%
Region 5 Southeast Texas	2000	118,377 35.5%	41,311 12.4%	46,688 14.0%	41,741 12.5%	33,626 10.1%	28,414 8.5%	23,460 7.0%
	2010	118,441 33.6%	42,861 12.2%	42,533 12.1%	47,238 13.4%	43,595 12.4%	30,688 8.7%	26,737 7.6%
	2015	118,280 33.4%	41,757 11.8%	41,662 11.8%	42,920 12.1%	46,260 13.1%	35,613 10.1%	27,217 7.7%
Region 6 Gulf Coast	2000	62,752 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	61,236 36.7%	23,081 13.8%	20,679 12.4%	22,263 13.4%	18,316 11.0%	11,037 6.6%	10,105 6.1%
	2015	60,819 36.1%	23,540 14.0%	20,909 12.4%	19,584 11.6%	20,146 12.0%	13,298 7.9%	10,180 6.0%
Region 7 Capital	2000	29,345 30.2%	9,449 9.7%	13,988 14.4%	13,260 13.7%	11,216 11.6%	10,290 10.6%	9,518 9.8%
	2010	32,262 28.4%	11,364 10.0%	12,267 10.8%	16,954 14.9%	17,365 15.3%	12,340 10.9%	11,162 9.8%
	2015	33,373 27.8%	12,042 10.0%	12,373 10.3%	15,294 12.8%	19,527 16.3%	15,648 13.1%	11,594 9.7%
Region 8 Central Texas	2000	78,813 33.7%	27,265 11.7%	33,362 14.3%	30,111 12.9%	23,873 10.2%	20,513 8.8%	20,079 8.6%
	2010	78,479 31.5%	29,865 12.0%	29,278 11.7%	35,256 14.1%	32,887 13.2%	22,335 9.0%	21,394 8.6%
	2015	78,434 31.0%	30,077 11.9%	29,019 11.5%	31,522 12.4%	36,064 14.2%	26,779 10.6%	21,295 8.4%

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

Note: Rural Region data is limited to only the counties that met the rural county designation

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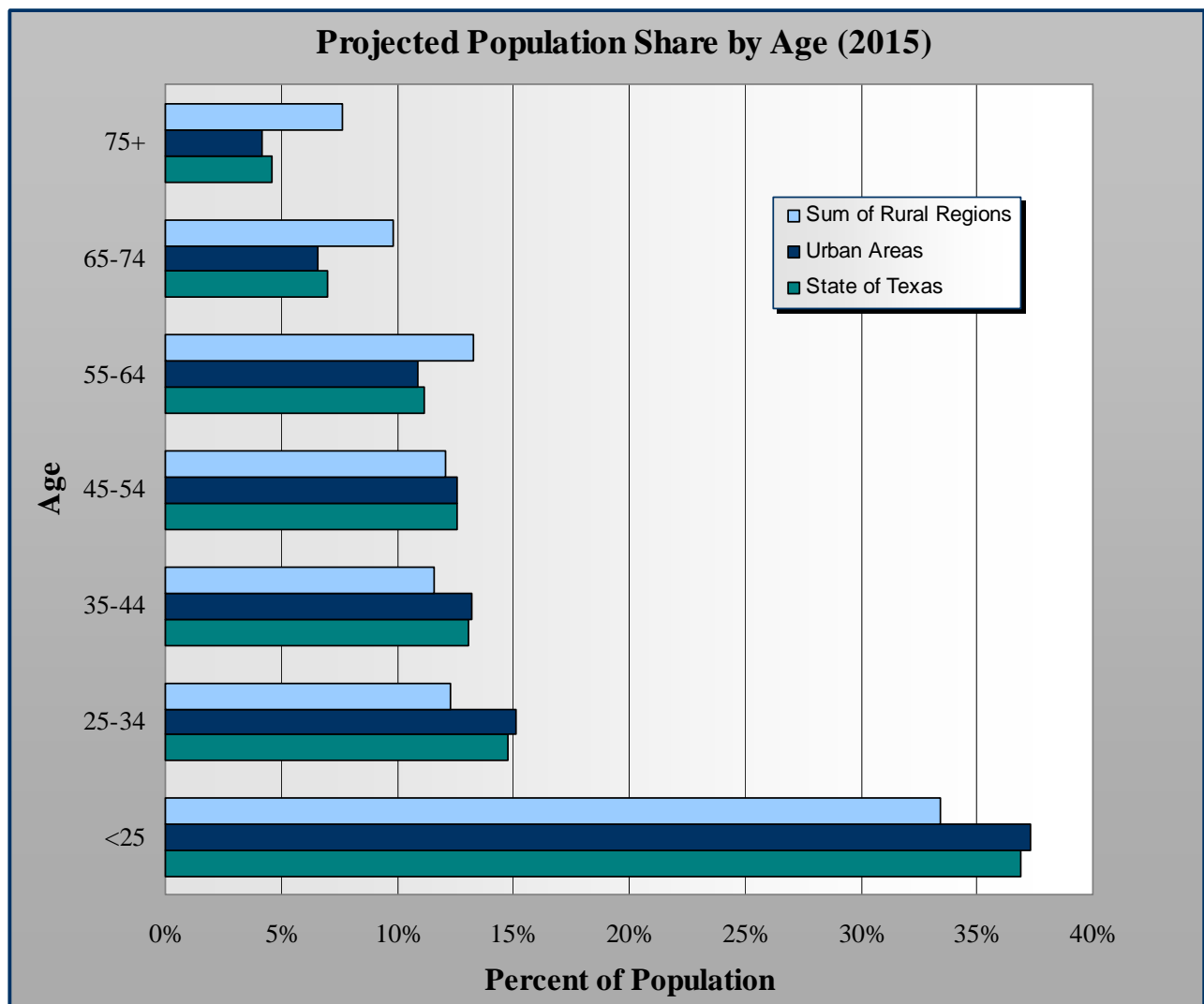
		Population by Age						
		<25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+
Region 9 San Antonio	2000	30,090 31.3%	11,339 11.8%	13,034 13.6%	11,693 12.2%	9,901 10.3%	10,047 10.4%	10,058 10.5%
	2010	31,206 29.3%	12,290 11.5%	11,567 10.9%	14,235 13.4%	14,643 13.7%	10,942 10.3%	11,619 10.9%
	2015	31,468 28.4%	13,118 11.8%	11,287 10.2%	13,005 11.7%	16,589 15.0%	13,725 12.4%	11,741 10.6%
Region 10 Coastal Bend	2000	80,710 37.0%	28,619 13.1%	31,384 14.4%	26,493 12.2%	19,416 8.9%	16,390 7.5%	14,956 6.9%
	2010	75,838 34.9%	30,440 14.0%	26,128 12.0%	28,727 13.2%	24,940 11.5%	15,897 7.3%	15,073 6.9%
	2015	74,638 34.6%	29,804 13.8%	25,869 12.0%	25,337 11.7%	26,736 12.4%	18,630 8.6%	14,661 6.8%
Region 11 South Texas Border	2000	107,528 43.8%	33,069 13.5%	31,754 12.9%	26,657 10.9%	19,236 7.8%	15,629 6.4%	11,643 4.7%
	2010	115,094 42.7%	34,504 12.8%	31,233 11.6%	31,187 11.6%	26,342 9.8%	17,123 6.4%	13,947 5.2%
	2015	117,420 42.4%	35,944 13.0%	29,652 10.7%	29,756 10.8%	28,655 10.4%	20,930 7.6%	14,262 5.2%
Region 12 West Texas	2000	67,058 36.9%	22,359 12.3%	27,365 15.0%	22,996 12.6%	16,509 9.1%	14,052 7.7%	11,627 6.4%
	2010	64,724 34.8%	24,651 13.2%	23,190 12.5%	25,326 13.6%	21,720 11.7%	13,729 7.4%	12,706 6.8%
	2015	64,370 34.1%	26,246 13.9%	22,227 11.8%	22,564 12.0%	24,001 12.7%	16,587 8.8%	12,665 6.7%
Region 13 Upper Rio Grande	2000	9,559 38.7%	2,953 12.0%	3,231 13.1%	3,193 12.9%	2,421 9.8%	1,923 7.8%	1,415 5.7%
	2010	9,214 36.5%	3,108 12.3%	2,856 11.3%	3,229 12.8%	3,228 12.8%	2,014 8.0%	1,617 6.4%
	2015	8,982 35.7%	3,126 12.4%	2,751 10.9%	2,904 11.5%	3,276 13.0%	2,490 9.9%	1,634 6.5%
Sum of Rural Regions	2000	1,042,681 35.9%	352,167 12.1%	416,097 14.3%	364,145 12.5%	281,686 9.7%	238,214 8.2%	212,204 7.3%
	2010	1,035,554 33.8%	377,848 12.3%	365,515 11.9%	415,892 13.6%	377,701 12.3%	253,968 8.3%	233,911 7.6%
	2015	1,034,865 33.4%	380,534 12.3%	359,507 11.6%	374,239 12.1%	411,531 13.3%	303,365 9.8%	235,740 7.6%
Urban Areas	2000	7,042,959 39.2%	2,809,916 15.7%	2,906,141 16.2%	2,246,992 12.5%	1,316,504 7.3%	904,394 5.0%	717,720 4.0%
	2010	8,333,262 37.7%	3,275,697 14.8%	3,052,046 13.8%	3,069,348 13.9%	2,239,504 10.1%	1,177,699 5.3%	937,614 4.2%
	2015	9,032,160 37.3%	3,645,912 15.1%	3,202,569 13.2%	3,058,167 12.6%	2,640,671 10.9%	1,594,130 6.6%	1,018,084 4.2%
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

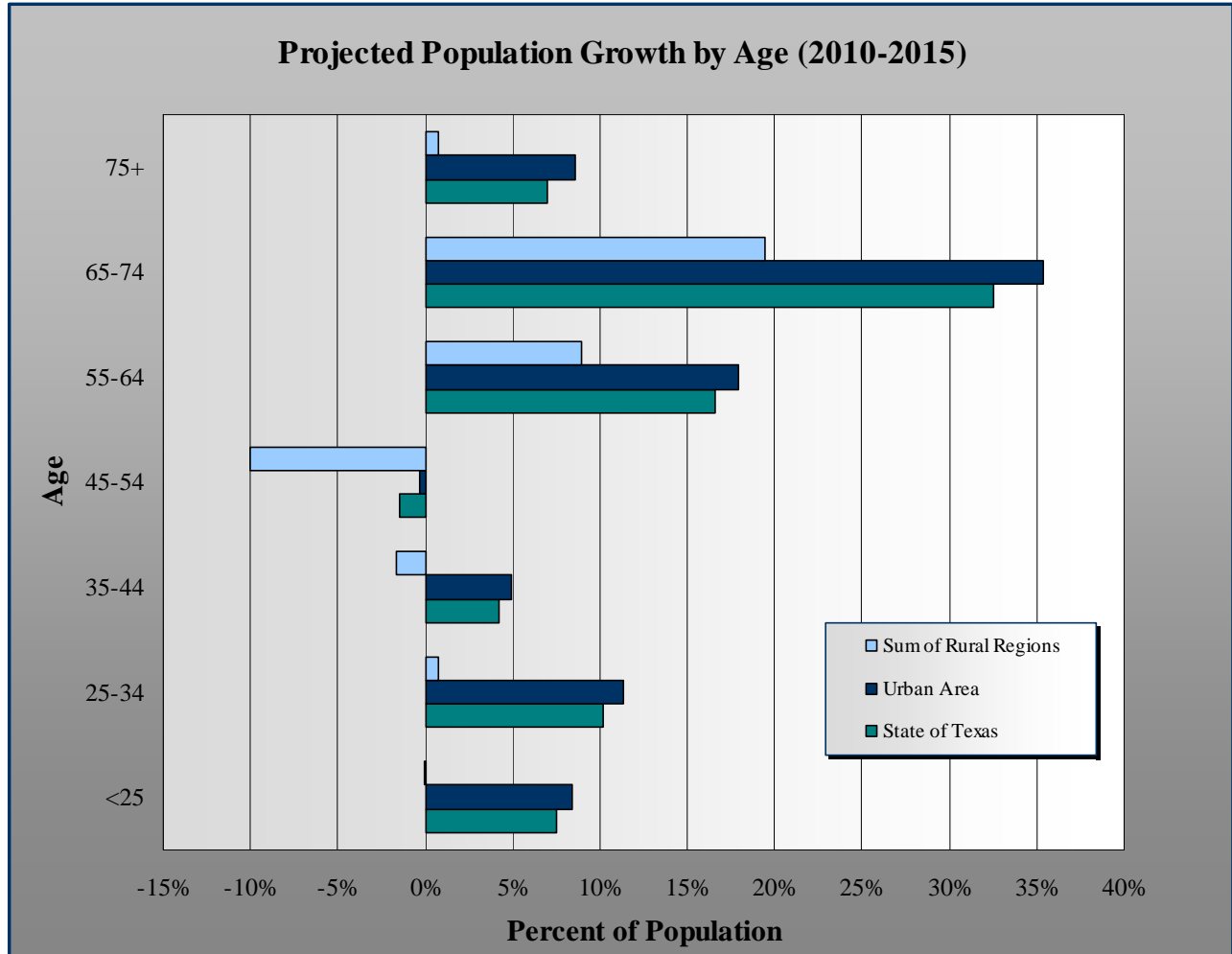
Note: Rural Region data is limited to only the counties that met the rural county designation

Significant findings from the above table include: (1) nearly 70% of regions (9 of 13) will experience a decrease in their young populations (24 years and younger) between 2000 and 2015, (2) all regions will experience an increase in their younger middle-age populations (25 to 34 years), (3) all regions will experience a decrease in their middle-age populations (35 to 44 years), (4) all regions will experience an increase in their senior populations (55 years and older), and (5) Region 4 will experience a very large increase (46.4%) in its senior population between 2000 and 2015.

The graph below demonstrates the share of population by age group for the rural regions overall and urban areas of Texas, as well as the state of Texas for 2015.



The graph below illustrates the projected population growth by age group for the rural regions, urban areas and State of Texas from 2010 to 2015.



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

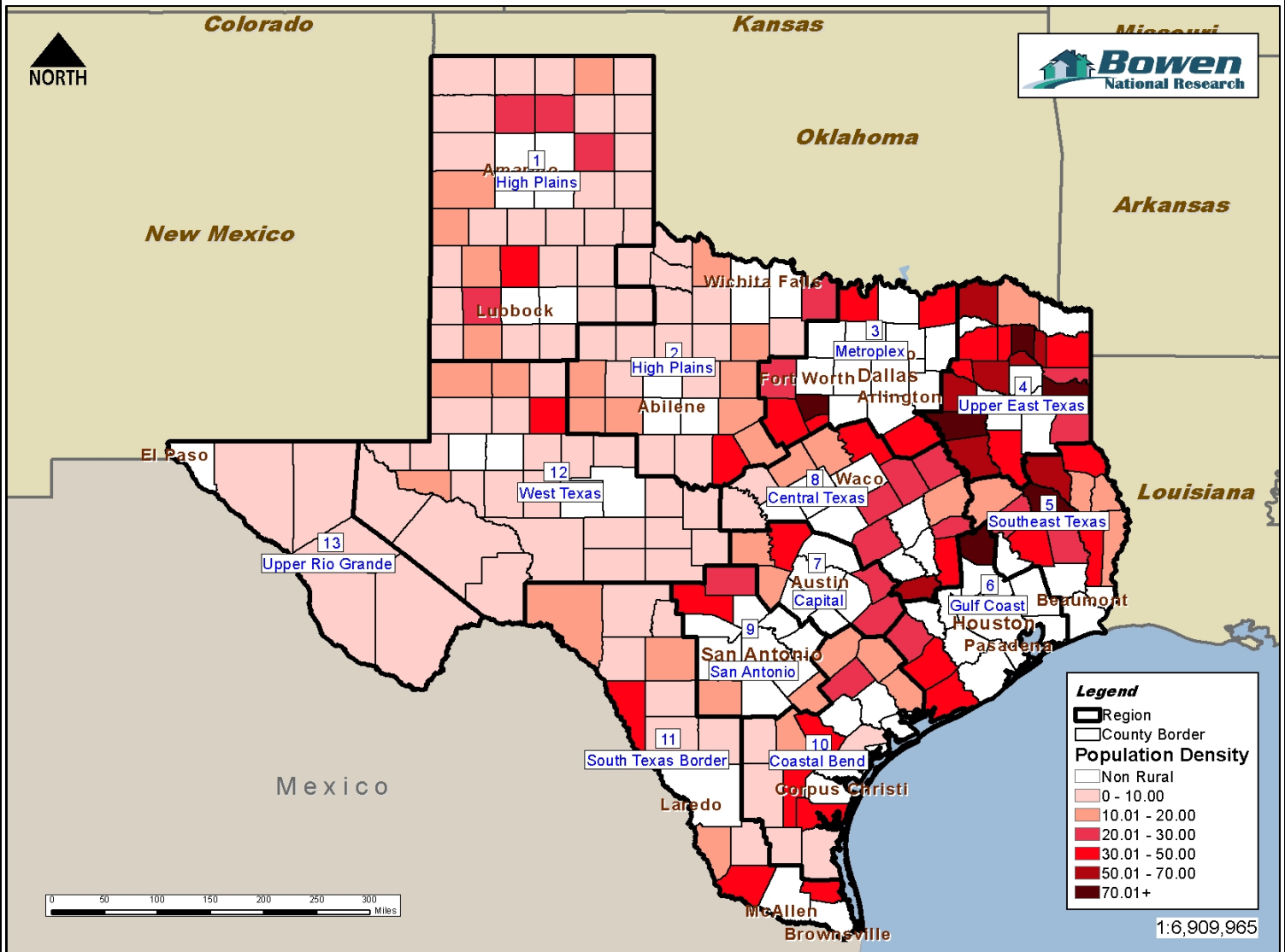
		Year			
		1990	2000	2010	2015
Region 1 High Plains	Population	308,043	304,500	304,815	302,128
	Area in Square Miles	34,019.48	34,019.48	34,019.48	34,019.48
	Density	9.1	9.0	9.0	8.9
Region 2 Northwest Texas	Population	235,419	237,490	233,692	232,065
	Area in Square Miles	22,130.56	22,130.56	22,130.56	22,130.56
	Density	10.6	10.7	10.6	10.5
Region 3 Metroplex	Population	182,890	220,660	245,760	255,904
	Area in Square Miles	5,588.07	5,588.07	5,588.07	5,588.07
	Density	32.7	39.5	44.0	45.8
Region 4 Upper East Texas	Population	483,136	552,248	589,817	597,410
	Area in Square Miles	11,985.32	11,985.32	11,985.32	11,985.32
	Density	40.3	46.1	49.2	49.8
Region 5 Southeast Texas	Population	289,081	333,617	352,093	353,707
	Area in Square Miles	9,754.73	9,754.73	9,754.73	9,754.73
	Density	29.6	34.2	36.1	36.3
Region 6 Gulf Coast	Population	146,180	161,290	166,717	168,477
	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
Region 7 Capital	Population	73,226	97,066	113,714	119,850
	Area in Square Miles	4,293.85	4,293.85	4,293.85	4,293.85
	Density	17.1	22.6	26.5	27.9
Region 8 Central Texas	Population	205,930	234,016	249,495	253,191
	Area in Square Miles	11,310.39	11,310.39	11,310.39	11,310.39
	Density	18.2	20.7	22.1	22.4
Region 9 San Antonio	Population	79,433	96,162	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
Region 10 Coastal Bend	Population	200,788	217,968	217,044	215,675
	Area in Square Miles	13,595.06	13,595.06	13,595.06	13,595.06
	Density	14.8	16.0	16.0	15.9
Region 11 South Texas Border	Population	206,691	245,516	269,430	276,619
	Area in Square Miles	18,422.53	18,422.53	18,422.53	18,422.53
	Density	11.2	13.3	14.6	15.0
Region 12 West Texas	Population	187,432	181,966	186,046	188,659
	Area in Square Miles	35,431.29	35,431.29	35,431.29	35,431.29
	Density	5.3	5.1	5.3	5.3
Region 13 Upper Rio Grande	Population	23,585	24,695	25,266	25,163
	Area in Square Miles	20,698.55	20,698.55	20,698.55	20,698.55
	Density	1.1	1.2	1.2	1.2
Sum of Rural Regions	Population	2,621,834	2,907,194	3,060,392	3,099,782
	Area in Square Miles	195,295.64	195,295.64	195,295.64	195,295.64
	Density	13.4	14.9	15.7	15.9
Urban Areas	Population	14,364,676	17,944,626	22,085,169	24,191,692
	Area in Square Miles	66,501.48	66,501.48	66,501.48	66,501.48
	Density	216.0	269.8	332.1	363.8
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

Note: Rural Region data is limited to only the counties that met the rural county designation

Significant findings from the above table include: (1) population densities in 2010 for all regions ranged from a low of 1.2 people per square mile (Region 13) to a high of 49.2 (Region 4), (2) Regions 3, 4 and 6 were the most densely populated in 2010, while Regions 1, 12 and 13 were the least, and (3) over time (2000 to 2015), population densities have changed minimally (large geographic areas and small population changes).

The map below demonstrates population density for each of the rural counties included in this analysis (urban counties, shown in white, are excluded).



2. HOUSEHOLD TRENDS

Household trends are summarized as follows:

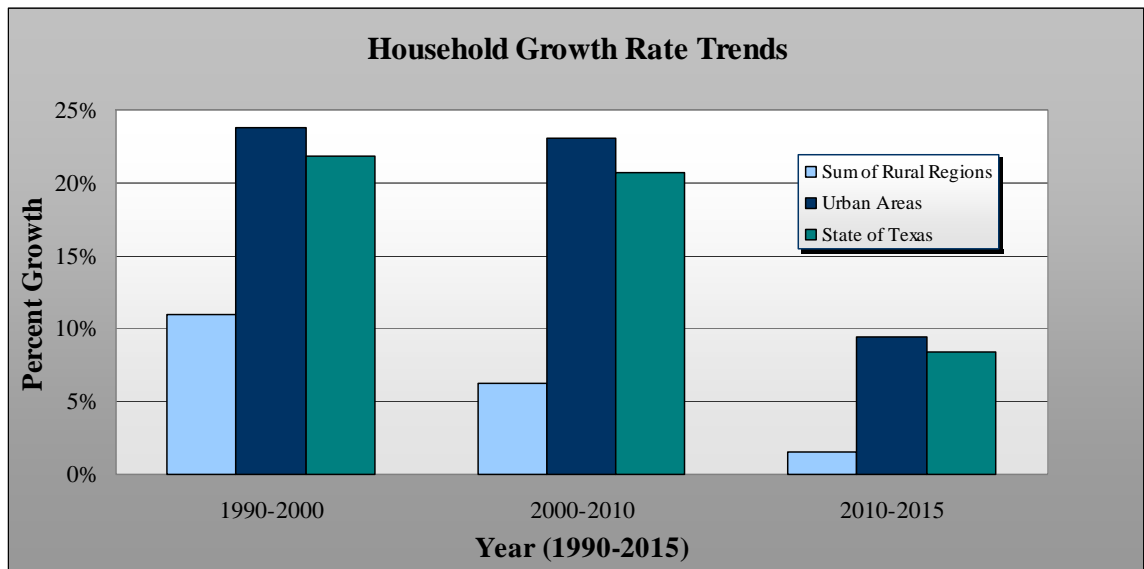
		Year			
		1990	2000	2010	2015
Region 1 High Plains	Households	109,793	107,871	107,118	106,305
	Household Change	-	-1,922	-753	-813
	Percent Change	-	-1.8%	-0.7%	-0.8%
Region 2 Northwest Texas	Households	91,248	91,801	91,105	90,513
	Household Change	-	553	-696	-592
	Percent Change	-	0.6%	-0.8%	-0.6%
Region 3 Metroplex	Households	69,554	83,013	93,355	97,357
	Household Change	-	13,459	10,342	4,002
	Percent Change	-	19.4%	12.5%	4.3%
Region 4 Upper East Texas	Households	178,579	206,275	221,974	225,119
	Household Change	-	27,696	15,699	3,145
	Percent Change	-	15.5%	7.6%	1.4%
Region 5 Southeast Texas	Households	107,753	124,256	131,516	132,300
	Household Change	-	16,503	7,260	784
	Percent Change	-	15.3%	5.8%	0.6%
Region 6 Gulf Coast	Households	49,315	54,643	58,177	58,974
	Household Change	-	5,328	3,534	797
	Percent Change	-	10.8%	6.5%	1.4%
Region 7 Capital	Households	29,477	38,699	46,057	48,498
	Household Change	-	9,222	7,358	2,441
	Percent Change	-	31.3%	19.0%	5.3%
Region 8 Central Texas	Households	76,387	85,958	92,656	94,081
	Household Change	-	9,571	6,698	1,425
	Percent Change	-	12.5%	7.8%	1.5%
Region 9 San Antonio	Households	29,560	35,530	40,439	42,431
	Household Change	-	5,970	4,909	1,992
	Percent Change	-	20.2%	13.8%	4.9%
Region 10 Coastal Bend	Households	70,018	74,679	76,006	75,609
	Household Change	-	4,661	1,327	-397
	Percent Change	-	6.7%	1.8%	-0.5%
Region 11 South Texas Border	Households	60,100	73,442	81,694	83,979
	Household Change	-	13,342	8,252	2,285
	Percent Change	-	22.2%	11.2%	2.8%
Region 12 West Texas	Households	64,371	62,792	63,798	64,920
	Household Change	-	-1,579	1,006	1,122
	Percent Change	-	-2.5%	1.6%	1.8%
Region 13 Upper Rio Grande	Households	8,406	9,239	10,229	10,245
	Household Change	-	833	990	16
	Percent Change	-	9.9%	10.7%	0.2%
Sum of Rural Regions	Households	944,561	1,048,198	1,114,124	1,130,331
	Household Change	-	103,637	65,926	16,207
	Percent Change	-	11.0%	6.3%	1.5%
Urban Areas	Households	5,126,376	6,345,156	7,808,809	8,542,948
	Household Change	-	1,218,780	1,463,653	734,139
	Percent Change	-	23.8%	23.1%	9.4%
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

While household growth rates for all regions are either steady or declining over time (1990 to 2015), 10 of the 13 regions are projected to experience positive household growth between 2010 and 2015. Regions 3, 7 and 9, which are located within the central corridor of Texas, are experiencing the highest percentage increases in households, while Regions 1, 2 and 10 are the only regions projected to experience decreases.

Overall, the rural regions are expected to experience a slight increase in households of 1.5% between 2010 and 2015, while urban areas are projected to experience a more rapid increase of 9.4% (the state average is 8.4%).

A graph comparing household growth rate trends for the rural regions with both urban and overall state of Texas follows:



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+
Region 1 High Plains	2000	5,781 5.4%	15,855 14.7%	22,916 21.2%	19,247 17.8%	15,684 14.5%	14,383 13.3%	14,005 13.0%
	2010	5,427 5.1%	16,091 15.0%	17,524 16.4%	21,092 19.7%	18,840 17.6%	13,537 12.6%	14,607 13.6%
	2015	4,821 4.5%	16,243 15.3%	16,864 15.9%	18,226 17.1%	20,510 19.3%	15,494 14.6%	14,148 13.3%
Region 2 Northwest Texas	2000	4,112 4.5%	11,327 12.3%	17,097 18.6%	16,264 17.7%	13,969 15.2%	14,399 15.7%	14,633 15.9%
	2010	3,924 4.3%	11,526 12.7%	12,923 14.2%	17,258 18.9%	17,168 18.8%	13,545 14.9%	14,761 16.2%
	2015	3,395 3.8%	12,115 13.4%	12,328 13.6%	14,588 16.1%	18,230 20.1%	15,545 17.2%	14,313 15.8%
Region 3 Metroplex	2000	4,999 6.0%	11,618 14.0%	16,420 19.8%	15,229 18.3%	12,572 15.1%	11,450 13.8%	10,725 12.9%
	2010	4,802 5.1%	13,025 14.0%	14,773 15.8%	18,556 19.9%	17,157 18.4%	13,084 14.0%	11,960 12.8%
	2015	4,551 4.7%	13,422 13.8%	15,122 15.5%	17,043 17.5%	18,947 19.5%	15,786 16.2%	12,486 12.8%
Region 4 Upper East Texas	2000	9,114 4.4%	27,756 13.5%	40,804 19.8%	38,380 18.6%	32,858 15.9%	30,269 14.7%	27,094 13.1%
	2010	8,773 4.0%	29,419 13.3%	34,761 15.7%	43,145 19.4%	43,582 19.6%	32,657 14.7%	29,638 13.4%
	2015	8,242 3.7%	29,537 13.1%	33,819 15.0%	38,512 17.1%	46,491 20.7%	38,501 17.1%	30,016 13.3%
Region 5 Southeast Texas	2000	7,809 6.3%	17,811 14.3%	23,778 19.1%	21,793 17.5%	19,500 15.7%	18,415 14.8%	15,150 12.2%
	2010	7,798 5.9%	18,175 13.8%	20,393 15.5%	24,532 18.7%	24,349 18.5%	19,152 14.6%	17,117 13.0%
	2015	7,504 5.7%	17,970 13.6%	19,838 15.0%	22,103 16.7%	25,570 19.3%	21,980 16.6%	17,334 13.1%
Region 6 Gulf Coast	2000	4,685 8.6%	7,805 14.3%	11,555 21.1%	10,182 18.6%	7,394 13.5%	6,868 12.6%	6,154 11.3%
	2010	5,122 8.8%	8,808 15.1%	8,940 15.4%	11,333 19.5%	10,271 17.7%	6,960 12.0%	6,744 11.6%
	2015	4,952 8.4%	9,213 15.6%	8,900 15.1%	9,766 16.6%	11,148 18.9%	8,260 14.0%	6,735 11.4%
Region 7 Capital	2000	1,412 3.6%	3,940 10.2%	7,454 19.3%	7,119 18.4%	6,260 16.2%	6,351 16.4%	6,163 15.9%
	2010	1,458 3.2%	5,011 10.9%	6,255 13.6%	9,059 19.7%	9,570 20.8%	7,560 16.4%	7,144 15.5%
	2015	1,390 2.9%	5,482 11.3%	6,241 12.9%	8,066 16.6%	10,619 21.9%	9,400 19.4%	7,301 15.1%
Region 8 Central Texas	2000	3,559 4.1%	10,704 12.5%	16,705 19.4%	15,900 18.5%	13,334 15.5%	12,936 15.0%	12,820 14.9%
	2010	3,484 3.8%	11,832 12.8%	13,914 15.0%	18,188 19.6%	18,066 19.5%	13,663 14.7%	13,508 14.6%
	2015	3,211 3.4%	12,168 12.9%	13,626 14.5%	16,013 17.0%	19,554 20.8%	16,146 17.2%	13,363 14.2%

Source: 2000 Census; 2010 Census; ESRI; Urban Decision Group; Bowen National Research
 Note: Rural Region data is limited to only the counties that met the rural county designation

(Continued)

		Households by Age						
		<25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+
Region 9 San Antonio	2000	1,203 3.4%	3,765 10.6%	6,536 18.4%	6,099 17.2%	5,358 15.1%	6,172 17.4%	6,397 18.0%
	2010	1,396 3.5%	4,231 10.5%	5,486 13.6%	7,508 18.6%	7,992 19.8%	6,630 16.4%	7,196 17.8%
	2015	1,292 3.0%	4,752 11.2%	5,260 12.4%	6,774 16.0%	8,927 21.0%	8,232 19.4%	7,193 17.0%
Region 10 Coastal Bend	2000	3,733 5.0%	10,478 14.0%	15,293 20.5%	14,002 18.7%	10,741 14.4%	10,617 14.2%	9,815 13.1%
	2010	3,405 4.5%	11,334 14.9%	12,076 15.9%	15,240 20.1%	14,043 18.5%	10,061 13.2%	9,847 13.0%
	2015	3,100 4.1%	11,237 14.9%	11,880 15.7%	13,298 17.6%	14,877 19.7%	11,687 15.5%	9,531 12.6%
Region 11 South Texas Border	2000	2,867 3.9%	12,201 16.6%	15,698 21.4%	13,890 18.9%	10,817 14.7%	10,222 13.9%	7,747 10.5%
	2010	3,420 4.2%	13,022 15.9%	14,918 18.3%	16,164 19.8%	14,581 17.8%	10,430 12.8%	9,157 11.2%
	2015	3,248 3.9%	13,781 16.4%	14,058 16.7%	15,301 18.2%	15,682 18.7%	12,595 15.0%	9,314 11.1%
Region 12 West Texas	2000	2,682 4.3%	8,702 13.9%	13,003 20.7%	11,960 19.0%	9,169 14.6%	9,444 15.0%	7,832 12.5%
	2010	2,732 4.3%	8,972 14.1%	10,168 15.9%	12,859 20.2%	12,085 18.9%	8,696 13.6%	8,286 13.0%
	2015	2,381 3.7%	10,146 15.6%	9,543 14.7%	11,190 17.2%	13,129 20.2%	10,345 15.9%	8,186 12.6%
Region 13 Upper Rio Grande	2000	606 6.6%	1,329 14.4%	1,845 20.0%	1,745 18.9%	1,419 15.4%	1,223 13.2%	1,072 11.6%
	2010	589 5.8%	1,494 14.6%	1,645 16.1%	1,897 18.5%	2,003 19.6%	1,351 13.2%	1,251 12.2%
	2015	531 5.2%	1,551 15.1%	1,549 15.1%	1,718 16.8%	2,001 19.5%	1,631 15.9%	1,262 12.3%
Sum of Rural Regions	2000	52,562 5.0%	143,291 13.7%	209,104 19.9%	191,810 18.3%	159,075 15.2%	152,749 14.6%	139,607 13.3%
	2010	52,330 4.7%	152,940 13.7%	173,776 15.6%	216,831 19.5%	209,707 18.8%	157,326 14.1%	151,216 13.6%
	2015	48,618 4.3%	157,617 13.9%	169,028 15.0%	192,598 17.0%	225,685 20.0%	185,602 16.4%	151,182 13.4%
Urban Areas	2000	424,501 6.7%	1,286,734 20.3%	1,591,378 25.1%	1,263,379 19.9%	765,241 12.1%	565,331 8.9%	448,592 7.1%
	2010	482,998 6.2%	1,473,298 18.9%	1,604,111 20.5%	1,697,440 21.7%	1,275,497 16.3%	705,332 9.0%	570,131 7.3%
	2015	493,586 5.8%	1,661,353 19.4%	1,665,230 19.5%	1,676,706 19.6%	1,484,456 17.4%	942,081 11.0%	619,537 7.3%
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

Note: Rural Region data is limited to only the counties that met the rural county designation

Significant findings from the above table include: (1) over 75% of regions (10 of 13) will experience a decrease in households headed by persons 24 years and younger between 2000 and 2015, (2) nearly 70% of regions (9 of 13) will experience a decrease in households headed by persons 25 to 44 years of age, and (3) all regions will experience an increase in households headed by persons 55 and older. Over time (2000 to 2015), households headed by younger people appear to be leaving these regions, while households headed by older people appear to be staying or aging in place.

The renter household sizes by tenure for each region, 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
Region 1 High Plains	2000	8,204 27.9%	6,681 22.7%	5,284 18.0%	4,653 15.8%	4,582 15.6%	29,403 100.0%
	2010	9,510 30.2%	7,061 22.4%	5,514 17.5%	4,739 15.0%	4,714 14.9%	31,539 100.0%
	2015	9,288 30.9%	6,597 21.9%	5,157 17.1%	4,572 15.2%	4,483 14.9%	30,097 100.0%
Region 2 Northwest Texas	2000	8,484 35.7%	5,553 23.4%	4,003 16.9%	3,136 13.2%	2,566 10.8%	23,742 100.0%
	2010	9,266 37.7%	5,404 22.0%	4,129 16.8%	3,201 13.0%	2,585 10.5%	24,585 100.0%
	2015	9,441 38.6%	5,193 21.2%	4,011 16.4%	3,172 13.0%	2,630 10.8%	24,449 100.0%
Region 3 Metroplex	2000	7,593 33.5%	5,507 24.3%	3,946 17.4%	3,131 13.8%	2,507 11.1%	22,684 100.0%
	2010	9,390 35.1%	6,099 22.8%	4,617 17.3%	3,736 14.0%	2,923 10.9%	26,764 100.0%
	2015	9,657 35.9%	5,845 21.7%	4,584 17.0%	3,854 14.3%	2,990 11.1%	26,930 100.0%
Region 4 Upper East Texas	2000	15,434 31.9%	11,388 23.6%	8,896 18.4%	6,975 14.4%	5,652 11.7%	48,346 100.0%
	2010	19,559 34.1%	12,856 22.4%	10,275 17.9%	8,057 14.0%	6,676 11.6%	57,424 100.0%
	2015	19,047 34.8%	11,815 21.6%	9,625 17.6%	7,735 14.1%	6,457 11.8%	54,678 100.0%
Region 5 Southeast Texas	2000	10,288 34.0%	7,857 25.9%	5,158 17.0%	3,587 11.8%	3,400 11.2%	30,290 100.0%
	2010	13,297 37.1%	8,630 24.1%	5,833 16.3%	4,108 11.5%	3,956 11.0%	35,823 100.0%
	2015	12,980 38.2%	7,792 22.9%	5,495 16.2%	3,917 11.5%	3,815 11.2%	33,999 100.0%
Region 6 Gulf Coast	2000	6,185 33.7%	4,998 27.2%	3,132 17.0%	2,209 12.0%	1,851 10.1%	18,374 100.0%
	2010	7,495 36.2%	5,292 25.6%	3,483 16.8%	2,389 11.6%	2,019 9.8%	20,679 100.0%
	2015	7,627 37.0%	5,071 24.6%	3,460 16.8%	2,411 11.7%	2,054 10.0%	20,624 100.0%
Region 7 Capital	2000	2,932 36.1%	2,092 25.8%	1,234 15.2%	1,098 13.5%	762 9.4%	8,118 100.0%
	2010	3,770 35.6%	2,768 26.1%	1,591 15.0%	1,416 13.4%	1,043 9.9%	10,588 100.0%
	2015	3,823 36.0%	2,715 25.6%	1,591 15.0%	1,409 13.3%	1,081 10.2%	10,619 100.0%
Region 8 Central Texas	2000	6,671 32.3%	4,858 23.5%	3,810 18.5%	2,697 13.1%	2,614 12.7%	20,650 100.0%
	2010	7,887 34.0%	5,286 22.8%	4,177 18.0%	2,972 12.8%	2,887 12.4%	23,208 100.0%
	2015	8,051 34.5%	5,220 22.4%	4,102 17.6%	3,022 13.0%	2,934 12.6%	23,329 100.0%

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

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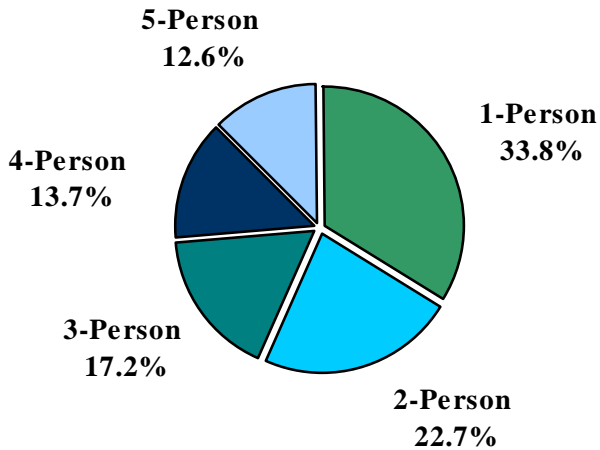
		Persons Per Renter Household					
		1-Person	2-Person	3-Person	4-Person	5-Person	Total
Region 9 San Antonio	2000	3,074 33.1%	2,387 25.7%	1,503 16.2%	1,291 13.9%	1,037 11.2%	9,292 100.0%
	2010	3,861 35.0%	2,681 24.3%	1,850 16.8%	1,495 13.5%	1,146 10.4%	11,034 100.0%
	2015	3,984 35.1%	2,722 24.0%	1,907 16.8%	1,588 14.0%	1,157 10.2%	11,358 100.0%
Region 10 Coastal Bend	2000	6,288 30.3%	4,645 22.4%	3,904 18.8%	3,030 14.6%	2,900 14.0%	20,767 100.0%
	2010	7,483 33.2%	4,763 21.1%	4,125 18.3%	3,191 14.2%	2,985 13.2%	22,546 100.0%
	2015	7,376 33.9%	4,491 20.6%	3,912 18.0%	3,051 14.0%	2,940 13.5%	21,770 100.0%
Region 11 South Texas Border	2000	4,119 21.1%	3,979 20.4%	3,438 17.6%	3,362 17.2%	4,606 23.6%	19,504 100.0%
	2010	5,237 23.1%	4,421 19.5%	3,941 17.4%	3,855 17.0%	5,210 23.0%	22,665 100.0%
	2015	5,454 23.5%	4,345 18.8%	4,025 17.4%	3,950 17.0%	5,396 23.3%	23,170 100.0%
Region 12 West Texas	2000	5,053 32.5%	3,379 21.7%	2,625 16.9%	2,328 15.0%	2,154 13.9%	15,538 100.0%
	2010	5,785 34.7%	3,611 21.7%	2,724 16.3%	2,393 14.4%	2,160 13.0%	16,673 100.0%
	2015	5,992 35.9%	3,501 21.0%	2,691 16.1%	2,387 14.3%	2,117 12.7%	16,687 100.0%
Region 13 Upper Rio Grande	2000	1,115 36.9%	766 25.4%	440 14.6%	384 12.7%	315 10.4%	3,021 100.0%
	2010	1,325 39.0%	827 24.3%	470 13.8%	423 12.5%	352 10.4%	3,397 100.0%
	2015	1,369 39.5%	818 23.6%	487 14.0%	416 12.0%	379 10.9%	3,468 100.0%
Sum of Rural Regions	2000	85,440 31.7%	64,090 23.8%	47,373 17.6%	37,881 14.0%	34,946 13.0%	269,729 100.0%
	2010	103,865 33.8%	69,699 22.7%	52,729 17.2%	41,975 13.7%	38,656 12.6%	306,925 100.0%
	2015	104,089 34.6%	66,125 22.0%	51,047 16.9%	41,484 13.8%	38,433 12.8%	301,178 100.0%
Urban Areas	2000	814,785 33.9%	611,091 25.4%	389,342 16.2%	297,226 12.4%	294,222 12.2%	2,406,666 100.0%
	2010	1,065,282 36.3%	697,252 23.8%	461,919 15.8%	350,325 12.0%	355,878 12.1%	2,930,655 100.0%
	2015	1,172,675 36.5%	741,609 23.1%	507,674 15.8%	389,733 12.1%	399,203 12.4%	3,210,895 100.0%
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

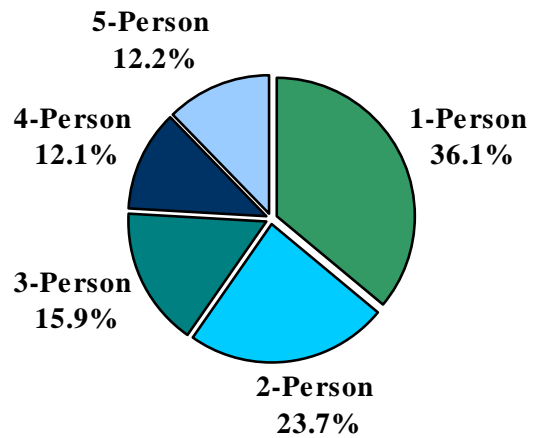
Significant findings from the above table include: (1) all regions will experience an increase in renter households with one person between 2000 and 2015, (2) nearly 70% of regions (9 of 13) will experience an increase in renter households with two persons, (3) over 85% of regions (11 or more) will experience an increase in renter households with three, four and five persons, and (4) all regions will experience an increase in the number of renter households (regardless of size) during this 15-year period.

