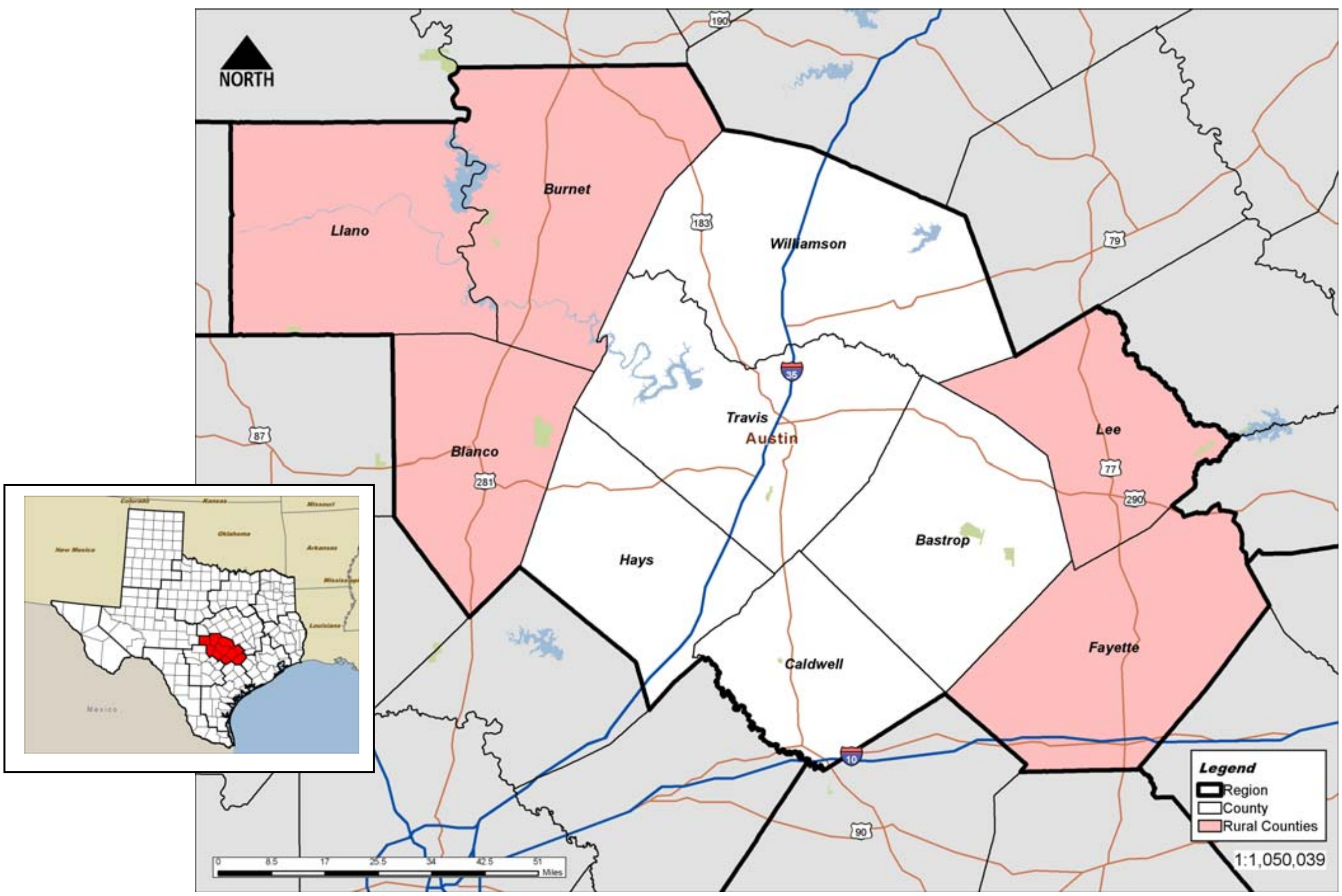
ADDENDUM G - REGION 7 (CAPITAL)

A. INTRODUCTION

Region 7 is located in the central portion of the state of Texas. This region includes at total of 10 counties, of which 5 were classified as rural and were included in the following analysis. The largest rural county in the region is Burnet, with 42,750 people (2010 Census). The following are relevant facts about the region (note: data applies to rural counties studied in this region and does not include non-rural counties):

Region Size: 113,714 square miles
2010 Population Density: 27 persons per square mile
2010 Population: 113,714
2010 Households: 46,057
2010 Median Household Income: $51,686



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

Rural Counties (Studied) Within Region		
Blanco	Fayette	Llano
Burnet	Lee	-
Non-Rural Counties (Excluded) Within Region		
Bastrop	Hays	Williamson
Caldwell	Travis	-

B. KEY FINDINGS

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. Based on American Community Survey and U.S. Census data, there are 8,763 manufactured homes in the region. Bowen National Research was able to survey manufactured home parks with 195 lots/homes. These manufactured 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.

According to area stakeholders, 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.

Additional key regional findings include:

- Total households within the region are projected to increase by 2,441, a 5.3% increase between 2010 and 2015. Overall, the number of households in rural regions of Texas is projected to increase by 1.5% during this same time, while the overall state increase will be 8.4%. Among householders