Persons Per Renter Household

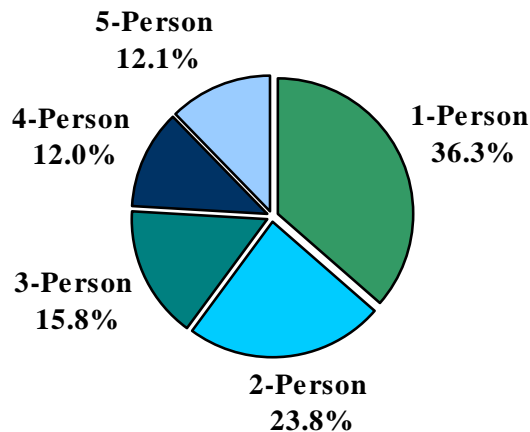
Sum of Rural Regions



State of Texas



Urban Areas



The owner household sizes by tenure within each study region, 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
Region 1 High Plains	2000	16,487 21.0%	28,856 36.8%	11,787 15.0%	11,444 14.6%	9,893 12.6%	78,468 100.0%
	2010	16,298 21.6%	28,166 37.3%	11,475 15.2%	10,539 13.9%	9,101 12.0%	75,579 100.0%
	2015	16,668 21.9%	28,687 37.6%	11,486 15.1%	10,391 13.6%	8,975 11.8%	76,207 100.0%
Region 2 Northwest Texas	2000	16,553 24.3%	27,116 39.8%	9,987 14.7%	8,457 12.4%	5,945 8.7%	68,059 100.0%
	2010	15,672 23.6%	26,433 39.7%	10,238 15.4%	8,417 12.7%	5,760 8.7%	66,520 100.0%
	2015	15,541 23.5%	26,304 39.8%	10,187 15.4%	8,329 12.6%	5,703 8.6%	66,064 100.0%
Region 3 Metroplex	2000	12,534 20.8%	24,175 40.1%	9,343 15.5%	8,283 13.7%	5,994 9.9%	60,329 100.0%
	2010	13,427 20.2%	26,648 40.0%	10,556 15.9%	9,345 14.0%	6,616 9.9%	66,591 100.0%
	2015	14,145 20.1%	28,269 40.1%	11,154 15.8%	9,865 14.0%	6,994 9.9%	70,427 100.0%
Region 4 Upper East Texas	2000	34,328 21.7%	62,124 39.3%	25,307 16.0%	21,337 13.5%	14,833 9.4%	157,929 100.0%
	2010	35,760 21.7%	64,299 39.1%	27,152 16.5%	22,222 13.5%	15,117 9.2%	164,550 100.0%
	2015	37,095 21.8%	66,617 39.1%	28,148 16.5%	22,988 13.5%	15,593 9.1%	170,441 100.0%
Region 5 Southeast Texas	2000	20,563 21.9%	35,551 37.8%	15,598 16.6%	13,081 13.9%	9,173 9.8%	93,966 100.0%
	2010	21,429 22.4%	35,955 37.6%	16,287 17.0%	13,107 13.7%	8,914 9.3%	95,693 100.0%
	2015	22,086 22.5%	36,807 37.4%	16,816 17.1%	13,491 13.7%	9,103 9.3%	98,302 100.0%
Region 6 Gulf Coast	2000	7,719 21.3%	12,875 35.5%	6,002 16.5%	5,432 15.0%	4,241 11.7%	36,269 100.0%
	2010	8,057 21.5%	13,474 35.9%	6,370 17.0%	5,377 14.3%	4,220 11.3%	37,498 100.0%
	2015	8,213 21.4%	13,877 36.2%	6,511 17.0%	5,436 14.2%	4,313 11.2%	38,351 100.0%
Region 7 Capital	2000	6,718 22.0%	13,357 43.7%	4,250 13.9%	3,630 11.9%	2,625 8.6%	30,581 100.0%
	2010	7,512 21.2%	15,851 44.7%	5,033 14.2%	4,136 11.7%	2,937 8.3%	35,469 100.0%
	2015	7,909 20.9%	17,092 45.1%	5,463 14.4%	4,338 11.5%	3,078 8.1%	37,880 100.0%
Region 8 Central Texas	2000	15,351 23.5%	25,474 39.0%	9,532 14.6%	8,520 13.0%	6,431 9.8%	65,308 100.0%
	2010	16,118 23.2%	26,991 38.9%	10,564 15.2%	9,008 13.0%	6,767 9.7%	69,448 100.0%
	2015	16,354 23.1%	27,445 38.8%	10,890 15.4%	9,192 13.0%	6,871 9.7%	70,752 100.0%

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

(Continued)

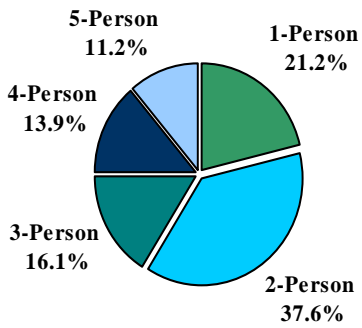
		Persons Per Owner Household					
		1-Person	2-Person	3-Person	4-Person	5-Person	Total
Region 9 San Antonio	2000	5,960 22.7%	11,190 42.6%	3,663 14.0%	2,916 11.1%	2,509 9.6%	26,238 100.0%
	2010	6,363 21.6%	12,675 43.1%	4,289 14.6%	3,426 11.7%	2,652 9.0%	29,405 100.0%
	2015	6,637 21.4%	13,578 43.7%	4,500 14.5%	3,643 11.7%	2,715 8.7%	31,072 100.0%
Region 10 Coastal Bend	2000	11,178 20.7%	18,515 34.3%	8,871 16.5%	8,051 14.9%	7,297 13.5%	53,912 100.0%
	2010	10,774 20.2%	18,324 34.3%	9,086 17.0%	8,059 15.1%	7,217 13.5%	53,460 100.0%
	2015	10,822 20.1%	18,186 33.8%	9,322 17.3%	8,114 15.1%	7,395 13.7%	53,839 100.0%
Region 11 South Texas Border	2000	7,632 14.1%	14,001 26.0%	9,187 17.0%	9,916 18.4%	13,202 24.5%	53,938 100.0%
	2010	8,360 14.2%	15,261 25.9%	10,108 17.1%	10,596 18.0%	14,704 24.9%	59,029 100.0%
	2015	8,364 13.8%	15,395 25.3%	10,399 17.1%	11,053 18.2%	15,599 25.7%	60,809 100.0%
Region 12 West Texas	2000	9,801 20.7%	16,736 35.4%	7,527 15.9%	7,053 14.9%	6,137 13.0%	47,254 100.0%
	2010	9,609 20.4%	17,315 36.7%	7,529 16.0%	6,993 14.8%	5,679 12.1%	47,125 100.0%
	2015	9,978 20.7%	18,004 37.3%	7,603 15.8%	7,120 14.8%	5,527 11.5%	48,233 100.0%
Region 13 Upper Rio Grande	2000	1,329 21.4%	2,114 34.0%	1,009 16.2%	843 13.6%	924 14.9%	6,218 100.0%
	2010	1,538 22.5%	2,308 33.8%	1,099 16.1%	877 12.8%	1,010 14.8%	6,832 100.0%
	2015	1,528 22.6%	2,322 34.3%	1,065 15.7%	868 12.8%	994 14.7%	6,776 100.0%
Sum of Rural Regions	2000	166,153 21.3%	292,084 37.5%	122,063 15.7%	108,963 14.0%	89,204 11.5%	778,469 100.0%
	2010	170,917 21.2%	303,700 37.6%	129,786 16.1%	112,102 13.9%	90,694 11.2%	807,199 100.0%
	2015	175,340 21.1%	312,583 37.7%	133,544 16.1%	114,828 13.8%	92,860 11.2%	829,153 100.0%
Urban Areas	2000	671,296 17.0%	1,282,983 32.6%	709,698 18.0%	693,129 17.6%	581,386 14.8%	3,938,490 100.0%
	2010	837,879 17.2%	1,624,536 33.3%	894,981 18.3%	834,150 17.1%	686,608 14.1%	4,878,154 100.0%
	2015	923,075 17.3%	1,794,227 33.6%	975,228 18.3%	895,558 16.8%	743,963 14.0%	5,332,053 100.0%
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

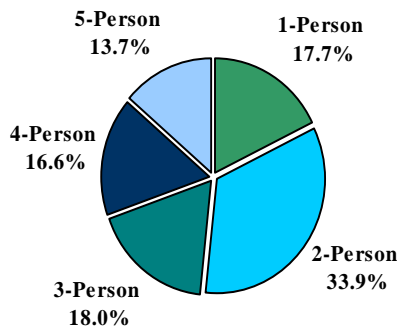
Significant findings from the above table include: (1) over 75% of regions (10 or more) will experience an increase in owner households with one, two, three and four persons between 2000 and 2015, (2) nearly 70% of regions (9 of 13) will experience an increase in owner households with five persons, and (3) over 75% of regions (10 of 13) will experience an increase in the number owner households (regardless of size).

Persons Per Owner Household

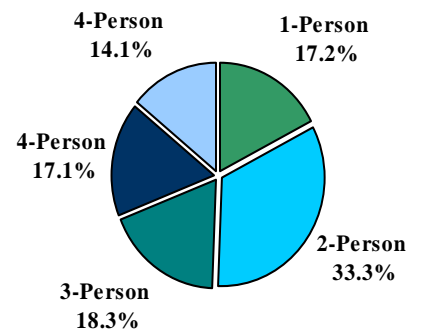
Sum of Rural Regions



State of Texas



Urban Areas



The population by highest educational attainment within the study regions, based on the 2010 estimates, is distributed as follows (regions with the largest and smallest numbers or percentages are noted in bold print):

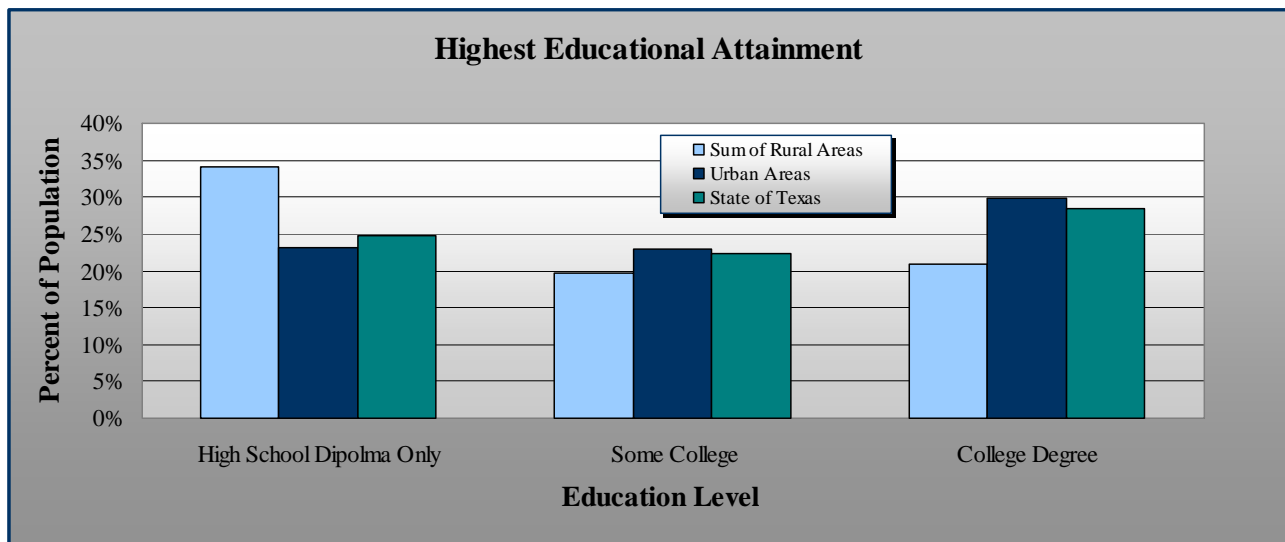
		Less Than 9th Grade	High School, No Diploma	High School Graduate	Some College, No Degree	Associate Degree	Bachelor's Degree	Graduate Degree	Total
Region 1 High Plains	Number	27,401	24,207	60,854	38,427	10,347	19,684	7,870	188,790
	Percent	14.5%	12.8%	32.2%	20.4%	5.5%	10.4%	4.2%	100.0%
Region 2 Northwest Texas	Number	16,295	20,937	58,305	32,133	8,100	16,666	7,009	159,445
	Percent	10.2%	13.1%	36.6%	20.2%	5.1%	10.5%	4.4%	100.0%
Region 3 Metroplex	Number	12,475	18,588	56,195	37,586	10,888	20,472	10,382	166,586
	Percent	7.5%	11.2%	33.7%	22.6%	6.5%	12.3%	6.2%	100.0%
Region 4 Upper East Texas	Number	33,670	55,699	145,416	85,066	25,389	38,652	19,687	403,579
	Percent	8.3%	13.8%	36.0%	21.1%	6.3%	9.6%	4.9%	100.0%
Region 5 Southeast Texas	Number	21,887	32,422	85,436	44,292	11,257	22,297	12,263	229,854
	Percent	9.5%	14.1%	37.2%	19.3%	4.9%	9.7%	5.3%	100.0%
Region 6 Gulf Coast	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%
Region 7 Capital	Number	6,953	8,125	29,598	16,925	4,662	10,959	4,908	82,130
	Percent	8.5%	9.9%	36.0%	20.6%	5.7%	13.3%	6.0%	100.0%
Region 8 Central Texas	Number	17,098	22,239	62,518	32,539	10,528	17,367	7,667	169,956
	Percent	10.1%	13.1%	36.8%	19.1%	6.2%	10.2%	4.5%	100.0%
Region 9 San Antonio	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%
Region 10 Coastal Bend	Number	21,406	18,045	48,722	26,176	7,559	13,171	6,816	141,895
	Percent	15.1%	12.7%	34.3%	18.4%	5.3%	9.3%	4.8%	100.0%
Region 11 South Texas Border	Number	50,771	20,413	37,804	21,142	6,113	11,664	6,453	154,360
	Percent	32.9%	13.2%	24.5%	13.7%	4.0%	7.6%	4.2%	100.0%
Region 12 West Texas	Number	20,030	15,530	39,212	22,067	5,575	11,195	4,882	118,491
	Percent	16.9%	13.1%	33.1%	18.6%	4.7%	9.4%	4.1%	100.0%
Region 13 Upper Rio Grande	Number	3,882	1,495	3,683	2,673	763	2,311	1,370	16,177
	Percent	24.0%	9.2%	22.8%	16.5%	4.7%	14.3%	8.5%	100.0%
Sum of Rural Regions	Number	252,742	257,618	686,715	394,305	111,661	207,274	100,523	2,010,838
	Percent	12.6%	12.8%	34.2%	19.6%	5.6%	10.3%	5.0%	100.0%
Urban Areas	Number	1,212,647	1,391,473	2,489,935	2,464,415	556,815	1,788,930	875,489	10,779,704
	Percent	11.2%	12.9%	23.1%	22.9%	5.2%	16.6%	8.1%	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

Significant findings from the above table include: (1) in aggregate for all regions, 26.0% of people are not high school graduates, (2) in aggregate for all regions, 40.5% of people attended college (not necessarily receiving a degree), (3) in aggregate for all regions, 20.9% of people are college graduates or hold advanced degrees, (4) Region 11 has the highest percentage of non-high school graduates, while Region 7 has the lowest, (5) Region 4 has the highest percentage of high school graduates only, while Region 11 has the lowest, and (6) Region 13 has the highest percentage of college graduates, while Region 11 has the lowest. Regions 11 and 12 have the lowest educational attainment, while Regions 3 and 7 have the highest.

The share of college graduates urban areas is almost 50% higher than the rural areas. As a result, the earning capability and potential for a large portion of the rural population is likely limited due to the limited education attainment of these individuals.

The following graph demonstrates the education attainment levels of Texas' rural regions and urban areas, as well as the overall state of Texas.



The population by race within the study regions, based on the 2010 Census, 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
Region 1 High Plains	Number	239,460	10,308	2,965	2,275	116	42,621	7,070	304,815
	Percent	78.6%	3.4%	1.0%	0.7%	0.0%	14.0%	2.3%	100.0%
Region 2 Northwest Texas	Number	200,221	7,809	1,574	852	60	18,664	4,512	233,692
	Percent	85.7%	3.3%	0.7%	0.4%	0.0%	8.0%	1.9%	100.0%
Region 3 Metroplex	Number	206,793	11,353	2,000	1,415	475	19,000	4,724	245,760
	Percent	84.1%	4.6%	0.8%	0.6%	0.2%	7.7%	1.9%	100.0%
Region 4 Upper East Texas	Number	458,960	74,321	4,319	2,697	237	38,036	11,247	589,817
	Percent	77.8%	12.6%	0.7%	0.5%	0.0%	6.4%	1.9%	100.0%
Region 5 Southeast Texas	Number	260,339	56,016	2,393	2,357	73	25,125	5,790	352,093
	Percent	73.9%	15.9%	0.7%	0.7%	0.0%	7.1%	1.6%	100.0%
Region 6 Gulf Coast	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%
Region 7 Capital	Number	99,211	4,386	763	452	51	6,928	1,923	113,714
	Percent	87.2%	3.9%	0.7%	0.4%	0.0%	6.1%	1.7%	100.0%
Region 8 Central Texas	Number	191,824	31,347	1,324	1,175	67	19,316	4,442	249,495
	Percent	76.9%	12.6%	0.5%	0.5%	0.0%	7.7%	1.8%	100.0%
Region 9 San Antonio	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%
Region 10 Coastal Bend	Number	177,478	10,808	1,236	1,444	95	21,642	4,341	217,044
	Percent	81.8%	5.0%	0.6%	0.7%	0.0%	10.0%	2.0%	100.0%
Region 11 South Texas Border	Number	240,401	1,942	1,434	955	89	20,843	3,766	269,430
	Percent	89.2%	0.7%	0.5%	0.4%	0.0%	7.7%	1.4%	100.0%
Region 12 West Texas	Number	148,262	6,304	1,461	840	53	25,328	3,798	186,046
	Percent	79.7%	3.4%	0.8%	0.5%	0.0%	13.6%	2.0%	100.0%
Region 13 Upper Rio Grande	Number	21,451	237	244	189	6	2,535	604	25,266
	Percent	84.9%	0.9%	1.0%	0.7%	0.0%	10.0%	2.4%	100.0%
Sum of Rural Regions	Number	2,451,423	245,779	21,224	17,099	1,420	265,938	57,509	3,060,392
	Percent	80.1%	8.0%	0.7%	0.6%	0.0%	8.7%	1.9%	100.0%
Urban Areas	Number	4,118,729	843,057	36,041	290,274	4,933	448,458	121,049	5,862,541
	Percent	70.3%	14.4%	0.6%	5.0%	0.1%	7.6%	2.1%	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

Significant findings from the previous table include: (1) in aggregate for all regions, 74.6% of people are “white alone”, (2) in aggregate for all regions, 13.1% of people are “black alone”, (3) in aggregate for all regions, 12.3% of people are “other” races, (4) Region 11 has the highest “white alone” population, while Region 6 has the lowest, (5) Region 6 has the highest “black alone” population, while Region 11 has the lowest, and (6) Region 1 has the highest “other” population, while Region 7 has the lowest.

In general, across all regions, 3 out of 4 people are white, while 1 out of 4 are of a minority race.

According to the U.S. Census, the terms "Hispanic" or "Latino" refer to persons who trace their origin or descent to Mexico, Puerto Rico, Cuba, Spanish speaking Central and South America countries, and other Spanish cultures. Origin can be considered as the heritage, nationality group, lineage, or country of the person or the person's parents or ancestors before their arrival in the United States. People who identify their origin as Hispanic or Latino may be of any race. As such the below table shows the number of Hispanic or Latino population in each census designated race for the state of Texas.

		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
State of Texas	Total	17,701,552	2,979,598	170,972	964,596	21,656	2,628,186	679,001	25,145,561
	Hispanic	6,304,207	92,773	90,386	16,170	3,736	2,594,206	N/A	9,101,478

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

The “White Alone” classified population represents the majority of Texas’s population, comprising more than 70% of the entire state’s population. However, with more than 9 million people considered “Hispanic”, over one-third of Texas’ population is comprised of this minority group.

A distribution of the Hispanic population by study region is included on the following page.

The table below summarizes the Hispanic and Non-Hispanic populations within the rural study regions of Texas.

Region	Total Population	Total Hispanic Population	Percent Hispanic	Total Non-Hispanic Population	Percent Non-Hispanic
Region 1 High Plains	304,815	134,011	44.0%	170,804	56.0%
Region 2 Northwest Texas	233,692	51,203	21.9%	182,489	78.1%
Region 3 Metroplex	245,760	39,692	16.2%	206,068	83.8%
Region 4 Upper East Texas	589,817	75,341	12.8%	514,476	87.2%
Region 5 Southeast Texas	352,093	46,888	13.3%	305,205	86.7%
Region 6 Gulf Coast	166,717	46,360	27.8%	120,357	72.2%
Region 7 Capital	113,714	20,412	18.0%	93,302	82.0%
Region 8 Central Texas	249,495	44,645	17.9%	204,850	82.1%
Region 9 San Antonio	106,503	37,641	35.3%	68,862	64.7%
Region 10 Coastal Bend	217,044	120,807	55.7%	96,237	44.3%
Region 11 South Texas Border	269,430	234,379	87.0%	35,051	13.0%
Region 12 West Texas	186,046	87,653	47.1%	98,393	52.9%
Region 13 Upper Rio Grande	25,266	15,824	62.6%	9,442	37.4%
Sum of Rural Regions	3,060,392	954,856	31.2%	2,105,536	68.8%
Urban Areas	22,085,169	8,506,065	38.5%	13,579,104	61.5%
State of Texas	25,145,561	9,460,921	37.6%	15,684,640	62.4%

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

As the preceding table illustrates approximately one-third of the entire population within rural Texas identify themselves as “Hispanic”. This is slightly lower than the 38.5% share of Hispanics in Texas’ urban areas and the 37.6% share in the overall state of Texas. As such, it appears the Hispanic population is more concentrated in the urban areas of Texas. Not surprisingly, regions closest to the U.S.-Mexico border have the highest share of Hispanics, with Region 11 (South Texas Border Region) at an 87.0% share of Hispanics and Region 13 (Upper Rio Grande Region) at a 62.6% share of Hispanics.

The population by ancestry within the study regions, based on 2005-2009 American Community Survey estimates, is distributed as follows:

	Top 5 Highest Nationality Shares					Remaining Nationalities	Total
	Nationality 1	Nationality 2	Nationality 3	Nationality 4	Nationality 5		
Region 1 High Plains	German (12.3%)	Irish (9.2%)	English (7.7%)	American (5.7%)	French (1.8%)	63.3%	297,121
Region 2 Northwest Texas	German (13.0%)	English (12.4%)	Irish (11.6%)	American (10.3%)	French (2.1%)	50.5%	223,893
Region 3 Metroplex	German (14.8%)	Irish (12.9%)	English (10.1%)	American (8.7%)	Scotch-Irish (2.5%)	51.0%	242,559
Region 4 Upper East Texas	American (16.0%)	Irish (11.6%)	English (10.7%)	German (9.8%)	French (2.5%)	49.4%	606,686
Region 5 Southeast Texas	Irish (13.3%)	English (11.3%)	German (10.5%)	American (9.7%)	French (4.4%)	50.9%	372,374
Region 6 Gulf Coast	German (14.6%)	Irish (7.8%)	American (6.5%)	English (6.4%)	Czech (6.3%)	58.4%	182,366
Region 7 Capital	German (23.9%)	Irish (12.3%)	English (11.7%)	American (4.9%)	Czech (3.7%)	43.5%	128,478
Region 8 Central Texas	German (16.8%)	Irish (11.0%)	English (9.5%)	American (7.2%)	French (2.5%)	53.1%	256,682
Region 9 San Antonio	German (21.3%)	English (10.0%)	Irish (9.0%)	American (4.1%)	French (2.9%)	52.7%	118,819
Region 10 Coastal Bend	German (13.9%)	Irish (7.7%)	English (4.9%)	Czech (4.8%)	American (3.0%)	65.8%	242,504
Region 11 South Texas Border	German (3.2%)	American (2.5%)	English (2.1%)	Irish (1.9%)	Scotch-Irish (0.8%)	89.5%	265,636
Region 12 West Texas	German (10.1%)	American (8.4%)	Irish (7.6%)	English (6.2%)	Scottish (1.7%)	66.0%	178,696
Region 13 Upper Rio Grande	German (8.8%)	English (7.4%)	American (4.9%)	Irish (4.8%)	French (2.2%)	72.0%	27,436
Sum of Rural Regions	German (12.4%)	Irish (9.9%)	English (8.8%)	American (8.5%)	French (2.4%)	58.1%	3,143,250
Urban Areas	German (10.1%)	Irish (7.1%)	English (6.8%)	American (5.1%)	French (2.3%)	68.6%	22,767,245
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

Significant findings from the above table include: (1) German is the primary nationality of nearly 85% of the regions (11 of 13), (2) in aggregate for all regions, 13.3% of the population is from German ancestry, and (3) in aggregate for all regions, American, Irish, and English are secondary nationalities.

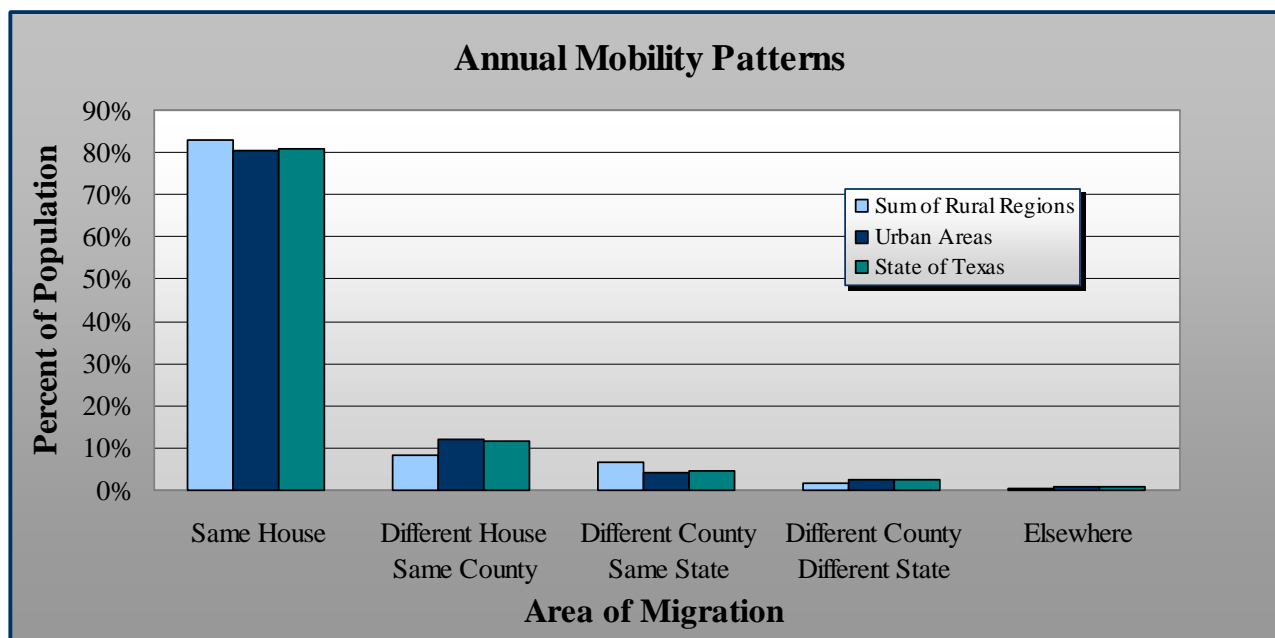
The population migration information within each region based on 2005-2009 American Community Survey estimates is distributed as follows (where people lived one year prior to being surveyed):

		Same House	Different House in Same County	Different County Same State	Different County in Different State	Elsewhere	Total
Region 1 High Plains	Number	231,556	26,483	19,356	6,793	1,294	285,482
	Percent	81.1%	9.3%	6.8%	2.4%	0.5%	100.0%
Region 2 Northwest Texas	Number	189,158	17,217	15,514	3,035	589	225,513
	Percent	83.9%	7.6%	6.9%	1.3%	0.3%	100.0%
Region 3 Metroplex	Number	191,225	24,052	17,183	3,860	825	237,145
	Percent	80.6%	10.1%	7.2%	1.6%	0.3%	100.0%
Region 4 Upper East Texas	Number	477,898	46,572	34,160	8,800	1,521	568,951
	Percent	84.0%	8.2%	6.0%	1.5%	0.3%	100.0%
Region 5 Southeast Texas	Number	279,241	30,669	21,568	5,028	959	337,465
	Percent	82.7%	9.1%	6.4%	1.5%	0.3%	100.0%
Region 6 Gulf Coast	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%
Region 7 Capital	Number	93,263	7,059	6,093	1,366	199	107,980
	Percent	86.4%	6.5%	5.6%	1.3%	0.2%	100.0%
Region 8 Central Texas	Number	200,609	18,177	17,487	2,372	971	239,616
	Percent	83.7%	7.6%	7.3%	1.0%	0.4%	100.0%
Region 9 San Antonio	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%
Region 10 Coastal Bend	Number	172,204	20,818	16,071	2,476	594	212,163
	Percent	81.2%	9.8%	7.6%	1.2%	0.3%	100.0%
Region 11 South Texas Border	Number	224,368	17,734	8,329	4,037	1,209	255,677
	Percent	87.8%	6.9%	3.3%	1.6%	0.5%	100.0%
Region 12 West Texas	Number	139,428	14,833	11,765	3,243	898	170,167
	Percent	81.9%	8.7%	6.9%	1.9%	0.5%	100.0%
Region 13 Upper Rio Grande	Number	20,287	1,598	1,589	714	235	24,423
	Percent	83.1%	6.5%	6.5%	2.9%	1.0%	100.0%
Sum of Rural Regions	Number	2,430,985	245,545	193,976	44,861	10,559	2,925,926
	Percent	83.1%	8.4%	6.6%	1.5%	0.4%	100.0%
Urban Areas	Number	16,503,907	2,456,464	848,366	512,236	178,035	20,499,008
	Percent	80.5%	12.0%	4.1%	2.5%	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

Significant findings from the above table include: (1) in aggregate for all regions, 83.1% of the population had not moved for one year, (2) in aggregate for all regions, 8.4% of the population had moved within a year from within their present county, (3) in aggregate for all regions, 6.6% of the population had moved within a year from outside their present county but within Texas, (4) in aggregate for all regions, 1.5% of the population had moved within a year from outside Texas, but within the USA, (5) in aggregate for all regions, 0.4% of the population had move within a year from outside the USA, and (6) Region 11 had the highest percentage of non-movers, while Region 3 had the lowest.

Generally, the rural population is more stationary and has lower annual turnover (16.9% annual turnover rate) in housing than the urban markets (19.5% annual turnover rate). This is likely primarily attributed to the lack of housing alternatives and limited employment opportunities in rural markets as opposed to urban markets which have a larger base of employment opportunities (and greater possibility of job changes) and more housing options from which owners and renters can choose.



Households by tenure are distributed as follows:

Household Type	2000		2010		2015		
	Number	Percent	Number	Percent	Number	Percent	
Region 1 High Plains	Owner-Occupied	78,468	72.7%	75,579	70.6%	76,207	71.7%
	Renter-Occupied	29,403	27.3%	31,539	29.4%	30,097	28.3%
	Total	107,871	100.0%	107,118	100.0%	106,305	100.0%
Region 2 Northwest Texas	Owner-Occupied	68,059	74.1%	66,520	73.0%	66,064	73.0%
	Renter-Occupied	23,742	25.9%	24,585	27.0%	24,449	27.0%
	Total	91,801	100.0%	91,105	100.0%	90,513	100.0%
Region 3 Metroplex	Owner-Occupied	60,329	72.7%	66,591	71.3%	70,427	72.3%
	Renter-Occupied	22,684	27.3%	26,764	28.7%	26,930	27.7%
	Total	83,013	100.0%	93,355	100.0%	97,357	100.0%
Region 4 Upper East Texas	Owner-Occupied	157,929	76.6%	164,550	74.1%	170,441	75.7%
	Renter-Occupied	48,346	23.4%	57,424	25.9%	54,678	24.3%
	Total	206,275	100.0%	221,974	100.0%	225,119	100.0%
Region 5 Southeast Texas	Owner-Occupied	93,966	75.6%	95,693	72.8%	98,302	74.3%
	Renter-Occupied	30,290	24.4%	35,823	27.2%	33,999	25.7%
	Total	124,256	100.0%	131,516	100.0%	132,300	100.0%
Region 6 Gulf Coast	Owner-Occupied	36,269	66.4%	37,498	64.5%	38,351	65.0%
	Renter-Occupied	18,374	33.6%	20,679	35.5%	20,624	35.0%
	Total	54,643	100.0%	58,177	100.0%	58,974	100.0%
Region 7 Capital	Owner-Occupied	30,581	79.0%	35,469	77.0%	37,880	78.1%
	Renter-Occupied	8,118	21.0%	10,588	23.0%	10,619	21.9%
	Total	38,699	100.0%	46,057	100.0%	48,498	100.0%
Region 8 Central Texas	Owner-Occupied	65,308	76.0%	69,448	75.0%	70,752	75.2%
	Renter-Occupied	20,650	24.0%	23,208	25.0%	23,329	24.8%
	Total	85,958	100.0%	92,656	100.0%	94,081	100.0%
Region 9 San Antonio	Owner-Occupied	26,238	73.8%	29,405	72.7%	31,072	73.2%
	Renter-Occupied	9,292	26.2%	11,034	27.3%	11,358	26.8%
	Total	35,530	100.0%	40,439	100.0%	42,431	100.0%
Region 10 Coastal Bend	Owner-Occupied	53,912	72.2%	53,460	70.3%	53,839	71.2%
	Renter-Occupied	20,767	27.8%	22,546	29.7%	21,770	28.8%
	Total	74,679	100.0%	76,006	100.0%	75,609	100.0%
Region 11 South Texas Border	Owner-Occupied	53,938	73.4%	59,029	72.3%	60,809	72.4%
	Renter-Occupied	19,504	26.6%	22,665	27.7%	23,170	27.6%
	Total	73,442	100.0%	81,694	100.0%	83,979	100.0%
Region 12 West Texas	Owner-Occupied	47,254	75.3%	47,125	73.9%	48,233	74.3%
	Renter-Occupied	15,538	24.7%	16,673	26.1%	16,687	25.7%
	Total	62,792	100.0%	63,798	100.0%	64,920	100.0%
Region 13 Upper Rio Grande	Owner-Occupied	6,218	67.3%	6,832	66.8%	6,776	66.1%
	Renter-Occupied	3,021	32.7%	3,397	33.2%	3,468	33.9%
	Total	9,239	100.0%	10,229	100.0%	10,245	100.0%
Sum of Rural Regions	Owner-Occupied	778,469	74.3%	807,199	72.5%	829,153	73.4%
	Renter-Occupied	269,729	25.7%	306,925	27.5%	301,178	26.6%
	Total	1,048,198	100.0%	1,114,124	100.0%	1,130,331	100.0%
Urban Areas	Owner-Occupied	3,938,490	62.1%	4,878,154	62.5%	5,332,053	62.4%
	Renter-Occupied	2,406,666	37.9%	2,930,655	37.5%	3,210,895	37.6%
	Total	6,345,156	100.0%	7,808,809	100.0%	8,542,948	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

Significant findings from the above table include: (1) in all regions from 2000 to 2015, the percentage of renter households is expected to increase, while the percentage of owner households is expected to decrease, (2) in 2015, Region 7 is expected to have the highest percentage of owner households, while Region 6 is expected to have the lowest, and (3) in 2015, Region 6 is expected to have the highest percentage of renter households, while Region 7 is expected to have the lowest.

Overall, by 2015, the share of renter households within the rural regions of Texas will be 26.6%, while in urban areas the share will be higher at 37.6%. The lower share of renter households in the rural regions of Texas is not unusual for rural markets. Generally, these housing tenure shares in rural Texas will not differ much from 2010 shares of renter households.

3. INCOME TRENDS

The distribution of households by income within each region 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+
Region 1 High Plains	2000	14,111 13.1%	18,848 17.5%	18,849 17.5%	15,380 14.3%	11,221 10.4%	8,464 7.8%	20,998 19.5%
	2010	11,725 10.9%	14,951 14.0%	15,889 14.8%	14,271 13.3%	11,950 11.2%	8,944 8.3%	29,388 27.4%
	2015	10,692 10.1%	13,276 12.5%	14,539 13.7%	13,638 12.8%	11,631 10.9%	9,093 8.6%	33,436 31.5%
Region 2 Northwest Texas	2000	13,928 15.2%	18,000 19.6%	15,450 16.8%	12,520 13.6%	9,193 10.0%	7,068 7.7%	15,643 17.0%
	2010	11,026 12.1%	13,747 15.1%	12,715 14.0%	11,629 12.8%	9,367 10.3%	7,897 8.7%	24,724 27.1%
	2015	9,898 10.9%	11,849 13.1%	11,836 13.1%	10,813 11.9%	9,230 10.2%	7,600 8.4%	29,287 32.4%
Region 3 Metroplex	2000	10,130 12.2%	12,743 15.4%	12,653 15.2%	11,086 13.4%	8,887 10.7%	7,431 9.0%	20,084 24.2%
	2010	9,175 9.8%	10,971 11.8%	11,791 12.6%	10,890 11.7%	9,837 10.5%	8,281 8.9%	32,410 34.7%
	2015	8,661 8.9%	10,159 10.4%	11,038 11.3%	10,778 11.1%	9,741 10.0%	8,423 8.7%	38,558 39.6%
Region 4 Upper East Texas	2000	28,736 13.9%	35,536 17.2%	32,629 15.8%	28,871 14.0%	21,743 10.5%	17,205 8.3%	41,554 20.1%
	2010	25,286 11.4%	30,743 13.8%	29,968 13.5%	27,346 12.3%	24,316 11.0%	19,186 8.6%	65,127 29.3%
	2015	23,360 10.4%	27,849 12.4%	28,100 12.5%	26,272 11.7%	24,048 10.7%	19,427 8.6%	76,064 33.8%
Region 5 Southeast Texas	2000	19,666 15.8%	22,133 17.8%	19,900 16.0%	16,889 13.6%	12,670 10.2%	10,097 8.1%	22,900 18.4%
	2010	17,360 13.2%	19,606 14.9%	18,136 13.8%	16,507 12.6%	13,874 10.5%	11,012 8.4%	35,021 26.6%
	2015	15,991 12.1%	17,890 13.5%	17,037 12.9%	15,840 12.0%	14,091 10.7%	10,857 8.2%	40,595 30.7%
Region 6 Gulf Coast	2000	8,093 14.8%	9,047 16.6%	8,604 15.7%	6,537 12.0%	5,678 10.4%	4,284 7.8%	12,400 22.7%
	2010	7,269 12.5%	8,078 13.9%	7,845 13.5%	6,800 11.7%	5,773 9.9%	4,766 8.2%	17,646 30.3%
	2015	6,805 11.5%	7,478 12.7%	7,394 12.5%	6,756 11.5%	5,702 9.7%	4,734 8.0%	20,106 34.1%
Region 7 Capital	2000	3,990 10.3%	5,981 15.5%	6,003 15.5%	5,153 13.3%	4,507 11.6%	3,496 9.0%	9,568 24.7%
	2010	3,671 8.0%	4,937 10.7%	5,670 12.3%	5,460 11.9%	4,680 10.2%	4,318 9.4%	17,320 37.6%
	2015	3,450 7.1%	4,414 9.1%	5,305 10.9%	5,298 10.9%	4,844 10.0%	4,147 8.6%	21,039 43.4%
Region 8 Central Texas	2000	12,326 14.3%	14,835 17.3%	13,514 15.7%	11,197 13.0%	8,962 10.4%	7,369 8.6%	17,754 20.7%
	2010	10,736 11.6%	12,751 13.8%	12,056 13.0%	11,174 12.1%	9,590 10.4%	7,864 8.5%	28,485 30.7%
	2015	9,870 10.5%	11,482 12.2%	11,363 12.1%	10,727 11.4%	9,445 10.0%	7,893 8.4%	33,300 35.4%

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

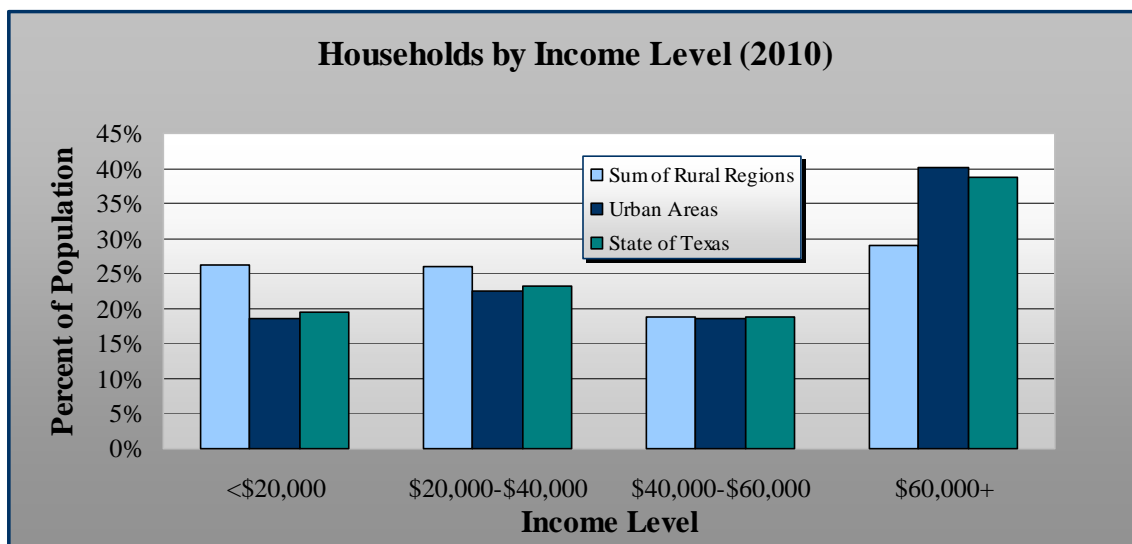
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		Households by Income						
		<\$10,000	\$10,000 - \$19,999	\$20,000 - \$29,999	\$30,000 - \$39,999	\$40,000 - \$49,999	\$50,000 - \$59,999	\$60,000+
Region 9 San Antonio	2000	4,545 12.8%	5,824 16.4%	5,947 16.7%	4,946 13.9%	3,857 10.9%	2,960 8.3%	7,451 21.0%
	2010	3,962 9.8%	4,798 11.9%	5,244 13.0%	4,992 12.3%	4,346 10.7%	3,629 9.0%	13,468 33.3%
	2015	3,694 8.7%	4,331 10.2%	4,819 11.4%	4,899 11.5%	4,314 10.2%	3,775 8.9%	16,600 39.1%
Region 10 Coastal Bend	2000	12,744 17.1%	14,120 18.9%	11,825 15.8%	9,575 12.8%	7,325 9.8%	5,655 7.6%	13,435 18.0%
	2010	10,143 13.3%	11,344 14.9%	10,005 13.2%	9,207 12.1%	7,633 10.0%	6,052 8.0%	21,622 28.4%
	2015	9,024 11.9%	9,943 13.2%	9,405 12.4%	8,444 11.2%	7,548 10.0%	6,035 8.0%	25,212 33.3%
Region 11 South Texas Border	2000	16,616 22.6%	16,943 23.1%	12,022 16.4%	8,790 12.0%	5,727 7.8%	4,350 5.9%	8,993 12.2%
	2010	14,259 17.5%	14,971 18.3%	12,480 15.3%	9,770 12.0%	7,613 9.3%	5,511 6.7%	17,091 20.9%
	2015	13,071 15.6%	13,590 16.2%	12,455 14.8%	9,776 11.6%	7,856 9.4%	6,053 7.2%	21,177 25.2%
Region 12 West Texas	2000	9,537 15.2%	11,341 18.1%	10,784 17.2%	8,595 13.7%	6,704 10.7%	4,595 7.3%	11,237 17.9%
	2010	7,557 11.8%	8,619 13.5%	8,818 13.8%	8,129 12.7%	6,746 10.6%	5,572 8.7%	18,357 28.8%
	2015	6,885 10.6%	7,661 11.8%	8,103 12.5%	7,740 11.9%	6,758 10.4%	5,531 8.5%	22,242 34.3%
Region 13 Upper Rio Grande	2000	1,851 20.0%	1,956 21.2%	1,682 18.2%	1,143 12.4%	757 8.2%	594 6.4%	1,256 13.6%
	2010	1,613 15.8%	1,714 16.8%	1,586 15.5%	1,382 13.5%	987 9.6%	700 6.8%	2,248 22.0%
	2015	1,447 14.1%	1,529 14.9%	1,479 14.4%	1,324 12.9%	1,072 10.5%	727 7.1%	2,666 26.0%
Sum of Rural Regions	2000	156,273 14.9%	187,307 17.9%	169,862 16.2%	140,682 13.4%	107,231 10.2%	83,568 8.0%	203,273 19.4%
	2010	133,782 12.0%	157,230 14.1%	152,203 13.7%	137,557 12.3%	116,712 10.5%	93,732 8.4%	322,907 29.0%
	2015	122,848 10.9%	141,451 12.5%	142,873 12.6%	132,305 11.7%	116,280 10.3%	94,295 8.3%	380,282 33.6%
Urban Areas	2000	610,648 9.6%	789,736 12.4%	849,888 13.4%	797,498 12.6%	666,294 10.5%	553,294 8.7%	2,077,800 32.7%
	2010	644,202 8.2%	801,448 10.3%	884,478 11.3%	884,878 11.3%	789,788 10.1%	661,437 8.5%	3,142,579 40.2%
	2015	692,569 8.1%	859,650 10.1%	946,453 11.1%	950,640 11.1%	856,058 10.0%	720,621 8.4%	3,516,954 41.2%
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

From the preceding table, all regions will experience an increase in household income between 2000 and 2015. Region 7 is expected to have the highest percentage of households earning \$60,000 or more per year, while Region 11 should have the highest percentage under \$20,000 per year.

Generally, between 2010 and 2015, household by income for each region are projected to decline for those making less than \$30,000 a year, while those households making \$30,000 or more are projected to increase during this time period. More importantly, however, is the fact that despite the projected decline in low-income households in the rural regions, these regions will still have a greater share (47.7%) of households making less than \$40,000 a year in 2015 compared with the share (40.4%) in urban areas of Texas. As a result, affordable housing will remain an important part to the housing inventory in rural Texas.



As shown on the following page, in aggregate for all rural regions, the median household income in 2015 is expected to be \$49,724 per year, (2) in aggregate for all regions, the median income for a 4-person household in 2015 is expected to \$53,738 per year, and (3) Region 7 is expected to have the highest median household income in 2015 at \$58,192 per year, while Region 11 should have the lowest at \$39,011 per year. Overall, median household income is projected to increase by 12.7% in the rural regions between 2010 and 2015, while growth in the urban regions will be comparable at 12.0%. Regardless, rural median household income lags far behind and is expected to remain much lower than urban areas, as the projected median household income in rural areas (\$49,724) will be 34.4% lower than the projected median household income in urban areas (\$66,417) in 2015.

Household incomes for the 13 study regions are compared as follows:

		Household Income		
		Median Income	Mean Income	HUD 4-Person Median Income
Region 1 High Plains	2000	\$35,341	\$45,502	\$36,177
	2010	\$42,960	\$51,675	\$46,709
	2015	\$48,647	\$56,957	\$54,800
Region 2 Northwest Texas	2000	\$34,701	\$44,663	\$33,050
	2010	\$42,720	\$51,006	\$44,375
	2015	\$47,878	\$55,763	\$52,300
Region 3 Metroplex	2000	\$42,174	\$52,495	\$40,671
	2010	\$50,896	\$59,764	\$54,800
	2015	\$56,627	\$66,649	\$62,700
Region 4 Upper East Texas	2000	\$37,668	\$47,132	\$36,559
	2010	\$46,478	\$54,097	\$47,735
	2015	\$52,189	\$60,320	\$54,700
Region 5 Southeast Texas	2000	\$35,038	\$44,910	\$33,618
	2010	\$42,784	\$51,725	\$44,427
	2015	\$48,541	\$57,782	\$46,700
Region 6 Gulf Coast	2000	\$41,071	\$50,659	\$40,100
	2010	\$50,649	\$58,809	\$52,200
	2015	\$56,673	\$65,790	\$55,500
Region 7 Capital	2000	\$43,595	\$55,408	\$36,700
	2010	\$51,686	\$62,732	\$54,520
	2015	\$58,192	\$70,177	\$65,100
Region 8 Central Texas	2000	\$37,880	\$47,581	\$34,785
	2010	\$46,287	\$54,470	\$48,785
	2015	\$51,780	\$60,708	\$55,050
Region 9 San Antonio	2000	\$35,646	\$47,215	\$33,450
	2010	\$44,060	\$53,679	\$46,225
	2015	\$50,259	\$60,436	\$59,250
Region 10 Coastal Bend	2000	\$33,593	\$44,757	\$32,177
	2010	\$41,388	\$49,066	\$42,485
	2015	\$47,562	\$53,771	\$51,000
Region 11 South Texas Border	2000	\$27,161	\$35,768	\$27,554
	2010	\$33,866	\$40,508	\$33,846
	2015	\$39,011	\$45,456	\$36,500
Region 12 West Texas	2000	\$36,388	\$47,195	\$35,042
	2010	\$44,428	\$51,800	\$45,792
	2015	\$49,219	\$56,632	\$57,800
Region 13 Upper Rio Grande	2000	\$28,546	\$38,565	\$27,100
	2010	\$35,402	\$45,418	\$37,300
	2015	\$39,830	\$51,216	\$47,200
Sum of Rural Regions	2000	\$36,062	\$46,296	\$34,383
	2010	\$44,123	\$52,673	\$46,092
	2015	\$49,724	\$58,589	\$53,738
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:			Total
		<18	18 to 64	65+	<18	18 to 64	65+	
Region 1 High Plains	Number	19,836	24,323	4,960	62,054	129,265	34,350	274,788
	Percent	7.2%	8.9%	1.8%	22.6%	47.0%	12.5%	100.0%
Region 2 Northwest Texas	Number	13,425	20,659	5,125	39,660	102,535	33,854	215,258
	Percent	6.2%	9.6%	2.4%	18.4%	47.6%	15.7%	100.0%
Region 3 Metroplex	Number	13,086	21,045	3,408	44,314	118,476	32,138	232,467
	Percent	5.6%	9.1%	1.5%	19.1%	51.0%	13.8%	100.0%
Region 4 Upper East Texas	Number	33,503	48,705	10,337	102,842	275,556	75,860	546,803
	Percent	6.1%	8.9%	1.9%	18.8%	50.4%	13.9%	100.0%
Region 5 Southeast Texas	Number	24,164	36,748	6,589	55,817	154,349	45,865	323,532
	Percent	7.5%	11.4%	2.0%	17.3%	47.7%	14.2%	100.0%
Region 6 Gulf Coast	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%
Region 7 Capital	Number	4,089	6,347	1,858	19,561	54,188	20,481	106,524
	Percent	3.8%	6.0%	1.7%	18.4%	50.9%	19.2%	100.0%
Region 8 Central Texas	Number	14,622	20,132	4,972	41,707	109,270	32,629	223,332
	Percent	6.5%	9.0%	2.2%	18.7%	48.9%	14.6%	100.0%
Region 9 San Antonio	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%
Region 10 Coastal Bend	Number	14,720	21,351	4,766	39,198	92,307	24,247	196,589
	Percent	7.5%	10.9%	2.4%	19.9%	47.0%	12.3%	100.0%
Region 11 South Texas Border	Number	36,165	38,053	9,284	48,830	100,755	22,340	255,427
	Percent	14.2%	14.9%	3.6%	19.1%	39.4%	8.7%	100.0%
Region 12 West Texas	Number	11,341	14,415	3,375	33,068	75,576	20,013	157,788
	Percent	7.2%	9.1%	2.1%	21.0%	47.9%	12.7%	100.0%
Region 13 Upper Rio Grande	Number	1,898	3,163	899	4,099	11,085	2,884	24,028
	Percent	7.9%	13.2%	3.7%	17.1%	46.1%	12.0%	100.0%
Sum of Rural Regions	Number	200,225	277,124	59,719	534,557	1,336,338	379,226	2,787,189
	Percent	7.2%	9.9%	2.1%	19.2%	47.9%	13.6%	100.0%
Urban Areas	Number	1,348,885	1,786,685	219,894	4,457,716	10,970,217	1,637,570	20,420,967
	Percent	6.6%	8.7%	1.1%	21.8%	53.7%	8.0%	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

Data relative to poverty indicated that (1) in aggregate for all regions, 19.2% of the population is living below the poverty level, compared with 16.4% in the urban areas of Texas, (2) Region 11 has the highest percent of its population living below the poverty level at 32.7%, while Region 7 has the lowest percentage at 11.5%, (note: the statewide average is 16.8%), and (3) Region 13 has the highest percent (3.7%) of its population living below the poverty level that is age 65 or older, while Region 3 has the lowest percentage at 1.5% (note: the statewide average is 1.2%). While the shares of population living in poverty among all age groups in the rural regions of Texas are higher than the urban areas and the overall state of Texas, 2.1% of the overall population consists of seniors age 65+ living in poverty in rural areas, which is nearly double the 1.1% and 1.2% shares in the urban areas and Texas, respectively.

4. SPECIAL NEEDS POPULATIONS

We have presented the demographic characteristics of the special needs populations for each of the 13 study regions and the state of Texas.

The special needs populations presented in this section include the following:

- Homeless Population
- Persons with Disabilities
- Elderly Persons
- Persons with HIV/AIDS
- Colonia Residents
- Victims of Domestic Violence
- Youth Aging Out of Foster Care
- Veteran Population

Data shown is for the latest period in which data is available for each special needs population, which may vary from group to group. All data sources are cited below each data table. **IMPORTANT:** The data shown only includes the selected rural counties within each region that were the focus of this overall study.

a. Homeless Population

	Homeless Population (2010)		
	Homeless Persons	Total Population	Percent Population Homeless
Region 1 High Plains	356	304,815	0.12%
Region 2 Northwest Texas	814	233,692	0.08%
Region 3 Metroplex	586	245,760	0.11%
Region 4 Upper East Texas	1,121	589,817	0.13%
Region 5 Southeast Texas	922	352,093	0.13%
Region 6 Gulf Coast	245	166,717	0.13%
Region 7 Capital	129	113,714	0.13%
Region 8 Central Texas	472	249,495	0.01%
Region 9 San Antonio	227	106,503	0.13%
Region 10 Coastal Bend	230	217,044	0.09%

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

(Continued)

	Homeless Population (2010)		
	Homeless Persons	Total Population	Percent Population Homeless
Region 11 South Texas Border	346	269,430	0.13%
Region 12 West Texas	95	186,046	0.12%
Region 13 Upper Rio Grande	8	25,266	0.13%
Sum of Rural Regions	5,551	3,060,392	0.18%
Urban Areas	45,102	22,085,169	0.2%
State of Texas	50,653	25,145,561	0.2%

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

b. Persons with Disabilities

	Civilian Population with a Disability (2000)		
	Population with a Disability (age 5+)	Total Population	Percent Population with Disability
Region 1 High Plains	55,332	304,815	18.2%
Region 2 Northwest Texas	50,225	233,692	21.5%
Region 3 Metropolitan	43,659	245,760	17.8%
Region 4 Upper East Texas	120,014	589,817	20.3%
Region 5 Southeast Texas	70,681	352,093	20.1%
Region 6 Gulf Coast	26,390	166,717	15.8%
Region 7 Capital	19,633	113,714	17.3%
Region 8 Central Texas	47,346	249,495	19.0%
Region 9 San Antonio	19,857	106,503	18.6%
Region 10 Coastal Bend	44,148	217,044	20.3%
Region 11 South Texas Border	51,933	269,430	19.3%
Region 12 West Texas	34,035	186,046	18.3%
Region 13 Upper Rio Grande	5,455	25,266	21.6%
Sum of Rural Regions	588,708	3,060,392	19.2%
Urban Areas	3,016,812	22,085,169	13.7%
State of Texas	3,605,520	25,145,561	14.3%

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

c. Elderly Population (age 65+)

	Total Population Age 65+ (2010)		
	Population Age 65+	Total Population	Percent of Population Age 65+
Region 1 High Plains	41,758	304,815	13.7%
Region 2 Northwest Texas	42,770	233,692	18.3%
Region 3 Metroplex	40,239	245,760	16.4%
Region 4 Upper East Texas	98,949	589,817	16.8%
Region 5 Southeast Texas	57,281	352,093	16.3%
Region 6 Gulf Coast	22,288	166,717	13.4%
Region 7 Capital	23,749	113,714	20.9%
Region 8 Central Texas	44,325	249,495	17.8%
Region 9 San Antonio	22,904	106,503	21.5%
Region 10 Coastal Bend	32,540	217,044	15.0%
Region 11 South Texas Border	32,644	269,430	12.1%
Region 12 West Texas	25,558	186,046	13.7%
Region 13 Upper Rio Grande	4,289	25,266	17.0%
Sum of Rural Regions	489,294	3,060,392	16.0%
Urban Areas	2,112,592	22,085,169	9.6%
State of Texas	2,601,886	25,145,561	10.3%

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

d. Persons with HIV/AIDS

	People Living with HIV (Cases)		
	Population with HIV	Total Population	Percent Population with HIV
Region 1 High Plains	136	304,815	0.0%
Region 2 Northwest Texas	163	233,692	0.1%
Region 3 Metropolitan	191	245,760	0.1%
Region 4 Upper East Texas	602	589,817	0.1%
Region 5 Southeast Texas	442	352,093	0.1%
Region 6 Gulf Coast	190	166,717	0.1%
Region 7 Capital	66	113,714	0.1%
Region 8 Central Texas	219	249,495	0.1%
Region 9 San Antonio	62	106,503	0.1%
Region 10 Coastal Bend	101	217,044	0.4%
Region 11 South Texas Border	175	269,430	0.1%
Region 12 West Texas	144	186,046	0.1%
Region 13 Upper Rio Grande	8	25,266	0.0%
Sum of Rural Regions	2,499	3,060,392	0.1%
Urban Areas	62,572	22,085,169	0.3%
State of Texas	65,071	25,145,561	0.3%

Source: Texas Department of State Health Services – 2010 HIV Surveillance Report; 2000 Census; 2010 Census; ESRI; Urban Decision Group; Bowen National Research

e. Colonia Residents

	Population within a Colonia		
	Population within a Colonia	Total Population	Percent Population within a Colonia
Region 1 High Plains	0	304,815	0.0%
Region 2 Northwest Texas	0	233,692	0.0%
Region 3 Metropolis	0	245,760	0.0%
Region 4 Upper East Texas	0	589,817	0.0%
Region 5 Southeast Texas	0	352,093	0.0%
Region 6 Gulf Coast	0	166,717	0.0%
Region 7 Capital	0	113,714	0.0%
Region 8 Central Texas	0	249,495	0.0%
Region 9 San Antonio	0	106,503	0.0%
Region 10 Coastal Bend	0	217,044	0.0%
Region 11 South Texas Border	56,508	269,430	21.0%
Region 12 West Texas	0	186,046	0.0%
Region 13 Upper Rio Grande	0	25,266	0.0%
Sum of Rural Regions	56,508	3,060,392	1.8%
Urban Areas	240,984	22,085,169	1.1%
State of Texas	297,492	25,145,561	1.2%

Source: Office of the Attorney General – Colonia Geographic Database; 2000 Census; ESRI; Urban Decision Group; Bowen National Research

It is important to note that the population living within a colonia in each region represents only the colonias within the rural study counties. There is a large base of the Texas population living within colonias within many of the Texas regions but are within urban counties, which was not part of the regional totals shown in the table above.

f. Victims of Domestic Violence

	Reported Incidents of Domestic Violence		
	Incidents of Domestic Violence	Total Population	Ratio of Domestic Violence Incidents to Population
Region 1 High Plains	1,877	304,815	0.6%
Region 2 Northwest Texas	1,357	233,692	0.6%
Region 3 Metroplex	1,425	245,760	0.6%
Region 4 Upper East Texas	3,557	589,817	0.6%
Region 5 Southeast Texas	2,265	352,093	0.6%
Region 6 Gulf Coast	1,394	166,717	0.8%
Region 7 Capital	468	113,714	0.4%
Region 8 Central Texas	982	249,495	0.4%
Region 9 San Antonio	543	106,503	0.5%
Region 10 Coastal Bend	1,624	217,044	0.7%
Region 11 South Texas Border	1,968	269,430	0.7%
Region 12 West Texas	1,302	186,046	0.7%
Region 13 Upper Rio Grande	87	25,266	0.3%
Sum of Rural Regions	18,849	3,060,392	0.6%
Urban Areas	177,940	22,085,169	0.8%
State of Texas	196,789	25,145,561	0.8%

Source: 2009 FBI Uniform Crime Reports; 2000 & 2010 Census; ESRI; Urban Decision Group; Bowen National Research

g. Youth Aging out of Foster Care

	Children Emancipated or Aged Out of DFPS Conservatorship			
	Foster Care-Aged Out	Foster Care-Emancipated	Subcare-Aged Out	Subcare-Emancipated
Region 1 High Plains	23	0	21	0
Region 2 Northwest Texas	15	0	7	0
Region 3 Metropolitan	13	1	7	0
Region 4 Upper East Texas	35	1	14	0
Region 5 Southeast Texas	7	0	10	0
Region 6 Gulf Coast	6	0	2	0
Region 7 Capital	12	0	3	0
Region 8 Central Texas	16	0	4	0
Region 9 San Antonio	10	0	5	0
Region 10 Coastal Bend	16	0	2	0
Region 11 South Texas Border	15	0	8	0
Region 12 West Texas	11	0	7	0
Region 13 Upper Rio Grande	1	0	1	0
Sum of Rural Regions	180	2	91	0
Urban Areas	838	11	394	13
State of Texas	1,018	13	485	13

Source: Texas Department of Family and Protective Services, FY 2010; 2000 Census; ESRI; Urban Decision Group; Bowen National Research

h. Veteran Population

	Veteran Population (2010)		
	Veterans	Total Population	Percent Veterans
Region 1 High Plains	3,311	304,815	1.1%
Region 2 Northwest Texas	4,780	233,692	2.0%
Region 3 Metroplex	5,124	245,760	2.1%
Region 4 Upper East Texas	10,132	589,817	1.7%
Region 5 Southeast Texas	5,354	352,093	1.5%
Region 6 Gulf Coast	3,187	166,717	1.9%
Region 7 Capital	1,776	113,714	1.6%
Region 8 Central Texas	4,985	249,495	2.0%
Region 9 San Antonio	1,732	106,503	1.6%
Region 10 Coastal Bend	3,908	217,044	1.8%
Region 11 South Texas Border	3,897	269,430	1.4%
Region 12 West Texas	2,828	186,046	1.5%
Region 13 Upper Rio Grande	305	25,266	1.2%
Sum of Rural Regions	51,319	3,060,392	1.7%
Urban Areas	369,906	22,085,169	1.7%
State of Texas	421,225	25,145,561	1.7%

Source: 2000 Census; Bowen National Research

5. THEMATIC MAPS

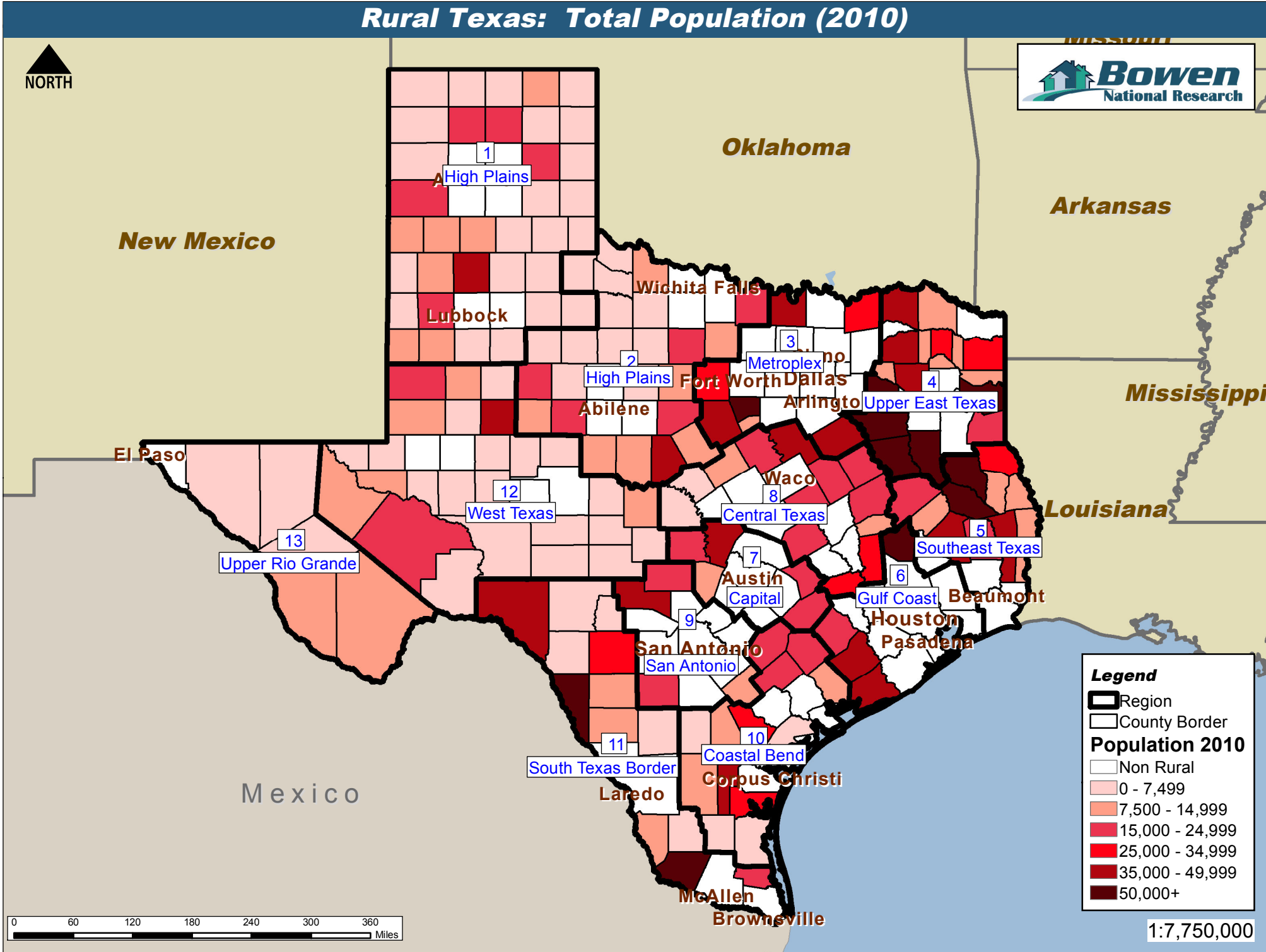
Based on the preceding data sets, we have developed several demographic thematic maps on a state level, illustrating the concentration of various demographic characteristics of the study areas by region.

These maps include the following:

- Total Population (2010)
- Projected Population Growth Trends (2010 to 2015)
- Population Density (2010)
- Total Households (2010)
- Projected Household Growth Trends (2010 to 2015)
- Households by Renter Share (2010)
- Median Household Income (2010)
- Population by Poverty Status (2005-2009 ACS)

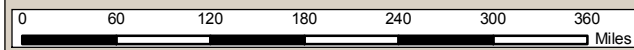
These maps are included on the following pages.

Rural Texas: Total Population (2010)



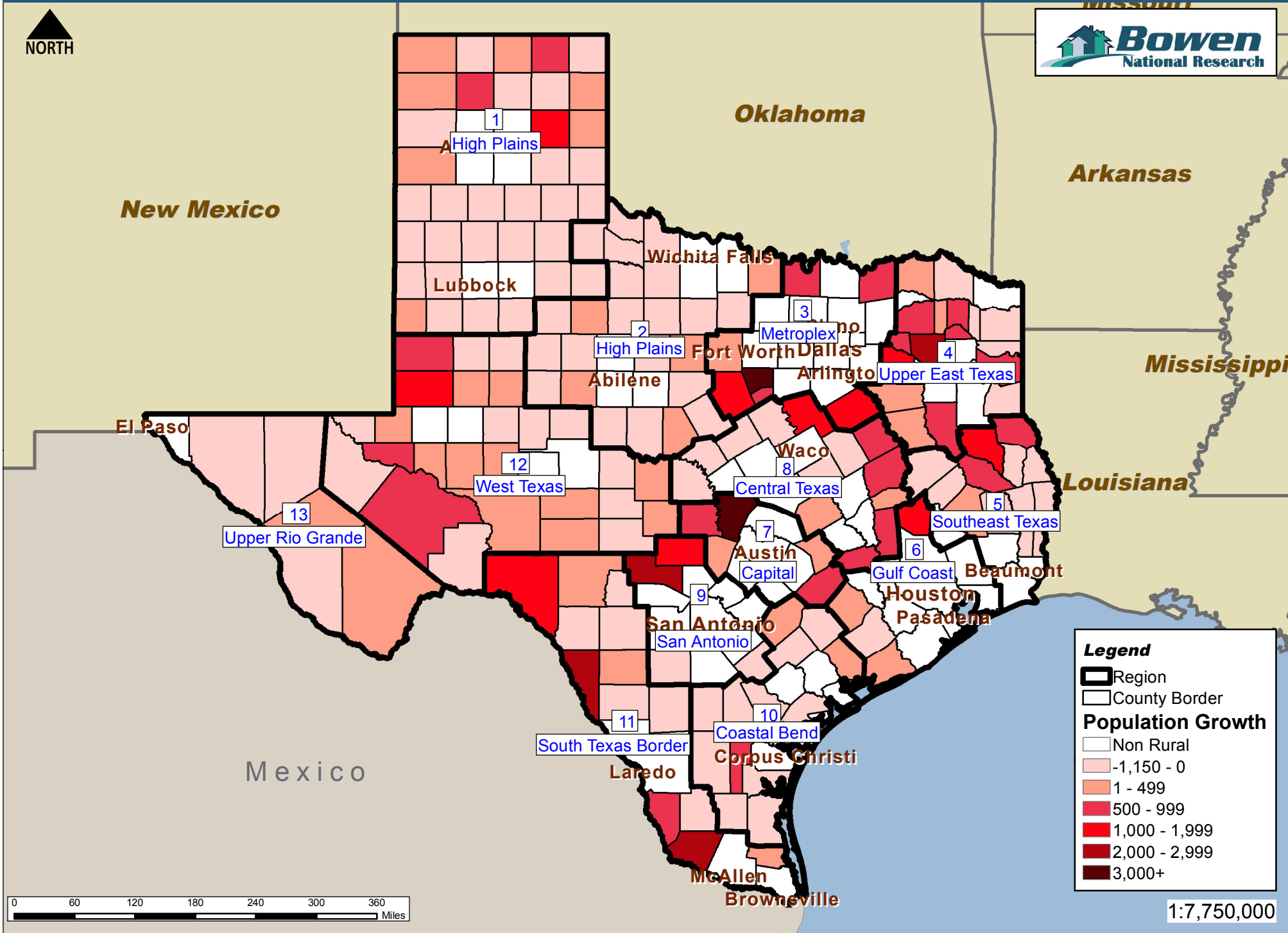
Legend

- Region
- County Border
- Non Rural
- 0 - 7,499
- 7,500 - 14,999
- 15,000 - 24,999
- 25,000 - 34,999
- 35,000 - 49,999
- 50,000+



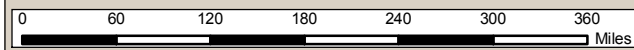
1:7,750,000

Rural Texas: Projected Population Growth Trends (2010 to 2015)



Legend

- Region
- County Border
- Population Growth**
- Non Rural
- 1,150 - 0
- 1 - 499
- 500 - 999
- 1,000 - 1,999
- 2,000 - 2,999
- 3,000+



1:7,750,000

Rural Texas: Population Density (2010)



New Mexico

Oklahoma

Arkansas

Mississippi

Louisiana

El Paso

Upper Rio Grande

West Texas

Central Texas

Southeast Texas

Austin Capital

Gulf Coast

Beaumont

San Antonio

Houston

Pasadena

South Texas Border

Coastal Bend

Laredo

Corpus Christi

McAllen

Brownsville

Lubbock

Wichita Falls

Fort Worth

Dallas

Arlington

Upper East Texas

Waco

Central Texas

Austin Capital

Gulf Coast

Beaumont

San Antonio

Houston

Pasadena

South Texas Border

Coastal Bend

Laredo

Corpus Christi

McAllen

Brownsville

1

High Plains

2

High Plains

3

Metroplex

4

Upper East Texas

12

West Texas

8

Central Texas

5

Southeast Texas

7

Austin Capital

6

Gulf Coast

Beaumont

11

South Texas Border

10

Coastal Bend

13

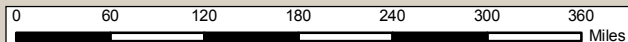
Upper Rio Grande

Legend

- Region
- County Border

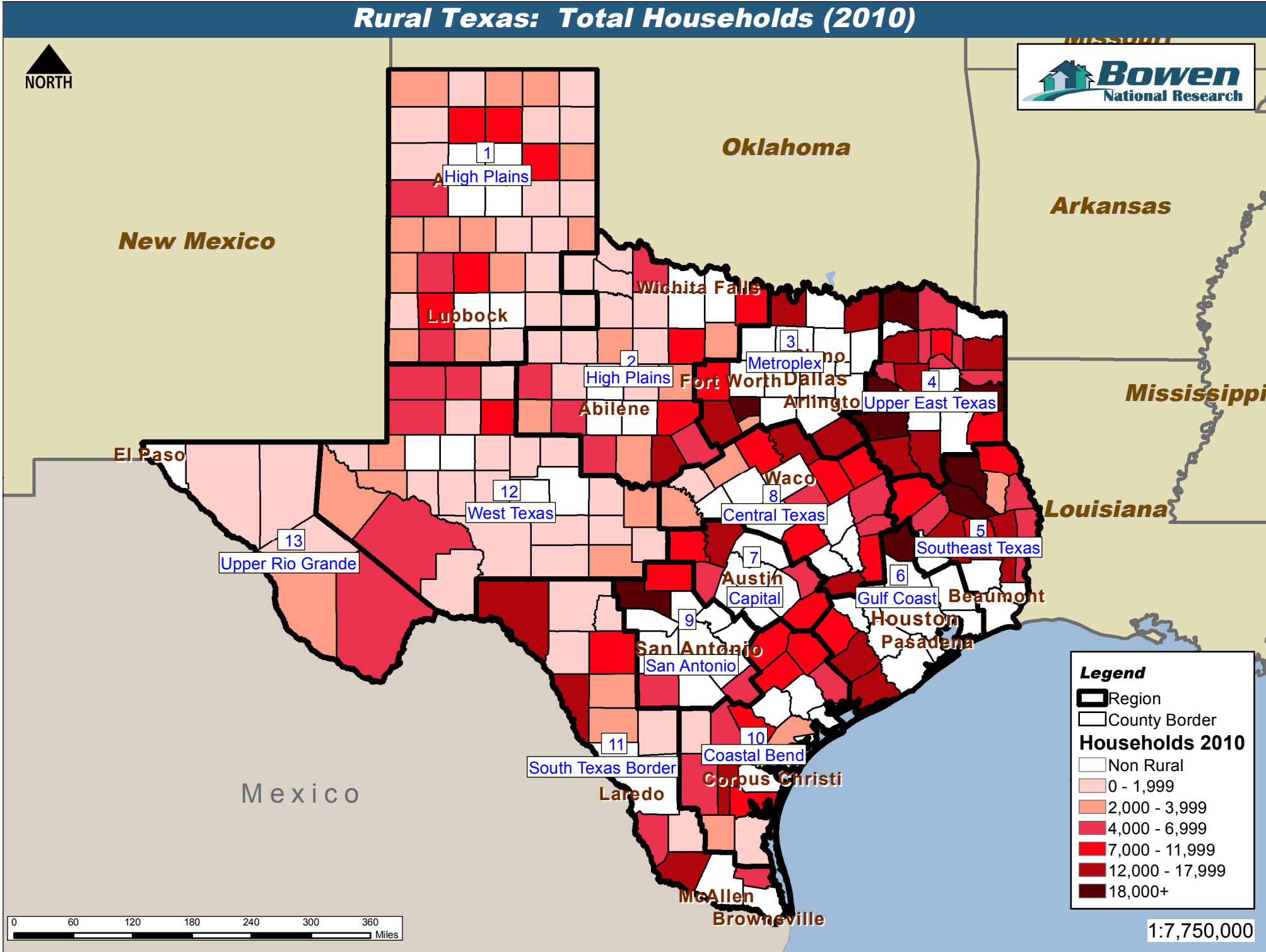
Population Density

- Non Rural
- 0 - 10.00
- 10.01 - 20.00
- 20.01 - 30.00
- 30.01 - 50.00
- 50.01 - 70.00
- 70.01+



1:7,750,000

Rural Texas: Total Households (2010)

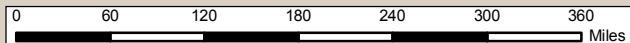


Legend

- Region
- County Border

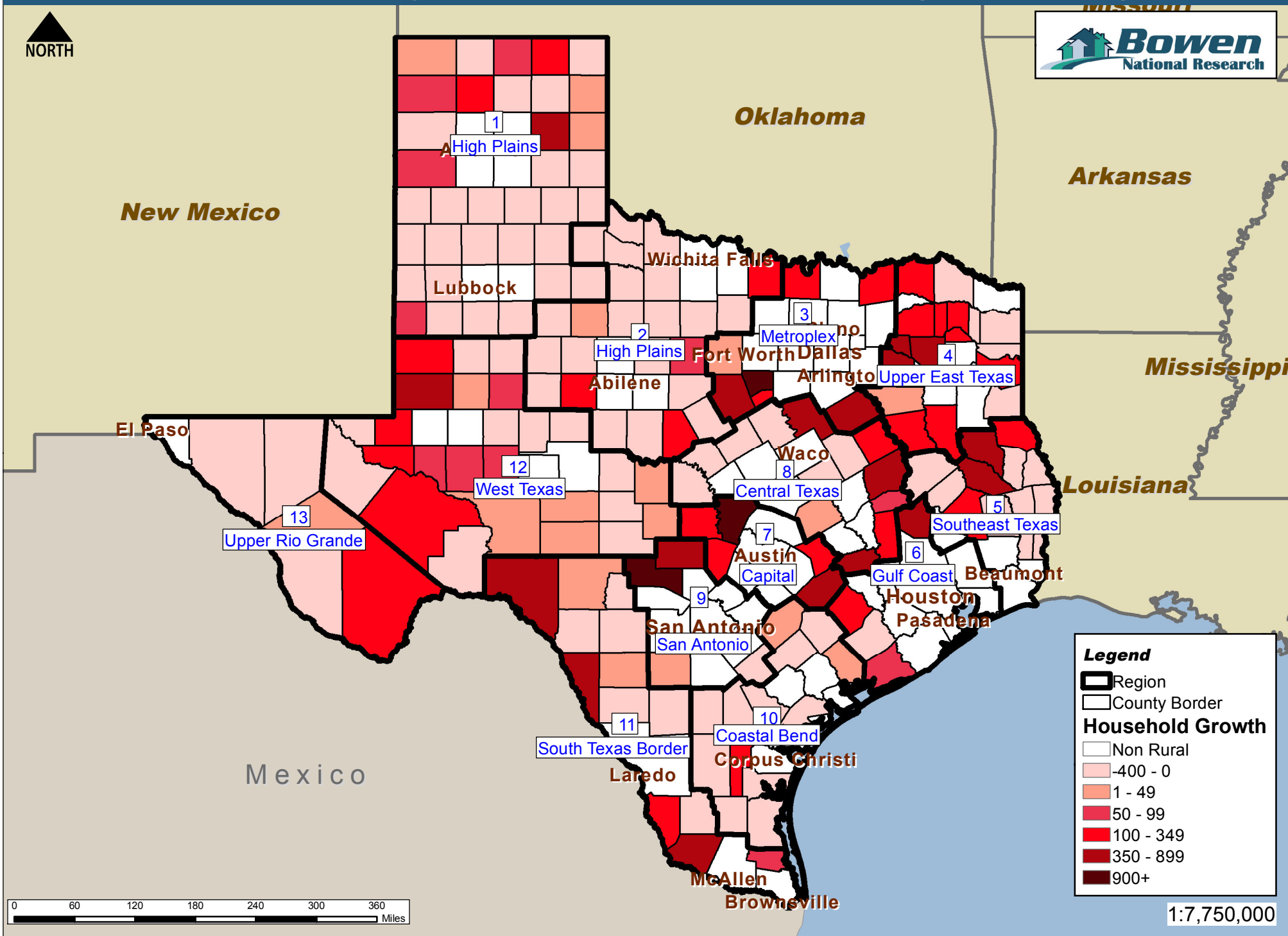
Households 2010

- Non Rural
- 0 - 1,999
- 2,000 - 3,999
- 4,000 - 6,999
- 7,000 - 11,999
- 12,000 - 17,999
- 18,000+



1:7,750,000

Rural Texas: Projected Household Growth Trends (2010 to 2015)

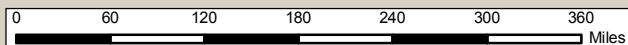


Legend

- Region
- County Border

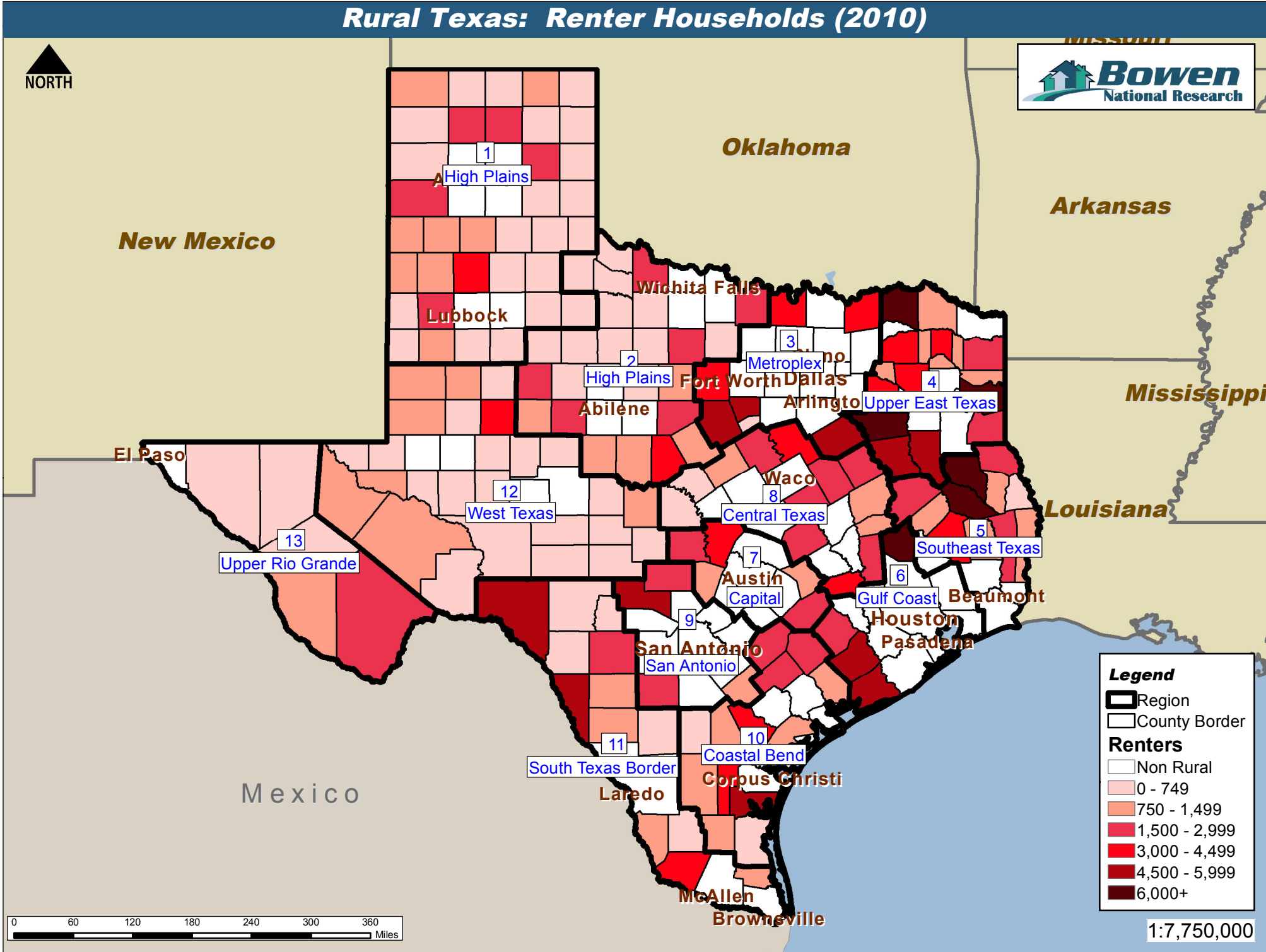
Household Growth

- Non Rural
- 400 - 0
- 1 - 49
- 50 - 99
- 100 - 349
- 350 - 899
- 900+



1:7,750,000

Rural Texas: Renter Households (2010)

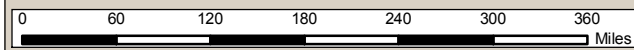


Legend

- Region
- County Border

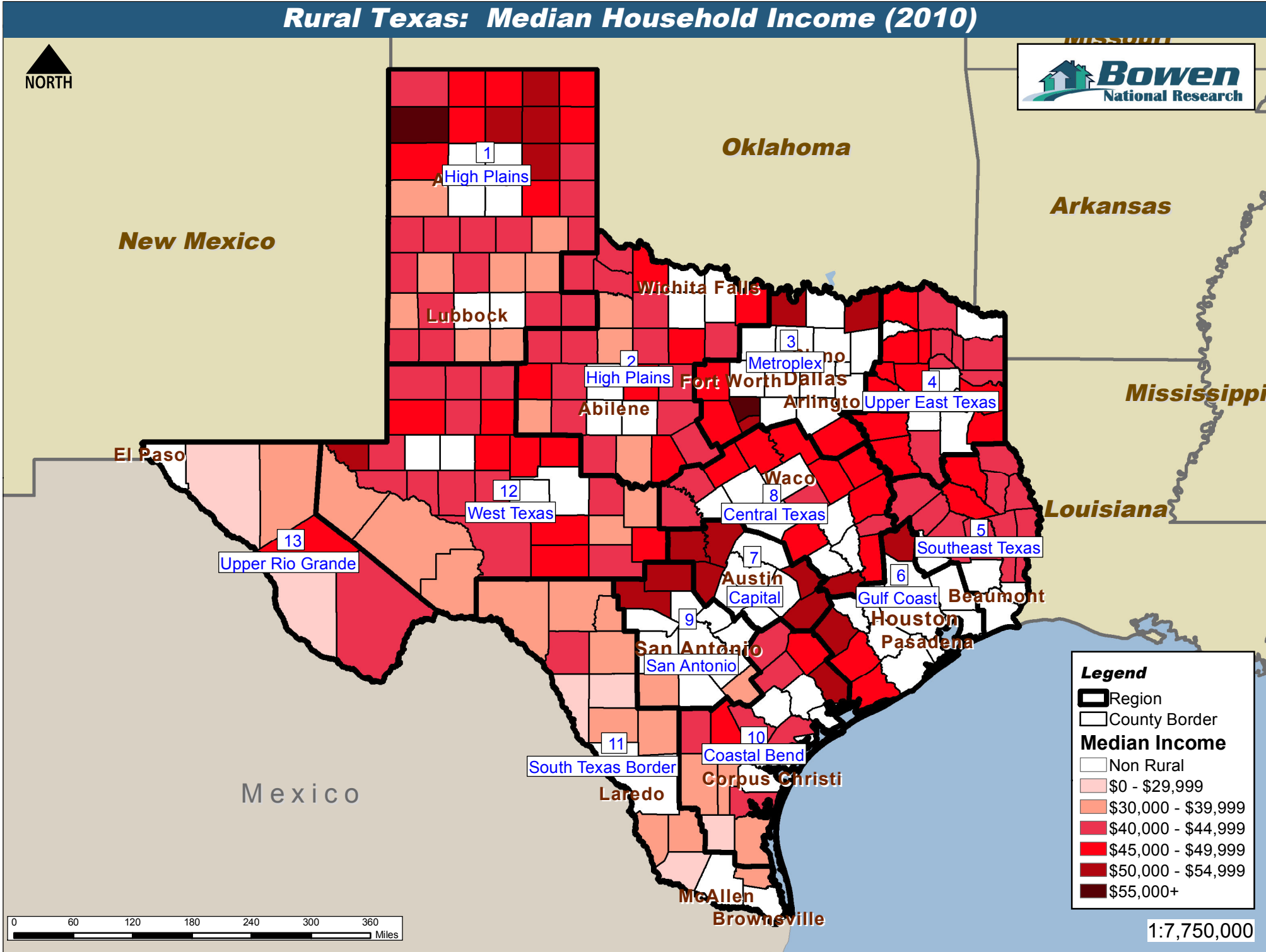
Renters

- Non Rural
- 0 - 749
- 750 - 1,499
- 1,500 - 2,999
- 3,000 - 4,499
- 4,500 - 5,999
- 6,000+



1:7,750,000

Rural Texas: Median Household Income (2010)

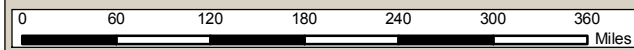


Legend

- Region
- County Border

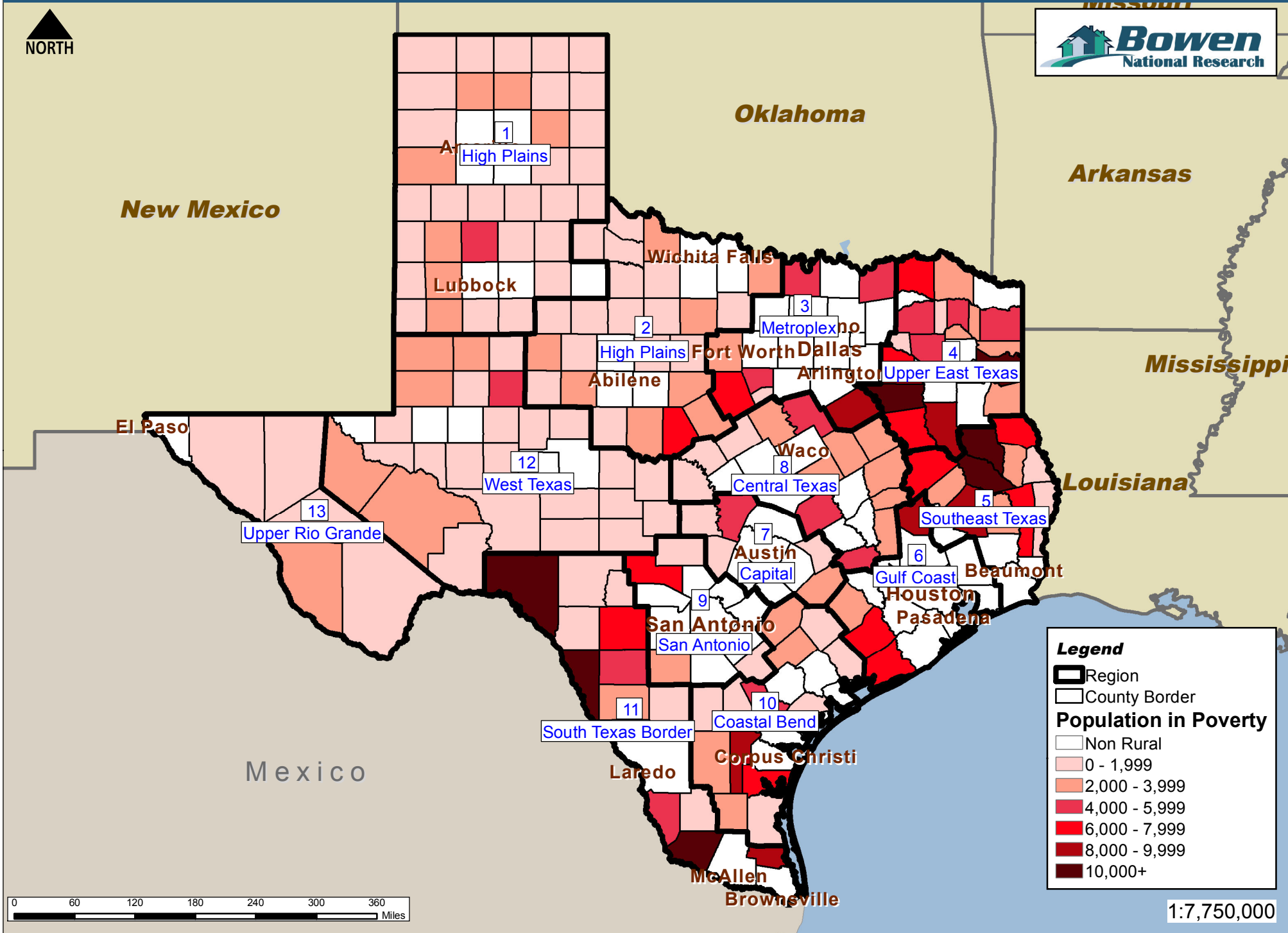
Median Income

- Non Rural
- \$0 - \$29,999
- \$30,000 - \$39,999
- \$40,000 - \$44,999
- \$45,000 - \$49,999
- \$50,000 - \$54,999
- \$55,000+



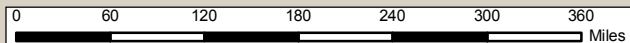
1:7,750,000

Rural Texas: Population by Poverty Status (2005-2009 ACS)



Legend

- Region
- County Border
- Population in Poverty**
- Non Rural
- 0 - 1,999
- 2,000 - 3,999
- 4,000 - 5,999
- 6,000 - 7,999
- 8,000 - 9,999
- 10,000+



1:7,750,000

IV. ECONOMIC ANALYSIS

The economic characteristics and trends of a market or region can have a significant impact on an area's current and potential housing needs. Therefore, we have evaluated several economic variables for each of the 13 subject regions.

Specific economic data sets include the following:

- Employment by Job Sector
- Employment Industry Growth (2000 to 2010)
- Wages by Occupation
- Annual Employment Growth (2006 to 2011)
- Annual Unemployment Rates (2006 to 2011)

Evaluating these economic data sets can provide insight as to economic strengths and weaknesses, help identify positive and negative trends, and provide information that can help explain current housing conditions or assist in anticipating future housing needs. For example, areas with diverse economic bases often have a better ability to withstand economic downturns than areas with a heavy reliance on a single industry sector. Markets with a large base of low-wage jobs often indicate that a market has a better potential opportunity to support affordable housing. Areas with growing unemployment can also indicate an increasing need for additional affordable housing.

A. KEY FINDINGS

- Rural Texas was not immune to the national recession that began in 2007. Overall, the 13 rural regions evaluated in this report began to experience an increase in unemployment beginning in 2008 when unemployment was 4.9%, up from 4.5% from the preceding year. The unemployment continued to increase each of the subsequent years, peaking at 8.3% by September of 2011. These increases in unemployment in the rural regions generally mirrored urban areas of Texas and the overall state of Texas. However, these increases in unemployment in rural Texas, as well as throughout Texas, were not as significant as national trends. While the unemployment rates in rural Texas ranged from 4.5% to 8.3% between 2007 and 2011, the national unemployment rates ranged from 4.7% to 9.7% during this same time. As a result, the rural regions of Texas were able to withstand the recession relatively well.
- Generally, healthy and stable economies are those that are balanced with the number of employees distributed among a wide range of employment sectors. Typically, economies with a good base of employment within Educational Services, Health Care and Social Assistance, and Public Administration are stable and have the ability to withstand downturns in the area economy. The Educational Services, Retail Trade, and Health Care &

Social Assistance jobs are the most common industry sectors within the 13 study regions. The largest shares of Educational Services and Health Care and Social Assistance employment in rural Texas helps keep their economies stable. No industry sector within any region represents more than 18.1% of the respective job base. As a result, it does not appear that any region is heavily reliant on a single industry. This contributes to the general stability of these regions and reduces their vulnerability to a major downturn in any one job sector.

- Overall, between 2006 and 2011, 28,025 jobs were added to rural regions of Texas, representing an overall increase of 2.2%. Job growth in urban Texas is three times the rural job growth rate at 7.2%, adding 678,990 jobs during this five year period. Of the 13 study regions, 11 have experienced an increase in their job bases between 2006 and 2011 (September). Only Regions 4 (Upper East Texas Region) and 5 (Southeast Texas Region) have experienced declines, albeit minimal decreases. Region 11 (South Texas Border Region) experienced the greatest growth in terms of total job growth, increasing by 8,187 jobs or 8.8% since 2006. However, this region has also experienced the highest unemployment rate, increasing from 8.1% in 2007 to 13.0% in 2011. This dichotomy of positive job growth and increasing unemployment rate is primarily attributed to the fact that population growth in this region is outpacing job growth. It should be noted, however, that based on our evaluation of economic and demographic characteristics, there does not appear to be a direct or consistent relationship between job growth and population growth. Generally, it appears that job growth within the rural regions is strongest in the western half of the state, while job growth is weakest in the eastern part of the state.
- The largest changes in the rural regions' job bases have primarily been among the agriculture-related jobs. Employment trends within this specific job sector were negative within each rural region and the overall rural regions, which declined by 55,572 jobs. This is likely the result of the consolidation of many farms and the farming mechanization that has become more prevalent in recent years. Manufacturing and Construction have also experienced notable decreases in the rural regions, which is similar to the state of Texas and much of the nation, since the start of the national recession a few years ago. We believe these negative job trends in the rural regions, particularly given the large-scale of the job reductions, have contributed to the generally stagnant demographic trends of the rural regions. In addition, it is likely that the large number of agriculture-related jobs lost over the past decade has contributed to the decline in those employed as farmworkers within rural Texas. Finally, it is believed that the job losses in rural Texas has likely contributed to the loss in the younger adults (under the age of 25) that has occurred in the rural regions over the past decade, and it is assumed that most of these younger adults are gravitating to more urban markets where education, social and employment opportunities are more abundant.

B. REGIONAL COMPARISON

1. EMPLOYMENT BY JOB SECTOR

Employment by industry is illustrated in the following table:

	Top 5 Largest Industries						Total
	Industry 1	Industry 2	Industry 3	Industry 4	Industry 5	Remaining Industries	
Region 1 High Plains	Educational Services (14.4%)	Retail Trade (12.2%)	Manufacturing (11.0%)	Health Care & Social Assistance (10.1%)	Public Administration (7.6%)	44.8%	120,592
Region 2 Northwest Texas	Health Care & Social Assistance (15.1%)	Educational Services (12.1%)	Retail Trade (11.7%)	Construction (9.3%)	Public Administration (9.3%)	42.5%	84,735
Region 3 Metroplex	Retail Trade (13.3%)	Educational Services (13.0%)	Manufacturing (11.2%)	Health Care & Social Assistance (10.7%)	Public Administration (8.4%)	43.4%	80,513
Region 4 Upper East Texas	Retail Trade (14.3%)	Manufacturing (12.6%)	Health Care & Social Assistance (12.3%)	Educational Services (11.2%)	Public Administration (8.6%)	41.0%	184,204
Region 5 Southeast Texas	Retail Trade (13.9%)	Educational Services (13.8%)	Manufacturing (13.4%)	Health Care & Social Assistance (12.5%)	Public Administration (7.8%)	38.5%	117,321
Region 6 Gulf Coast	Public Administration (15.5%)	Educational Services (14.3%)	Retail Trade (13.4%)	Health Care & Social Assistance (11.6%)	Accommodation & Food Services (7.5%)	37.7%	54,783
Region 7 Capital	Retail Trade (16.2%)	Accommodation & Food Services (12.3%)	Health Care & Social Assistance (9.4%)	Educational Services (8.7%)	Construction (8.2%)	45.3%	35,831
Region 8 Central Texas	Educational Services (14.3%)	Retail Trade (12.0%)	Health Care & Social Assistance (10.7%)	Manufacturing (10.2%)	Public Administration (8.9%)	43.9%	83,671
Region 9 San Antonio	Health Care & Social Assistance (17.0%)	Retail Trade (15.6%)	Accommodation & Food Services (11.6%)	Public Administration (9.7%)	Educational Services (9.1%)	37.1%	40,467
Region 10 Coastal Bend	Health Care & Social Assistance (11.9%)	Educational Services (11.1%)	Wholesale Trade (10.9%)	Retail Trade (10.7%)	Public Administration (10.0%)	45.5%	75,716
Region 11 South Texas Border	Educational Services (15.1%)	Public Administration (14.3%)	Retail Trade (13.8%)	Health Care & Social Assistance (12.5%)	Accommodation & Food Services (8.1%)	36.2%	66,457
Region 12 West Texas	Educational Services (12.5%)	Construction (10.9%)	Retail Trade (10.9%)	Health Care & Social Assistance (10.6%)	Public Administration (9.4%)	45.7%	62,217
Region 13 Upper Rio Grande	Accommodation & Food Services (18.1%)	Educational Services (15.1%)	Public Administration (13.8%)	Retail Trade (11.9%)	Agriculture, Forestry, Fishing, & Hunting (6.8%)	34.2%	10,043

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

(Continued)

	Top 5 Largest Industries						Total
	Industry 1	Industry 2	Industry 3	Industry 4	Industry 5	Remaining Industries	
Sum of Rural Regions	Retail Trade (13.1%)	Educational Services (12.7%)	Health Care & Social Assistance (11.9%)	Public Administration (9.4%)	Manufacturing (9.3%)	43.6%	1,016,550
Urban Areas	Retail Trade (13.1%)	Health Care & Social Assistance (12.3%)	Manufacturing (8.7%)	Educational Services (8.5%)	Accommodation & Food Services (8.2%)	49.2%	9,170,510
State of Texas	Retail Trade (13.1%)	Health Care & Social Assistance (12.3%)	Educational Services (8.9%)	Manufacturing (8.7%)	Accommodation & Food Services (8.1%)	48.9%	10,187,060

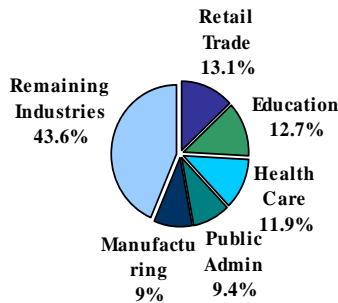
Source: 2000 Census; ESRI; Urban Decision Group; Bowen National Research

The Educational Services, Retail Trade, and Health Care & Social Assistance jobs are the most common industry sectors within the 13 study regions. The largest shares of Educational Services and Health Care and Social Assistance employment in rural Texas helps keep their economies stable. No industry sector within any region represents more than 18.1% of the respective job base. As a result, it does not appear that any region is heavily reliant on a single industry. This contributes to the general stability of these regions and reduces their vulnerability to a major downturn in any one job sector.

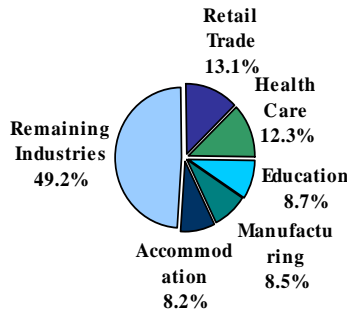
The following charts demonstrate the share of employment by industry sector for the rural regions and urban areas of Texas, as well as the overall state of Texas.

Largest Industries by Region

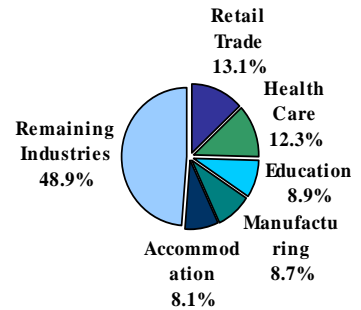
Sum of Rural Regions



Urban Areas



State of Texas



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

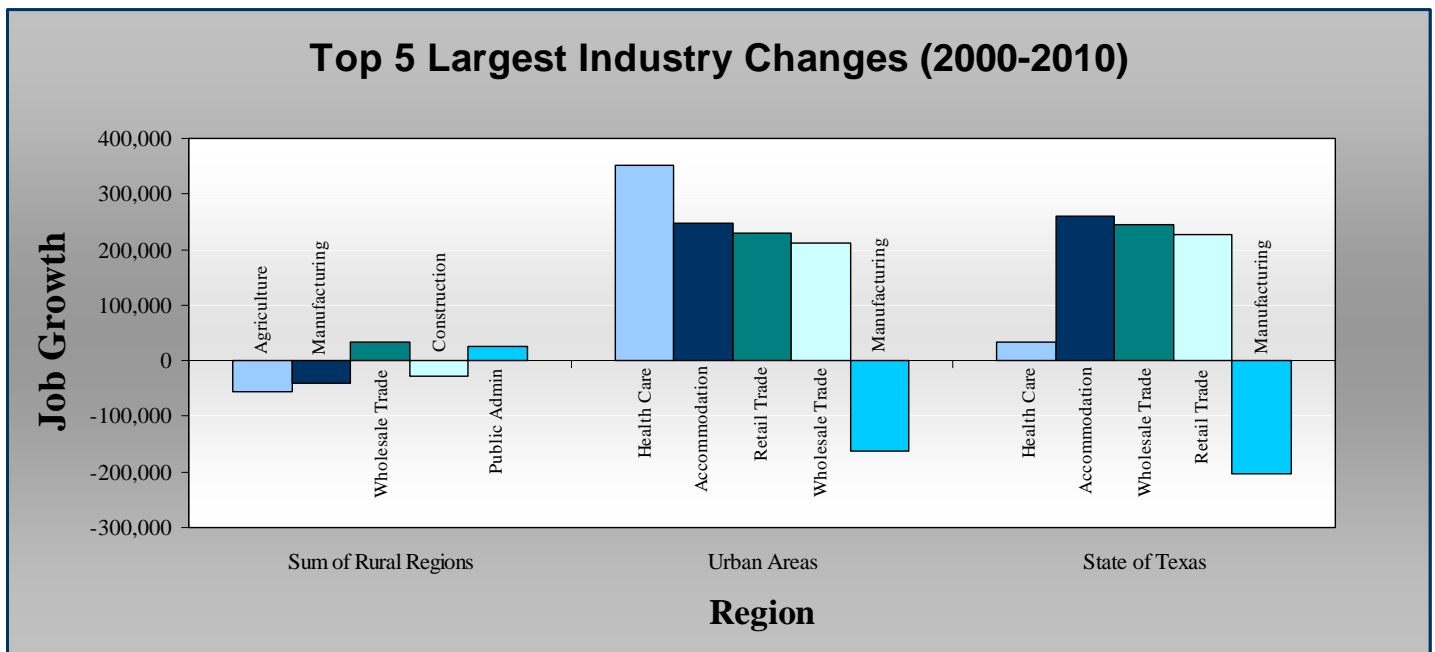
	Top 5 Largest Changes between 2000 and 2010					Total
	Industry 1	Industry 2	Industry 3	Industry 4	Industry 5	
Region 1 High Plains	-9,923 (Agriculture, Forestry, Fishing & Hunting)	4,089 (Wholesale Trade)	3,936 (Educational Services)	2,230 (Public Administration)	-2,057 (Mining)	-2,120
Region 2 Northwest Texas	-5,862 (Agriculture, Forestry, Fishing & Hunting)	-4,607 (Manufacturing)	3,159 (Wholesale Trade)	1,929 (Public Administration)	-1,739 (Other Services (Except Public Administration))	-12,467
Region 3 Metroplex	-6,149 (Manufacturing)	-3,907 (Construction)	-3,105 (Agriculture, Forestry, Fishing & Hunting)	2,755 (Public Administration)	-2,479 (Transportation & Warehousing)	-14,966
Region 4 Upper East Texas	-9,198 (Manufacturing)	-7,764 (Construction)	-7,339 (Agriculture, Forestry, Fishing & Hunting)	-6,580 (Transportation & Warehousing)	4,897 (Wholesale Trade)	-36,423
Region 5 Southeast Texas	-5,903 (Construction)	-5,163 (Agriculture, Forestry, Fishing & Hunting)	4,561 (Wholesale Trade)	-3,462 (Manufacturing)	-2,694 (Transportation & Warehousing)	-10,798
Region 6 Gulf Coast	-3,227 (Manufacturing)	-2,960 (Agriculture, Forestry, Fishing & Hunting)	2,206 (Public Administration)	-1,937 (Construction)	-1,682 (Utilities)	-9,109
Region 7 Capital	-2,565 (Construction)	-2,134 (Agriculture, Forestry, Fishing & Hunting)	2,024 (Accommodation & Food Services)	-1,757 (Manufacturing)	-892 (Transportation & Warehousing)	-6,993
Region 8 Central Texas	-5,498 (Agriculture, Forestry, Fishing & Hunting)	-3,977 (Construction)	3,545 (Arts, Entertainment & Recreation)	3,123 (Wholesale Trade)	-3,107 (Manufacturing)	-9,559
Region 9 San Antonio	2,165 (Accommodation & Food Services)	-1,871 (Agriculture, Forestry, Fishing & Hunting)	1,840 (Public Administration)	1,749 (Retail Trade)	-1,660 (Construction)	3,876
Region 10 Coastal Bend	6,209 (Wholesale Trade)	-4,517 (Agriculture, Forestry, Fishing & Hunting)	-2,729 (Manufacturing)	-1,521 (Mining)	-1,355 (Educational Services)	-6,198
Region 11 South Texas Border	3,808 (Public Administration)	-3,373 (Agriculture, Forestry, Fishing & Hunting)	-2,959 (Construction)	-2,473 (Manufacturing)	-2,314 (Transportation & Warehousing)	-7,543
Region 12 West Texas	-3,813 (Agriculture, Forestry, Fishing & Hunting)	2,241 (Construction)	-1,938 (Mining)	-1,916 (Manufacturing)	1,214 (Public Administration)	-5,671

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

(Continued)

Top 5 Largest Changes between 2000 and 2010						
	Industry 1	Industry 2	Industry 3	Industry 4	Industry 5	Total
Region 13 Upper Rio Grande	800 (Accommodation & Food Services)	-572 (Construction)	439 (Public Administration)	342 (Wholesale Trade)	-324 (Manufacturing)	138
Sum of Rural Regions	-55,752 (Agriculture, Forestry, Fishing & Hunting)	-40,080 (Manufacturing)	33,247 (Wholesale Trade)	-26,419 (Construction)	25,496 (Public Administration)	-117,833
Urban Areas	350,526 (Health Care & Social Assistance)	246,367 (Accommodation & Food Services)	229,202 (Retail Trade)	212,330 (Wholesale Trade)	-163,200 (Manufacturing)	1,070,738
State of Texas	345,031 (Health Care & Social Assistance)	259,904 (Accommodation & Food Services)	245,577 (Wholesale Trade)	226,517 (Retail Trade)	-203,280 (Manufacturing)	952,905

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



The largest changes in the rural regions' job bases have primarily been among the agriculture-related jobs. Jobs trends within this specific job sector were negative within each rural region and the overall rural regions, which declined by 55,572 jobs. This is likely the result of the consolidation of many farms and the farming mechanization that has become more prevalent in recent years. Manufacturing and Construction have also experienced notable decreases in the rural regions, which is similar to the state of Texas and much of the nation, since the start of the national recession a few years ago. We believe these negative job trends in the rural regions, particularly given the large-scale of the job reductions, have contributed to the generally stagnant demographic trends of the rural regions. In addition, it is likely that the large number of agriculture-related jobs lost over the past decade has contributed to the decline in those employed as farmworkers within rural Texas. Finally, it is believed that the job losses in rural Texas has likely contributed to the loss in the younger adults (under the age of 25) that has occurred in the rural regions over the past decade, and it is assumed that most of these younger adults are gravitating to more urban markets where education, social and employment opportunities are more abundant.

2. WAGES BY OCCUPATION

The following are the typical wages by occupation within the State of Texas.

Typical Wage by Occupation Type	
Occupation Type	Texas
Management Occupations	\$102,840
Business and Financial Occupations	\$66,440
Computer and Mathematical Occupations	\$77,400
Architecture and Engineering Occupations	\$79,590
Community and Social Service Occupations	\$43,640
Art, Design, Entertainment and Sports Medicine Occupations	\$46,720
Healthcare Practitioners and Technical Occupations	\$67,420
Healthcare Support Occupations	\$24,570
Protective Service Occupations	\$39,330
Food Preparation and Serving Related Occupations	\$19,420
Building and Grounds Cleaning and Maintenance Occupations	\$22,080
Personal Care and Service Occupations	\$21,400
Sales and Related Occupations	\$35,650
Office and Administrative Support Occupations	\$32,400
Construction and Extraction Occupations	\$36,310
Installation, Maintenance and Repair Occupations	\$39,730
Production Occupations	\$32,710
Transportation and Moving Occupations	\$31,820

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

Most annual wages by occupation in the study areas generally fall between \$20,000 and \$50,000. These incomes yield a large base of households that typically require affordable housing alternatives.

Households by income levels for each rural region and overall rural Texas are evaluated in greater detail in section III of this analysis, beginning on page 36.

3. EMPLOYMENT GROWTH

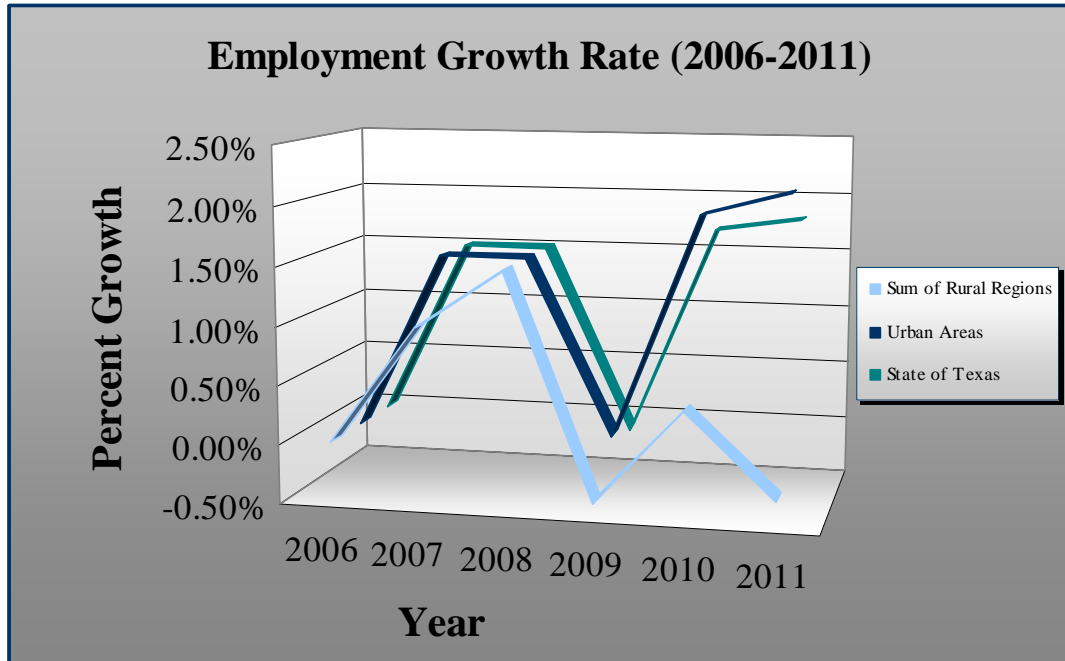
The following illustrates the total employment base by region:

		Total Employment					
		2006	2007	2008	2009	2010	2011*
Region 1 High Plains	Number	135,357	138,545	143,224	142,064	141,066	140,442
	Change	-	2.4%	3.4%	-0.8%	-0.7%	-0.4%
Region 2 Northwest Texas	Number	108,296	109,469	111,422	110,275	109,777	108,682
	Change	-	1.1%	1.8%	-1.0%	-0.5%	-1.0%
Region 3 Metroplex	Number	108,649	110,190	113,239	111,821	112,472	112,102
	Change	-	1.4%	2.8%	-1.3%	0.6%	-0.3%
Region 4 Upper East Texas	Number	249,734	251,718	250,951	247,847	249,042	248,201
	Change	-	0.8%	-0.3%	-1.2%	0.5%	-0.3%
Region 5 Southeast Texas	Number	141,362	140,993	140,725	140,702	141,877	141,040
	Change	-	-0.3%	-0.2%	0.0%	0.8%	-0.6%
Region 6 Gulf Coast	Number	69,349	69,819	71,100	71,564	71,505	70,556
	Change	-	0.7%	1.8%	0.7%	-0.1%	-1.3%
Region 7 Capital	Number	52,568	53,560	54,451	53,687	53,662	53,552
	Change	-	1.9%	1.7%	-1.4%	0.0%	-0.2%
Region 8 Central Texas	Number	105,288	105,760	107,106	107,129	107,661	107,240
	Change	-	0.4%	1.3%	0.0%	0.5%	-0.4%
Region 9 San Antonio	Number	45,019	45,335	46,286	46,917	46,842	46,891
	Change	-	0.7%	2.1%	1.4%	-0.2%	0.1%
Region 10 Coastal Bend	Number	96,415	97,008	98,084	97,210	97,821	98,012
	Change	-	0.6%	1.1%	-0.9%	0.6%	0.2%
Region 11 South Texas Border	Number	92,551	93,446	95,815	98,069	100,198	100,738
	Change	-	1.0%	2.5%	2.4%	2.2%	0.5%
Region 12 West Texas	Number	75,058	76,410	78,877	78,681	79,347	79,664
	Change	-	1.8%	3.2%	-0.2%	0.8%	0.4%
Region 13 Upper Rio Grande	Number	12,147	12,250	12,254	12,533	12,801	12,698
	Change	-	0.8%	0.0%	2.3%	2.1%	-0.8%
Sum of Rural Regions	Number	1,291,793	1,304,503	1,323,534	1,318,499	1,324,071	1,319,818
	Change	-	1.0%	1.5%	-0.4%	0.4%	-0.3%
Urban Areas	Number	9,465,717	9,609,595	9,756,397	9,752,607	9,940,677	10,144,707
	Change	-	1.5%	1.5%	0.0%	1.9%	2.1%
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%

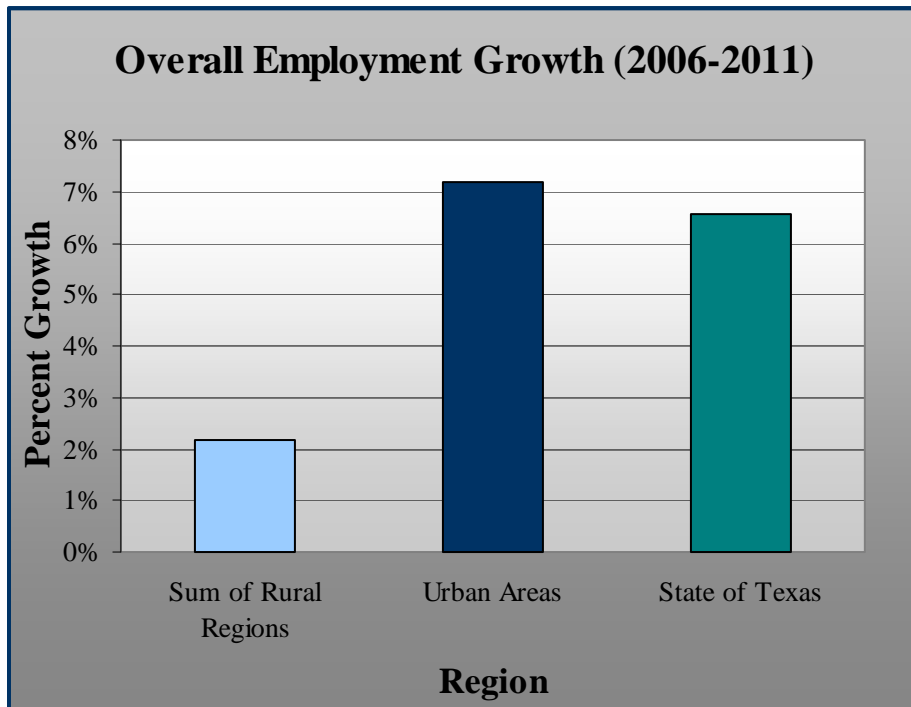
Source: U.S. Department of Labor, Bureau of Labor Statistics

*September

Of the 13 study regions, 11 have experienced an increase in their job bases between 2006 and 2011 (September). Only Regions 4 and 5 have experienced declines, albeit minimal declines. Region 11 (South Texas Border Region) experienced the greatest growth in terms of total job growth, increasing by 8,187 jobs or 8.8% since 2006. Other regions that experienced notable job growth since 2006 include Region 1 (5,085 jobs, 3.8% increase), Region 3 (3,453 jobs, 3.2% increase) and Region 12 (4,606 jobs, 6.1% increase). It appears that job growth is generally strongest in the western half of the state, while job growth is weakest in the eastern part of the state. The percent change in the employment bases is demonstrated in the following graph.



The overall percent change in total employment from 2006 to 2011 for the rural regions, urban areas and overall Texas are compared in the following graph.



As the preceding table illustrates, urban areas of Texas experienced an overall 7.17% increase in total employment between 2006 and 2011, while the rural regions increased by 2.17% during this same time.

4. UNEMPLOYMENT RATES

The following illustrates the total unemployment base by region (highest and lowest unemployment rates by year are denoted in bold print):

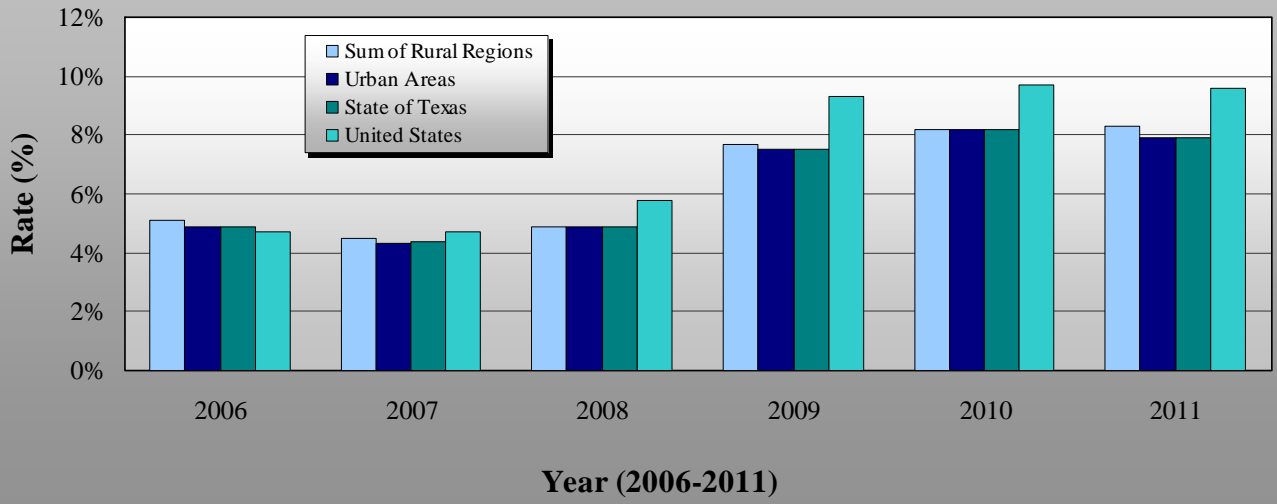
		Unemployment Rate					
		2006	2007	2008	2009	2010	2011*
Region 1 High Plains	Rate	4.3%	3.8%	3.9%	6.0%	6.3%	6.4%
	Change	-	-0.5	0.1	2.1	0.3	0.1
Region 2 Northwest Texas	Rate	4.3%	3.8%	4.0%	6.5%	6.9%	6.9%
	Change	-	-0.5	0.2	2.5	0.4	0.0
Region 3 Metroplex	Rate	4.7%	4.2%	4.5%	7.3%	7.7%	7.8%
	Change	-	-0.5	0.3	2.8	0.5	0.1
Region 4 Upper East Texas	Rate	5.1%	4.5%	5.1%	8.2%	8.7%	8.8%
	Change	-	-0.6	0.6	3.1	0.6	0.1
Region 5 Southeast Texas	Rate	5.5%	5.0%	5.5%	8.5%	9.1%	9.4%
	Change	-	-0.5	0.5	3.0	0.6	0.4
Region 6 Gulf Coast	Rate	5.4%	4.7%	5.2%	7.6%	8.7%	9.2%
	Change	-	-0.7	0.5	2.3	1.2	0.5
Region 7 Capital	Rate	4.1%	3.5%	3.9%	6.1%	6.5%	6.7%
	Change	-	-0.5	0.4	2.2	0.4	0.2
Region 8 Central Texas	Rate	4.9%	4.3%	4.8%	7.5%	7.9%	8.0%
	Change	-	-0.6	0.5	2.7	0.4	0.1
Region 9 San Antonio	Rate	4.3%	3.7%	4.2%	6.0%	6.4%	6.6%
	Change	-	-0.5	0.5	1.8	0.4	0.2
Region 10 Coastal Bend	Rate	4.7%	4.2%	4.5%	7.6%	7.8%	7.6%
	Change	-	-0.5	0.3	3.1	0.2	-0.3
Region 11 South Texas Border	Rate	8.9%	8.1%	8.4%	12.1%	12.7%	13.0%
	Change	-	-0.8	0.3	3.7	0.7	0.3
Region 12 West Texas	Rate	4.5%	3.8%	4.1%	7.6%	7.0%	6.6%
	Change	-	-0.6	0.3	3.4	-0.5	-0.4
Region 13 Upper Rio Grande	Rate	5.6%	4.9%	5.5%	8.0%	8.7%	8.6%
	Change	-	-0.7	0.6	2.5	0.8	-0.1
Sum of Rural Regions	Rate	5.1%	4.5%	4.9%	7.7%	8.2%	8.3%
	Change	-	-0.6	0.4	2.8	0.5	0.1
Urban Areas	Rate	4.9%	4.3%	4.9%	7.5%	8.2%	7.9%
	Change	-	-0.6	0.6	2.6	0.7	-0.3
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

With the exception of Region 11, the annual unemployment rate has generally ranged from around 4.0% to 8.0% since 2006, with each region experiencing an increase over the past five years. Since 2008, Region 1 has had the lowest overall unemployment rate, while Region 7 had the lowest unemployment rate between 2006 and 2008. Region 11 has had the highest unemployment rate each year since 2006, ranging from a rate of 8.1% in 2007 to a high of 13.0% as of September 2011.

Unemployment Rate



5. THEMATIC MAPS

The following maps demonstrate key economic characteristics of the 13 rural regions of Texas.

Rural Texas: Unemployment Rate (2011)



New Mexico

Oklahoma

Arkansas

Mississippi

Louisiana

El Paso

Upper Rio Grande

West Texas

Central Texas

Southeast Texas

Austin Capital

Gulf Coast

Beaumont

San Antonio

San Antonio

Houston

Pasadena

South Texas Border

Laredo

Coastal Bend

Corpus Christi

McAllen

Brownsville

Lubbock

Wichita Falls

Fort Worth

Dallas

Arlington

Upper East Texas

Waco

Central Texas

Austin

Capital

Houston

Pasadena

12

2

High Plains

3

Metroplex

4

5

13

12

8

7

9

11

10

1

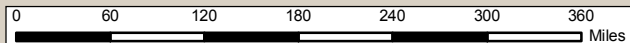
High Plains

Legend

- Region
- County Border

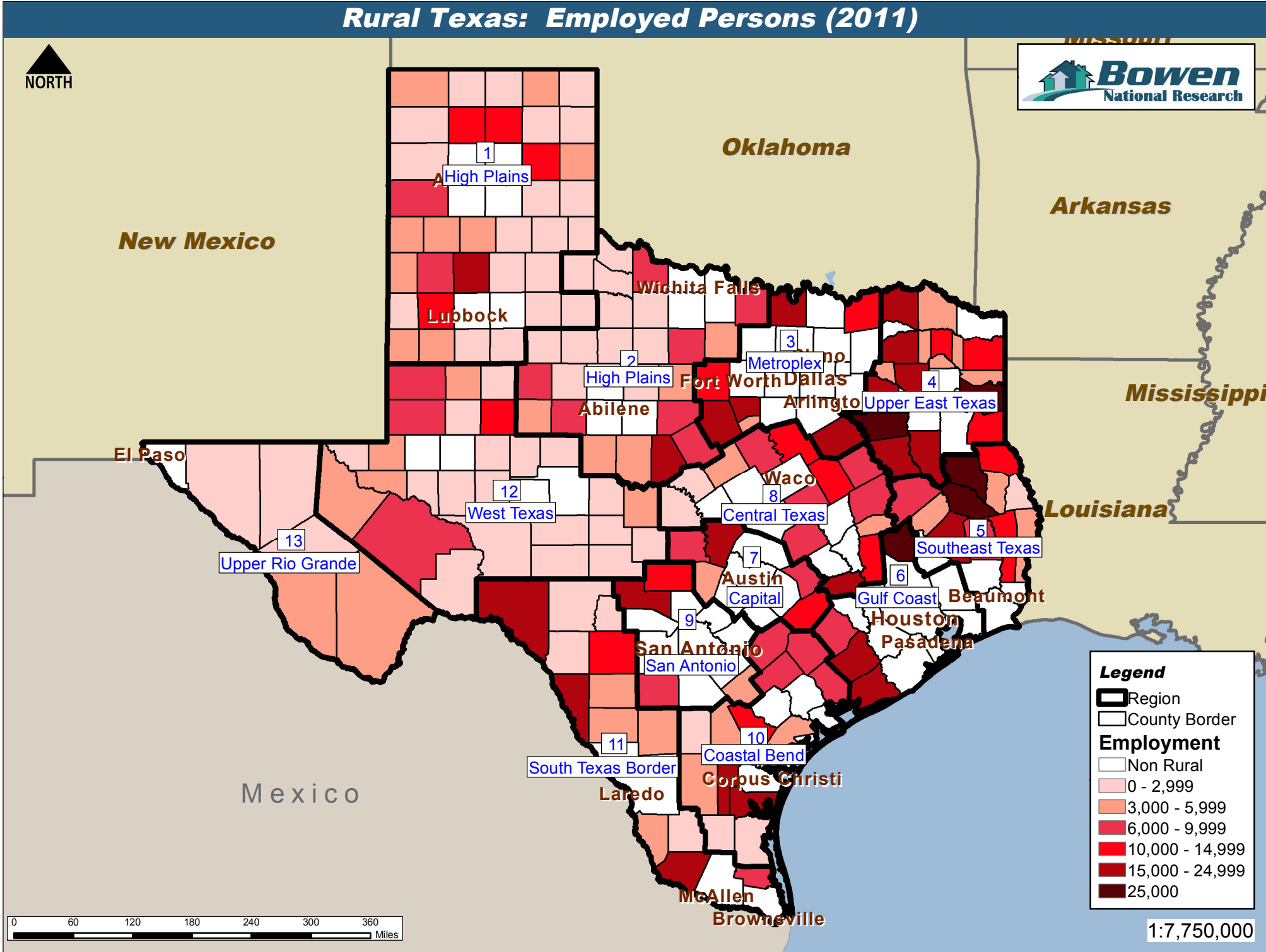
Unemployment Rate

- Non Surveyed
- 0 - 4.9%
- 5.0% - 6.9%
- 7.0% - 8.9%
- 9.0% - 10.9%
- 11.0% - 13.9%
- 14.0%+



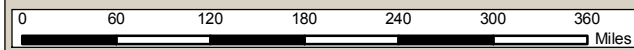
1:7,750,000

Rural Texas: Employed Persons (2011)



Legend

- Region
- County Border
- Employment**
- Non Rural
- 0 - 2,999
- 3,000 - 5,999
- 6,000 - 9,999
- 10,000 - 14,999
- 15,000 - 24,999
- 25,000



1:7,750,000

V. 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 mobile/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 (American Community Survey - 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.

A. KEY FINDINGS

- A total of 972 affordable housing options were identified and inventoried within the rural counties studied in this analysis. These include state and/or federally financed rental housing alternatives in each of the 13 regions of Texas and do not include market-rate only projects. These projects have a combined 42,307 units that are distributed as follows: 32.2% Public Housing, 30.3% USDA, 20.5% Tax Credit, and 17.0% HUD (includes HUD Section 8, 202, 236, and 811 programs). In an effort to eliminating the double counting of units when units fall within multiple housing program categories, we have allocated the units within the program that generally serves the lowest income housing segment. For example, units of a mixed Tax Credit and HUD financed project were grouped within the HUD category. Based on this inventory, the rural housing markets of Texas are being financed by a diverse mix of housing finance programs.
- Of the 972 affordable housing projects identified in the market, 860 of them were surveyed by Bowen National Research. The surveyed projects have a combined 97.3% occupancy rate. This is generally considered a high occupancy rate and an indication of the limited availability of affordable rental housing in the rural areas of Texas. Generally, healthy and well-balanced rental markets are those that have occupancy rates of around 94% to 96%. Occupancy levels within this range allow for internal market mobility, enable a market to absorb new renter households within the market, and deter unusual rental rate fluctuations for non-subsidized rentals. When occupancy levels are above this range, the limited availability puts upward pressure on rental rates, often limits the ability and/or the incentive of property owners to upgrade or maintain their rental units, and may force some households into less desirable or substandard housing alternatives.
- Of the 13 study regions, 11 have affordable housing occupancy levels above 96%, indicating limited availability in these rural regions. Occupancies were the lowest in Region 7 (Capitol Region, rural counties outside the Austin area), which had a 93.3% occupancy rate, and Region 6 (Gulf Coast Region, rural counties outside the Houston area). While many factors are likely attributing the vacancies in these two regions, it should be noted that both regions have large metropolitan areas within them (Austin and Houston), which offer large bases of rental alternatives and likely pull support from the outlying rural regions. Regardless, it appears that affordable housing demand in the rural counties of all 13 regions is good to strong.

- Based on Bowen National Research’s survey of affordable rental housing alternatives in rural Texas, occupancy levels among the Tax Credit and Subsidized (i.e. HUD Section 8, Section 202, Section 236 programs, Rural Development Section 514, Section 515, and Section 516 programs, and Public Housing) supply, as well as among the mixed-income (Tax Credit and concurrent government-subsidy) supply were distributed as follows: Tax Credit housing was 93.9% occupied, Subsidized housing was 98.6% occupied, and mixed-income Tax Credit/Subsidized housing was 98.1% occupied. The 93.9% occupancy rate among the Tax Credit supply is good, while the Subsidized and mixed-income Tax Credit/Subsidized housing supplies have extremely high occupancy rates and very limited availability. It appears that there is a housing shortage within the Subsidized housing supply within Region 5 (Southeast Texas Region), Region 9 (San Antonio Region), Region 12 (West Texas Region), and Region 13 (Upper Rio Grande Region), as evidenced by the 100.0% occupancy rates among all subsidized units surveyed within these particular regions.
- Overall, based on Bowen National Research’s survey of rental housing of affordable housing alternatives, the rural regions of Texas have nearly one-quarter (22.1%) of its supply built prior to 1970, nearly one-half (47.2%) of its supply built between 1970 and 1989, and a little more than a quarter (30.6%) built since 1990. Based on Bowen National Research’s experience in evaluating hundreds of market throughout the United States, it appears that the rural Texas markets have a good balance of affordable housing by age of product. Regions 2 (Northwest Texas Region) and 8 (Central Texas Region) have some of the oldest affordable housing stock, with 31.6% and 38.4% of the surveyed supply being built prior to 1970, respectively. Over 80% of the surveyed supply in Region 2 (Northwest Texas Region) was built prior to 1990. Region 9 (San Antonio Region) has the largest share (34.9%) of the newest product (built since 2005) compared to the other regions.
- Based on the U.S. Census Bureau (2010 Census) and the 2005-2009 American Community Survey, the occupied housing stock in the rural regions of Texas is considered old, among both its renter- and owner-occupied housing units. Approximately 40% of all occupied housing within the rural regions of Texas was built prior to 1970. Nearly another 40% was built between 1970 and 1989. Less than 10% of the rural housing stock was built in the past decade. The share of renter and owner-occupied housing stock in rural Texas is relatively even among the different development periods. It is significant that the age of occupied housing in rural Texas has a greater concentration of older units than the urban areas of Texas and overall Texas. The share rental-occupied in rural Texas built prior to 1970 is 42.4%, compared with the urban areas share of 26.5% and the overall Texas share of 28.0%. The share of newer rental

product (built since 2000) in rural Texas is 7.3%, while urban areas of Texas has a 15.7% share and the overall state of Texas has a 14.8% share of new product. When considering owner-occupied housing, rural regions of Texas are comprised of 39.0% of product built prior to 1970. Owner-occupied units built prior to 1970 in urban areas of Texas and in overall Texas are lower, at 28.4% and 29.9%, respectively.

- U.S. Census Bureau data from 2010 indicates that rural regions of Texas have a higher share of owner-occupied units (and corresponding lower share of renter-occupied units) than the urban areas of Texas and the overall state of Texas. According to the 2010 Census, among all occupied housing units in rural regions of Texas, 27.5% are occupied by renters and 72.5% are occupied by homeowners. Within the urban areas of Texas, 37.5% are occupied by renters and 62.5% are occupied by homeowners. The overall state of Texas numbers, 36.3% were renter-occupied units and 63.7% are owner occupied, which are similar to urban area shares. Since owner-occupied units are primarily detached units, such as single-family homes or manufactured homes, and it is usually more difficult to build a large number of multifamily rental units due to the lower population density in most rural areas, there are fewer rental housing alternatives offered in most rural markets.
- According to data provided by the U.S. Census Bureau (2010) and the 2005-2009 American Community Survey, within the rural regions of this analysis, owner housing costs range from \$865 to \$1,181 per month, which are approximately double renter-occupied housing costs, which range from \$434 to \$660 per month. Renter-occupied housing costs are highest in Region 3 (Metroplex Region, outside of the Dallas area) and are lowest in Region 13 (Upper Rio Grande Region). Owner-occupied housing costs are highest in Regions 3 (Metroplex Region) and 7 (Capital Region), while they are lowest in Regions 2 (Northwest Texas Region) and 11 (South Texas Border Region). According to Bowen National Research's survey of affordable rental housing in rural Texas, most non-subsidized affordable rental apartments (excludes market-rate rentals) have gross rents between \$250 and \$900 per month.
- The prevalence of cost overburdened renters in rural Texas is less than in the urban areas of Texas and for the overall state of Texas. Cost overburdened households are generally considered those paying 30% or more of their adjusted gross income towards housing expenses. Based on data from the U.S. Census Bureau (2010) and the 2005-2009 American Community Survey, the share of renters that are cost overburdened in the rural regions of Texas is 37.4%, while renters in the urban areas of Texas have a cost overburdened share of 45.3%, which is comparable to the state average of 44.5%. The cost overburdened share among owners in rural

Texas is 20.7%, which is lower than the urban area share of 26.4% and the overall state share of 25.6%.

- The share of renters and owners living in substandard housing in rural Texas is similar to Texas' urban areas and the overall state share. Generally, substandard housing is considered housing that has 1.0 or more persons per room and/or lacks complete indoor plumbing facilities. Based on data from the U.S. Census Bureau (2010) and the 2005-2009 American Community Survey, the share of renters in rural Texas that are living in overcrowded housing is 6.8%, which is slightly lower than the urban area and overall state share of 7.6%. Among homeowners, the share of overcrowded households in rural Texas is 3.3%, which is nearly identical to the 3.2% share in urban areas and overall state of Texas. The share of renter-occupied units lacking complete plumbing facilities in rural Texas is 1.1%, which is slightly above the 0.8% share of renter-occupied units in urban areas and overall state of Texas. Among homeowner-occupied units, only 0.7% of rural Texas units lack complete plumbing facilities, which is very comparable to the 0.5% share among owner-occupied units in urban areas and overall Texas. As such, rural Texas does not appear to have disproportionate substandard housing units.
- According to 2005-2009 American Community Survey, there were 173,235 occupied manufactured homes within the rural regions of Texas. These 173,235 occupied manufactured homes represent 15.5% of all occupied housing units in the rural regions of Texas. As expected, the share of manufactured homes (15.5%) in the rural regions of Texas is significantly higher than the shares in the urban areas of Texas (5.7%) and overall Texas (6.9%). The share of manufactured homes in rural Texas is higher among owner-occupied units (16.3%) than renter-occupied units (13.5%). Slightly less than one-fourth (23.9%) of all manufactured homes within rural regions are renter-occupied, while the remaining three-fourths (76.1%) are owner-occupied. Region 4 (Upper East Texas Region) has the largest number (9,911) of renter-occupied manufactured homes and Region 13 (Upper Rio Grande Region) has the lowest number (617). Region 3 (Metroplex Region) has the highest share (30.4%) of renter-occupied units, while Region 2 (Northwest Texas Region) has the highest share (80.8%) of owner-occupied units.
- Bowen National Research conducted a telephone survey of manufactured home communities within the rural regions of Texas. Of the 3,869 lots at these surveyed manufactured home communities, 3,331 (or 86.1%) were occupied or used. The 86.1% occupancy is generally typical for manufactured home communities. Rental rates for vacant lots in surveyed manufactured home communities range from \$100 to \$375 per month. Lots with a manufactured home included range in price from \$300 to \$750 per month. As such, the rental rates for manufactured homes are

comparable to other affordable housing in rural Texas, including Tax Credit rental housing. While manufactured home property amenities vary from park to park and region to region, most include offices, while approximately half include laundry facilities. Utilities are included in the rent at few of the communities, but residents are usually required to pay their own utilities.

- Bowen National Research identified 13,881 housing units within the 13 study regions that were advertised as “for sale” housing. Approximately 40% of all for-sale housing identified is priced below \$100,000, providing a large supply of for-sale housing that would be available to low-income and very low-income households. The average price for product priced below \$100,000 is \$65,926, likely yielding a monthly mortgage payment that would be comparable to many affordable rental housing rates. It should be noted that prices cited in our analysis of available for-sale supply is the asking price and not necessary the actual price for which the homes will ultimately sale.
- More than three-quarters of all available for-sale housing units identified are three-bedroom or larger units, while just over 20% of units are one- or two-bedroom units. The variety of bedroom types offered in the rural regions should be able to accommodate most household sizes. The shares of units by bedroom type of the available for-sale housing identified in the rural regions of Texas are very similar to U.S. Census Bureau 2010 estimated shares of all owner-occupied housing units for the rural regions. As such, the available for-sale housing stock in rural Texas appears to be in-line with the overall owner-occupied rural housing market.
- Over 15.0% of all available for-sale housing units were built over 50 years ago. The average price of these units is \$104,881. While some low-income households could afford these lower-priced units, the fact that the units are at least 50 years old is a possible indication that these units are of lower quality or require substantial improvements or maintenance. Residents purchasing and occupying such units will likely endure higher utility costs and possibly higher maintenance and repair costs. While nearly a third of identified available for-sale units were built in the past 20 years, the average price starts at \$148,639 for product built in the decade of 1991 to 2000. Product priced at this level may be a financial challenge for some lower income households due to their inability to afford the monthly mortgage payment, provide the down payment or secure financing.

- Residential building permit activity for the rural regions, urban areas and overall state of Texas grew steadily between 2001 and 2006, then declined beginning in 2007 and extended through 2009. The decline coincides with the national recession and corresponding housing crisis. The initial permit activity decline that began in 2007 was mild in the rural regions of Texas, decreasing by only 1.6% in 2007, compared with the urban areas decline of 17.9% and the overall Texas decline of 17.5%. Since the peak permit activity of 2006, permit filings declined by 48.2% in rural regions by 2009, while permit activity during this same time period in urban markets declined by 60.9% and in overall Texas the decline was 60.5%. Between 2009 and 2010 (2011 data was not available), residential permit activity, representative of new housing development, increased by 31.5% in the rural regions, but only increased by 3.8% in urban areas and 4.8% in overall Texas. As such, rural regions experienced the least decline in residential permit activity during the national recession and have had the most rapid recovery since 2009.
- With only a total 3,336 foreclosure filings within the rural regions over the preceding 12 months (October 2010 to September 2011), it appears that foreclosure activity is not a significant factor in the rural housing market. These foreclosures represent only 0.4% of all owner-occupied housing units in the rural regions of Texas. Regions 3 (Metroplex Region), 4 (Upper East Texas Region), and 8 (Central Texas Region) had the largest number of foreclosure filings in the past 12 months, while there were very few filings in Regions 12 (West Texas Region) and 13 (Upper Rio Grande Region).

B. REGIONAL COMPARISON

1. RENTAL HOUSING

Primary Housing Data (Bowen National Research Survey)

Between July and October of 2011, Bowen National Research telephone surveyed a total of 862 affordable rental housing projects within the designated study areas. These 862 surveyed projects represent 88.5% of the 974 total affordable housing projects identified through multiple state and federal listings of affordable housing within the study areas. As such, this survey represents a good base from which characteristics and trends of affordable rental housing can be evaluated, and from which conclusions can be drawn.

Projects identified, inventoried and surveyed operate under a number of affordable housing programs including the Low-Income Housing Tax Credit (LIHTC), HUD Sections 8, 202, and 236, Public Housing, and USDA/Rural Development 514, 515, and 516 programs. Definitions of each housing program are included in the *Terms and Definitions* portion of *Section I: Introduction*.

Managers and leasing agents at each project were surveyed to collect the following for each project:

- Total Units, Total Vacant Units and Unit Mix by Bedroom and AMHI.
- Waiting List Information
- Program Type and Income Limits
- Number of Rental Assisted Units and Units Occupied by Voucher Holders
- Quoted Rents (Collected, Basic and Market Rents, and Contract Rents)
- Utility Responsibilities of Tenants and Landlords/Owners
- Year Built and Year Renovated (If Applicable)
- Square Footages of Each Bedroom Type and Number of Bathrooms
- Unit Amenities
- Project Amenities
- Parking Options
- Number of Units Reserved for Persons with Disabilities

We also collected and tabulated the number of Housing Choice Vouchers issued in each county and region.

Data collected during our survey was presented in aggregate format for each region and for each county within its respective region.

We identified 42,307 affordable housing units contained in 972 projects within 158 of the 177 counties studied in this report. The balance of 19 counties did not have any affordable housing properties. All of the properties that were identified originated from various data sources including TDHCA's list of Tax Credit allocated projects, HUD's published list of funded projects, and USDA's list of rental projects in rural Texas. While we attempted to contact all 972 affordable housing projects, we were able to survey 860 of them.

The table below summarizes the inventory of all government-financed affordable rental housing options by program type that were identified within the 13 study regions. When units operate under multiple programs, we have allocated the units within the program that generally serves the lowest income housing segment. For example, units of a mixed Tax Credit and HUD financed project were grouped within the HUD category. This inventory of housing does not include Housing Choice Vouchers (see page V-12).

Region	Rural Texas Rental Housing Inventory 2011											
	Surveyed Units				Not Surveyed Units				Total Units			
	TAX	HUD	PH	USDA	TAX	HUD	PH	USDA	TAX	HUD	PH	USDA
Region 1 High Plains	471	610	881	1,083	0	0	12	24	471	610	893	1,107
Region 2 Northwest Texas	638	520	2,206	1,434	217	51	226	45	855	571	2,432	1,479
Region 3 Metroplex	626	672	785	714	16	96	160	88	642	768	945	802
Region 4 Upper East Texas	1,065	943	1,468	2,663	200	65	409	268	1,265	1,008	1,877	2,931
Region 5 Southeast Texas	1,089	957	1,529	894	356	28	228	132	1,445	985	1,757	1,026
Region 6 Gulf Coast	574	659	342	528	0	0	0	38	574	659	342	566
Region 7 Capital	588	71	228	530	24	40	50	0	612	111	278	530
Region 8 Central Texas	300	175	1,124	1,062	240	401	281	274	540	576	1,405	1,336
Region 9 San Antonio	590	121	160	364	100	63	51	68	690	184	211	432
Region 10 Coastal Bend	546	644	790	760	0	164	155	164	546	808	945	924
Region 11 South Texas Border	709	449	1,161	830	0	0	391	58	709	449	1,552	888
Region 12 West Texas	291	415	824	527	47	50	0	112	338	465	824	639
Region 13 Upper Rio Grande	0	0	109	146	0	0	50	0	0	0	159	146
Total	7,487	6,236	11,607	11,535	1,200	958	2,013	1,271	8,687	7,194	13,620	12,806

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

As the preceding table illustrates, Region 4 contains the largest number of affordable housing units, with a total of 7,081 units. These units represent 16.7% of all affordable housing units identified. Other regions with a large base of affordable housing units include Region 2, Region 8 and Region 1. Region 13 has the smallest supply, with only 146 units.

Based on Bowen National Research’s survey of apartment rental housing, the overall occupancy rate by region for all affordable housing surveyed is summarized as follows.

Region	Occupancy Rate
Region 1 High Plains	96.0%
Region 2 Northwest Texas	96.5%
Region 3 Metroplex	97.9%
Region 4 Upper East Texas	98.6%
Region 5 Southeast Texas	96.9%
Region 6 Gulf Coast	94.2%
Region 7 Capital	93.3%
Region 8 Central Texas	97.5%
Region 9 San Antonio	96.1%
Region 10 Coastal Bend	99.4%
Region 11 South Texas Border	98.4%
Region 12 West Texas	98.6%
Region 13 Upper Rio Grande	100.0%
Overall	97.3%

The surveyed projects have a combined 97.3% occupancy rate. This is generally considered a high occupancy rate and an indication of the limited availability of affordable rental housing in the rural areas of Texas. Generally, healthy rental markets are those that have occupancy rates of around 94% to 96%. Occupancy levels within this range allow for internal market mobility, enable a market to absorb new renter households within the market, and deter unusual rental rate fluctuations for non-subsidized rentals. When occupancy levels are above this range, the limited availability puts upward pressure on rental rates, limits the ability and/or the incentive of property owners to upgrade or maintain their rental units,

and often forces households into less desirable or substandard housing alternatives.

We attempted to interview the Housing Authorities within each study region to identify the number of Housing Choice Vouchers issued within the rural counties considered in this analysis. We tabulated the number of vouchers within each region. Therefore, the numbers cited below may not represent all vouchers issued. The following table summarizes the number of Housing Choice Vouchers issued within the 13 study regions.

Region	Number of Vouchers Issued	
	Number	Percent *
Region 1 High Plains	1,058	8.7%
Region 2 Northwest Texas	774	6.4%
Region 3 Metroplex	423	3.5%
Region 4 Upper East Texas	2,424	20.0%
Region 5 Southeast Texas	1,025	8.5%
Region 6 Gulf Coast	517	4.3%
Region 7 Capital	418	3.4%
Region 8 Central Texas	293	2.4%
Region 9 San Antonio	186	1.5%
Region 10 Coastal Bend	1,745	14.4%
Region 11 South Texas Border	2,284	18.8%
Region 12 West Texas	832	6.9%
Region 13 Upper Rio Grande	142	1.2%
Total	12,121	

Source: Bowen National Research

*Percent of the total of all vouchers issued with 13 study regions

Within the rural regions of Texas, it was determined that over 12,100 Housing Choice Vouchers are currently issued. Region 4 (Upper East Texas Region), Region 10 (Coastal Bend), and Region 11 (South Texas Border) have the largest number of Vouchers.

Apartments

The following table summarizes the breakdown of units surveyed within each region.

		Surveyed Projects		
		Units	Vacant	Occ.
Region 1 High Plains	<1-BR	1,272	41	96.8%
	2-BR	1,169	45	96.2%
	3+-BR	598	26	95.7%
Region 2 Northwest Texas	<1-BR	2,102	76	96.4%
	2-BR	1,943	59	97.0%
	3+-BR	749	32	95.7%
Region 3 Metroplex	<1-BR	1,289	28	97.8%
	2-BR	1,027	30	97.1%
	3+-BR	481	2	99.6%
Region 4 Upper East Texas	<1-BR	2,418	34	98.6%
	2-BR	2,443	29	98.8%
	3+-BR	1,116	21	98.1%
Region 5 Southeast Texas	<1-BR	1,764	35	98.0%
	2-BR	1,564	61	96.1%
	3+-BR	975	37	96.2%
Region 6 Gulf Coast	<1-BR	902	55	93.9%
	2-BR	840	42	95.0%
	3+-BR	351	10	97.2%
Region 7 Capital	<1-BR	631	27	95.7%
	2-BR	548	37	93.2%
	3+-BR	134	23	82.8%
Region 8 Central Texas	<1-BR	1,140	20	98.2%
	2-BR	1,041	34	96.7%
	3+-BR	374	9	97.6%
Region 9 San Antonio	<1-BR	468	13	97.2%
	2-BR	546	33	94.0%
	3+-BR	219	4	98.2%
Region 10 Coastal Bend	<1-BR	1,071	8	99.3%
	2-BR	971	4	99.6%
	3+-BR	618	3	99.5%
Region 11 South Texas Border	<1-BR	834	3	99.6%
	2-BR	999	18	98.2%
	3+-BR	1,250	30	97.6%
Region 12 West Texas	<1-BR	1,051	16	98.5%
	2-BR	638	6	99.1%
	3+-BR	356	4	98.9%
Region 13 Upper Rio Grande	<1-BR	130	0	100.0%
	2-BR	80	0	100.0%
	3+-BR	45	0	100.0%
Total	<1-BR	15,072	356	97.6%
	2-BR	13,809	398	97.1%
	3+-BR	7,266	201	97.2%

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

Occupancies are generally high among all bedroom type and there does not appear to be any problems with a particular bedroom type.

The following illustrates the number of units and vacancies by bedroom type for Tax Credit, government-subsidized and mixed program projects.

		Tax Credit			Tax Credit/Subsidized			Subsidized			Total Units
		Units	Vacant	Occ.	Units	Vacant	Occ.	Units	Vacant	Occ.	
Region 1 High Plains	<1-BR	78	3	96.2%	888	34	96.2%	306	4	98.7%	1,272
	2-BR	192	32	83.3%	815	13	98.4%	162	0	100.0%	1,169
	3+-BR	201	22	89.1%	318	4	98.7%	79	0	100.0%	598
Region 2 Northwest Texas	<1-BR	201	10	95.0%	1,565	51	96.7%	336	15	95.5%	2,102
	2-BR	313	7	97.8%	1,318	47	96.4%	312	5	98.4%	1,943
	3+-BR	122	9	92.6%	619	23	96.3%	8	0	100.0%	749
Region 3 Metroplex	<1-BR	251	0	100.0%	871	26	97.0%	167	2	98.8%	1,289
	2-BR	220	8	96.4%	704	22	96.9%	103	0	100.0%	1,027
	3+-BR	155	2	98.7%	326	0	100.0%	0	0	-	481
Region 4 Upper East Texas	<1-BR	240	7	97.1%	1,634	17	99.0%	544	10	98.2%	2,418
	2-BR	397	1	99.7%	1,578	18	98.9%	468	10	97.9%	2,443
	3+-BR	384	15	96.1%	663	6	99.1%	69	0	100.0%	1,116
Region 5 Southeast Texas	<1-BR	250	18	92.8%	1,304	17	98.7%	210	0	100.0%	1,764
	2-BR	464	50	89.2%	838	11	98.7%	262	0	100.0%	1,564
	3+-BR	295	12	95.9%	654	25	96.2%	26	0	100.0%	975
Region 6 Gulf Coast	<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
Region 7 Capital	<1-BR	149	19	87.2%	402	4	99.0%	80	4	95.0%	631
	2-BR	271	30	88.9%	209	4	98.1%	68	3	95.6%	548
	3+-BR	88	23	73.9%	38	0	100.0%	8	0	100.0%	134
Region 8 Central Texas	<1-BR	44	0	100.0%	875	17	98.1%	221	3	98.6%	1,140
	2-BR	104	6	94.2%	635	22	96.5%	302	6	98.0%	1,041
	3+-BR	72	4	94.4%	265	5	98.1%	37	0	100.0%	374
Region 9 San Antonio	<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
Region 10 Coastal Bend	<1-BR	127	0	100.0%	787	3	99.6%	157	5	96.8%	1,071
	2-BR	221	0	100.0%	507	0	100.0%	243	4	98.4%	971
	3+-BR	158	1	99.4%	407	0	100.0%	53	2	96.2%	618
Region 11 South Texas Border	<1-BR	68	0	100.0%	516	3	99.4%	250	0	100.0%	834
	2-BR	250	4	98.4%	645	10	98.4%	104	4	96.2%	999
	3+-BR	391	15	96.2%	809	15	98.1%	50	0	100.0%	1,250
Region 12 West Texas	<1-BR	66	1	98.5%	732	15	98.0%	253	0	100.0%	1,051
	2-BR	133	3	97.7%	407	3	99.3%	98	0	100.0%	638
	3+-BR	92	3	96.7%	264	1	99.6%	0	0	-	356
Region 13 Upper Rio Grande	<1-BR	0	0	-	50	0	100.0%	80	0	100.0%	130
	2-BR	0	0	-	44	0	100.0%	36	0	100.0%	80
	3+-BR	0	0	-	45	0	100.0%	0	0	-	45
Total	<1-BR	1,840	103	94.4%	10,357	210	98.0%	2,875	43	98.5%	15,072
	2-BR	3,131	210	93.3%	8,331	153	98.2%	2,347	35	98.5%	13,809
	3+-BR	2,179	120	94.5%	4,721	79	98.3%	366	2	99.5%	7,266

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

Occupancy rates are generally high among all bedroom types of each affordable housing program type.

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

		Year Built					Total
		<1970	1970-1989	1990-1999	2000-2004	2005+	
Region 1 High Plains	Number	587	1,681	326	114	400	3,108
	Percent	18.9%	54.1%	10.5%	3.7%	12.9%	100.0%
Region 2 Northwest Texas	Number	1,520	2,456	232	148	447	4,803
	Percent	31.6%	51.1%	4.8%	3.1%	9.3%	100.0%
Region 3 Metroplex	Number	617	1,432	130	120	508	2,807
	Percent	22.0%	51.0%	4.6%	4.3%	18.1%	100.0%
Region 4 Upper East Texas	Number	1,244	2,784	966	622	397	6,013
	Percent	20.7%	46.3%	16.1%	10.3%	6.6%	100.0%
Region 5 Southeast Texas	Number	1,280	1,607	513	524	390	4,314
	Percent	29.7%	37.3%	11.9%	12.1%	9.0%	100.0%
Region 6 Gulf Coast	Number	174	1,303	372	64	292	2,205
	Percent	7.9%	59.1%	16.9%	2.9%	13.2%	100.0%
Region 7 Capital	Number	106	597	44	318	264	1,329
	Percent	8.0%	44.9%	3.3%	23.9%	19.9%	100.0%
Region 8 Central Texas	Number	982	1,085	268	144	76	2,555
	Percent	38.4%	42.5%	10.5%	5.6%	3.0%	100.0%
Region 9 San Antonio	Number	72	358	346	48	442	1,266
	Percent	5.7%	28.3%	27.3%	3.8%	34.9%	100.0%
Region 10 Coastal Bend	Number	373	1,488	402	304	120	2,687
	Percent	13.9%	55.4%	15.0%	11.3%	4.5%	100.0%
Region 11 South Texas Border	Number	603	1,187	544	440	320	3,094
	Percent	19.5%	38.4%	17.6%	14.2%	10.3%	100.0%
Region 12 West Texas	Number	516	1,064	184	136	155	2,055
	Percent	25.1%	51.8%	9.0%	6.6%	7.5%	100.0%
Region 13 Upper Rio Grande	Number	0	189	66	0	0	255
	Percent	0.0%	74.1%	25.9%	0.0%	0.0%	100.0%
Totals	Number	8,074	17,231	4,393	2,982	3,811	36,491
	Percent	22.1%	47.2%	12.0%	8.2%	10.4%	100.0%

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

Of the surveyed rental housing supply, Regions 2 and 8 have some of the oldest affordable housing stock, with 31.6% and 38.4% of the surveyed supply being built prior to 1970, respectively. Over 80% of the survey supply in Region 2 was built prior to 1990. Region 9 has the largest share (34.9%) of the newest product (built since 2005) compared to the other regions. Overall, the rural regions of Texas have nearly one-quarter (22.1%) of its supply built prior to 1970, nearly one-half (47.2%) of its supply built between 1970 and 1989, and a little more than a quarter (30.6%) built since 1990. Based on Bowen National Research's experience in evaluating hundreds of market throughout the United States, it appears that the rural Texas markets have a good balance of affordable housing by age of product.

The following is a distribution of gross rents for units surveyed in each region (gross rents are tenant-paid rents plus the estimated cost of tenant-paid utilities):

	Bedroom Type	Tax Credit
		Gross Rent Range
Region 1 High Plains	1-BR	\$274 - \$624
	2-BR	\$341 - \$716
	3-BR	\$391 - \$836
Region 2 Northwest Texas	1-BR	\$248 - \$679
	2-BR	\$282 - \$846
	3-BR	\$316 - \$966
Region 3 Metroplex	1-BR	\$259 - \$724
	2-BR	\$309 - \$846
	3-BR	\$359 - \$872
Region 4 Upper East Texas	1-BR	\$278 - \$626
	2-BR	\$337 - \$958
	3-BR	\$364 - \$893
Region 5 Southeast Texas	1-BR	\$284 - \$674
	2-BR	\$356 - \$796
	3-BR	\$422 - \$1,144
Region 6 Gulf Coast	1-BR	\$283 - \$693
	2-BR	\$341 - \$815
	3-BR	\$383 - \$993
Region 7 Capital	1-BR	\$291 - \$699
	2-BR	\$350 - \$821
	3-BR	\$403 - \$916
Region 8 Central Texas	1-BR	\$456 - \$680
	2-BR	\$583 - \$825
	3-BR	\$672 - \$859
Region 9 San Antonio	1-BR	\$304 - \$769
	2-BR	\$412 - \$891
	3-BR	\$696 - \$991
Region 10 Coastal Bend	1-BR	\$293 - \$654
	2-BR	\$349 - \$821
	3-BR	\$418 - \$966
Region 11 South Texas Border	1-BR	\$256 - \$621
	2-BR	\$273 - \$753
	3-BR	\$300 - \$874
Region 12 West Texas	1-BR	\$282 - \$569
	2-BR	\$339 - \$643
	3-BR	\$373 - \$743
Region 13 Upper Rio Grande	1-BR	-
	2-BR	-
	3-BR	-

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

Depending on bedroom type and region, Tax Credit gross rents range from \$248 to \$1,144.

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

	Square Footage		
	1-Bedroom	2-Bedroom	3-Bedroom+
Region 1 High Plains	500 - 1,000	600 - 1,200	795 - 1,500
Region 2 Northwest Texas	500 - 900	600 - 1,050	700 - 1,260
Region 3 Metroplex	410 - 830	600 - 1,180	750 - 1,359
Region 4 Upper East Texas	500 - 936	620 - 1,214	750 - 1,434
Region 5 Southeast Texas	450 - 950	600 - 1,100	563 - 1,432
Region 6 Gulf Coast	500 - 811	610 - 1,100	750 - 1,291
Region 7 Capital	390 - 826	698 - 1,079	800 - 1,285
Region 8 Central Texas	473 - 1,000	600 - 1,250	700 - 1,500
Region 9 San Antonio	400 - 1,072	700 - 1,072	850 - 1,264
Region 10 Coastal Bend	500 - 750	600 - 1,020	800 - 1,238
Region 11 South Texas Border	500 - 887	650 - 1,100	810 - 1,320
Region 12 West Texas	500 - 1,000	650 - 1,021	800 - 1,188
Region 13 Upper Rio Grande	520 - 700	650 - 800	900 - 1,000

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

Overall, most surveyed projects range in size from 500 to 900 square feet for a one-bedroom unit, 600 to 1,050 square feet for a two-bedroom unit and 700 to 1,300 for a three-bedroom unit.

The distribution of unit amenities for all projects surveyed in each 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
Region 1 High Plains	98.9%	87.8%	11.1%	10.0%	6.7%	8.9%	88.9%	2.2%	80.0%	88.9%	48.9%
Region 2 Northwest Texas	100.0%	99.2%	10.4%	8.0%	5.6%	4.0%	92.8%	5.6%	75.2%	88.8%	60.8%
Region 3 Metropolitan	98.1%	100.0%	17.3%	17.3%	13.5%	5.8%	94.2%	0.0%	50.0%	100.0%	40.4%
Region 4 Upper East Texas	100.0%	92.4%	12.4%	9.0%	3.4%	3.4%	95.9%	7.6%	60.0%	100.0%	62.8%
Region 5 Southeast Texas	100.0%	98.8%	14.1%	11.8%	14.1%	10.6%	94.1%	7.1%	57.6%	94.1%	55.3%
Region 6 Gulf Coast	100.0%	100.0%	24.3%	24.3%	5.4%	8.1%	91.9%	0.0%	27.0%	91.9%	54.1%
Region 7 Capital	100.0%	100.0%	15.2%	21.2%	9.1%	3.0%	100.0%	0.0%	75.8%	100.0%	36.4%
Region 8 Central Texas	98.6%	98.6%	6.8%	8.1%	0.0%	6.8%	91.9%	2.7%	51.4%	89.2%	58.1%
Region 9 San Antonio	100.0%	100.0%	37.0%	37.0%	18.5%	18.5%	88.9%	3.7%	63.0%	96.3%	74.1%
Region 10 Coastal Bend	100.0%	100.0%	13.6%	15.3%	6.8%	8.5%	81.4%	5.1%	44.1%	94.9%	52.5%
Region 11 South Texas Border	98.5%	98.5%	17.9%	14.9%	7.5%	6.0%	70.1%	3.0%	70.1%	82.1%	61.2%
Region 12 West Texas	100.0%	98.1%	9.4%	13.2%	11.3%	9.4%	88.7%	15.1%	62.3%	96.2%	64.2%
Region 13 Upper Rio Grande	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	85.7%	0.0%	57.1%	57.1%	28.6%

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

The most common unit amenities include a range, refrigerator, central air-conditioning, washer/dryer hookups, and window blinds.

The distribution of project amenities for all projects surveyed in each 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
Region 1 High Plains	51.1%	32.2%	35.6%	27.8%	3.3%	5.6%	12.2%	21.1%
Region 2 Northwest Texas	39.2%	30.4%	35.2%	32.8%	1.6%	8.0%	7.2%	26.4%
Region 3 Metroplex	57.7%	65.4%	36.5%	36.5%	3.8%	0.0%	15.4%	32.7%
Region 4 Upper East Texas	69.7%	70.3%	62.8%	57.2%	2.1%	7.6%	15.9%	49.7%
Region 5 Southeast Texas	56.5%	71.8%	47.1%	42.4%	2.4%	10.6%	9.4%	54.1%
Region 6 Gulf Coast	75.7%	73.0%	54.1%	48.6%	0.0%	5.4%	18.9%	56.8%
Region 7 Capital	63.6%	63.6%	42.4%	42.4%	0.0%	6.1%	21.2%	27.3%
Region 8 Central Texas	48.6%	54.1%	43.2%	32.4%	2.7%	5.4%	5.4%	31.1%
Region 9 San Antonio	77.8%	66.7%	44.4%	63.0%	7.4%	11.1%	25.9%	59.3%
Region 10 Coastal Bend	64.4%	74.6%	52.5%	57.6%	3.4%	10.2%	8.5%	50.8%
Region 11 South Texas Border	61.2%	53.7%	52.2%	43.3%	0.0%	10.4%	7.5%	55.2%
Region 12 West Texas	60.4%	54.7%	28.3%	35.8%	5.7%	5.7%	0.0%	56.6%
Region 13 Upper Rio Grande	71.4%	71.4%	85.7%	71.4%	0.0%	14.3%	0.0%	28.6%

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

The most common project amenities among the affordable rental housing alternatives surveyed in rural Texas include on-site management, laundry facilities, playgrounds, picnic areas and some type of community space, such as a meeting or activity room. The limited offering of community space is not unusual in rural markets, given the small size of most rural projects.

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. While we surveyed close to 90% of all affordable rental housing alternatives in the study areas, were not able to survey all properties to determine if they offer units for persons with a disability. Regardless, the following table provides a good indication of the availability of housing for this special needs population.

	Rental Units Reserved for Persons with Disabilities		
	Total Units	Units for Persons with Disabilities	Percent of Units for Persons with Disabled
Region 1 High Plains	3,081	58	1.9%
Region 2 Northwest Texas	5,337	118	2.2%
Region 3 Metroplex	3,157	120	3.8%
Region 4 Upper East Texas	7,081	106	1.5%
Region 5 Southeast Texas	5,213	125	2.4%
Region 6 Gulf Coast	2,141	91	4.3%
Region 7 Capital	1,531	22	1.4%
Region 8 Central Texas	3,857	63	1.6%
Region 9 San Antonio	1,517	11	0.7%
Region 10 Coastal Bend	3,223	113	3.5%
Region 11 South Texas Border	3,598	133	3.7%
Region 12 West Texas	2,266	53	2.3%
Region 13 Upper Rio Grande	305	9	3.0%
Total	42,307	1,022	2.4%

Source: Bowen National Research – 2011 Survey

As the preceding table illustrates, among the apartment projects we surveyed, 1,022 units were set-aside for persons with disabilities, or 2.4% of the total supply surveyed. It should be noted that Section 504 of the Rehabilitation Act of 1973 requires 5% of residential units to be accessible to persons with a disability, which differs than the units cited above which are specifically set aside (made available) to persons with a disability.

Manufactured Housing

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

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

	Manufactured Home Units by Type -Rent vs. Own		
	Renter-Occupied	Owner-Occupied	Total
Region 1 High Plains	2,600 (27.6%)	6,834 (72.4%)	9,434
Region 2 Northwest Texas	1,726 (19.2%)	7,280 (80.8%)	9,007
Region 3 Metroplex	4,746 (30.4%)	10,878 (69.6%)	15,623
Region 4 Upper East Texas	9,911 (23.3%)	32,674 (76.7%)	42,585
Region 5 Southeast Texas	6,514 (22.6%)	22,328 (77.4%)	28,842
Region 6 Gulf Coast	2,100 (23.5%)	6,819 (76.5%)	8,919
Region 7 Capital	2,319 (26.5%)	6,444 (73.5%)	8,763
Region 8 Central Texas	3,382 (22.9%)	11,365 (77.1%)	14,747
Region 9 San Antonio	1,394 (22.5%)	4,812 (77.6%)	6,205
Region 10 Coastal Bend	1,894 (19.8%)	7,667 (80.2%)	9,561
Region 11 South Texas Border	2,349 (24.1%)	7,415 (75.9%)	9,764
Region 12 West Texas	1,936 (25.6%)	5,637 (74.4%)	7,573
Region 13 Upper Rio Grande	617 (27.9%)	1,595 (72.1%)	2,212
Total	41,488 (23.9%)	131,748 (76.1%)	173,235

Source: ACS 2005-2009

Note: Rural region data is limited to only the counties that met the rural county designation

Less than one-fourth of all manufactured homes within the selected counties that fall within the study regions are renter-occupied, while the remaining three-fourths are owner-occupied. Region 4 has the largest number (9,911) of renter-occupied manufactured homes and Region 13 has the lowest number (617). Region 3 has the highest share of renter-

occupied units, while Region 2 has the highest share of owner-occupied units.

Bowen National Research conducted a telephone survey of manufactured home communities within the study counties. Of the 3,869 lots at these surveyed manufactured home communities, 3,331 (or 86.1%) were occupied or used. The following table illustrates the occupancy/usage percentage of lots within manufactured home communities within each region.

	Manufactured Home Communities Survey Percent Occupancy/Usage		
	Total Lots	Total Lots Available	Percent Occupancy/Usage
Region 1 High Plains	192	52	72.9%
Region 2 Northwest Texas	170	29	82.9%
Region 3 Metroplex	143	30	79.0%
Region 4 Upper East Texas	282	64	77.3%
Region 5 Southeast Texas	422	21	95.0%
Region 6 Gulf Coast	439	62	85.9%
Region 7 Capital	195	9	95.4%
Region 8 Central Texas	30	0	100.0%
Region 9 San Antonio	386	6	98.4%
Region 10 Coastal Bend	573	59	89.7%
Region 11 South Texas Border	729	142	80.5%
Region 12 West Texas	308	64	79.2%
Region 13 Upper Rio Grande	N/A	N/A	N/A
Total	3,869	538	86.1%

Source: Bowen National Research – 2011 Survey

N/A – Not able to survey any manufactured home Communities

The 86.1% occupancy is generally typical for manufactured home communities. It should be noted that we did not identify manufactured homes on individual lots. Further, we did not survey all manufactured home communities within the study areas. Therefore, our survey of manufactured home communities simply represents a sampling of manufactured housing but does provide insight as to performance, rents, and features of manufactured housing in rural Texas.

The following summarizes the ranges of quoted rental rates within the surveyed manufactured home communities for each study 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 Communities Survey Rental Rates Range	
	Lot Only	Lot with Manufactured home
Region 1 High Plains	\$130 - \$160	\$350 - \$425
Region 2 Northwest Texas	\$200 - \$325	\$580 - \$640
Region 3 Metroplex	\$130 - \$200	\$500 - \$600
Region 4 Upper East Texas	\$100 - \$375	\$475 - \$700
Region 5 Southeast Texas	\$170 - \$375	\$365 - \$675
Region 6 Gulf Coast	\$175 - \$310	\$300 - \$750
Region 7 Capital	\$150 - \$330	N/A
Region 8 Central Texas	\$150	N/A
Region 9 San Antonio	\$150 - \$260	\$450 - \$700
Region 10 Coastal Bend	\$130 - \$300	\$400 - \$700
Region 11 South Texas Border	\$100 - \$300	\$450 - \$550
Region 12 West Texas	\$150 - \$325	\$350 - \$650
Region 13 Upper Rio Grande	N/A	N/A
Total	\$100 - \$375	\$300 - \$750

Source: Bowen National Research – 2011 Survey

N/A – Not able to survey any manufactured home Communities

Rental rates for vacant lots in surveyed manufactured home communities range from \$100 to \$375 per month. Lots with a manufactured home included range in price from \$300 to \$750 per month.

As part of Bowen National Research’s survey, we identified which manufactured home communities included an on-site office and laundry facilities, as well as which facilities included all standard utilities (i.e. water, sewer, trash collection and gas) in the rental rates. This information is illustrated by region in the following table.

	Manufactured Home Communities Survey Percent of Communities Offering On-Site Amenities & Utilities		
	Office	Laundry Facility	All Utilities*
Region 1 High Plains	80.0%	20.0%	20.0%
Region 2 Northwest Texas	100.0%	60.0%	40.0%
Region 3 Metroplex	67.0%	0.0%	0.0%
Region 4 Upper East Texas	60.0%	0.0%	20.0%
Region 5 Southeast Texas	63.0%	38.0%	38.0%
Region 6 Gulf Coast	60.0%	40.0%	0.0%
Region 7 Capital	100.0%	67.0%	0.0%
Region 8 Central Texas	0.0%	0.0%	0.0%
Region 9 San Antonio	100.0%	60.0%	0.0%
Region 10 Coastal Bend	67.0%	33.0%	0.0%
Region 11 South Texas Border	80.0%	60.0%	0.0%
Region 12 West Texas	75.0%	0.0%	25.0%
Region 13 Upper Rio Grande	N/A	N/A	N/A

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

N/A – Not able to survey any manufactured home Communities

While manufactured home property amenities vary from park to park and region to region, most include offices, while approximately half include laundry facilities. Utilities are included in the rent at few of the communities, but residents are usually required to pay their own utilities.

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 each study 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 each of the 13 study regions in rural Texas.

		Housing Status				
		Renter-Occupied	Owner-Occupied	Total Occupied	Vacant Units	Total Units
Region 1 High Plains	2000	29,403 23.2%	78,468 62.0%	107,871 85.2%	18,778 14.8%	126,649 100.0%
	2010	31,539 25.0%	75,579 59.9%	107,118 84.9%	19,002 15.1%	126,120 100.0%
Region 2 Northwest Texas	2000	23,742 20.4%	68,059 58.6%	91,801 79.1%	24,317 20.9%	116,118 100.0%
	2010	24,585 20.9%	66,520 56.5%	91,105 77.4%	26,638 22.6%	117,743 100.0%
Region 3 Metroplex	2000	22,684 23.4%	60,329 62.3%	83,013 85.8%	13,761 14.2%	96,774 100.0%
	2010	26,764 23.9%	66,591 59.5%	93,355 83.5%	18,502 16.5%	111,857 100.0%
Region 4 Upper East Texas	2000	48,346 19.9%	157,929 65.0%	206,275 84.9%	36,787 15.1%	243,062 100.0%
	2010	57,424 21.9%	164,550 62.7%	221,974 84.5%	40,604 15.5%	262,578 100.0%
Region 5 Southeast Texas	2000	30,290 19.3%	93,966 59.9%	124,256 79.2%	32,575 20.8%	156,831 100.0%
	2010	35,823 21.6%	95,693 57.8%	131,516 79.4%	34,129 20.6%	165,645 100.0%
Region 6 Gulf Coast	2000	18,374 27.9%	36,269 55.2%	54,643 83.1%	11,103 16.9%	65,746 100.0%
	2010	20,679 29.3%	37,498 53.2%	58,177 82.5%	12,336 17.5%	70,513 100.0%
Region 7 Capital	2000	8,118 16.3%	30,581 61.5%	38,699 77.8%	11,057 22.2%	49,756 100.0%
	2010	10,588 17.1%	35,469 57.2%	46,057 74.2%	15,992 25.8%	62,049 100.0%
Region 8 Central Texas	2000	20,650 19.6%	65,308 61.9%	85,958 81.4%	19,617 18.6%	105,575 100.0%
	2010	23,208 20.0%	69,448 59.8%	92,656 79.7%	23,540 20.3%	116,196 100.0%

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

Note: Rural region data is limited to only the counties that met the rural county designation

(Continued)

		Housing Status				
		Renter-Occupied	Owner-Occupied	Total Occupied	Vacant Units	Total Units
Region 9 San Antonio	2000	9,292 22.5%	26,238 63.6%	35,530 86.1%	5,738 13.9%	41,268 100.0%
	2010	11,034 22.9%	29,405 61.1%	40,439 84.1%	7,666 15.9%	48,105 100.0%
Region 10 Coastal Bend	2000	20,767 22.8%	53,912 59.2%	74,679 81.9%	16,450 18.1%	91,129 100.0%
	2010	22,546 24.0%	53,460 57.0%	76,006 81.1%	17,752 18.9%	93,758 100.0%
Region 11 South Texas Border	2000	19,504 21.7%	53,938 60.0%	73,442 81.7%	16,443 18.3%	89,885 100.0%
	2010	22,665 22.7%	59,029 59.2%	81,694 82.0%	17,964 18.0%	99,658 100.0%
Region 12 West Texas	2000	15,538 19.5%	47,254 59.4%	62,792 78.9%	16,783 21.1%	79,575 100.0%
	2010	16,673 21.1%	47,125 59.7%	63,798 80.8%	15,139 19.2%	78,937 100.0%
Region 13 Upper Rio Grande	2000	3,021 24.9%	6,218 51.3%	9,239 76.2%	2,886 23.8%	12,125 100.0%
	2010	3,397 25.2%	6,832 50.7%	10,229 75.9%	3,256 24.1%	13,485 100.0%
Sum of Rural Regions	2000	269,729 21.2%	778,469 61.1%	1,048,198 82.2%	226,295 17.8%	1,274,493 100.0%
	2010	306,925 22.5%	807,199 59.1%	1,114,124 81.5%	252,520 18.5%	1,366,644 100.0%
Urban Areas	2000	2,406,666 35.0%	3,938,490 57.2%	6,345,156 92.2%	537,926 7.8%	6,883,082 100.0%
	2010	2,930,655 34.0%	4,878,154 56.7%	7,808,809 90.7%	801,983 9.3%	8,610,792 100.0%
State of Texas	2000	2,676,395 32.8%	4,716,959 57.8%	7,393,354 90.6%	764,221 9.4%	8,157,575 100.0%
	2010	3,237,580 32.4%	5,685,353 57.0%	8,922,933 89.4%	1,054,503 10.6%	9,977,436 100.0%

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

Note: Rural region data is limited to only the counties that met the rural county designation

Rural regions of Texas have a higher share of owner-occupied units (and corresponding lower share of renter-occupied units) than the urban areas of Texas and the overall state of Texas. According to the 2010 Census, among all occupied housing units in rural regions of Texas, 27.5% are occupied by renters and 72.5% are occupied by homeowners. Within the urban areas of Texas, 37.5% are occupied by renters and 62.5% are occupied by homeowners. Compared to overall state of Texas numbers, 36.3% were renter-occupied units and 63.7% are owner occupied, which are similar to urban area shares. Since owner-occupied units are primarily detached units, such as single-family homes or manufactured homes, and it is usually difficult to build a large number of multifamily rental units due to the lower population density in most rural areas, there are fewer rental housing alternatives offered in most rural markets.

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

		Housing by Tenure by Year Built					Total
		<1970	1970-1989	1990-1999	2000-2004	2005+	
Region 1 High Plains	Renter	19,426 61.6%	8,282 26.3%	2,563 8.1%	908 2.9%	361 1.1%	31,539 100.0%
	Owner	45,817 60.6%	21,705 28.7%	5,342 7.1%	2,200 2.9%	515 0.7%	75,579 100.0%
Region 2 Northwest Texas	Renter	14,099 57.3%	7,517 30.6%	1,983 8.1%	736 3.0%	250 1.0%	24,585 100.0%
	Owner	37,387 56.2%	21,193 31.9%	4,912 7.4%	2,280 3.4%	748 1.1%	66,520 100.0%
Region 3 Metroplex	Renter	10,580 39.5%	9,921 37.1%	3,630 13.6%	1,686 6.3%	947 3.5%	26,764 100.0%
	Owner	20,602 30.9%	24,437 36.7%	11,807 17.7%	7,170 10.8%	2,576 3.9%	66,591 100.0%
Region 4 Upper East Texas	Renter	21,369 37.2%	23,042 40.1%	8,391 14.6%	3,837 6.7%	785 1.4%	57,424 100.0%
	Owner	49,404 30.0%	64,404 39.1%	30,957 18.8%	15,056 9.1%	4,728 2.9%	164,550 100.0%
Region 5 Southeast Texas	Renter	12,260 34.2%	15,951 44.5%	5,147 14.4%	2,033 5.7%	432 1.2%	35,823 100.0%
	Owner	29,173 30.5%	40,183 42.0%	18,208 19.0%	5,477 5.7%	2,652 2.8%	95,693 100.0%
Region 6 Gulf Coast	Renter	6,238 30.2%	9,725 47.0%	2,996 14.5%	1,256 6.1%	464 2.2%	20,679 100.0%
	Owner	13,987 37.3%	13,744 36.7%	6,320 16.9%	2,647 7.1%	800 2.1%	37,498 100.0%
Region 7 Capital	Renter	3,681 34.8%	4,306 40.7%	1,315 12.4%	1,143 10.8%	143 1.4%	10,588 100.0%
	Owner	9,902 27.9%	12,980 36.6%	7,540 21.3%	3,915 11.0%	1,132 3.2%	35,469 100.0%
Region 8 Central Texas	Renter	10,031 43.2%	8,741 37.7%	2,861 12.3%	1,225 5.3%	350 1.5%	23,208 100.0%
	Owner	24,889 35.8%	25,526 36.8%	12,381 17.8%	4,996 7.2%	1,656 2.4%	69,448 100.0%
Region 9 San Antonio	Renter	3,497 31.7%	5,178 46.9%	1,471 13.3%	696 6.3%	192 1.7%	11,034 100.0%
	Owner	9,140 31.1%	11,154 37.9%	5,141 17.5%	2,995 10.2%	975 3.3%	29,405 100.0%
Region 10 Coastal Bend	Renter	11,218 49.8%	7,679 34.1%	2,243 9.9%	915 4.1%	490 2.2%	22,546 100.0%
	Owner	25,035 46.8%	18,181 34.0%	6,511 12.2%	2,792 5.2%	940 1.8%	53,460 100.0%
Region 11 South Texas Border	Renter	7,542 33.3%	8,844 39.0%	3,578 15.8%	2,091 9.2%	609 2.7%	22,665 100.0%
	Owner	17,901 30.3%	23,750 40.2%	11,176 18.9%	4,671 7.9%	1,531 2.6%	59,029 100.0%

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

Note: Rural region data is limited to only the counties that met the rural county designation

(Continued)

		Housing by Tenure by Year Built					Total
		<1970	1970-1989	1990-1999	2000-2004	2005+	
Region 12 West Texas	Renter	8,779 52.7%	5,868 35.2%	1,413 8.5%	433 2.6%	180 1.1%	16,673 100.0%
	Owner	28,659 60.8%	13,435 28.5%	3,488 7.4%	1,121 2.4%	422 0.9%	47,125 100.0%
Region 13 Upper Rio Grande	Renter	1,519 44.7%	1,050 30.9%	510 15.0%	274 8.1%	45 1.3%	3,397 100.0%
	Owner	2,719 39.8%	2,420 35.4%	1,131 16.6%	479 7.0%	84 1.2%	6,832 100.0%
Sum of Rural Regions	Renter	130,239 42.4%	116,104 37.8%	38,101 12.4%	17,233 5.6%	5,248 1.7%	306,925 100.0%
	Owner	314,615 39.0%	293,112 36.3%	124,914 15.5%	55,799 6.9%	18,759 2.3%	807,199 100.0%
Urban Areas	Renter	776,057 26.5%	1,267,492 43.2%	428,796 14.6%	333,040 11.4%	125,269 4.3%	2,930,655 100.0%
	Owner	1,386,890 28.4%	1,648,460 33.8%	877,776 18.0%	676,483 13.9%	288,544 5.9%	4,878,154 100.0%
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

Note: Rural region data is limited to only the counties that met the rural county designation

Overall, the occupied housing stock in the rural regions of Texas is considered old, among both its renter- and owner-occupied housing units. Approximately 40% of all occupied housing within the rural regions of Texas was built prior to 1970. Nearly another 40% was built between 1970 and 1989. Less than 10% of the rural housing stock was built in the past decade. The share of renter and owner-occupied housing stock in rural Texas is relatively even within each different development periods.

It is significant that the age of occupied housing in rural Texas has a greater concentration of older units than the urban areas of Texas and overall Texas. The share rental-occupied in rural Texas built prior to 1970 is 42.4%, compared with the urban areas share of 26.5% and the overall Texas share of 28.0%. The share of newer rental product (built since 2000) in rural Texas is 7.3%, while urban areas of Texas has a 15.7% share and the overall state of Texas has a 14.8% share of new product. When considering owner-occupied housing, rural regions of Texas are comprised of 39.0% of product built prior to 1970. Owner-occupied units built prior to 1970 in urban areas of Texas and in overall Texas are lower, at 28.4% and 29.9%, respectively.

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

		Number of Bedrooms				Total
		No Bedroom	1-Bedroom	2-Bedroom	3+-Bedroom	
Region 1 High Plains	Renter	435 1.4%	4,913 15.6%	12,774 40.5%	13,417 42.5%	31,539 100.0%
	Owner	214 0.3%	1,175 1.6%	16,033 21.2%	58,157 76.9%	75,579 100.0%
Region 2 Northwest Texas	Renter	417 1.7%	5,228 21.3%	10,488 42.7%	8,452 34.4%	24,585 100.0%
	Owner	173 0.3%	2,219 3.3%	17,056 25.6%	47,071 70.8%	66,520 100.0%
Region 3 Metroplex	Renter	534 2.0%	4,957 18.5%	10,320 38.6%	10,953 40.9%	26,764 100.0%
	Owner	231 0.3%	1,656 2.5%	14,190 21.3%	50,513 75.9%	66,591 100.0%
Region 4 Upper East Texas	Renter	897 1.6%	9,491 16.5%	23,390 40.7%	23,645 41.2%	57,424 100.0%
	Owner	597 0.4%	4,409 2.7%	38,174 23.2%	121,370 73.8%	164,550 100.0%
Region 5 Southeast Texas	Renter	698 1.9%	7,148 20.0%	14,553 40.6%	13,423 37.5%	35,823 100.0%
	Owner	281 0.3%	2,980 3.1%	23,627 24.7%	68,804 71.9%	95,693 100.0%
Region 6 Gulf Coast	Renter	628 3.0%	5,179 25.0%	9,404 45.5%	5,469 26.4%	20,679 100.0%
	Owner	72 0.2%	1,014 2.7%	7,702 20.5%	28,711 76.6%	37,498 100.0%
Region 7 Capital	Renter	95 0.9%	1,926 18.2%	4,966 46.9%	3,601 34.0%	10,588 100.0%
	Owner	148 0.4%	1,126 3.2%	9,586 27.0%	24,609 69.4%	35,469 100.0%
Region 8 Central Texas	Renter	329 1.4%	3,480 15.0%	10,515 45.3%	8,884 38.3%	23,208 100.0%
	Owner	255 0.4%	2,146 3.1%	17,454 25.1%	49,593 71.4%	69,448 100.0%
Region 9 San Antonio	Renter	258 2.3%	1,748 15.8%	4,906 44.5%	4,123 37.4%	11,034 100.0%
	Owner	50 0.2%	1,028 3.5%	7,474 25.4%	20,852 70.9%	29,405 100.0%
Region 10 Coastal Bend	Renter	1,134 5.0%	4,348 19.3%	8,977 39.8%	8,087 35.9%	22,546 100.0%
	Owner	291 0.5%	1,739 3.3%	13,355 25.0%	38,074 71.2%	53,460 100.0%
Region 11 South Texas Border	Renter	457 2.0%	3,689 16.3%	9,641 42.5%	8,878 39.2%	22,665 100.0%
	Owner	424 0.7%	2,140 3.6%	14,537 24.6%	41,928 71.0%	59,029 100.0%

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

Note: Rural region data is limited to only the counties that met the rural county designation

(Continued)

		Number of Bedrooms				
		No Bedroom	1-Bedroom	2-Bedroom	3+-Bedroom	Total
Region 12 West Texas	Renter	336 2.0%	2,909 17.4%	6,461 38.8%	6,967 41.8%	16,673 100.0%
	Owner	147 0.3%	1,019 2.2%	11,073 23.5%	34,887 74.0%	47,125 100.0%
Region 13 Upper Rio Grande	Renter	7 0.2%	1,229 36.2%	1,100 32.4%	1,062 31.3%	3,397 100.0%
	Owner	15 0.2%	368 5.4%	1,840 26.9%	4,609 67.5%	6,832 100.0%
Sum of Rural Regions	Renter	6,225 2.0%	56,245 18.3%	127,495 41.5%	116,961 38.1%	306,925 100.0%
	Owner	2,898 0.4%	23,019 2.9%	192,101 23.8%	589,178 73.0%	807,199 100.0%
Urban Areas	Renter	65,902 2.2%	960,567 32.8%	1,113,638 38.0%	790,547 27.0%	2,930,655 100.0%
	Owner	14,258 0.3%	85,784 1.8%	663,851 13.6%	4,114,264 84.3%	4,878,154 100.0%
State of Texas	Renter	72,127 2.2%	1,016,812 31.4%	1,241,133 38.3%	907,508 28.0%	3,237,580 100.0%
	Owner	17,156 0.3%	108,803 1.9%	855,952 15.1%	4,703,442 82.7%	5,685,353 100.0%

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

Note: Rural region data is limited to only the counties that met the rural county designation

Overall, the 13 study regions have a disproportionate share (63.4%) of three-bedroom units, which is not unusual in rural markets. Only 7.9% of all housing consists of studio (no bedroom) or one-bedroom units, leaving a minimal supply of housing that would typically accommodate most seniors.

The following is a distribution of all occupied 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 U.S. Census are not included in the following table.

		Units in Structure					
		1	2-9	10-49	50+	Manufactured homes	Total
Region 1 High Plains	Renter	19,677 62.4%	6,386 20.2%	1,989 6.3%	861 2.7%	2,600 8.2%	31,539 100.0%
	Owner	68,335 90.4%	261 0.3%	16 0.0%	18 0.0%	6,834 9.0%	75,579 100.0%
	Total	88,013 82.2%	6,647 6.2%	2,005 1.9%	879 0.8%	9,434 8.8%	107,118 100.0%
Region 2 Northwest Texas	Renter	15,087 61.4%	5,539 22.5%	1,361 5.5%	793 3.2%	1,726 7.0%	24,585 100.0%
	Owner	58,892 88.5%	116 0.2%	2 0.0%	21 0.0%	7,280 10.9%	66,520 100.0%
	Total	73,980 81.2%	5,654 6.2%	1,363 1.5%	814 0.9%	9,007 9.9%	91,105 100.0%
Region 3 Metroplex	Renter	13,954 52.1%	5,205 19.4%	2,047 7.6%	809 3.0%	4,746 17.7%	26,764 100.0%
	Owner	55,098 82.7%	216 0.3%	54 0.1%	67 0.1%	10,878 16.3%	66,591 100.0%
	Total	69,052 74.0%	5,421 5.8%	2,101 2.3%	875 0.9%	15,623 16.7%	93,355 100.0%
Region 4 Upper East Texas	Renter	30,440 53.0%	12,247 21.3%	3,597 6.3%	1,088 1.9%	9,911 17.3%	57,424 100.0%
	Owner	130,900 79.6%	311 0.2%	55 0.0%	20 0.0%	32,674 19.9%	164,550 100.0%
	Total	161,339 72.7%	12,558 5.7%	3,651 1.6%	1,108 0.5%	42,585 19.2%	221,974 100.0%
Region 5 Southeast Texas	Renter	16,612 46.4%	8,035 22.4%	3,391 9.5%	1,261 3.5%	6,514 18.2%	35,823 100.0%
	Owner	72,743 76.0%	261 0.3%	29 0.0%	68 0.1%	22,328 23.3%	95,693 100.0%
	Total	89,355 67.9%	8,295 6.3%	3,419 2.6%	1,329 1.0%	28,842 21.9%	131,516 100.0%
Region 6 Gulf Coast	Renter	7,558 36.5%	5,821 28.1%	3,405 16.5%	1,774 8.6%	2,100 10.2%	20,679 100.0%
	Owner	30,338 80.9%	183 0.5%	41 0.1%	17 0.0%	6,819 18.2%	37,498 100.0%
	Total	37,896 65.1%	6,004 10.3%	3,445 5.9%	1,791 3.1%	8,919 15.3%	58,177 100.0%
Region 7 Capital	Renter	5,078 48.0%	2,542 24.0%	527 5.0%	123 1.2%	2,319 21.9%	10,588 100.0%
	Owner	28,701 80.9%	203 0.6%	79 0.2%	30 0.1%	6,444 18.2%	35,469 100.0%
	Total	33,780 73.3%	2,745 6.0%	606 1.3%	152 0.3%	8,763 19.0%	46,057 100.0%
Region 8 Central Texas	Renter	13,661 58.9%	4,694 20.2%	1,138 4.9%	222 1.0%	3,382 14.6%	23,208 100.0%
	Owner	57,797 83.2%	78 0.1%	40 0.1%	19 0.0%	11,365 16.4%	69,448 100.0%
	Total	71,457 77.1%	4,772 5.2%	1,178 1.3%	241 0.3%	14,747 15.9%	92,656 100.0%

Source: U.S. Census Bureau, 2005-2009 American Community Survey; 2010 Census; ESRI; Urban Decision Group; Bowen National Research
 Note: Rural region data is limited to only the counties that met the rural county designation

(Continued)

		Units in Structure					
		1	2-9	10-49	50+	Manufactured homes	Total
Region 9 San Antonio	Renter	5,728 51.9%	3,091 28.0%	498 4.5%	220 2.0%	1,394 12.6%	11,034 100.0%
	Owner	24,346 82.8%	107 0.4%	32 0.1%	0 0.0%	4,812 16.4%	29,405 100.0%
	Total	30,073 74.4%	3,198 7.9%	530 1.3%	220 0.5%	6,205 15.3%	40,439 100.0%
Region 10 Coastal Bend	Renter	12,390 55.0%	6,158 27.3%	1,287 5.7%	680 3.0%	1,894 8.4%	22,546 100.0%
	Owner	45,347 84.8%	185 0.3%	0 0.0%	22 0.0%	7,667 14.3%	53,460 100.0%
	Total	57,737 76.0%	6,344 8.3%	1,287 1.7%	703 0.9%	9,561 12.6%	76,006 100.0%
Region 11 South Texas Border	Renter	12,495 55.1%	6,168 27.2%	1,351 6.0%	288 1.3%	2,349 10.4%	22,665 100.0%
	Owner	50,960 86.3%	427 0.7%	52 0.1%	0 0.0%	7,415 12.6%	59,029 100.0%
	Total	63,456 77.7%	6,595 8.1%	1,403 1.7%	288 0.4%	9,764 12.0%	81,694 100.0%
Region 12 West Texas	Renter	10,183 61.1%	2,876 17.2%	1,130 6.8%	548 3.3%	1,936 11.6%	16,673 100.0%
	Owner	41,287 87.6%	124 0.3%	18 0.0%	0 0.0%	5,637 12.0%	47,125 100.0%
	Total	51,470 80.7%	3,000 4.7%	1,148 1.8%	548 0.9%	7,573 11.9%	63,798 100.0%
Region 13 Upper Rio Grande	Renter	1,616 47.6%	685 20.2%	264 7.8%	187 5.5%	617 18.2%	3,397 100.0%
	Owner	5,213 76.3%	3 0.0%	0 0.0%	0 0.0%	1,595 23.3%	6,832 100.0%
	Total	6,829 66.8%	688 6.7%	264 2.6%	187 1.8%	2,212 21.6%	10,229 100.0%
Sum of Rural Regions	Renter	164,479 53.6%	69,447 22.6%	21,985 7.2%	8,854 2.9%	41,488 13.5%	306,925 100.0%
	Owner	669,957 83.0%	2,475 0.3%	418 0.1%	282 0.0%	131,748 16.3%	807,199 100.0%
	Total	834,437 74.9%	71,921 6.5%	22,400 2.0%	9,135 0.8%	173,235 15.5%	1,114,124 100.0%
Urban Areas	Renter	894,949 30.5%	792,135 27.0%	774,687 26.4%	340,133 11.6%	125,051 4.3%	2,930,655 100.0%
	Owner	4,462,814 91.5%	47,762 1.0%	19,901 0.4%	18,975 0.4%	319,924 6.6%	4,878,154 100.0%
	Total	5,357,761 68.6%	839,898 10.8%	794,591 10.2%	359,109 4.6%	444,975 5.7%	7,808,809 100.0%
State of Texas	Renter	1,059,428 32.7%	861,582 26.6%	796,672 24.6%	348,987 10.8%	166,539 5.1%	3,237,580 100.0%
	Owner	5,132,771 90.3%	50,237 0.9%	20,319 0.4%	19,257 0.3%	451,672 7.9%	5,685,353 100.0%
	Total	6,192,198 69.4%	911,819 10.2%	816,991 9.2%	368,244 4.1%	618,210 6.9%	8,922,933 100.0%

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

Note: Rural region data is limited to only the counties that met the rural county designation

In 2015, the large majority (74.9%) of housing structures in rural Texas are projected to consist of single/detached units, which is typical in rural markets. Manufactured homes are the second most common housing alternative in the rural regions, and are expected to comprise 15.5% of the housing stock.

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

	Owner	Renter
Region 1 High Plains	\$970	\$549
Region 2 Northwest Texas	\$851	\$493
Region 3 Metrolplex	\$1,144	\$660
Region 4 Upper East Texas	\$970	\$572
Region 5 Southeast Texas	\$895	\$544
Region 6 Gulf Coast	\$1,054	\$598
Region 7 Capital	\$1,181	\$626
Region 8 Central Texas	\$985	\$566
Region 9 San Antonio	\$1,070	\$616
Region 10 Coastal Bend	\$913	\$524
Region 11 South Texas Border	\$865	\$499
Region 12 West Texas	\$907	\$514
Region 13 Upper Rio Grande	\$901	\$434
Overall Range	\$865-\$1,181	\$434-\$660

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

Note: Rural region data is limited to only the counties that met the rural county designation

According to data provided by the U.S. Census Bureau and the 2005-2009 American Community Survey, within the rural regions of this analysis, owner housing costs range from \$865 to \$1,181 per month, which are approximately double renter-occupied housing costs, which range from \$434 to \$660 per month. Renter-occupied housing costs are highest in Region 3 (Metrolplex Region, outside of the Dallas area) and are lowest in Region 13 (Upper Rio Grande Region). Owner-occupied housing costs are highest in Regions 3 (Metrolplex Region) and 7 (Capital Region), while they are lowest in Regions 2 (Northwest Texas Regions) and 11 (South Texas Border Region).

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

		Cost as a Percent of Income				
		Less Than 20%	20% - 29%	30% or More	Not Computed	Total
Region 1 High Plains	Renter	8,514 27.0%	6,031 19.1%	10,280 32.6%	6,713 21.3%	31,539 100.0%
	Owner	49,186 65.1%	12,723 16.8%	13,285 17.6%	385 0.5%	75,579 100.0%
Region 2 Northwest Texas	Renter	6,488 26.4%	4,302 17.5%	8,738 35.5%	5,057 20.6%	24,585 100.0%
	Owner	41,803 62.8%	11,889 17.9%	12,318 18.5%	510 0.8%	66,520 100.0%
Region 3 Metroplex	Renter	7,124 26.6%	4,573 17.1%	11,464 42.8%	3,602 13.5%	26,764 100.0%
	Owner	36,413 54.7%	14,488 21.8%	15,294 23.0%	397 0.6%	66,591 100.0%
Region 4 Upper East Texas	Renter	14,628 25.5%	12,042 21.0%	20,797 36.2%	9,957 17.3%	57,424 100.0%
	Owner	95,949 58.3%	31,743 19.3%	35,252 21.4%	1,607 1.0%	164,550 100.0%
Region 5 Southeast Texas	Renter	7,991 22.3%	6,305 17.6%	15,869 44.3%	5,658 15.8%	35,823 100.0%
	Owner	59,177 61.8%	15,781 16.5%	19,744 20.6%	991 1.0%	95,693 100.0%
Region 6 Gulf Coast	Renter	4,519 21.9%	3,814 18.4%	9,367 45.3%	2,980 14.4%	20,679 100.0%
	Owner	22,889 61.0%	6,916 18.4%	7,573 20.2%	120 0.3%	37,498 100.0%
Region 7 Capital	Renter	2,878 27.2%	2,322 21.9%	3,421 32.3%	1,967 18.6%	10,588 100.0%
	Owner	20,126 56.7%	7,175 20.2%	8,106 22.9%	61 0.2%	35,469 100.0%
Region 8 Central Texas	Renter	6,119 26.4%	3,695 15.9%	8,269 35.6%	5,125 22.1%	23,208 100.0%
	Owner	40,121 57.8%	13,297 19.1%	15,497 22.3%	532 0.8%	69,448 100.0%
Region 9 San Antonio	Renter	3,097 28.1%	2,314 21.0%	3,660 33.2%	1,962 17.8%	11,034 100.0%
	Owner	17,193 58.5%	5,623 19.1%	6,481 22.0%	108 0.4%	29,405 100.0%
Region 10 Coastal Bend	Renter	5,340 23.7%	4,372 19.4%	7,614 33.8%	5,220 23.2%	22,546 100.0%
	Owner	33,298 62.3%	9,670 18.1%	10,232 19.1%	260 0.5%	53,460 100.0%
Region 11 South Texas Border	Renter	4,846 21.4%	4,011 17.7%	9,356 41.3%	4,452 19.6%	22,665 100.0%
	Owner	32,414 54.9%	10,921 18.5%	14,664 24.8%	1,030 1.7%	59,029 100.0%

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

Note: Rural region data is limited to only the counties that met the rural county designation

(Continued)

		Cost as a Percent of Income				
		Less Than 20%	20% - 29%	30% or More	Not Computed	Total
Region 12 West Texas	Renter	5,069 30.4%	3,059 18.3%	4,948 29.7%	3,596 21.6%	16,673 100.0%
	Owner	32,130 68.2%	7,476 15.9%	7,135 15.1%	384 0.8%	47,125 100.0%
Region 13 Upper Rio Grande	Renter	997 29.3%	611 18.0%	994 29.3%	795 23.4%	3,397 100.0%
	Owner	4,152 60.8%	1,175 17.2%	1,452 21.3%	53 0.8%	6,832 100.0%
Sum of Rural Regions	Renter	77,610 25.3%	57,451 18.7%	114,777 37.4%	57,084 18.6%	306,925 100.0%
	Owner	484,851 60.1%	148,877 18.4%	167,033 20.7%	6,438 0.8%	807,199 100.0%
Urban Areas	Renter	710,791 24.3%	684,561 23.4%	1,327,264 45.3%	208,042 7.1%	2,930,655 100.0%
	Owner	2,397,650 49.2%	1,162,443 23.8%	1,286,908 26.4%	31,153 0.6%	4,878,154 100.0%
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
Note: Rural region data is limited to only the counties that met the rural county designation

- The prevalence of cost overburdened renters in rural Texas is less than in the urban areas of Texas and for the overall state of Texas. Cost overburdened households are generally considered those paying 30% or more of their adjusted gross income towards housing expenses. Based on data from the U.S. Census Bureau (2010) and the 2005-2009 American Community Survey, the share of renters that are cost overburdened in the rural regions of Texas is 37.4%, while renters in the urban areas of Texas have a cost overburdened share of 45.3%, which is comparable to the state average of 44.5%. The cost overburdened share among owners in rural Texas is 20.7%, which is lower than the urban area share of 26.4% and the overall state share of 25.6%.

The following is a distribution of all housing units within the region by number of occupants per room.

		Occupants per Room			
		Less Than 1.0	1.0 – 1.5	1.5 or More	Total
Region 1 High Plains	Renter	29,208 92.6%	1,683 5.3%	648 2.1%	31,539 100.0%
	Owner	72,749 96.3%	2,276 3.0%	554 0.7%	75,579 100.0%
Region 2 Northwest Texas	Renter	23,402 95.2%	842 3.4%	340 1.4%	24,585 100.0%
	Owner	64,928 97.6%	1,399 2.1%	193 0.3%	66,520 100.0%
Region 3 Metroplex	Renter	25,115 93.8%	1,194 4.5%	455 1.7%	26,764 100.0%
	Owner	64,862 97.4%	1,299 2.0%	430 0.6%	66,591 100.0%
Region 4 Upper East Texas	Renter	54,055 94.1%	2,696 4.7%	673 1.2%	57,424 100.0%
	Owner	159,937 97.2%	3,679 2.2%	934 0.6%	164,550 100.0%
Region 5 Southeast Texas	Renter	33,840 94.5%	1,607 4.5%	376 1.0%	35,823 100.0%
	Owner	92,914 97.1%	2,252 2.4%	528 0.6%	95,693 100.0%
Region 6 Gulf Coast	Renter	19,490 94.3%	808 3.9%	381 1.8%	20,679 100.0%
	Owner	36,245 96.7%	963 2.6%	290 0.8%	37,498 100.0%
Region 7 Capital	Renter	10,065 95.1%	425 4.0%	98 0.9%	10,588 100.0%
	Owner	34,574 97.5%	682 1.9%	213 0.6%	35,469 100.0%
Region 8 Central Texas	Renter	22,115 95.3%	789 3.4%	304 1.3%	23,208 100.0%
	Owner	67,826 97.7%	1,361 2.0%	261 0.4%	69,448 100.0%
Region 9 San Antonio	Renter	10,189 92.3%	600 5.4%	246 2.2%	11,034 100.0%
	Owner	28,618 97.3%	660 2.2%	126 0.4%	29,405 100.0%
Region 10 Coastal Bend	Renter	20,690 91.8%	1,152 5.1%	703 3.1%	22,546 100.0%
	Owner	51,635 96.6%	1,485 2.8%	340 0.6%	53,460 100.0%
Region 11 South Texas Border	Renter	19,322 85.3%	2,224 9.8%	1,118 4.9%	22,665 100.0%
	Owner	54,404 92.2%	3,373 5.7%	1,252 2.1%	59,029 100.0%

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

Note: Rural region data is limited to only the counties that met the rural county designation

(Continued)

		Occupants per Room			
		Less Than 1.0	1.0 – 1.5	1.5 or More	Total
Region 12 West Texas	Renter	15,447 92.6%	1,098 6.6%	129 0.8%	16,673 100.0%
	Owner	45,590 96.7%	1,354 2.9%	181 0.4%	47,125 100.0%
Region 13 Upper Rio Grande	Renter	3,174 93.4%	156 4.6%	67 2.0%	3,397 100.0%
	Owner	6,609 96.7%	132 1.9%	91 1.3%	6,832 100.0%
Sum of Rural Regions	Renter	286,112 93.2%	15,274 5.0%	5,538 1.8%	306,925 100.0%
	Owner	780,891 96.7%	20,915 2.6%	5,393 0.7%	807,199 100.0%
Urban Areas	Renter	2,706,704 92.4%	162,529 5.5%	61,423 2.1%	2,930,655 100.0%
	Owner	4,721,778 96.8%	125,164 2.6%	31,212 0.6%	4,878,154 100.0%
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

Note: Rural region data is limited to only the counties that met the rural county designation

Generally, substandard housing is considered housing that has 1.0 or more persons per room and/or lacks complete indoor plumbing facilities. Based on data from the U.S. Census Bureau (2010) and the 2005-2009 American Community Survey, the share of renters in rural Texas that are living in overcrowded housing is 6.8%, which is slightly lower than the urban area and overall state share of 7.6%. Among homeowners, the share of overcrowded households in rural Texas is 3.3%, which is nearly identical to the 3.2% share in urban areas and overall state of Texas.

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

		Plumbing Facilities		
		Complete Plumbing Facilities	Lacking Complete Plumbing Facilities	Total
Region 1 High Plains	Renter	31,309 99.3%	230 0.7%	31,539 100.0%
	Owner	75,210 99.5%	369 0.5%	75,579 100.0%
Region 2 Northwest Texas	Renter	24,413 99.3%	172 0.7%	24,585 100.0%
	Owner	66,178 99.5%	342 0.5%	66,520 100.0%
Region 3 Metroplex	Renter	26,535 99.1%	229 0.9%	26,764 100.0%
	Owner	66,235 99.5%	356 0.5%	66,591 100.0%
Region 4 Upper East Texas	Renter	56,563 98.5%	861 1.5%	57,424 100.0%
	Owner	163,642 99.4%	908 0.6%	164,550 100.0%
Region 5 Southeast Texas	Renter	35,553 99.2%	270 0.8%	35,823 100.0%
	Owner	95,201 99.5%	492 0.5%	95,693 100.0%
Region 6 Gulf Coast	Renter	20,572 99.5%	107 0.5%	20,679 100.0%
	Owner	37,299 99.5%	199 0.5%	37,498 100.0%
Region 7 Capital	Renter	10,427 98.5%	161 1.5%	10,588 100.0%
	Owner	35,280 99.5%	189 0.5%	35,469 100.0%
Region 8 Central Texas	Renter	22,925 98.8%	283 1.2%	23,208 100.0%
	Owner	68,831 99.1%	617 0.9%	69,448 100.0%
Region 9 San Antonio	Renter	11,031 100.0%	3 0.0%	11,034 100.0%
	Owner	29,251 99.5%	154 0.5%	29,405 100.0%
Region 10 Coastal Bend	Renter	22,246 98.7%	300 1.3%	22,546 100.0%
	Owner	52,954 99.1%	506 0.9%	53,460 100.0%
Region 11 South Texas Border	Renter	22,060 97.3%	605 2.7%	22,665 100.0%
	Owner	58,269 98.7%	760 1.3%	59,029 100.0%

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

Note: Rural region data is limited to only the counties that met the rural county designation

(Continued)

		Plumbing Facilities		
		Complete Plumbing Facilities	Lacking Complete Plumbing Facilities	Total
Region 12 West Texas	Renter	16,517 99.1%	156 0.9%	16,673 100.0%
	Owner	46,761 99.2%	364 0.8%	47,125 100.0%
Region 13 Upper Rio Grande	Renter	3,269 96.2%	128 3.8%	3,397 100.0%
	Owner	6,748 98.8%	84 1.2%	6,832 100.0%
Sum of Rural Regions	Renter	303,420 98.9%	3,505 1.1%	306,925 100.0%
	Owner	801,859 99.3%	5,340 0.7%	807,199 100.0%
Urban Areas	Renter	2,908,278 99.2%	22,377 0.8%	2,930,655 100.0%
	Owner	4,855,537 99.5%	22,617 0.5%	4,878,154 100.0%
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

Note: Rural region data is limited to only the counties that met the rural county designation

The share of renter-occupied units lacking complete plumbing facilities in rural Texas is 1.1%, which is slightly above the 0.8% share of renter-occupied units in urban areas and overall state of Texas. Among homeowner-occupied units, only 0.7% of rural Texas units lack complete plumbing facilities, which is very comparable to the 0.5% share among owner-occupied units in urban areas and overall Texas.

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

	Permits	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Region 1 High Plains	Multi-Family	59	4	56	2	20	120	58	23	2	126
	Single-Family	114	102	100	120	220	235	195	127	111	77
	Total	173	106	156	122	240	355	253	150	113	203
Region 2 Northwest Texas	Multi-Family	38	8	83	0	90	64	47	93	3	38
	Single-Family	48	44	47	115	71	222	267	193	137	141
	Total	86	52	130	115	161	286	314	286	140	179
Region 3 Metroplex	Multi-Family	30	166	26	229	56	253	80	258	126	179
	Single-Family	175	260	386	371	394	349	361	291	167	183
	Total	205	426	412	600	450	602	441	549	293	362
Region 4 Upper East Texas	Multi-Family	94	79	262	120	60	131	155	175	102	77
	Single-Family	545	555	571	579	496	432	570	279	211	224
	Total	639	634	833	699	556	563	725	454	313	301
Region 5 Southeast Texas	Multi-Family	158	242	21	43	6	261	112	19	22	292
	Single-Family	259	411	411	402	410	662	449	484	515	490
	Total	417	653	432	445	416	923	561	503	537	782
Region 6 Gulf Coast	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
Region 7 Capital	Multi-Family	199	114	364	294	196	24	37	36	18	34
	Single-Family	678	754	698	722	767	848	791	661	390	398
	Total	877	868	1,062	1,016	963	872	828	697	408	432
Region 8 Central Texas	Multi-Family	24	244	20	34	101	82	64	16	8	4
	Single-Family	176	167	161	162	197	220	195	161	143	108
	Total	200	411	181	196	298	302	259	177	151	112
Region 9 San Antonio	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
Region 10 Coastal Bend	Multi-Family	54	42	8	10	76	4	50	2	0	0
	Single-Family	85	115	108	121	169	189	123	103	79	89
	Total	139	157	116	131	245	193	173	105	79	89
Region 11 South Texas Border	Multi-Family	49	114	148	32	26	142	20	14	139	59
	Single-Family	401	446	413	413	453	452	406	254	212	229
	Total	450	560	561	445	479	594	426	268	351	288
Region 12 West Texas	Multi-Family	2	136	0	17	73	56	63	4	0	64
	Single-Family	74	45	42	66	115	111	262	150	89	78
	Total	76	181	42	83	188	167	325	154	89	142
Region 13 Upper Rio Grande	Multi-Family	0	0	0	0	2	2	2	0	0	0
	Single-Family	107	93	98	105	126	41	45	40	34	23
	Total	107	93	98	105	128	43	47	40	34	23
Sum of Rural Regions	Multi-Family	955	1,308	1,008	1,062	968	1,394	1,362	689	445	1,309
	Single-Family	3,070	3,419	3,478	3,870	3,936	4,181	4,121	3,149	2,443	2,488
	Total	4,025	4,727	4,486	4,932	4,904	5,575	5,483	3,838	2,888	3,797
Urban Areas	Multi-Family	37,472	41,101	42,073	38,734	43,465	52,500	57,180	49,208	16,930	20,195
	Single-Family	108,845	119,494	134,015	147,474	162,357	158,851	116,245	77,958	65,787	65,675
	Total	146,317	160,595	176,088	186,208	205,822	211,351	173,425	127,166	82,717	85,870
State of Texas	Multi-Family	38,427	42,409	43,081	39,796	44,433	53,894	58,542	49,897	17,375	21,504
	Single-Family	111,915	122,913	137,493	151,344	166,293	163,032	120,366	81,107	68,230	68,163
	Total	150,342	165,322	180,574	191,140	210,726	216,926	178,908	131,004	85,605	89,667

Source: SOCDs Building Permits Database at <http://socds.huduser.org/permits/index.html>

Note: Rural region data is limited to only the counties that met the rural county designation

Residential building permit activity for the rural regions, urban areas and overall state of Texas grew steadily between 2001 and 2006, then declined beginning in 2007 and extended through 2009. The decline coincides with the national recession and corresponding housing crisis. The initial permit activity decline that began in 2007 was mild in the rural regions of Texas, decreasing by only 1.6% in 2007, compared with the urban areas decline of 17.9% and the overall Texas decline of 17.5%. Since the peak permit activity of 2006, permit filings declined by 48.2% in rural regions by 2009, while permit activity during this same time period in urban markets declined by 60.9% and in overall Texas the decline was 60.5%. Between 2009 and 2010 (2011 data was not available), residential permit activity, representative of new housing development, increased by 31.5% in the rural regions, but only increased by 3.8% in urban areas and 4.8% in overall Texas. As such, rural regions experienced the least decline in residential permit activity during the national recession and have had the most rapid recovery since 2009.

2. FOR-SALE HOUSING

In order to evaluate the available affordable housing that is typically offered in rural Texas, we attempted to identify for-sale residential units in each of the subject study areas. Because the focus of this report is on affordable housing option in rural Texas, we limited our research of for-sale product to housing units priced at \$300,000 and lower, though most low-income households can likely afford housing only up to \$200,000. It is important to evaluate some housing priced above \$200,000 in order to get a better perspective on the broader for-sale market.

Through various public resources, we identified 13,881 housing units within the 13 study regions that were advertised as “for sale” housing. Virtually all of the product we surveyed included single-family home listings, a limited number of duplexes, manufactured homes, and other non-conventional product were identified. For the purposes of evaluating the for-sale data presented in this report, it should be assumed that most of the product are single-family home dwellings. While there are likely some other for-sale residential units available for purchase, such homes were not identified during our research due to the method of advertisement or simply because the product was not actively marketed. We also used published reports that included residential foreclosure filings.

The for-sale data we collected and analyzed includes the following:

- Distribution of Housing by Price Point
- Distribution of Housing by Bedrooms
- Distribution of Housing by Year Built
- Distribution of Housing by Housing Value (2000 & 2010)
- Foreclosure Data

Beyond our analysis of the characteristics and trends of the affordable for-sale housing market, we also considered the available housing units by price point in our demand estimates for housing units by targeted income levels in Section VI of this report.

The tables on the following pages provide detailed data of all available for-sale housing units identified in each of the study areas.

The available for-sale housing stock by price point for each of the 13 regions 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
Region 1 High Plains	425	\$64,752	143	\$121,469	140	\$166,909	72	\$243,740
Region 2 Northwest Texas	703	\$61,287	184	\$122,610	215	\$169,961	100	\$255,445
Region 3 Metroplex	521	\$65,605	276	\$123,033	383	\$173,695	333	\$251,885
Region 4 Upper East Texas	1,333	\$65,779	595	\$121,241	637	\$169,840	601	\$250,247
Region 5 Southeast Texas	721	\$67,061	353	\$123,517	408	\$170,232	311	\$253,471
Region 6 Gulf Coast	229	\$70,583	175	\$124,259	226	\$168,521	159	\$252,208
Region 7 Capital	263	\$72,820	161	\$122,373	247	\$173,079	304	\$256,962
Region 8 Central Texas	593	\$64,159	296	\$124,782	359	\$168,342	236	\$255,693
Region 9 San Antonio	71	\$77,253	124	\$122,456	187	\$170,918	249	\$251,719
Region 10 Coastal Bend	254	\$66,784	67	\$121,953	102	\$168,029	64	\$246,049
Region 11 South Texas Border	197	\$68,649	129	\$119,165	154	\$168,752	132	\$247,615
Region 12 West Texas	177	\$64,511	69	\$123,090	76	\$166,768	51	\$249,304
Region 13 Upper Rio Grande	19	\$74,863	14	\$123,842	33	\$168,542	10	\$253,840
Total	5,506	\$65,926	2,586	\$122,569	3,167	\$170,089	2,622	\$252,145

Source: Realtor.com; Bowen National Research

Approximately 40% of all for-sale housing identified is priced below \$100,000, providing a large supply of for-sale housing that would be available to low-income and very low-income households. The average price for product priced below \$100,000 is \$65,926, likely yielding a monthly mortgage payment that would be comparable to many affordable rental housing rates.

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
Region 1 High Plains	4	\$58,110	113	\$66,552	506	\$109,656	134	\$136,684	21	\$184,219
Region 2 Northwest Texas	27	\$79,638	287	\$79,456	697	\$109,662	168	\$157,686	27	\$132,359
Region 3 Metroplex	26	\$90,099	283	\$113,530	929	\$144,964	247	\$182,705	21	\$168,833
Region 4 Upper East Texas	79	\$80,416	516	\$99,587	1,971	\$133,680	465	\$163,412	101	\$175,864
Region 5 Southeast Texas	43	\$78,100	331	\$88,822	1,062	\$137,220	302	\$173,919	41	\$191,163
Region 6 Gulf Coast	39	\$108,622	189	\$131,781	443	\$148,631	102	\$177,713	8	\$226,650
Region 7 Capital	45	\$162,151	261	\$146,256	538	\$168,798	96	\$180,439	16	\$245,856
Region 8 Central Texas	36	\$70,924	326	\$95,503	847	\$136,329	235	\$168,994	34	\$184,929
Region 9 San Antonio	13	\$158,323	150	\$149,683	400	\$193,637	58	\$196,670	6	\$225,733
Region 10 Coastal Bend	10	\$87,862	82	\$81,044	287	\$115,791	85	\$154,862	23	\$181,739
Region 11 South Texas Border	11	\$103,402	105	\$106,725	353	\$141,583	119	\$176,458	21	\$190,114
Region 12 West Texas	4	\$86,219	69	\$88,871	235	\$122,078	55	\$156,863	8	\$182,100
Region 13 Upper Rio Grande	4	\$164,126	25	\$122,900	35	\$171,734	10	\$141,190	1	\$79,900
Total	341	\$98,529	2,737	\$104,846	8,303	\$137,697	2,076	\$168,216	328	\$181,969

Source: Realtor.com; Bowen National Research

More than three-quarters of all available for-sale housing units identified are three-bedroom or larger units, while just over 20% of units are one- or two-bedroom units. The variety of bedroom types offered in the rural regions should be able to accommodate most household sizes. The shares of units by bedroom type of the available for-sale housing identified in the rural regions of Texas are very similar to the U.S. Census Bureau 2010 estimated shares of all owner-occupied housing units for the rural regions. As such, the available for-sale housing stock in rural Texas appears to be in-line with the overall owner-occupied rural housing market.

The age of the available for-sale product by 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
Region 1 High Plains	35	\$171,846	14	\$153,485	32	\$136,067	210	\$124,356	176	\$80,440
Region 2 Northwest Texas	75	\$172,952	41	\$135,528	89	\$146,907	302	\$124,752	284	\$83,634
Region 3 Metroplex	237	\$185,840	176	\$173,223	252	\$156,054	524	\$142,489	259	\$90,132
Region 4 Upper East Texas	282	\$171,350	313	\$158,758	412	\$128,808	1,089	\$142,451	481	\$102,972
Region 5 Southeast Texas	152	\$182,470	115	\$153,307	196	\$141,579	697	\$127,757	151	\$107,660
Region 6 Gulf Coast	68	\$181,201	73	\$191,724	64	\$157,846	374	\$142,737	159	\$125,090
Region 7 Capital	111	\$203,343	128	\$179,477	142	\$158,060	374	\$165,395	108	\$138,602
Region 8 Central Texas	145	\$173,333	113	\$159,904	205	\$151,577	539	\$131,531	263	\$110,790
Region 9 San Antonio	54	\$187,204	53	\$202,654	83	\$196,379	223	\$181,873	67	\$151,657
Region 10 Coastal Bend	35	\$163,877	22	\$158,199	27	\$150,925	118	\$123,932	168	\$1,938,175
Region 11 South Texas Border	106	\$178,869	50	\$158,224	102	\$160,581	210	\$130,535	70	\$112,529
Region 12 West Texas	32	\$166,984	16	\$182,250	12	\$165,981	85	\$129,468	122	\$107,619
Region 13 Upper Rio Grande	8	\$143,413	3	\$158,999	9	\$177,810	25	\$162,172	24	\$143,941
Total	1,340	\$179,409	1,117	\$166,587	1,625	\$148,639	4,770	\$139,711	2,332	\$104,881

Source: Realtor.com; Bowen National Research

Over 15.0% of all available for-sale housing units were built over 50 years ago. The average price of these units is \$104,881. While some low-income households could afford these lower-priced units, the fact that the units are at least 50 years old is a possible indication that these units are of lower quality and/or have greater maintenance needs. As such, residents purchasing and occupying such units will likely endure higher utility costs and possibly higher maintenance and repair costs. While nearly a third of identified available for-sale units were built in the past 20 years, the average price starts at \$148,639 for product built in the decade of 1991 to 2000. Product priced at this level may be a financial challenge for some

lower income households due to their inability to afford the monthly mortgage payment, provide the down payment or secure financing.

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+
Region 1 High Plains	2000	36,035 45.9%	14,856 18.9%	10,953 14.0%	7,287 9.3%	5,574 7.1%	2,153 2.7%	1,610 2.1%
	2010	24,025 32.0%	14,191 18.9%	10,214 13.6%	8,208 10.9%	11,201 14.9%	3,570 4.8%	3,705 4.9%
Region 2 Northwest Texas	2000	32,255 47.4%	12,573 18.5%	8,797 12.9%	5,525 8.1%	4,896 7.2%	1,834 2.7%	2,179 3.2%
	2010	22,520 34.2%	11,626 17.6%	8,665 13.1%	6,677 10.1%	9,013 13.7%	3,180 4.8%	4,247 6.4%
Region 3 Metroplex	2000	17,106 28.4%	9,971 16.5%	9,284 15.4%	7,301 12.1%	8,141 13.5%	3,990 6.6%	4,536 7.5%
	2010	9,499 14.2%	8,198 12.2%	7,225 10.8%	6,810 10.1%	14,908 22.2%	7,090 10.6%	13,399 20.0%
Region 4 Upper East Texas	2000	52,213 33.1%	29,333 18.6%	26,681 16.9%	17,826 11.3%	17,631 11.2%	7,310 4.6%	6,935 4.4%
	2010	30,873 18.6%	23,568 14.2%	21,285 12.8%	20,215 12.1%	36,037 21.7%	14,350 8.6%	20,094 12.1%
Region 5 Southeast Texas	2000	35,487 37.8%	17,744 18.9%	14,587 15.5%	10,121 10.8%	9,195 9.8%	3,462 3.7%	3,370 3.6%
	2010	21,701 22.4%	15,534 16.1%	12,531 13.0%	12,240 12.7%	18,527 19.2%	7,128 7.4%	9,077 9.4%
Region 6 Gulf Coast	2000	11,455 31.6%	6,793 18.7%	5,740 15.8%	4,653 12.8%	3,968 10.9%	1,883 5.2%	1,777 4.9%
	2010	6,887 18.8%	5,117 13.9%	4,915 13.4%	4,391 12.0%	7,976 21.7%	2,977 8.1%	4,442 12.1%
Region 7 Capital	2000	5,954 19.5%	4,341 14.2%	4,371 14.3%	3,877 12.7%	5,206 17.0%	2,714 8.9%	4,118 13.5%
	2010	3,357 9.4%	2,663 7.5%	3,132 8.8%	3,171 8.9%	8,066 22.7%	4,554 12.8%	10,613 29.8%
Region 8 Central Texas	2000	22,182 34.0%	11,949 18.3%	9,646 14.8%	6,687 10.2%	7,385 11.3%	3,424 5.2%	4,035 6.2%
	2010	13,758 20.0%	9,714 14.1%	8,560 12.5%	7,754 11.3%	13,252 19.3%	5,921 8.6%	9,763 14.2%
Region 9 San Antonio	2000	6,751 25.7%	3,509 13.4%	3,468 13.2%	3,260 12.4%	4,107 15.7%	2,010 7.7%	3,133 11.9%
	2010	4,350 15.0%	2,639 9.1%	2,533 8.8%	2,560 8.9%	6,063 21.0%	3,346 11.6%	7,417 25.7%
Region 10 Coastal Bend	2000	22,992 42.6%	10,872 20.2%	7,141 13.2%	5,010 9.3%	4,352 8.1%	1,799 3.3%	1,746 3.2%
	2010	15,312 28.7%	9,441 17.7%	7,765 14.6%	5,400 10.1%	8,598 16.1%	2,980 5.6%	3,835 7.2%
Region 11 South Texas Border	2000	27,454 50.9%	10,397 19.3%	7,223 13.4%	3,866 7.2%	2,840 5.3%	1,188 2.2%	970 1.8%
	2010	17,104 29.1%	11,205 19.1%	8,320 14.2%	6,270 10.7%	9,951 16.9%	2,656 4.5%	3,246 5.5%

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

Note: Rural region data is limited to only the counties that met the rural county designation

(Continued)

		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+
Region 12 West Texas	2000	24,738 52.4%	8,592 18.2%	5,106 10.8%	3,690 7.8%	2,766 5.9%	1,001 2.1%	1,361 2.9%
	2010	17,128 37.2%	8,437 18.3%	6,077 13.2%	3,934 8.5%	5,956 12.9%	1,916 4.2%	2,600 5.6%
Region 13 Upper Rio Grande	2000	3,041 48.9%	1,009 16.2%	684 11.0%	515 8.3%	414 6.7%	241 3.9%	314 5.0%
	2010	2,105 33.0%	1,014 15.9%	726 11.4%	594 9.3%	914 14.3%	320 5.0%	705 11.1%
Sum of Rural Regions	2000	297,663 38.2%	141,939 18.2%	113,681 14.6%	79,618 10.2%	76,475 9.8%	33,009 4.2%	36,084 4.6%
	2010	188,619 23.4%	123,347 15.3%	101,948 12.7%	88,224 10.9%	150,462 18.7%	59,988 7.4%	93,143 11.6%
Urban Areas	2000	653,864 16.6%	579,273 14.7%	652,970 16.6%	592,238 15.0%	707,620 18.0%	345,290 8.8%	407,235 10.3%
	2010	453,897 9.4%	517,168 10.7%	470,757 9.8%	525,805 10.9%	1,278,493 26.5%	535,031 11.1%	1,040,511 21.6%
State of Texas	2000	951,527 20.2%	721,212 15.3%	766,651 16.3%	671,856 14.2%	784,095 16.6%	378,299 8.0%	443,319 9.4%
	2010	642,516 11.4%	640,515 11.4%	572,705 10.2%	614,029 10.9%	1,428,955 25.4%	595,019 10.6%	1,133,654 20.1%

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

Note: Rural region data is limited to only the counties that met the rural county designation

The majority of the existing housing stock in the rural regions of Texas is among housing with estimated values below \$100,000, while urban areas and the overall state of Texas have lower shares of this lower-priced housing stock. Based on estimates provided by ESRI, nearly two-thirds (62.3%) of the existing housing in rural regions of Texas are valued below \$100,000, while the share of product priced below \$100,000 in urban areas of Texas is 40.8%, which is slightly below the state average of 43.9%. As such, the rural regions have a relatively large base of housing stock that would be potentially affordable to low-income households.

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

	Total Foreclosures (10/2010-9/2011)
Region 1 High Plains	132
Region 2 Northwest Texas	173
Region 3 Metroplex	662
Region 4 Upper East Texas	670
Region 5 Southeast Texas	232
Region 6 Gulf Coast	131
Region 7 Capital	389
Region 8 Central Texas	432
Region 9 San Antonio	107
Region 10 Coastal Bend	184
Region 11 South Texas Border	159
Region 12 West Texas	61
Region 13 Upper Rio Grande	4
Total	3,336

Source: www.realtytrac.com

Note: Rural region data is limited to only the counties that met the rural county designation

With only a total 3,336 foreclosure filings within the rural regions over the preceding 12 months (October 2010 to September 2011), it appears that foreclosure activity is not a significant factor in the rural housing market. These foreclosures represent only 0.4% of all owner-occupied housing units in the rural regions of Texas. Regions 3 (Metroplex Region), 4 (Upper East Texas Region), and 8 (Central Texas Region) had the largest number of foreclosure filings in the past 12 months, while there were very few filings in Regions 12 (West Texas Region) and 13 (Upper Rio Grande Region).

VI. 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

- **Housing for Persons with Disabilities**
 - 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

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

- **Barriers to Housing Development**
 - 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

- **Residential Development Financing**
 - 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. Further, some comments made by stakeholders may contradict quantitative data presented in this report. We have not, however, addressed such contradictions in this section of the report, as the purpose of these stakeholder interviews is simply to provide the insight and opinions of various stakeholders within Texas.

A. STATEWIDE SUMMARIES

Many of the stakeholders that we spoke with addressed rural housing development issues on a statewide level rather than a regional level. Although the interviews that were conducted did not provide information on a specific region or county, it was none the less deemed valuable in providing insight into the development of affordable housing in rural areas throughout the state. Opinions on affordable housing issues were sought from many disciplines throughout the housing industry including regional and state government officials, developers, grant writers, finance organizations, and special needs advocates. The following are key findings from our interviews.

1. Housing Need

Based on stakeholder observations, the population groups that have a high percentage of persons earning 30% or less of the Area Median Household Income (extremely low-income) have the most difficulty accessing safe, decent and affordable housing. These groups include persons with disabilities, seniors (persons age 55 and above) and farmworkers. This issue is often compounded by the fact that median incomes and rents in rural areas are often low, although housing construction and operational costs are not proportionally lower. Due to this dichotomy, deep per unit subsidies are often needed in these rural areas to make a project financially feasible. However, federal and state programs typically do not consider this a factor in determining the allocation of funds. The top three types of housing needed in rural Texas are affordable single-family homes, rehabilitation or repair of owner-occupied single-family for-sale homes, and affordable single-family rental homes.

The consensus among the statewide stakeholders that we spoke with points to the need for both rental and homeownership programs in rural Texas. Often the only homeownership option for low- and extremely low-income groups is manufactured housing, since support for new construction or rehabilitation of existing housing stock is limited. The need for rental housing also exists in rural Texas as credit qualification has become increasingly difficult and has created greater restrictions on first-time homebuyer financing.

As indicated in the regional housing studies, some regional areas are best served by rehabilitation of existing housing stock while others are in need of new construction. This is, to a great degree, based on local need and state and federal housing programs that allow for flexibility in funding choice, which would provide the greatest benefit.

Many of the developers that we spoke with indicated that rehabilitation of existing housing stock was often less cost effective than demolition and reconstruction, due to stringent environmental and safety regulations.

2. Housing for Seniors/Persons with Disabilities

Statewide stakeholders stated that there is an increasing need for affordable senior housing in rural areas of Texas as well as throughout the state. As the population of those 55 and older continues to grow, this will become an increasing problem if not addressed on a proactive basis.

According to research sighted by a senior housing advocate, seniors prefer to age in place for as long as possible and this research demonstrates people who remain in their own home have clinically favorable outcomes. This supports the need for program financing for owner-occupied housing rehabilitation and accessibility modifications such as the TDHCA Amy Young Barrier Removal Program. The Amy Young Barrier Removal Program provides one-time grants of up to \$20,000 to persons with disabilities, whose household income does not exceed 80% of the Area Median Family Income for home modifications necessary for accessibility and the elimination of hazardous conditions. Program beneficiaries may be tenants or homeowners. To age in place, rural seniors will need accessible and available rural transit to provide access to community, medical and social services.

For both seniors and persons with disabilities, there is a need for low-income rural rental housing affordable to individuals on SSI (\$674 per month) or seniors that are on a fixed income. These rental units should be accessible and integrated as well as within close proximity to goods and services or have access to some form of accessible transportation.

3. Barriers to Housing Development

According to stakeholders as well as developers, the critical barriers to the development of affordable housing are financing, financing complexity and the lack of financing options, lack of infrastructure, and availability of community services and transportation.

The difficulty of making a small, affordable, rental housing project financially feasible was often cited as the main impediment to rural housing development. Without deep subsidies, which are very limited, developers cannot make these projects work since larger projects need to be built to offset higher construction costs. However, due to the limited number of qualified tenants, the larger projects cannot meet the occupancy needed to keep them solvent. Lack of infrastructure and aging infrastructure are also major obstacles. Infrastructure is critical to a cost efficient development; however, the primary federal (USDA and CDBG) and state programs (Housing Trust Fund) have seen decreases in funding support for infrastructure upgrades and construction recently. Construction and supply costs are also prohibitive of building a small number of single-family homes, as transportation of materials to rural areas of Texas can drive up

cost. The availability of construction financing is also a hurdle to developing affordable housing, as local or small regional banks are not often involved in providing lines of credit for construction-only financing. Lastly, many stakeholders cited the difficulty of understanding and navigating available financing options and the costs associated with the application process, in particular for less experienced housing providers (small rural towns or housing authorities) and those with limited staffing.

Since available community services receive scoring priority this can be a limiting factor to development in rural areas.

4. Residential Development Financing

Simplification of the application process so that cost and difficulty of applying for development funds are significantly reduced would help developers of rural housing. For example, one stakeholder cited that a Tax Credit application cost \$25,000 to coordinate. It was estimated that HOME and HTF applications for development funding typically cost \$15,000 or more for third party reports and staff time. A funding clearinghouse that provided technical assistance would be helpful.

Improving coordination among state and federal funders so that applications and program oversight is complementary and consistent would be a benefit.

Funding approval and closing (i.e. fund disbursement) timelines should be reduced so that applicants can act more like other non-subsidized housing providers and developers.

Although the LIHTC program was identified as being difficult to use by some, developers and stakeholders believe that this program has had a positive impact on the number of affordable rental housing projects in rural Texas. The very competitive nature of the program with somewhat limited funding was also mentioned as a limitation to the program.

The HOME program was the other program most often cited as working well in rural areas of Texas.

5. Conclusions

In general, stakeholders indicated that the TDHCA or other federal, state or local governments should increase funding availability for rural regions of Texas for affordable housing. Also, a local presence by state organizations would assist those developing funding options to better understand the needs of rural communities.

Greater efficiency in the allocation and disbursement of funding and reduction in overall regulation upon affordable housing providers will increase the number of units created and preserved.

As previously mentioned, any programs that assist with training and technical assistance for less experienced housing providers will result in more housing providers capable of developing affordable housing and in turn potentially increase distribution of affordable housing across the state.

With regard to for-profit and non-profit developers, housing authorities and other housing providers, coordination between these entities would help increase affordable housing in rural Texas.

B. REGIONAL SUMMARIES

Region 1 (High Plains)

1. Introduction

Region 1 is located in the far northern portion of the state of Texas. This region includes the following 35 counties that were classified as rural.

Counties in Region			
Bailey	Briscoe	Castro	Childress
Cochran	Collingsworth	Dallam	Deaf Smith
Dickens	Donley	Floyd	Garza
Gray	Hale	Hall	Hansford
Hartley	Hemphill	Hockley	Hutchinson
King	Lamb	Lipscomb	Lynn
Moore	Motley	Ochiltree	Oldham
Parmer	Roberts	Sherman	Swisher
Terry	Wheeler	Yoakum	

In Hockley, Lynn, Terry, Roberts and nearby surrounding counties the Permian Basin oil and natural gas shale deposits are playing a prominent role in the need for additional affordable multifamily housing. In the counties not affected by the boom in the energy extraction industry, there is a greater need for affordable single-family homes.

Based on the Bowen National Research rental housing inventory count, there are 3,081 affordable rental housing units in the region's study counties. Of those properties we were able to survey, 96.2% were occupied, with many of the projects maintaining long waiting lists. Based on the American Community Survey and U.S. Census data, there are 9,434 mobile homes in the region. Bowen National Research was able to survey mobile home parks with 192 lots/homes. These mobile home parks had a 72.9%

occupancy/usage rate, which is below the overall state average of 86.1%. Finally, Bowen National Research identified 780 for-sale housing units in the region. These 780 available homes represent 1.0% of the 75,579 owner-occupied housing units in the region, an indication of limited availability of for-sale housing alternatives. It is of note that more than half (54.5%) 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, both the area associated with the oil and natural gas industry and the remaining counties in the region are in need of additional affordable housing as availability of housing has become an issue. Much of the existing rental housing stock is viewed as poor quality and overpriced. Non-subsidized rental housing in counties impacted by the energy extraction industry boom, whether it is acceptable quality or not, is rented at higher than affordable rents because the demand is great. Tax Credit and subsidized housing is typically full with a waiting list in both areas.

3. Housing Need

Representatives believe that the greatest need for affordable housing is for families with the head of the household being in the 25 to 40 year old age range. In counties experiencing an influx of energy extraction industry workers, representatives state that the greatest need is for additional market-rate multifamily apartments as well as affordable multifamily units. Non-subsidized apartments that served moderate-income ranges in the past are now being rented to workers in the oil and gas industry at higher rents, which in turn is driving the demand for additional affordable housing.

In counties outside energy extraction industry influence, representatives feel that affordable single-family homes, either rental or for-sale, as well as small, possibly duplex or triplex units would be the best solution to housing demand.

In both the areas affected by the energy extraction industry and rural counties not affected by this rapid population growth, moderate-income housing is in the shortest supply with applicants for affordable housing often making slightly above income qualifying limits. New construction should be the focus of funding in the area as additional housing is needed more than revitalization of existing housing stock.

4. Housing for Seniors/Persons with Disabilities

According to representatives, the senior population and persons with disabilities are well served in the area with little demand for additional affordable housing.

5. Barriers to Housing Development

In areas where the energy extraction industry is prevalent, the rapid increase in the need for housing has been the greatest obstacle along with rising land costs and limited availability of local contractors. Many developers are also reluctant to begin projects as they are uncertain as to how long this boom will play out and feel that a multifamily development in these rural areas are associated with too great a risk.

In other areas of the region, lack of financing programs for smaller developments is the greatest barrier to the development of additional housing.

6. Residential Development Financing

Additional funding for grants through the HOME program would provide the greatest assistance in those areas not associated with the energy extraction industry. Methodology changes in regard to distribution of funds to rural areas would have the greatest impact on housing, as much of the funding dollars go to exurban areas rather than truly rural areas in Texas. HOME program set asides for rural areas should be more specific as to the definition of rural and also provide additional incentives to develop in areas with populations below 10,000 people.

7. Conclusions

Due to the influx of energy extraction industry employees in the region, two separate areas of affordable housing need must be addressed in this region. In areas where the energy extraction industry has brought an influx of workers and renters, housing costs, particularly among rentals, has escalated significantly. This has limited the availability of affordable housing for low-income households. The development of market-rate housing and affordable housing would alleviate some of the rental rate pressure that has been occurring in the region.

The primary barriers to development cited for this region included the lack of available contractors, rapidly escalating land costs, and concerns over the duration of the growing and strong job and housing markets. Additional grant funding through the HOME program and funding availability for small-scale projects were cited as possible solutions for assisting housing development in the rural areas of this region.

Region 2 (Northwest)

1. Introduction

Region 2 is located in the north-central portion of the state of Texas. This region includes the following 24 counties that were classified as rural.

Counties in Region			
Baylor	Brown	Coleman	Comanche
Cottle	Eastland	Fisher	Foard
Hardeman	Haskell	Jack	Kent
Knox	Mitchell	Montague	Nolan
Runnels	Scurry	Shackelford	Stephens
Stonewall	Throckmorton	Wilbarger	Young

Of the 24 rural counties in the High Plains region of Texas, ten of those counties are designated “frontier counties.” Frontier areas are sparsely populated rural areas that are isolated from population centers and services. While frontier is sometimes defined as having a population density of seven or fewer people per square mile this does not take into account other important factors that may isolate a community. These areas pose significant challenges with regard to providing support services for persons with disabilities and seniors and with developing housing projects that are financially feasible.

Based on the Bowen National Research rental housing inventory count, there are 5,337 affordable rental housing units in the region’s study counties. Of those properties we were able to survey, 96.4% were occupied, with many of the projects maintaining long waiting lists. Based on the American Community Survey and U.S. Census data, there are 9,007 mobile homes in the region. Bowen National Research was able to survey mobile home parks with 170 lots/homes. These mobile home parks had an 82.9% occupancy/usage rate, which is below the overall state average of 86.1%. Finally, Bowen National Research identified 1,202 for-sale housing units in the region. These 1,202 available homes represent 1.8% of the 66,520 owner-occupied housing units in the region, an indication of limited availability of for-sale housing alternatives. It is of note that more than half (58.5%) 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

Opinions on existing housing stock were varied. While some of the representatives that we spoke with indicated that in general existing housing stock is affordable, and older, and is of decent quality, an equal number believed that affordable housing stock was deteriorating and as new affordable housing is brought online sales and rental of the older housing stock suffers. Local officials also noted that there has been some recent development of Tax Credit housing and they believe this is affordable to individuals at moderate-income levels. The subsidized public housing is typically fully occupied and many of the properties maintain a waiting list. Affordable non-subsidized housing is often of poorer quality and is general older.

3. Housing Need

Representatives had varied opinions on the need for additional affordable housing as well. Although it was not the consensus of all stakeholders, many felt that although subsidized and Tax Credit rental properties are fully occupied, there is not a great demand for additional affordable housing units. Those believing that there was a need for additional affordable housing felt that two- or three-bedroom rental units designed for families, possibly single-family home rentals for households at low- to moderate-income levels would best serve the area. Revitalization of existing older housing stock, especially for seniors, was viewed as the priority over new construction of affordable housing units.

4. Housing for Seniors/Persons with Disabilities

Additional affordable housing is needed for seniors and persons with disabilities in the region, but it was stated by stakeholders that the housing needs to be truly affordable. Much of the Tax Credit housing is too expensive (close to market rate rents) to be affordable. Also an expansion of funding for the renovation of owner-occupied housing with the purpose to bring substandard housing up to safe living standards and to provide accessibility upgrades to housing so that seniors or persons with disabilities can remain in place is needed. New affordable housing projects should continue to provide accessible units so that persons with disabilities are integrated into communities, meeting not just housing needs but social needs as well. Access to community services, medical services and social services is an important component in determining where housing is located. That being said, the regional Area Agency on Aging does assist seniors and persons with disabilities in connecting with transportation service providers in nearly all local counties. In many of the rural areas local senior centers provide support and assist with coordination of services.

5. Barriers to Housing Development

Lack of funding and lack of community services are seen as the greatest barriers to housing development in the High Plains Region of Texas. In very rural regions in the area development financing is not geared toward either small rental housing projects or rental single-family home development. Funding incentives are not in place to spur these types of development.

For seniors and persons with disabilities, lack of readily available community services and social services is a major obstacle to development of housing. Available, accessible public transportation would be the greatest asset to special needs populations as well as coordinated efforts among local and regional entities who assist with providing these services and supports.

6. Residential Development Financing

Financing priorities for housing according to local representatives should focus on the First Time Home Buyer program as well as programs to aid in the development of single-family rental housing. Senior housing and housing for persons with disabilities needs to be subsidized at a level that persons on a fixed income or receiving SSI (\$674 per month) are able to afford the housing. Also additional funding is needed to assist with residential repair costs which allow seniors to age in place.

7. Conclusions

While opinions were mixed on the actual need for housing, those respondents who stated there is a need for additional housing in the region indicated that single-family homes would best meet the need for families while adaptive reuse and revitalization of existing structures would best serve seniors. First-time homebuyer programs in rural communities were cited as a program type that could assist with placing low to moderate income families into single-family homes. Additional funding was cited as a need to help repair or maintain the existing homes of seniors to help them stay in their homes longer and to allow them to age in place.

Region 3 (Metoplex)

1. Introduction

Region 3 is located in the northeast portion of the state of Texas, near the Dallas-Fort Worth area. This region includes the following seven counties which were classified as rural.

Counties in Region			
Cooke	Erath	Fannin	Hood
Navarro	Palo Pinto	Somerville	-

According to representatives from the Metroplex Region of Texas, it has been difficult to attract developers to the rural areas in this region due to their close proximity to the Dallas-Fort Worth-Arlington Metropolitan Statistical Area.

Based on the Bowen National Research rental housing inventory count, there are 3,157 affordable rental housing units in the region's study counties. Of those properties we were able to survey, 96.9% were occupied, with many of the projects maintaining long waiting lists. Based on American Community Survey and U.S. Census data, there are 15,623 mobile homes in the region. Bowen National Research was able to survey mobile home parks with 143 lots/homes. These mobile home parks had a 79.0% occupancy/usage rate, which is below the overall state average of 86.1%. Finally, Bowen National Research identified 1,531 for-sale housing units in the region. These 1,513 available homes represent 2.3% of the 66,591 owner-occupied housing units in the region, an indication of limited availability of for-sale housing alternatives. It is of note that 34.4% of the for-sale housing stock is priced below \$100,000.

2. Existing Housing Stock

Within the region, some new affordable multifamily housing has come on line within the past five years; however, non-subsidized affordable rental housing is typically substandard in quality. For-sale housing, although available, is most often not considered to be affordable for households in the low- to moderate-income ranges.

3. Housing Need

The segment of the population with the greatest need for housing in this region would be for individuals and families in the moderate-income range. To some degree, the need for affordable rental housing has been met with the new construction of multifamily Tax Credit apartments in Palo Pinto and Erath counties. However, according to local representatives, these affordable rental projects are typically fully occupied with a waiting list demonstrating

some additional demand. Anticipated increases in employment with the reopening of the correctional facility in Coke County will also increase the need for additional affordable single-family and multifamily workforce housing for moderate-income employees.

4. Housing for Seniors/Persons with Disabilities

According to representatives that we spoke to within the region, there is a greater demand for family affordable housing than senior housing.

5. Barriers to Housing Development

The greatest barrier to the development of additional affordable housing units in rural counties in this region is the close proximity of these counties to the Dallas-Fort Worth-Arlington MSA and the lack of developer interest. Development of affordable housing in urban or suburban areas is much easier to obtain financing for as there is a large pool of qualified tenants, community services are easily accessible and infrastructure is already in place.

6. Residential Development Financing

The LIHTC program has worked well, as has the HOME program. The HOME program has been used successfully in the area to replace five existing substandard homes according to one local community representative. Other projects modeled along these lines can assist with the need for infill housing in smaller communities. The LIHTC projects in Palo Pinto and Erath are fully occupied and additional funding for the LIHTC program for projects of this type is still needed.

7. Conclusions

While some affordable rental housing has been added to the region, the demand for affordable housing remains high, as evidenced by the high occupancy rates and waiting lists at most of the rental projects in the region. The primary barrier to developing affordable housing in the region is the region's proximity to the Dallas-Fort Worth-Arlington MSA, which has better development opportunities and financing options than the rural areas of the region. The LIHTC and HOME programs have worked well in this region and should continue to be supported.

Region 4 (Upper East Texas)

1. Introduction

Region 4 is located in the northeast portion of the state of Texas. This region includes the following 17 counties which were classified as rural.

Counties in Region			
Anderson	Camp	Cass	Cherokee
Franklin	Harrison	Henderson	Hopkins
Lamar	Marion	Morris	Panola
Rains	Red River	Titus	Van Zandt
Wood	-	-	-

According to representatives from the Upper East Region of Texas, the senior population in rural areas of the region is increasing, spurring the need for quality, safe and affordable senior housing.

Based on the Bowen National Research rental housing inventory count, there are 7,081 affordable rental housing units in the region's study counties. Of those properties we were able to survey, 98.5% were occupied, with many of the projects maintaining long waiting lists. Based on the American Community Survey and U.S. Census data, there are 42,585 mobile homes in the region. Bowen National Research was able to survey mobile home parks with 282 lots/homes. These mobile home parks had a 77.3% occupancy/usage rate, which is below the overall state average of 86.1%. Finally, Bowen National Research identified 3,166 for-sale housing units in the region. These 3,166 available homes represent 1.9% of the 164,550 owner-occupied housing units in the region, an indication of limited availability of for-sale housing alternatives. It is of note that 42.1% of the for-sale housing stock is priced below \$100,000.

2. Existing Housing Stock

Much of the existing housing was built between mid-1940 and the early 1960s with little development since. Existing manufactured housing in the area is typically of poor quality and there is little availability. Cost of manufactured housing and \$0 down payment programs make this type of housing appealing to many low-income households; however, local officials believe that manufactured housing typically deteriorates more quickly than traditional stick built single-family homes making this a less appealing choice for communities.

3. Housing Need

Need for affordable housing currently is split evenly between seniors and low- and moderate-income young families. If current trends persist there will be increasing demand for affordable senior housing according to local representatives.

In rural housing markets in this area, construction of large multifamily apartment projects is typically not financially feasible. Affordable single-family housing projects are more inline with the need, whether rental or owner-occupied housing, with three-bedroom homes best serving low-income households.

Older substandard housing in the region does not lend itself well to rehabilitation, as the costs of renovations typically exceed the cost of new construction once current environmental and energy code standards are complied with, making new construction the better alternative.

Funding for affordable housing for seniors 55 and older should be given first priority with family affordable rental projects and the first-time homebuyer program next in line for funding consideration.

4. Housing for Seniors/Persons with Disabilities

There is a demand for additional affordable senior housing and this need would be best met by the development of garden-style two-bedroom homes that are accessible, safe and secure. The greatest obstacle to the development of additional housing for seniors is funding.

5. Barriers to Housing Development

The major barriers to housing development in this region are the lack of infrastructure, the tight credit market and high construction costs in rural areas of the state.

6. Residential Development Financing

The previous TDHCA Housing Infrastructure Grant program worked well in rural areas, as it provided funding to develop or upgrade rural infrastructure which in turn was a cost reducing factor and incentive to developers to consider rural development projects.

The cost of living in rural areas is typically lower than urban areas however the cost of construction in these areas is considerably higher. Developers are forced to build these higher construction costs into the cost of rural development projects and often times they cannot make the project profitable or even feasible for non-profit organizations. Additional grants or subsidies to bridge the gap would assist developers in their efforts to make these projects work.

Consideration should be given to allowing developers to use state AMFI income limits as opposed to county limits when state limits are higher*, expanding the number of potential tenants that could income qualify for proposed projects.

Lastly, availability of local TDHCA representatives that have decision making capabilities would assist when questions of compliance arise.

7. Conclusions

While the minimal or no down payment requirements and low costs associated with manufactured homes makes this a viable housing option, some community representatives believe such housing has a short economic lifespan and does not add value to the community or to the land values as stick built homes would add. It is believed that the growing base of seniors will increase the need for more senior housing. Single-family housing development will help meet the needs of families. The lack of infrastructure, financial limitations and high construction costs were cited as the primary barriers to development.

Region 5 (Southeast Texas)

1. Introduction

Region 5 is located in the far eastern portion of the state of Texas. This region includes the following 11 counties which were classified as rural.

Counties in Region			
Angelina	Houston	Jasper	Nacogdoches
Newton	Polk	Sabine	San Augustine
Shelby	Trinity	Tyler	-

Hurricanes Dolly and Ike have had a major impact on housing issues in the Southeast Region of Texas according to representatives in the area. Along with the demand for additional affordable multifamily and single-family housing, officials in the area are still focusing on replacing manufactured homes that were destroyed in these storms.

*This is the interpretation of qualifying AMFI limits expressed by the stakeholder that we spoke with and does not necessarily represent accurate rural income limits as of 2008. Education regarding current rural income and rent limits may be appropriate to dispel misunderstandings.

Based on the Bowen National Research rental housing inventory count, there are 5,213 affordable rental housing units in the region's study counties. Of those properties we were able to survey, 96.8% were occupied, with many of the projects maintaining long waiting lists. Based on American Community Survey and U.S. Census data, there are 28,842 mobile homes in the region. Bowen National Research was able to survey mobile home parks with 422 lots/homes. These mobile home parks had a 95.0% occupancy/usage rate, which is well above the overall state average of 86.1%. Finally, Bowen National Research identified 1,793 for-sale housing units in the region. These 1,793 available homes represent 1.9% of the 95,693 owner-occupied housing units in the region, an indication of limited availability of for-sale housing alternatives. It is of note that 40.2% 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

Representatives from the region state that there is a need for additional affordable housing in rural areas throughout the region. Non-subsidized affordable rental housing is older and typically substandard, yet there are long waiting lists for subsidized affordable rental housing. There is also a demand for affordable for-sale single-family homes. A large number of existing manufactured housing in the area was destroyed in recent hurricanes.

3. Housing Need

The segment of the population that has the greatest need of affordable housing are households with low- to moderate-income levels and senior citizens.

It was the consensus of representatives in the area that a variety of housing types are needed to serve those residents with the greatest need for affordable housing. Two- and three-bedroom multifamily affordable rentals and quality affordable three-bedroom single-family homes would best serve housing needs in rural areas of the region. However, replacement of manufactured housing destroyed in recent hurricanes should be prioritized.

With increasing demand, it is believed that new construction of affordable housing should take precedence over revitalization of existing housing stock except for seniors who typically prefer to age in place.

Rental programs should be given priority in funding as it is typically under funded to meet the needs and demand of the region.

Due to the aftermath of hurricanes in the area, there is an ongoing effort to replace manufactured housing that was destroyed. CDBG disaster recovery funds are being utilized and to date 52 manufactured homes have been replaced with a total of 120 homes slated to be replaced in Phase I of the program. Phase II will begin upon the completion of Phase I and will include replacement of an additional 120 units of manufactured housing. The main hurdle associated with replacing these units has been proof of ownership issues; however, these issues will be addressed in Phase II of the program.

Manufactured housing is believed to be an affordable and quick option to meet the needs of low- to moderate-income families in the region. In more urban areas, manufactured housing is not necessarily accepted by the culture of the community. However, in rural areas residents see manufactured housing as a viable and affordable housing option.

4. Housing for Seniors/Persons with Disabilities

Low- to moderate-income seniors have the greatest need for housing assistance. Rehabilitation of existing owner-occupied homes is a great option, as many seniors do not wish to relocate.

5. Barriers to Housing Development

The common barriers to affordable residential development in rural markets in this region are financing, lack of infrastructure and towns within the region that have instated zoning laws prohibiting manufactured housing in there communities.

6. Residential Development Financing

The main recommendation with regard to residential development financing from local representatives dealt with issues of bureaucracy. In general, federal and state agencies need to streamline the process for applying for funding and compliance with regulations. With regard to the CDBG disaster recovery program, when questions arise regarding the proper use of funding dollars the question must first be funneled through the state agency who then contacts the federal agency, then back through the state to local agencies. This red-tape causes misunderstandings and substantial delays in providing housing.

A state clearinghouse approach geared toward all available affordable housing programs to answer questions of program usage, compliance and application processes with an eye toward concise and consistent answers would go far in overcoming this issue.

7. Conclusion

There is clear demand for affordable housing, including single-family homes and manufactured homes for families, and housing for seniors, or at least assistance in revitalizing senior housing. Limited financing, lack and costs of infrastructure, and zoning issues were cited as the primary barriers to development.

Region 6 (Gulf Coast)

1. Introduction

Region 6 is located along the Gulf of Mexico 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 mobile homes in the region. Bowen National Research was able to survey mobile home parks with 439 lots/homes. These mobile 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.

Region 7 (Capital)

1. Introduction

Region 7 is located in the central portion of the state of Texas, near the Austin area. This region includes the following five counties which were classified as rural

Counties in Region			
Blanco	Burnet	Fayette	Lee
Llano	-	-	-

As the Austin-Round Rock-San Marcos Metropolitan Statistical Area continues to grow, representatives in the rural counties in the Capital Region believe the need for additional affordable housing will also grow.

Based on the Bowen National Research rental housing inventory count, there are 1,531 affordable rental housing units in the region's study counties. Of those properties we were able to survey, 90.6% were occupied, with many of the projects maintaining long waiting lists. Based on American Community Survey and U.S. Census data, there are 8,763 mobile homes in the region. Bowen National Research was able to survey mobile home parks with 195 lots/homes. These mobile home parks had a 95.4% occupancy/usage rate, which is above the overall state average of 86.1%. Finally, Bowen National Research identified 975 for-sale housing units in the region. These 975 available homes represent 2.7% of the 35,469 owner-occupied housing units in the region, an indication of moderate availability of for-sale housing alternatives. It is of note that 27.0% 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 regional stakeholders there is a definite need for additional affordable housing in the rural counties within the region. Much of the non-subsidized affordable housing is old and poor quality. There have been some recent LIHTC projects developed including an 80-unit LIHTC property that is currently under construction in Burnet County. These and other subsidized apartments typically are 100% occupied and maintain waiting lists. Little affordable for-sale housing is on the market outside the Austin area. As qualifying for financing becomes increasingly difficult, little incentive exists to build additional, affordable, for-sale housing.

3. Housing Need

The segments of the population with the greatest need for affordable housing, according to local representatives, are working families with low-to moderate-income levels and seniors. As the baby boomers continue to age, the need for affordable accessible senior housing will substantially increase.

A balance needs to be struck between single-family homes and affordable rental units. Many low- to moderate-income households are concerned about the risks associated with the purchase of a single-family home and are seeking affordable rental housing. In rural areas, small duplex apartments with approximately 16 total units are the best fit, but most developers have difficulty making these types of projects financially feasible. One- and two-bedroom apartments at below 60% of AMFI would best serve the current need. Infill, new construction, three-bedroom, single-family homes also fill a need in rural communities as well as improving the overall appearance of the community.

The LIHTC program should top the list of funding options as well as local and state administered bond programs. Funding for programs to rehabilitate existing owner-occupied housing (especially for seniors) should also receive priority.

4. Housing for Seniors/Persons with Disabilities

The demand for additional affordable senior housing and housing for persons with disabilities continues to grow with the greatest demand for one and two-bedroom unit types. Provision should be made to build in basic accessibility features in all new construction senior units as retro-fitting these features later is much more expensive and would allow seniors to age in place. Current set aside levels for persons with disabilities appear to be adequate to meet the demand in rural areas. Local community resource centers assist with connecting seniors and persons with disabilities to needed social services and transportation.

5. Barriers to Housing Development

Representatives from the local area believe that the smaller number of units needed to meet demand in rural areas often times make rural projects financially unfeasible. Limited financing options and programs are also seen as a major obstacle to development.

6. Residential Development Financing

Simplification of the Tax Credit process as well as additional incentives to develop in rural areas would be helpful. Modification of the Tax Credit program by lowering the Tax Credit compliance window to 10 years to match the number of years investors are able to receive Tax Credits is one possible incentive.

7. Conclusions

There is strong demand for affordable housing, as the existing supply is old and in poor condition, yet typically fully occupied. The primary demand is for housing for working families and seniors. It is believed that funding for the rehabilitation of existing housing should be given priority. The limited financial programs for rural development and the difficulty in making small projects financially feasible are primary barriers.

Region 8 (Central Texas)

1. Introduction

Region 8 is located in the north-central portion of the state of Texas. This region includes the following 13 counties which were classified as rural.

Counties in Region			
Bosque	Falls	Freestone	Grimes
Hamilton	Hill	Leon	Limestone
Madison	Milam	Mills	San Saba
Washington	-	-	-

According to various representatives that we spoke with in the region, both affordable workforce housing and housing for the growing number of senior citizens is needed. The majority of seniors are currently in their 60s and senior affordable housing constructed now could help them age in place.

Based on the Bowen National Research rental housing inventory count, there are 3,857 affordable rental housing units in the region's study counties. Of those properties we were able to survey, 97.5% were occupied, with many of the projects maintaining long waiting lists. Based on the American Community Survey and U.S. Census data, there are 14,747 mobile homes in the region. Bowen National Research identified 1,484 for-sale housing units in the region. These 1,484 available homes represent 2.1% of the 69,448 owner-occupied housing units in the region, an indication of moderate availability of for-sale housing alternatives. It is of note that 40.0% 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

Due to low AMFI income qualifying limits in some counties it can be difficult to qualify residents for affordable housing at rents that they can actually afford.

There is limited availability of subsidized affordable rental housing and projects in the area are fully occupied with a waiting list. The available non-subsidized affordable rentals are typically older and substandard quality and few quality affordable for-sale homes are available outside the larger cities in the area.

3. Housing Need

Low- to moderate-income families and seniors have the greatest need for affordable housing. The rural nature of the counties in this region make development of large multifamily apartment projects unfeasible due to fewer numbers of qualifying applicants.

Focusing on single-family home development, either owner-occupied or rental homes (rentals being more fiscally viable), is the best option to serve rural populations. For the most part, new construction should be the focus for future housing development as much of the existing housing stock is older with environmental restrictions that economically prohibit rehabilitating these properties. Funding priority should be given to the First Time Home Buyer program, and the HOME program, as these work toward the development of single-family housing especially in jurisdictions with CHDOs.

4. Housing for Seniors/Persons with Disabilities

The demand for affordable senior housing is focused more on a mix of one- and two-bedroom, new construction, small duplex, triplex or quad developments with accessibility built at the time of construction so that seniors can age in place. Current set aside levels for persons with disabilities seems adequate to serve the rural population in this region. Supportive services and access to local community services and medical care is coordinated through the regional community action council which provides referrals.

5. Barriers to Housing Development

The major barriers to residential development are the lack of funding and the stiff loan qualifications currently in place with lenders.

6. Residential Development Financing

In rural areas of the region development of affordable housing without some type of deep subsidy is not a viable option according to local representatives. In cities where the local population is less than 10,000 it is impossible to develop an LIHTC project that is large enough to break even, as there is not an available pool of qualified tenants and smaller multifamily projects are not financially feasible. Local CHDOs have successfully used the HOME program for the development of new construction single-family homes. Local communities have worked with the CHDO by donating foreclosed properties. The greatest success of this development option comes from the donation of contiguous properties that allow for construction of multiple homes, lowering overall construction costs. This partnership not only serves to provide housing but increases the tax base in the city and makes the community a more desirable place to live. One possible modification that would be beneficial to additional development of affordable housing would be to allow the CHDOs to retain the income from the sale of these homes to put back into the next affordable housing project rather than returning it to TDHCA and then reapplying for funding. The HUD 202 program for the development of senior housing also works well in rural regions of the state.

7. Conclusions

Low- and moderate income families and seniors were cited as having the greatest housing needs in the region. With an old housing stock and the high cost associated with rehabilitating units to meet current standards, new construction appears to be a more viable option. The income eligibility limits, the low number of qualified residents, a lack of adequate funding, and more restrictive loan restrictions required by lenders were cited as primary barriers to development by stakeholders in this region.

Region 9 (San Antonio)

1. Introduction

Region 9 is located in the south-central portion of the state of Texas, near San Antonio. This region includes four counties which were classified as rural.

Counties in Region			
Frio	Gillespie	Karnes	Kerr

The Eagle Ford 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 mobile homes in the region. Bowen National Research was able to survey mobile home parks with 386 lots/homes. These mobile 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. Housing Need

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. Housing for Seniors/Persons with Disabilities

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.

Region 10 (Coastal Bend)

1. Introduction

Region 10 is located in the south-east portion of the state of Texas, along the Gulf of Mexico. This region includes the following 13 counties which were classified as rural.

Counties in Region			
Bee	Brooks	DeWitt	Duval
Gonzales	Jackson	Jim Wells	Kenedy
Kleberg	Lavaca	Live Oak	McMullen
Refugio	-	-	-

The regional oil boom has played a role in the need for additional affordable housing in rural areas of this region. With the increase in the transient work force population associated with the energy extraction industry, rents in the area have increased based on demand.

Based on the Bowen National Research rental housing inventory count, there are 3,223 affordable rental housing units in the region's study counties. Of those properties we were able to survey, 99.5% were occupied, with many of the projects maintaining long waiting lists. Based on American Community Survey and U.S. Census data, there are 9,561 mobile homes in the region. Bowen National Research was able to survey mobile home parks with 573 lots/homes. These mobile home parks had an 89.7% occupancy/usage rate, which is above the overall state average of 86.1%. Finally, Bowen National Research identified 487 for-sale housing units in the region. These 487 available homes represent 0.9% of the 53,460 owner-occupied housing units in the region, an indication of limited availability of for-sale housing alternatives. It is of note that more than half (52.5%) of the for-sale housing stock is priced below \$100,000.

2. Existing Housing Stock

According to several representatives there is a demand for additional affordable housing in region ten, in particular housing associated with the oil boom. Much of the non-subsidized affordable rental housing stock is older and poor quality and affordable subsidized housing is full. For-sale housing stock, although some availability exists, is not affordable to the average family. In order to purchase these homes moderate-income families would be overburdened by their housing costs. To some extent RV parks and manufactured housing has met the need of the transient energy extraction employees. However, although a timeline for the boom in the oil and gas extraction industry in the area has not been established, many local officials believe that if housing was available, workers from the industry would choose to make this area their permanent home. While these workers do not need affordable housing, existing rental and single-family home prices would and have increased along with demand.

3. Housing Need

Representatives state that the segment of the population in the greatest need for affordable rural housing are low- to moderate-income families followed by seniors and persons with disabilities. Affordable rental housing, be it multifamily or single-family homes with one-, two- and three-bedrooms would best meet the need in this region. Both the First Time Home Buyer program and rental programs should be balanced to meet current housing needs.

4. Housing for Seniors/Persons with Disabilities

A need for affordable housing for seniors was expressed by a local representative. The population of rural farmers is aging and often maintaining these farms becomes too difficult as they age. Few or, in some counties, no affordable senior housing options exist in the area.

5. Barriers to Housing Development

Limited funding is one of the major barriers associated with the development of additional affordable housing. In some counties available land is also a constraint to development.

6. Residential Development Financing

Additional funding for the HOME program would provide the greatest assistance in those areas not associated with the energy extraction industry. This program in conjunction with the First Time Home Buyer programs would work well in providing additional single-family housing.

7. Conclusions

The oil extraction energy boom and corresponding job growth has increased demand for housing and greatly contributed to the escalating housing and land costs. This in turn has made it more difficult for developers to build affordable housing. Limited funding and the lack of available, buildable land were the primary barriers to development in this rural region cited by stakeholders.

Region 11 (South Texas Border)

1. Introduction

Region 11 is located in the southern portion of the state of Texas, along the U.S.-Mexico border. This region includes the following 13 counties which were classified as rural

Counties in Region			
Dimmit	Edwards	Jim Hogg	Kinney
La Salle	Maverick	Real	Starr
Uvalde	Val Verde	Willacy	Zapata
Zavala	-	-	-

Substandard housing in colonias within some counties and the growth of the oil and gas extraction industries are key issues associated with the need for additional affordable housing in this region of Texas.

Based on the Bowen National Research rental housing inventory count, there are 3,598 affordable rental housing units in the region's study counties. Of those properties we were able to survey, 98.5% were occupied, with many of the projects maintaining long waiting lists. Based on American Community Survey and U.S. Census data, there are 9,764 mobile homes in the region. Bowen National Research was able to survey mobile home parks with 729 lots/homes. These mobile home parks had an 80.5% occupancy/usage rate, which is below the overall state average of 86.1%. Finally, Bowen National Research identified 612 for-sale housing units in the region. These 612 available homes represent 1.0% of the 59,029 owner-occupied housing units in the region, an indication of limited availability of for-sale housing alternatives. It is of note that 32.2% of the for-sale housing stock is priced below \$100,000.

2. Existing Housing Stock

Representatives state that the major issue affecting the South Texas Border Region is the existence of large areas of very substandard non-subsidized housing in unincorporated rural colonias. There is little availability of subsidized affordable rental stock and projects in the area typically have long waiting lists. There is also little available for-sale affordable housing in the area.

3. Housing Need

Young four- to five-person families have the greatest need for affordable housing in the region according to representatives. Owner-occupied single-family homes would best serve the population in need of affordable housing in rural areas and both new construction and rehabilitation of existing owner-occupied homes is needed.

Due to the type of housing needed in this region the First Time Home Buyer program should be prioritized over multifamily rental programs with the lowest income level households served first. Due to the high energy costs in the region, manufactured housing is not a good fit since typical energy bills exceed mortgage payments.

4. Housing for Seniors/Persons with Disabilities

According to representative that we spoke with seniors make up a small portion of the population seeking affordable housing in the region, therefore they believe there is a lesser demand for senior affordable housing. They indicated that the existing set-aside units of affordable housing for persons with disabilities is adequate for the number of people they have seeking affordable housing.

5. Barriers to Housing Development

Lack of infrastructure, available financing, environmental compliance issues and property ownership disputes are the greatest barriers to the development of affordable housing in the region. Many of the colonias have no available infrastructure and since they have been developed in unincorporated portions of rural counties there is no zoning code or permitting to be enforced. Many of these homes have no potable water or sewage systems and disease is a continuing problem. Rehabilitation of existing owner-occupied housing is often slowed due to delayed response from compliance officials. Systems in place to deal with property ownership issues are cumbersome and inflexible.

6. Residential Development Financing

TDHCA has made some excellent changes to the Housing Trust Fund program within the past few months by instating the reservation system. Allowing funding on a first come first serve basis and having unused funding roll back into the program has decreased the backup associated with some other financing programs. The HOME program also works quite well and TDHCA has been receptive to suggestions from those who use this program. There is insufficient funding for the First Time Home Buyer program when the demand in the region for affordable single-family housing is taken into consideration. The LIHTC program geared toward development of affordable rental housing is extremely difficult to use. With the annual changes to the QAP, organizations have difficulty getting up to speed on changes and modification prior to the annual deadline for submittal.

7. Conclusions

Large-family households have the greatest need for housing. Rapid growth from energy extraction-related work has caused rents to escalate and limit the number of available housing units. Numerous items such as limited financing, lack of infrastructure, property ownership disputes, and environmental compliance issues were cited as barriers to development. Frequent changes to TDHCA's Qualified Allocation Plan were also cited as an area that adds development challenges.

Region 12 (West Texas)

1. Introduction

Region 12 is located in the west-central portion of the state of Texas. This region includes the following 26 counties which were classified as rural.

Counties in Region			
Andrews	Borden	Coke	Concho
Crockett	Dawson	Gaines	Glasscock
Howard	Kimble	Loving	Martin
Mason	McCulloch	Menard	Pecos
Reagan	Reeves	Schleicher	Sterling
Sutton	Terrell	Upton	Ward
Winkler	-	-	-

Of the 26 counties in the region, 20 are considered frontier counties with very low population density and isolated from population centers and services. Frontier counties pose unique challenges with regard to the development of affordable housing and require a different approach than counties with larger populations or a large city nearby. Although multifamily or single-family home rentals are needed to fill the housing gap in this market, finding enough financing programs that can be leveraged to make smaller development feasible is difficult.

Based on the Bowen National Research rental housing inventory count, there are 2,266 affordable rental housing units in the region's study counties. Of those properties we were able to survey, 98.8% were occupied, with many of the projects maintaining long waiting lists. Based on American Community Survey and U.S. Census data, there are 7,573 mobile homes in the region. Bowen National Research was able to survey mobile home parks with 308 lots/homes. These mobile home parks had a 79.2% occupancy/usage rate, which is below the overall state average of 86.1%. Finally, Bowen National Research identified 373 for-sale housing units in the region. These 373 available homes represent 0.8% of the 47,125 owner-occupied housing units in the region, an indication of limited availability of for-sale housing alternatives. It is of note that 47.5% of the for-sale housing stock is priced below \$100,000.

2. Existing Housing Stock

Minimal new affordable subsidized rentals, non-subsidized rentals or affordable for-sale housing have been developed over the past 20 years and much of the available affordable existing housing stock is substandard.

3. Housing Need

With the recent growth of the energy extraction industry, local representatives state that they receive calls two to three times per week from people seeking housing that is affordable to individuals at moderate-income levels. Most are looking for family one-, two- and three-bedroom apartments or single-family homes for rent. To some degree, manufactured housing and RV parks may be filling the void for transient energy extraction industry employees who will not be in the area for the long term.

4. Housing for Seniors/Persons with Disabilities

According to the representatives we interviewed, there is a need for additional senior housing but to a much lesser degree than the need for family affordable housing which should be given top priority.

5. Barriers to Housing Development

The very rural nature of many of the counties within the region is in itself a barrier to the development of affordable housing. These areas typically lack the infrastructure and community services to support housing expansion. Funding constraints due to the small quantity of housing needed per area and high construction costs posed by transporting goods, since there are no local suppliers, also dissuades developers from considering these communities as viable for development.

6. Residential Development Financing

Leveraging multiple funding options in order to develop small multifamily apartments or single-family home rental development is the best option; however, many local governments and non-profits in these areas are not familiar with the different options available to make development work. Satellite offices of the TDHCA located in rural communities could assist these communities with identifying programs that they could use.

7. Conclusions

Much of the existing housing stock is old and substandard. One- through three-bedroom single-family homes or apartments are in the greatest demand. The lack of infrastructure and community services limit development in rural areas. Funding constraints due to the small size of projects and high development costs also serve as barriers to development.

Region 13 (Upper Rio Grande)

1. Introduction

Region 13 is located in the far west portion of the state of Texas. This region includes the following five counties which were classified as rural.

Counties in Region			
Brewster	Culberson	Hudspeth	Jeff Davis
Presidio			

Four of the five counties in this region are designated as frontier counties. Due to a recent surge in the hiring of additional Border Patrol employees, there is an additional demand for workforce housing. The extreme rural nature of the majority of this area, coupled with very limited existing housing stock according to stakeholder interviews, makes obtaining affordable quality housing very difficult.

Based on the Bowen National Research rental housing inventory count, there are 305 affordable rental housing units in the region's study counties. Of those properties we were able to survey, 100% were occupied, with many of the projects maintaining long waiting lists. Based on the American Community Survey and U.S. Census data, there are 2,212 mobile homes in the region. Bowen National Research identified 76 for-sale housing units in the region. These 76 available homes represent 1.1% of the 6,832 owner-occupied housing units in the region, an indication of limited availability of for-sale housing alternatives. It is of note that 25% of the for-sale housing stock is priced below \$100,000.

2. Existing Housing Stock

According to representatives and government officials, very little affordable rental housing exists that is either subsidized or non-subsidized and much of the non-subsidized housing is of poor quality and old. Due to the rural nature of the region limited for-sale affordable housing is available and much of this is also older and in need of renovation.

3. Housing Need

The two major areas of affordable housing needed are the revitalization of existing housing stock and development of small one- and two-bedroom multifamily apartments to fill the demand for the additional workforce housing need brought about by the hiring of additional Border Patrol employees.

Funding for the rehabilitation of existing housing as well as programs that can be combined to make small multifamily development feasible could best serve this region.

4. Housing for Seniors/Persons with Disabilities

Although there is not currently a great demand for additional senior housing in the region, over the next 10 years, that trend will shift and housing for seniors will become a greater priority.

5. Barriers to Housing Development

Lack of infrastructure, the very rural nature of much of the region and funding for affordable housing are the greatest barriers to affordable housing development in the region.

6. Residential Development Financing

Single-family home rehabilitation programs work well to get housing up to acceptable standards but if major repairs are needed it is typically more cost effective to demolish and rebuild due to environmental guidelines. Although multifamily or single-family home rentals are needed to fill the gap in this market for persons with moderate-income levels, finding enough financing programs that can be leveraged to make smaller development feasible is difficult

7. Conclusions

Housing needs cited by local sources include the need to renovate the older existing housing stock and the development of one- and two-bedroom multifamily units to help meet growing workforce housing demand. Development barriers in the region include lack of infrastructure and limited funding.

VII. HOUSING GAP ANALYSIS BY TARGETED INCOME

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 the housing gap (the number of units that could potentially be supported) that is projected for each rural county and overall rural regions of Texas by 2015.

The demand components included in the housing gap estimates for each of the two housing types (rental and for-sale) are listed as follows:

Rental Housing Gap Analysis	
Demand Factors	Supply Factors
<ul style="list-style-type: none"> Renter Household Growth 	<ul style="list-style-type: none"> Available Rental Housing Units
<ul style="list-style-type: none"> Rent Overburdened Households 	<ul style="list-style-type: none"> Pipeline Units*
<ul style="list-style-type: none"> Overcrowded Housing 	
<ul style="list-style-type: none"> Housing Lacking Complete Indoor Plumbing 	

*Units under construction, planned or proposed

For-Sale Housing Gap Analysis	
Demand Factors	Supply Factors
<ul style="list-style-type: none"> Owner Household Growth 	<ul style="list-style-type: none"> Available For-Sale Housing Units
<ul style="list-style-type: none"> Cost Overburdened Households 	<ul style="list-style-type: none"> Pipeline Units*
<ul style="list-style-type: none"> Overcrowded Housing 	
<ul style="list-style-type: none"> Housing Lacking Complete Indoor Plumbing 	

*Units under construction, permitted, 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 gaps represent the number of new households that may need housing and/or the number of existing households that currently live in housing that needs replaced to relieve occupants of such things as housing cost-burdens, and overcrowded or substandard housing conditions. These supply and demand components are discussed in greater detail beginning on page VII-4 of this report.

It is unlikely that any individual market (i.e. county or region) can support the entire base of potential support (housing gaps) shown in this analysis, as this would require a large variety of product types, target markets, features, services and locations. Instead, it is likely that only a portion of the potential units of demand can be supported at an individual site. As a general rule, we expect that an individual site can support approximately 10% of a county's overall support base, or housing gap. The individual county demand estimates/housing gaps are provided in the individual Addendums for the county's corresponding region.

A. KEY FINDINGS

- Within the 177 rural counties of Texas, it is estimated that there will be a potential housing gap of up to 85,215 affordable rental housing units for households with incomes of up to 80% of Area Median Household Income (AMHI) by the year 2015. This demand estimate takes into account renter household growth, current rent-burdened households and those living in overcrowded or housing lacking complete indoor plumbing. These households are matched against the existing affordable rental housing identified in each market and the product in the development pipeline (either under construction or planned for development) to determine if there is a housing gap or surplus within a particular income segment. It is important to note that the demand estimates cited above does not mean that the rural areas of Texas can support 85,215 *new* rental housing units. Instead, these estimates indicate that up to 85,215 rental units in 2015 will be occupied by households that are rent burdened or living in overcrowded or substandard housing, or represent new households that will be added to the market that will require rental housing by 2015. Markets with the greatest housing gaps are those that may require new or replacement rental housing.
- Overall, more than half of the entire rental housing gap within the 13 rural regions is for households with incomes at or below 30% of AMHI. A large housing gap among those households with incomes at or below 30% of AMHI is a potential indication for the need of government-subsidized housing or Low-income Tax Credit housing with targeting to very low-income households. The high occupancy rates (overall average was 97.3%) among the affordable rental housing supply we surveyed indicate that there is limited availability of affordable rental housing in the rural markets of Texas. Roughly a quarter of the entire rental housing gap in rural Texas is for households with incomes between 31% and 50% of AMHI and nearly a fifth of the overall rental housing gap is for households with incomes at 51% to 80% of AMHI.
- Region 4 (Upper East Texas Region) has the greatest rental housing gap (15,867) among the 13 study regions. More than half of this demand is for housing targeting households with incomes at or below 30% of Area Median Household Income (AMHI) levels. While Region 4 (Upper East Texas) has the largest supply of affordable rental housing (i.e. Tax Credit, HUD, RD 515, etc.), it also has a disproportionately high number of low-income households that create the relatively large housing gap in this region. The primary drivers behind this region's housing gap are the rapid growth that is projected to occur among low-income households and the large number of rent overburdened households in the region. Other regions with large numbers of potential demand include Region 5 (Southeast Texas Region) at 10,216 units, Region 3 (Metroplex Region, near Dallas-Fort Worth) at 9,436 and Region 1 (High Plains Region) at 7,485 units. There are less than 1,000 units of potential

are less than 1,000 units of potential support in Region 13 (Upper Rio Grande Region). County level housing gap estimates for the rural counties within each study region are presented within their corresponding region in the Addendums to this report. County level affordable rental housing gaps are demonstrated on the map included on page VII-12 of this report.

- Within the entire rural areas of Texas, it is estimated that by 2015 there will be potential housing gap for up to 33,846 units of for-sale housing targeting low-income households. This demand estimate takes into account owner household growth, current housing cost-burdened households and those living in overcrowded or substandard housing. Like the rental housing gap analysis, these households are compared against the existing affordable for-sale housing identified in each market and the product in the development pipeline (either under construction or planned for development) to determine the potential housing gap or surpluses that might exist. As in the case of the *rental* housing gap analysis, it is important to note that the for-sale housing gap estimate cited above does not mean that the rural areas of Texas can support 33,846 *new* for-sale housing units. Instead, these estimates indicate that up to 33,846 owner-occupied units in 2015 will be occupied by households that that are cost burdened or living in overcrowded or substandard housing, or represent new households that will be added to the market that will require for-sale housing by 2015. Markets with the greatest housing gaps are those that may require new or replacement for-sale housing.
- Overall, the housing gap for for-sale housing is greatest among the 51% to 80% AMHI level, or for housing priced between \$140,000 and \$200,000, though the for-sale housing gap is also high at the 31% to 50% AMHI level, or for housing priced between \$100,000 and \$139,999. The housing gap for product priced below \$100,000 is a little more than half that of the other two higher priced housing segments, but is still significant. County level housing gap estimates for the rural counties are evaluated within their corresponding region in the Addendums to this report. However, county level affordable rental housing gaps are shown on the map included on page VII-17 of this report.
- The for-sale housing gap by region is the highest in Region 4 (Upper East Texas Region), with a potential for 7,529 units. Regions 5 (Southeast Texas Region) and 11 (South Texas Border Region) also have a high number of potential for-sale demand, at 4,106 and 4,796 units, respectively. Region 13 (Upper Rio Grande Region) has the lowest potential for-sale housing demand at just 383 units. Minimal support for new home purchases is expected to originate from new household growth. Instead, for-sale housing demand will primarily be created by the need for replacement housing. Cost-burdened homeowners would be the most likely low-income residents who would respond to new affordable for-sale housing. While there appears to be a large

to be a large supply of available for-sale product priced below \$100,000, which would be affordable to many households with annual incomes at or below 30% of Area Median Household Income (AMHI), it is likely that many of these lower income households would not have the equity in their current homes or sufficient savings to afford a down payment for the closing costs on a new home purchase, without some type of financial assistance. Many of these lower income households may also lack the necessary credit requirements to purchase a new home. It should be noted that much of the supply priced under \$100,000 is old (50+ years) and likely in need of ongoing maintenance and possible repairs. Therefore, many low-income households may lack the financial resources to maintain or repair these lower priced homes.

B. HOUSING GAP ANALYSIS METHODOLOGY

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 it 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 assume that a homebuyer will be required to make a minimum down payment of 3.5% to 10.0% of the purchase price for the purchase of a new home, depending upon the financing source. Further, we assume that a reasonable purchase price of a home is generally equal to three times a household’s annual income. It should be noted, however, for many low-income and first-time homebuyers, lower down payments are required through FHA backed loans and the income-to-purchase price ratio may be closer to 1:2.5. These may decrease the purchase price that some homebuyers can afford or for which they could qualify. The financial requirement assumptions used in the for-sale housing gap analysis is summarized in the following table:

Income Level	Percent Down Payment	Maximum Purchase Price
Less Than \$29,999	Up to 10%	Up to \$100,000
\$30,000-\$39,999	Up to 10%	\$100,000-\$139,999
\$40,000-\$49,999	Up to 10%	\$140,000-\$199,999

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. There are also government programs that provide financial assistance that may affect the purchasing capability of prospective homebuyers. Acknowledging these differences, 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 and rural markets with limited new development over recent years. 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. The data for these three metrics is from the US Census Bureau and American Community Surveys. 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.

C. REGIONAL COMPARISON

The following pages include an evaluation of potential demand for rental and for-sale housing by three income stratifications (30% of AMHI or less, 31% to 50% of AMHI, and 51% to 80% of AMHI). While we provide a total for potential demand, it is important to understand that these estimates assume that all new households added to the respective markets require new housing and that any household experiencing the impact of substandard housing would also require a new housing unit. Further, in order for a market to be able to support the entire base of demand (housing gap), the market would have to add a variety of housing units by price point, design type, and location. In reality, few markets would have the ability to accommodate such a variety of housing. Under both the rental and for-sale housing demand methodologies, an *individual site* could likely only support about 10% of an individual county's housing gap and an *overall market/region* could likely only support up to 30% of its housing gap.

For example, Region 1 (as shown in the table on the following page) shows that there is a potential for 3,613 rental housing units at the 0% to 30% AMHI level. Assuming the overall region could capture up to 30% of the support in the region, the region could likely support no more than 1,084 new units ($3,613 \times 30\% = 1,084$). This assumes, however, that the 1,084 new housing units offer a wide variety of bedroom types (one- to five-bedrooms), design types (ranch style, townhouses, elevator-served, cottage style, single-family detached, duplexes, etc.), price points, amenity packages, units sizes (square footage), and locations. In reality, it is unlikely that any market would introduce such a diverse product range at any one time. As such, our estimates of total potential demand for a region or county should be considered a "best case" scenario and that it is likely only a portion of the total demand number can actually be supported.

A more realistic approach in determining market potential is to apply a 10% capture rate to an individual county's demand estimates by income level. For example, Deaf Smith County, located within Region 1, showed a housing gap of 362 rental units at or below 30% of AMHI (see page VII-12). Under the right scenario, a site-specific project could likely capture at least 10% of the overall housing gap. As such, Deaf Smith County has the potential to support a 36-unit project (362 x 10.0% = 36). This assumes, however, that a project in Deaf Smith County can pull support from the entire county. Ultimately, a site-specific market feasibility study would be required to determine the actual support an individual site with a specific concept could expect to receive.

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

1. RENTAL HOUSING

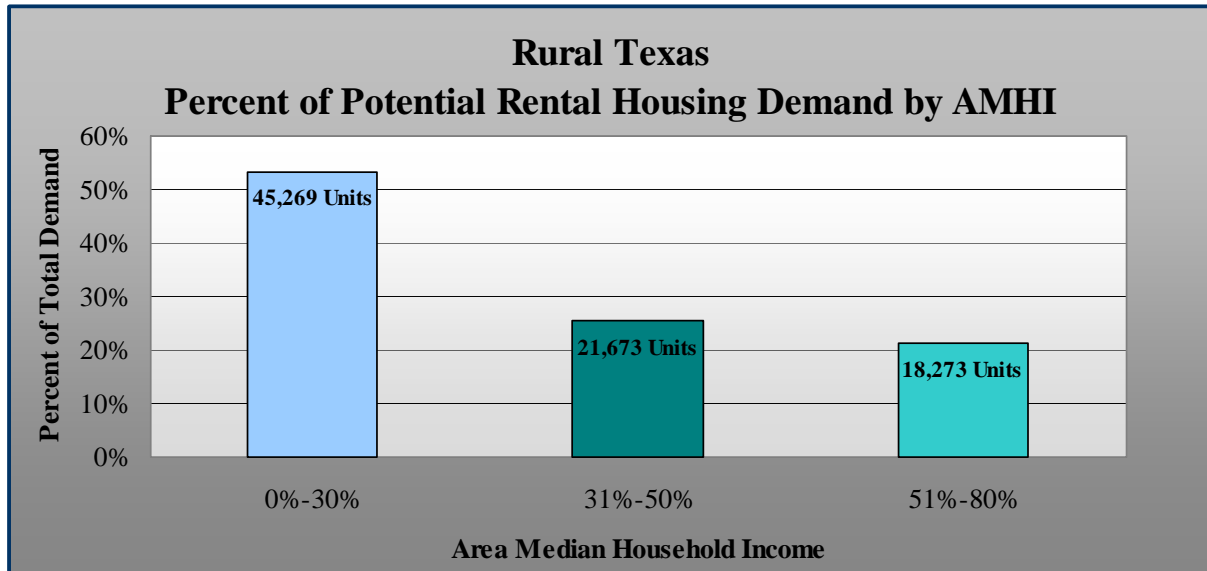
The following table compares the housing gap for rental housing for each of the study regions by targeted level of income.

	Total Potential Rental Housing Gap by Income Level			
	Area Median Household Income			Housing Gap (Units)
	0% - 30%	31% - 50%	51% - 80%	
Region 1	3,613	2,139	1,732	7,485
Region 2	3,617	1,588	1,501	6,706
Region 3	4,702	2,683	2,051	9,436
Region 4	8,804	3,589	3,474	15,867
Region 5	5,212	2,441	2,563	10,216
Region 6	3,171	1,550	1,363	6,083
Region 7	1,369	722	578	2,670
Region 8	3,169	1,437	1,271	5,877
Region 9	1,723	965	385	3,072
Region 10	3,091	1,241	1,118	5,450
Region 11	3,800	2,002	1,459	7,260
Region 12	2,450	1,098	608	4,156
Region 13	548	218	170	936
Total	45,269	21,673	18,273	85,215

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

Region 4 (Upper East Texas Region) has the greatest number (15,867) of potential units that could be supported among the 13 study regions. More than half of this demand is for housing targeting households with incomes at or below 30% of Area Median Household Income (AMHI) levels. Other regions with large numbers of potential demand include Region 5 (10,216 units), Region 3 (9,436) and Region 1 (7,485). There are less than 1,000 units of potential support in Region 13. Overall, more than half of all demand within the 13 study regions is for households with incomes at or below 30% of AMHI, while roughly a quarter of demand is for households with incomes between 31% and 50% of AMHI and nearly a fifth of demand is for

households with incomes at 51% to 80% of AMHI. The share of rental housing demand (housing gap) by AMHI for rural Texas is shown in the following table:



Regional housing gap estimates showing the specific demand and supply components that were considered for each of the different targeted income levels is illustrated on the following tables.

	0% - 30% AMHI Housing Gap					Housing Gap (Units)
	Growth 2010 - 2015	Cost Overburdened	Overcrowded	Substandard	Less Available Supply*	
Region 1	539	2,385	622	76	9	3,613
Region 2	589	2,550	408	70	0	3,617
Region 3	771	3,261	586	85	0	4,702
Region 4	1,727	5,695	1,106	291	15	8,804
Region 5	-91	4,577	642	93	8	5,212
Region 6	82	2,636	415	37	0	3,171
Region 7	351	801	165	53	0	1,369
Region 8	438	2,259	382	98	8	3,169
Region 9	543	937	249	1	7	1,723
Region 10	540	1,992	636	85	162	3,091
Region 11	304	2,345	1,011	176	36	3,800
Region 12	695	1,315	396	52	8	2,450
Region 13	173	257	75	44	0	548
Total	6,661	31,010	6,693	1,161	253	45,269

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

*Available supply includes vacant rental units based on Bowen National Survey of affordable housing, as well as planned and proposed units

31% - 50% Housing Gap

	Growth 2010 - 2015	Cost Overburdened	Overcrowded	Substandard	Less Available Supply*	Housing Gap (Units)
Region 1	200	1,498	440	42	41	2,139
Region 2	17	1,312	226	33	0	1,588
Region 3	380	1,920	335	48	0	2,683
Region 4	8	2,923	598	144	85	3,589
Region 5	-166	2,306	330	43	72	2,441
Region 6	-48	1,364	215	20	0	1,550
Region 7	102	485	104	32	0	722
Region 8	51	1,166	200	48	28	1,437
Region 9	192	641	158	1	26	965
Region 10	-16	940	316	44	43	1,241
Region 11	88	1,283	539	92	0	2,002
Region 12	188	695	215	27	27	1,098
Region 13	39	125	34	20	0	218
Total	1,035	16,658	3,710	594	322	21,673

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

*Available supply includes vacant rental units based on Bowen National Survey of affordable housing, as well as planned and proposed units

51% - 80% Housing Gap

	Growth 2010 - 2015	Cost Overburdened	Overcrowded	Substandard	Less Available Supply*	Housing Gap (Units)
Region 1	-277	1,601	489	41	121	1,732
Region 2	-146	1,382	233	31	0	1,501
Region 3	-196	1,872	331	45	0	2,051
Region 4	-175	3,000	625	144	119	3,474
Region 5	-74	2,322	349	46	80	2,563
Region 6	62	1,354	226	21	300	1,363
Region 7	-92	534	107	30	0	578
Region 8	-159	1,213	209	53	44	1,271
Region 9	-173	656	165	1	264	385
Region 10	-105	1,028	339	51	195	1,118
Region 11	-147	1,360	574	100	428	1,459
Region 12	26	756	233	36	443	608
Region 13	-13	126	36	21	0	170
Total	-1,469	17,204	3,916	620	1,994	18,273

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

*Available supply includes vacant rental units based on Bowen National Survey of affordable housing, as well as planned and proposed units

As the preceding tables illustrate, demand for each of the income levels evaluated in this report is primarily expected to originate from cost overburdened households. While new renter household growth is expected to generate some support for new housing among the households at the 0% to 30% AMHI level and 31% to 50% AMHI level, there is expected to be minimal support from new renter households among the 51% to 80% income levels. It is important to note that the 51% to 80% AMHI housing segment has the largest supply (either available vacant units or units that are or will be built) of available units.

As stated earlier in this section, it is unlikely that any market can support the entire base of potential support shown in the preceding tables, as this would require a large variety of product types and locations. Instead, it is likely that only a portion of the potential units of demand can be supported at an individual site. As a general rule, we expect that an individual site can support approximately 10% of a county's overall housing gap. The individual county housing gap estimates are provided in the Addendums for the county's corresponding region.

A map demonstrating the rental housing gap for each rural county in Texas is included on the following page.

Rural Texas: Rental Housing Gap



New Mexico

Oklahoma

Arkansas

Mississippi

Louisiana

El Paso

Upper Rio Grande

West Texas

Central Texas

Southeast Texas

Austin Capital

Gulf Coast

Beaumont

San Antonio

San Antonio

Houston

Pasadena

South Texas Border

Laredo

Coastal Bend

Corpus Christi

McAllen

Brownsville

High Plains

Lubbock

Wichita Falls

High Plains

Fort Worth

Dallas

Abilene

Arlington

Upper East Texas

Waco

Central Texas

Houston

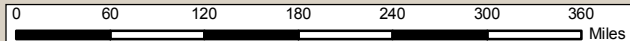
Pasadena

Legend

- Region
- County Border

Rental Housing Gap

- Non Rural
- 228 - 0
- 0 - 249
- 250 - 499
- 500 - 999
- 1,000 - 1,999
- 2,000+



1:7,750,000

2. FOR-SALE HOUSING

The following table compares the potential housing gap for for-sale housing for each of the study regions by targeted level of income.

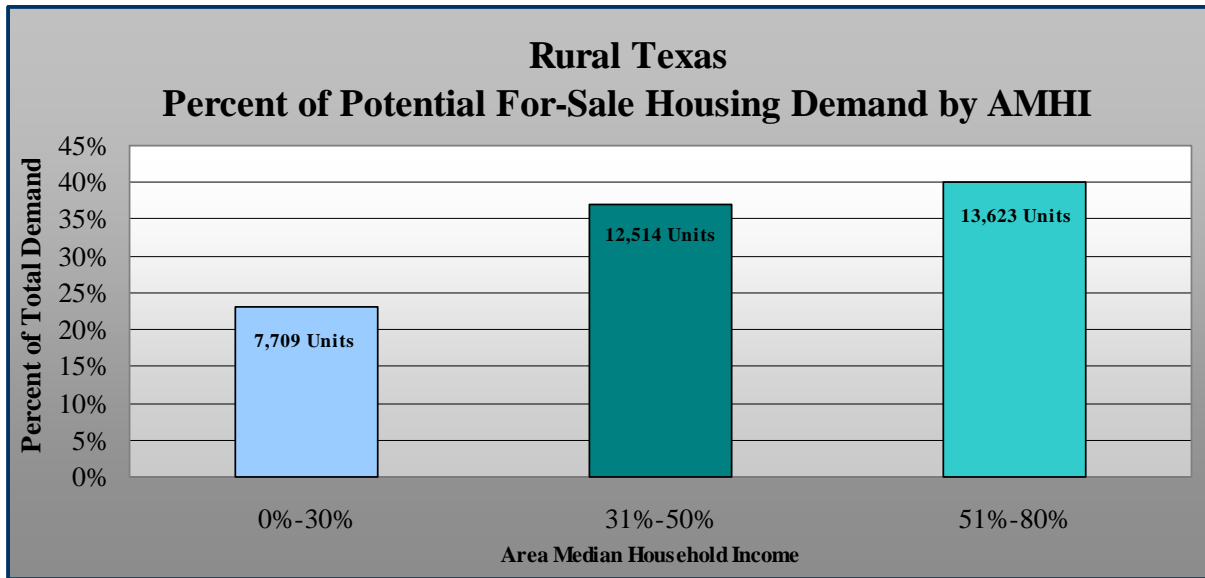
	Total Potential Housing Gap For For-Sale Housing			
	Price Point (Area Median Household Income Level)			Housing Gap (Units)
	<\$100,000 (0%-30% AMHI)	\$100,000 to \$139,999 (31%-50% AMHI)	\$140,000-\$200,000 (51%-80% AMHI)	
Region 1	323	1,050	1,058	2,431
Region 2	163	666	919	1,748
Region 3	549	1,231	1,164	2,944
Region 4	1,618	2,790	3,121	7,529
Region 5	834	1,431	1,841	4,106
Region 6	256	479	364	1,099
Region 7	314	499	632	1,445
Region 8	729	1,096	1,141	2,966
Region 9	362	456	409	1,227
Region 10	511	509	847	1,867
Region 11	1,802	1,665	1,329	4,796
Region 12	131	518	656	1,305
Region 13	117	124	142	383
Total	7,709	12,514	13,623	33,846

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

It is estimated that by 2015 there will be potential housing gap for up to 33,846 units of for-sale housing targeting low-income households. Overall, the housing gap for for-sale housing is greatest among the 51% to 80% AMHI level, or for housing priced between \$140,000 and \$200,000, though the gap is also high for housing priced between \$100,000 and \$139,999. The housing gap for product priced below \$100,000 is a little more than half that of the other two higher priced housing segments, but is still significant.

For-sale housing gap by region is the highest in Region 4, with a potential for 7,529 units. Regions 5 and 11 also have large housing gaps at 4,106 and 4,796 units, respectively. Region 13 has the lowest for-sale housing gap at just 383 units.

A graph demonstrating the housing gap share for for-sale housing by Area Median Household Income level is included on the following page.



For-Sale housing demand components considered for each region by price point is compared in the following tables.

Housing Gap by Price Point – Less Than \$100,000 (0%-30% AMHI)					
	Growth 2010 - 2015	Replacement Housing	Less Available Supply*	Less Planned & Proposed	Housing Gap (Units)
Region 1	-960	1,753	425	45	323
Region 2	-676	1,626	703	84	163
Region 3	-597	1,730	521	63	549
Region 4	-1,485	4,530	1,333	94	1,618
Region 5	-882	2,634	721	197	834
Region 6	-326	909	229	98	256
Region 7	-241	925	263	107	314
Region 8	-529	1,896	593	45	729
Region 9	-288	734	71	13	362
Region 10	-463	1,276	254	48	511
Region 11	-167	2,238	195	74	1,802
Region 12	-585	927	177	34	131
Region 13	-74	217	19	7	117
Total	-7,273	21,395	5,504	909	7,709

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

*Available supply includes vacant for-sale units based on Bowen National Survey of affordable housing

Housing Gap by Price Point - \$100,000 to \$139,999 (31%-50% AMHI)					
	Growth 2010 - 2015	Replacement Housing	Less Available Supply*	Less Planned & Proposed	Housing Gap (Units)
Region 1	-565	1,771	143	13	1,050
Region 2	-681	1,552	184	21	666
Region 3	-175	1,715	276	33	1,231
Region 4	-995	4,423	595	43	2,790
Region 5	-674	2,554	353	96	1,431
Region 6	-119	849	175	76	479
Region 7	-172	898	161	66	499
Region 8	-411	1,826	296	23	1,096
Region 9	-139	741	124	22	456
Region 10	-627	1,214	67	11	509
Region 11	-44	1,884	128	47	1,665
Region 12	-305	905	69	13	518
Region 13	-38	180	14	4	124
Total	-4,945	20,512	2,585	468	12,514

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

*Available supply includes vacant for-sale units based on Bowen National Survey of affordable housing

Housing Gap by Price Point - \$149,000 to \$200,000 (51%-80% AMHI)					
	Growth 2010 - 2015	Replacement Housing	Less Available Supply*	Less Planned & Proposed	Housing Gap (Units)
Region 1	-334	1,545	140	13	1,058
Region 2	-213	1,371	215	24	919
Region 3	-94	1,687	383	46	1,164
Region 4	-305	4,107	637	44	3,121
Region 5	94	2,267	408	112	1,841
Region 6	-133	819	226	96	364
Region 7	113	866	247	100	632
Region 8	-170	1,696	359	26	1,141
Region 9	-54	682	187	32	409
Region 10	-123	1,092	102	20	847
Region 11	93	1,449	154	59	1,329
Region 12	-31	776	76	13	656
Region 13	46	139	33	10	142
Total	-1,111	18,496	3,167	595	13,623

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

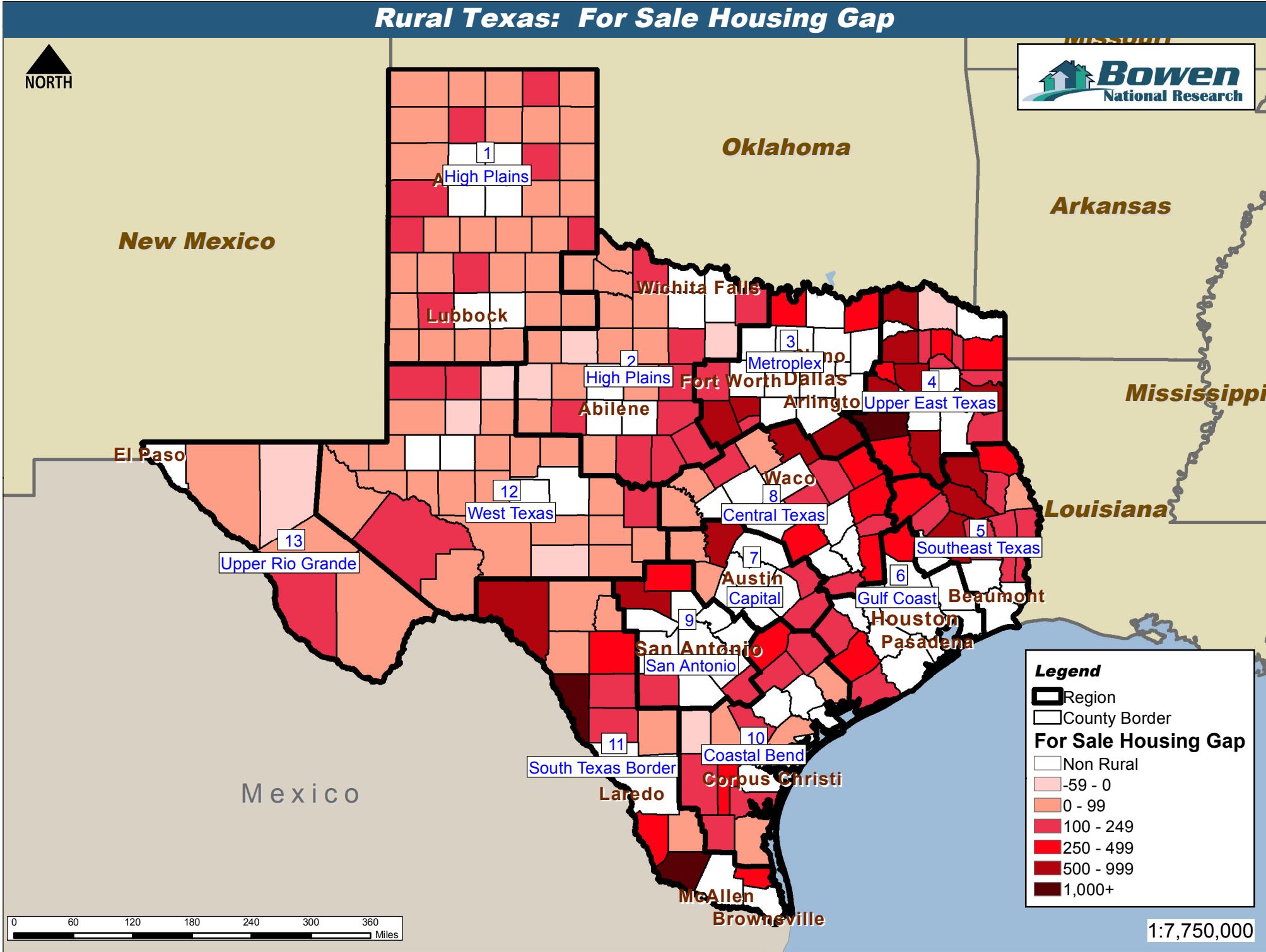
*Available supply includes vacant for-sale units based on Bowen National Survey of affordable housing

As shown on the preceding tables, minimal support for new home purchases is expected to originate from new household growth. Instead, for-sale housing demand will primarily be created by the need for replacement housing. Cost-burdened homeowners would be the most likely low-income residents who would respond to new affordable for-sale housing. While there appears to be a large supply of available for-sale product priced below \$100,000, which would be affordable to many households with annual incomes at or below 30% of Area Median Household Income (AMHI), it is likely that many of these lower income households would not have the equity in their current homes or sufficient savings to afford a down payment for the closing costs on a new home purchase. Many of these lower income households may also lack the necessary credit requirements to purchase a new home.

Housing gap estimates for the individual rural counties within each study region are evaluated within their corresponding region in the Addendums to this report.

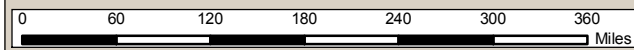
A map demonstrating the for-sale housing gap estimates for each rural county is on the following page.

Rural Texas: For Sale Housing Gap



Legend

- Region
- County Border
- For Sale Housing Gap**
- Non Rural
- 59 - 0
- 0 - 99
- 100 - 249
- 250 - 499
- 500 - 999
- 1,000+



1:7,750,000

VIII. BEST PRACTICES/RECOMMENDATIONS

The purpose of this section is to identify affordable housing programs used in other states that share similar demographic and socioeconomic characteristics with Texas. Given the significant agriculture- and rural-related characteristics of California, Florida, Oregon and Washington, the affordable housing programs of these states were evaluated. The intent of evaluating the affordable housing programs in these states is to determine if there are unique approaches or programs offered in these states that may assist in developing new programs or modifying existing programs in Texas. This evaluation of programs was used to help develop the recommendations at the end of this section of the report.

A. IDENTIFICATION OF AFFORDABLE HOUSING DEVELOPMENT NON-TEXAS BEST PRACTICES

The following is a summary of various key housing programs within selected states with large rural housing bases.

1. California

The California Regional Council of Rural Counties currently states that 31 of the state's 58 counties are rural. More than 1 in 15 Californians reside in a rural county, nearly 2.7 million people. According to the California Tax Credit Allocation Committee (CTCAC) website, there have been 2,831 affordable rental housing projects funded in the state of California through the LIHTC program. Of these 2,831 projects, there are 327 projects in rural counties, comprising nearly 22,000 units of affordable housing.

- **Rural California Internship Program**

A one-year paid internship created to promote staff diversity within the Affordable Housing and Community Development field and to help meet the diverse needs of rural communities in California, especially in emerging areas. This program is operated by the Rural California Internship Program (CCRH), a statewide nonprofit organization that assists with affordable housing opportunities for low-income families through various programs and services, with the main focus in rural California.

- **Mutual Self-Help Housing Program**

This program brings low-income borrowers together under the guidance of a nonprofit public housing entity to build each others' homes. Borrowers are assigned to "building groups" with a construction supervisor on site, where these groups perform at least 65% of the construction work required to build their homes, which is referred to as "sweat equity". This program is sponsored by the Rural Community

Assistance Corporation (RCAC). RCAC is a “nonprofit organization that provides technical assistance, training and financing so rural communities achieve their goals and visions.” RCAC serves 13 western states including California and was created in order to build partnerships to expand resources for rural communities and provide services and programs for low-income, rural households. RCAC also provides housing counselors who provide guidance to those buying or renting a home that are homeless, seeking reverse mortgages, have credit issues or are at risk of default or foreclosure through educational programs.

- **USDA-California Single Family Housing Program**

Helps to provide homeownership opportunities to low- and moderate-income rural Americans through various loan, grant and loan guarantee programs, which also make funding available to finance vital home improvements. These programs include (but not limited to) Rural Housing Guaranteed Loans, Rural Housing Direct Loans, Rural Repair and Rehabilitation Loans and Grants, Mutual Self-Help Loans and Rural Housing Site Loans.

- **Self-Help Housing Program**

This program was designed to provide housing for families who would not otherwise qualify for conventional home financing. RCHDC works with USDA/RD to recruit families who are eligible for 502 low-income loans, once qualified applicants have been selected, an association is formed to build all homes within a previously approved subdivision. RCHDC provides a construction foreman to work with the families in the development of their new homes.

2. **Florida**

According to the Florida Department of Health, the state defines a rural county as a county with a population density of less than 100 people per square mile, or an area defined as rural by the most recent U.S. Census. Therefore, 33 of the state’s 67 counties are defined as rural. As of late 2009, the Florida Housing Finance Corporation had allocated Tax Credits for nearly 1,700 projects throughout the state. It should be noted that in 2010, the state cancelled their allocation round due to lack of funds. Of the nearly 700 projects allocated, 126 fall within rural counties. These 126 projects contain nearly 18,000 units of housing. The following is a summary of key Florida housing programs.

- **State Apartment Incentive Loan Program (SAIL)**

The SAIL program provides low-interest loans on a competitive basis to developers of affordable multifamily rental housing. Funding is supplementary to primary financing and serves to bridge the gap between it and the total cost of the development. The loan is limited to 25% of the project cost and can be used in conjunction with other federal and state programs. Eligible applicants include individuals, public entities, and non-profit and for-profit organizations that propose to construct or rehabilitate multifamily housing available to very low-income households. There is a 10% set-aside for farmworker and commercial fishing worker housing developments. Traditionally, applications have been accepted through FHFC's Universal Funding Cycle.

Note that SAIL funds are currently unavailable. According to a representative of FHFC, there has been no appropriation from the state legislature for several years. Occasionally, when SAIL loans are paid back, the program is able to generate a small pool of funds, which it makes available through an RFP process. To date, there have been no RFPs specifically targeting farmworker housing developments.

- **Housing Credits**

The LIHTC program provides non-profit and for-profit applicants with equity based on a dollar-for-dollar reduction in federal tax liability for investors, in exchange for the acquisition and redevelopment or new construction of affordable rental housing units. Funding is determined on a competitive basis through FHFC's Universal Funding Cycle. Further information on the program can be found via the link above.

According to state sources, set-asides in the current QAP are for projects in the Florida Keys; projects that target the elderly, homeless, and families; RD-538 projects; HOPE VI projects; and preservation projects. As there was no Universal Funding Cycle in 2010, 2009 was the last year in which special consideration was given to projects targeting farmworkers and commercial fishing workers.

- **HOME Investment Partnerships**

Funded by HUD, the HOME program provides non-amortizing, low-interest loans to developers of affordable housing who acquire, rehabilitate, or construct housing for low-income families. Loans are offered at a simple interest rate of zero percent for non-profits and 1.5% for for-profit applicants. Terms are typically 15 years for rehabilitation and 20 years for new construction projects. Funding is determined

through the Universal Funding Cycle, as well as Requests for Proposals. Further information on the program can be found via the link above.

Note that, according to Carolyn Hayse, there are no HOME funds available for the current Universal Funding Cycle, except for projects targeting the homeless.

- **Multifamily Mortgage Revenue Bonds (MMRB)**

The MMRB program uses proceeds from the sale of taxable and tax-exempt bonds to provide below-market loans to non-profit and for-profit multifamily developers who set aside a portion of their apartment units for low-income families. Funding is typically reserved for new construction and rehabilitation projects with 200 or more units. Applications are generally reviewed during the Universal Funding Cycle (see note below).

According to David Woodward, there is no allocation for MMRB in the current Universal Funding Cycle. As such, FHFC is holding a supplementary, non-competitive cycle for MMRB funds using the 2011 Universal Application as a basis. Currently, there are no set-asides for farmworker housing. Per Mr. Woodward, the only set-asides are for projects targeting low-income households and for projects located in special district. Special districts include DDAs (i.e., Difficult to Development Areas) and QCTs (i.e., Qualified Census Tracts).

- **Predevelopment Loan Program (PLP)**

The PLP is available to non-profit and community-based organizations, local governments, and public housing authorities. Loans of up to \$750,000 cover predevelopment activities associated with the development of affordable housing. Covered activities include rezoning, title searches, legal fees, impact fees, administrative costs, soil tests, engineering fees, appraisals, feasibility analyses, audit fees, earnest money deposits, insurance fees, commitment fees, marketing expenses, and, in some cases, land acquisition. Loans are non-amortizing with an interest rate of 1% for non-profits having a 100% ownership interest in the project and 3% for non-profits having shared interests with for-profit partners. Loans have a maximum term of three years and are due upon closing of construction or permanent financing. Funding is available on a first-come, first-serve basis and priority is given to developments with a minimum of 40% of units set aside for farmworkers.

While priority is given to farmworker housing developments, Rob Dearduff noted that funding has been sufficient to support all eligible PLP loan applications. Depending on the state of the market and funding availability, FHFC typically funds five to 20 loans per year. In 2011, five or six will have been funded by year-end. According to Mr. Dearduff, due to weakness in the single family for-sale housing market, most applications are currently for multifamily rental developments.

3. Oregon

The state of Oregon has 25 rural counties out of the total 36 counties. The Oregon Housing and Community Services Department currently has 1,162 projects that have received Tax Credits in the state. Of these 1,162 projects, 428 of them are located in rural counties. These 428 projects total more than 8,300 units of affordable housing. The following is a summary of key Oregon housing programs.

- **Low Income Housing Tax Credit (LIHTC)**

The Low Income Housing Tax Credit (LIHTC) Program provides federal income tax credits to developers who construct, rehabilitate, or acquire and rehabilitate qualified low-income rental housing. These development projects encompass multifamily and single-family rental housing units. Eligible applicants include both for-profit and nonprofit sponsors. These credits are issued through the competition CFC application process. The department reserves and allocates credits on eligible properties. The department has set-aside a minimum of 10 percent of the credit authority for each calendar year for nonprofit sponsors and has another discretionary set-aside of 15 percent for rural and farmworker projects.

- **Farmworker Housing Tax Credit (FWHTC)**

The Farmworker Housing Tax Credit (FWHTC) Program is designated to give a state income tax credit to investors who incur costs to construct, install, acquire or rehabilitate farmworker housing. The tax credit may be taken on 50 percent of the eligible costs actually paid or incurred to complete a farmworker housing project. The total of estimated eligible costs for all approved projects for each calendar year is \$7.25 million. 100 percent of the credit may be transferred to a contributor of the project.

- **HOME Investment Partnerships Program**

The HOME Investment Partnerships Program provides federal funds for the development of affordable housing for low- and very low-income households. The department is responsible for administering the HOME Program for non-entitlement or rural Oregon. Each of Oregon's HOME administering agencies or Participating Jurisdictions bases the design and priorities of its program on the local Consolidated Plan; therefore, each Participating Jurisdiction's HOME Program will have different program components and local requirements. Currently, eligible activities under the state's program include acquisition, new construction and rehabilitation of rental housing, and tenant-based rental assistance (through the department's Low-Income Rental Housing Assistance Program). Activities funded must benefit households of low- and very low-income.

HOME funds may be used for a variety of activities to develop and support affordable housing. Specific program design is done annually by each Participating Jurisdiction. Funds may be distributed through loans or grants and activities allowed under individual programs must conform with the needs outlined in the Participating Jurisdiction's Consolidated Plan. Eligible activities under the state's program include:

- Administration:
- Homebuyer Assistance:
- Tenant-Based Rental Assistance:
- CHDO Activities:
- Rental Housing:

The HOME Program prohibits the "layering" or the combining of other federal resources on a HOME assisted project which will result in an excessive amount of federal subsidy for the project. All applications will be reviewed with this constraint in mind. Eligible applicants for the state's HOME Program include individuals, local governments and nonprofit organizations.

- **General Housing Account Program (GHAP)**

In 2009 to expand the state's supply of housing for low- and very low-income Oregonians the GHAP Program was created. GHAP resources support two primary activities: affordable multifamily housing development and increasing the capacity of OHCS partners to meet the state's affordable housing needs. This overview covers affordable multifamily development activities. All projected uses are subject to availability of revenue.

During the 2009-11 biennium, OHCS will target the bulk of GHAP funds – \$4.8 million – to multifamily affordable housing development primarily through the 2010 and 2011 Consolidated Funding Cycles (CFC). OHCS

expects to fund a variety of development types ranging from housing for persons with special needs to housing for lower income working Oregonians. All GHAP funded units must have rents that are affordable to – as well as serve – households with incomes less than 80 percent of median income. Eligible expenses include: 1.) Pre-development costs, such as pre-construction or pre-rehabilitation planning, engineering or feasibility studies, appraisals, architectural plans, site acquisition, etc. that are incurred no more than six months prior to a CFC application deadline. 2.) Costs to construct new housing, to acquire and/or rehabilitate existing structures. 3.) Engineering or feasibility studies, appraisals, architectural plans, site acquisition, capital needs assessment or other necessary professional services during development

4. Washington

According to the WSHFC website, there have been 870 affordable rental housing projects funded in the state of Washington. These projects are funded with Low-Income Housing Tax Credits and Bonds. Of these 870 projects, there are 308 projects in rural counties. The Washington State Department of Transportation defines a rural county in Washington as a county having less than 100 persons per square mile or a county smaller than 225 square miles. Therefore, 32 of the state's 39 counties are considered to be rural.

- **Homebuyer Programs**

There are three first-time homebuyer programs available through the WSHFC: the House Key State Bond Loan Program, A New Home for You Pilot Program and the Mortgage Credit Certificate Program (MCC). These three homebuyer programs are summarized below.

- **House Key State Bond Program**

This program is offered to first-time homebuyers in all counties of Washington and has income limits that must not be exceeded to qualify. These income limits range based on household size and county of residence. Participants are required to attend a free Homebuyer Education seminar that educates them on the steps to buying and owning their first home. Each mortgage carries a fixed interest rate for 30 years, ranging from 4.00% to 4.75% based on qualifying credit scores and points. These rates were effective August 19, 2011. This program is also available to repeat home buyers in targeted areas, defined as economically distressed and based on census tracts. There are currently 11 rural counties defined as economically distressed, along with 6 urban counties. However, some rural and urban counties have the same income limit qualifications.

- **New Home for You Program**

This program operates much like the House Key State Bond Program in terms of income limits and targeted areas. However, this program is only available to first-time homebuyers and is for the purchase of a newly constructed, never occupied home. Homebuyers can also qualify for up to \$10,000 in down payment assistance. Interest rates for this program are currently ranging from 4.00% to 4.50%, based on qualifying credit scores and points. Participants are required to have a minimum credit score of 680.

- **Mortgage Credit Certificate**

This program is not a mortgage, but instead is a tax credit that offers first-time homeowners extra money each month good towards their mortgage payment. These loans are available for fixed or adjustable rate mortgages, including Rural Development mortgages. There is a non-refundable fee of \$650 for this program and this program is only available on new mortgages, not refinancing. Much like the other two homebuyer programs offered by WSHFC, this program carries income limits based on the number of people in the household and the county of residence. Eligible properties include single-family existing and new construction homes, manufactured homes with a permanent location and homes on Native American land.

- **Rental Housing Programs**

1. **Low-Income Housing Tax Credit Program**

The WSHFC offers the Low-Income Housing Tax Credit Program to developers, much like other states. The commission has set-asides for multiple organization types developing LIHTC housing. Rural Housing Projects have a set-aside of 15% while Rural Development projects have a set-aside of 5%. The Commission is currently holding one allocation round per year for the tax credits.

2. **Multifamily Housing Bonds**

The Commission offers tax-exempt and taxable bonds to provide below market-rate financing to nonprofit developers and to for-profit developers who set aside a certain percentage of their units for low income individuals and/or families.

B. RECOMMENDATIONS

Bowen National Research considered demographic and economic characteristics and trends, primary and secondary housing data, affordable rental and for-sale housing gap estimates, extensive stakeholder interviews, and the existing affordable housing best practices of comparable states to develop recommendations for possible strategies and approaches to support rural housing initiatives and potential policy and/or program changes that affect affordable housing in rural Texas.

The following is a summary of recommendations for TDHCA and other government entities to consider, as they relate to policies, procedures and programs to implement or modify, in encouraging/supporting the development of affordable housing in rural Texas.

- **Consider Modification of the Tax Credit Program Selection Criteria:** The Tax Credit Program currently uses one set of criteria (point system) to select all projects in the State for tax credit awards. Consideration should be given to establishing two sets of selection criteria, one for rural applications and one for urban applications. The selection criteria do not have to be different (although they can be), just tailored to the issues and conditions unique to urban and rural housing development. Clearly, rural housing has different development and operational issues than urban housing. A more customized selection process will allow the best applications/projects in rural areas to stand out in each region.
- **Promote Efforts and/or Create Incentives To Encourage Affordable Single-Family Home and Manufactured Home Development:** Based on Bowen National Research's stakeholder interviews, one of the most frequently recommended housing options for rural markets was the development of single-family dwellings. Support should be given to encourage the use of the first-time homebuyer program to assist more low-income households with purchasing their own homes. Efforts should also be made to support the expansion of the lending community's network for rural projects and marketing efforts should be encouraged to promote educating the public on the homebuyer programs. Consideration should be given to creating incentives that would encourage developers to develop single-family and/or manufactured homes, such as increased points in TDHCA's Low-Income Housing Tax Credit point scoring process, particularly in rural counties.

- **Promote Efforts to Enable Seniors to Age in Place:** As senior populations grow in rural regions, the need to modify existing homes to allow for aging in place increases. Efforts should be made to promote pre-emptive actions that lead to the removal of physical barriers and encourages property modifications that would enable seniors to age in place. This includes supporting home repair and home maintenance efforts to extend the usefulness of existing housing. Such efforts can include enhanced marketing of government housing improvement programs such as the HOME Investment Partnership Program, Amy Young Barrier Removal Program, and the Bootstrap Loan Program or encourage consulting services (public or private) that assist entities on various programs and how to access them. The adaptive reuse of existing buildings into senior housing and/or assisting seniors to overcome physical challenges of aging in place should also be promoted in rural communities. Since seniors in rural markets have fewer housing options than do seniors in more urbanized markets, it is critical to increase long-term housing alternatives and/or the ability of seniors to age in place.
- **Encourage Rural Affordable Housing Lending from Local Financial Institutions:** Many local banks in rural communities do not have the ability or are reluctant to loan money towards the development of affordable housing in their communities or area. Education and outreach efforts should be made by state and other government housing entities to reduce the reluctance that some local lending institutions may have in lending to rural housing projects. Consideration should be made to providing local banks incentives to become involved with rural housing development.
- **Consolidate Housing Program Requirements and Coordinate Funding Timelines:** One of the barriers to development that was often cited during Bowen National Research’s stakeholder interviews was that many developers must rely upon a variety of financing resources (i.e. USDA, TDHCA and HUD) concurrently to make projects financially feasible. Typically, each funding source has its own set of regulations and funding cycles, which are not coordinated with other agencies for easy use. Public funding entities should attempt to consolidate their program regulations and coordinate their funding cycles to facilitate housing development and reduce the cost and time of compliance activities.
- **Consider Creating Regional Rural Housing Resource Centers:** One of the barriers often cited by developers and stakeholders in rural Texas is; (1) the lack of housing knowledge and experience by local/regional governments, and (2) the difficulty in reaching resources that can directly and quickly address local housing issues or challenges. It is recommended that consideration be given to establishing Rural Housing Resource Centers within each Service Region, staffed with a housing development specialist or representative who understands local market conditions,

housing and infrastructure needs, financing tools, and housing programs. These regional rural housing resource centers would act as liaisons between developers/end users/local governments and the various government agencies in Austin or other metropolitan areas. The Colonia Self-Help Centers currently in some rural Texas border communities could be a potential model to follow. Entities such as Community Action Agencies could be good candidates for a regional rural housing resource center.

- **Develop an Affordable Housing Inventory Clearinghouse:** While TDHCA has an on-line Vacancy Clearinghouse tool, it is recommended that a more comprehensive Housing Inventory Clearinghouse be developed that includes detailed summaries of the entire inventory of affordable housing projects in Texas. This would include TDHCA-financed projects, but also Public Housing, HUD Section 8, RD 515 and other affordable housing alternatives. This will enable low-income households to more easily find out information about the affordable housing inventory available throughout Texas, including the rural communities. This could also serve as an effective planning and development tool for local communities, government entities, and developers.
- **Modify TDHCA's Existing On-Line Housing Resource Center to Include a Rural Component:** The existing Housing Resource Center on TDHCA's website should be modified to have a specific section on rural housing. Information collected and maintained by government entities as it relates to rural housing programs, government contacts (both state and local) and website links, voucher data, utility allowance publications, demographic data, housing inventory data, and other housing materials could be maintained through the website. Non-profit and supportive service providers could be listed, allowing for private sector groups to identify organizations with which to build relationships or partnerships in the common goal of successful rural affordable housing. This would provide developers of rural housing a one-stop center for rural housing information and resources. A focused effort should be made to educate the public, particularly developers and stakeholders, of this resource. Many stakeholders we interviewed were unaware of current state housing programs, and those that did know many had misinformation.

- **Consider Expanding Publicly-Funded Housing Programs for Rural Areas to Level the Development Playing Field:** One of the primary barriers to housing development in rural Texas is additional financial requirements that equity providers and lenders often place on developments in rural markets, due to the perceived higher risk that rural markets have over urban markets. It is recommended that government entities should consider expanding assistance through such things as gap financing, loan guarantees and other financial mechanisms that will encourage (or lower the risk of) investing or lending money to rural housing developments.
- **Consider Expansion of Home Repair/Maintenance Programs (with Emphasis on Senior Housing):** Consideration should be given to the possible expansion of funding for home repair, home maintenance, and weatherization to allow lower-income households, particularly seniors, to remain in their homes longer. This will be particularly helpful to lower-income seniors in rural communities who have difficulty affording home upkeep, and have few housing options if forced to move. Such a program will enable seniors to stay in their homes longer and age in place (see next recommendation).
- **Encourage the Use of Universal Design Standards for New Development (and to the Extent Possible for Rehabilitation):** With the significant increase in senior populations within all Service Regions, it is critical that new and rehabilitated housing developments be designed to accommodate aging in place. Consideration should be given to requiring developers of affordable housing in rural communities (and possibly all communities) to incorporate features that will enable seniors to age in place and persons with disabilities to live more independently. Universal Design benefits both population groups.
- **Encourage the Development of Integrated/Mixed Residential-Use Projects:** It is recommended that development of integrated/mixed residential use development with one developer or between multiple developers be encouraged. Such developments could include a combination of intergenerational (family and seniors) housing, targeting different income stratifications (very-low, low- and moderate-income households, as well as market-rate households), special needs groups (i.e. homeless, disabled, etc) and include a variety product designs (i.e. single-family homes, cottage-style units, small multifamily projects, etc.). Benefits can be gained from economies of scale associated with the sharing of development costs such as infrastructure, construction, staffing and marketing that would help reduce costs for developers. Efforts should be made to insure that a cohesive master plan or equivalent is developed to enable the mixed residential uses to effectively coexist and complement each other, when possible. Further, it is critical that all Fair Housing regulations are implemented within such developments.

- **Expand and Improve Rural Housing Development Outreach and Education Efforts:** One of the challenges facing the development of affordable housing in rural Texas is the lack of knowledge about state housing programs and financing mechanisms. This lack of knowledge ranges from prospective residents who are unaware of assistance available to them in their area to developers and local government officials who may not be aware of programs that can encourage affordable housing development in their communities. Lack of information or misinformation often limits public interest in affordable housing. A greater involvement by government financing entities, whether it is through outreach, education, or information sharing, would greatly assist rural housing developers, encourage less experienced developers or developers with limited staffs to get involved with rural housing development, and reduce the timeline associated with the rural housing financing process. Cooperation and sharing between housing groups, such as for-profit and non-profit developers, housing authorities, and other housing and supportive service providers, will help to encourage rural housing development.
- **Encourage Local Government Entities to Start the Predevelopment Research Required for Housing Development:** Local governments can take a proactive approach to encouraging development by do the predevelopment work required for promoting housing development. Such involvement can range from community services and market research to implementing the infrastructure required to support development. Laying such groundwork could then be used by local government entities to attract developers to the community.
- **Encourage Involvement between Local Governments and the Development Community:** A barrier to development that was often cited during our research and interviews was that many local governments do not actively work with affordable housing developers in rural communities. Efforts should be made on the state level to help build relationships and partnerships between public and private sectors. Part of this effort could focus on basic outreach and education activities and other efforts to facilitate relationship-building, networking, and partnering between parties of mutual interests.

IX. SOURCES

Bowen National Research uses various sources to gather and confirm data used in each analysis. These sources include the following:

- 2000 and 2010 U.S. Census
- ESRI Demographics
- InfoGroup
- Ribbon Demographics HISTA Data
- U.S. Department of Labor, Bureau of Labor Statistics
- Management for each property included in the survey
- Local planning and building officials
- Local Housing Authorities
- Texas Department of Housing and Community Affairs
- Regional Council of Government representatives
- Farm owners and agricultural representatives
- Regional Area Agencies on Aging
- Local, regional and statewide housing developers
- Local, regional and statewide special needs advocates
- U.S. Department of Housing and Urban Development (HUD)
- United States Department of Agriculture (USDA)
- Urban Decision Group (UDG)
- 2005-2009 American Community Survey
- Texas Department of State Health Services – 2010 HIV Surveillance Report
- Office of the Attorney General – Colonia Geographic Database
- 2009 FBI Uniform Crime Reports
- Texas Department of Family and Protective Services, FY 2010
- SOCDS Building Permits Database
- Realtor.com
- Realtytrac.com

X. COMPANY QUALIFICATIONS

THE COMPANY

Bowen National Research employs an expert staff to ensure that each market study is of the utmost quality. Each staff member has hands-on experience evaluating sites and comparable properties, analyzing market characteristics and trends, and providing realistic recommendations and conclusions. The Bowen National Research staff has a combined 50 years of experience in studying housing markets.

THE STAFF

Patrick Bowen is the President of Bowen National Research. He has prepared and supervised thousands of market feasibility studies for all types of real estate products, including affordable family and senior housing, multifamily market-rate housing and student housing, for 14 years. He has also prepared various studies for submittal as part of HUD 221(d)(3) & (4), HUD 202 developments and applications for housing for Native Americans. Mr. Bowen has worked closely with many state and federal housing agencies to assist them with their market study guidelines. Mr. Bowen has his bachelor's degree in legal administration (with emphasis on business and law) from the University of West Florida.

Benjamin J. Braley, Market Analyst, has conducted on-site market evaluations for over four years in more than 200 markets. He has completed work in 37 states and tribal reservations throughout the U.S. Mr. Braley has analyzed apartments (subsidized, Tax Credit and upscale market-rate), senior housing (i.e. nursing homes, assisted living, etc.), student housing, condominiums, single-family homes and marina developments. In addition, he has studied retail, office and hotel markets. Mr. Braley has a bachelor's degree in Economics from Otterbein College.

Amy Tyrrell is a Market Analyst for Bowen National Research and is based out of Washington, DC. She has 16 years experience in the real estate and construction industries, with 11 years specializing in the research field. She has researched, analyzed, and prepared reports on a variety of trends, industries, and property types, including industrial, office, medical office, multifamily apartments and condominiums, and senior housing. Prior to her focus on research, Ms. Tyrrell performed financial analysis for retail developments throughout the United States. She holds a Masters in Business Administration with concentrations in real estate and marketing from the University of Cincinnati and a Bachelor of Arts in economics with a minor in mathematics from Smith College.

Christi Kramer is the Marketing Director at Bowen National Research. She has conducted qualitative and quantitative research in markets nationwide for apartments, student housing, condominiums, single-family, self-storage and retail developments. In addition, Ms. Kramer has been involved in the production of over 2,500 studies and is familiar with the guidelines and requirements of state housing agencies. She has a bachelor's degree in Marketing from the University of Dayton School of Business Administration where she was also the Marketing Assistant.

Stephanie Viren is the Research Director at Bowen National Research. Ms. Viren focuses on collecting detailed data concerning housing conditions in various markets throughout the United States. Ms. Viren has extensive interviewing skills and experience and also possesses the expertise necessary to conduct surveys of diverse pools of respondents regarding population and housing trends, housing marketability, economic development and other socioeconomic issues relative to the housing industry. Ms. Viren's professional specialty is condominium and senior housing research. Ms. Viren earned a Bachelor of Arts in Business Administration from Heidelberg College.

Jack Wiseman, a Market Analyst with Bowen National Research, has conducted extensive market research in over 200 markets throughout the United States. He provides thorough evaluation of site attributes, area competitors, market trends, economic characteristics and a wide range of issues impacting the viability of real estate development. He has evaluated market conditions for a variety of real estate alternatives, including affordable and market-rate apartments, retail and office establishments, educational facilities, marinas and a variety of senior residential alternatives. Mr. Wiseman has a Bachelor of Arts in Economics from Miami University.

Desirée Johnson is the Field Support Coordinator at Bowen National Research. Ms. Johnson is involved in the day-to-day management of the field support department, as well as preparing jobs for field and phone analysis. She has been involved in extensive market research in a variety of project types for more than five years. Ms. Johnson has the ability to research, find, analyze and manipulate data in a multitude of ways. Ms. Johnson has an Associate of Applied Science in Office Administration from Columbus State Community College.

Becky Musso is part of the research team at Bowen National Research. She has been involved in the research process for many jobs, but has specifically been skilled in the research of homeless, special needs and farmlabor data. Ms. Musso conducts a variety of interviews with local planning, economic development and stakeholder officials that are used in the analysis of each market.

June Davis, Office Manager of Bowen National Research, has 22 years experience in market feasibility research. Ms. Davis has overseen production on over 13,000 market studies for projects throughout the United States.

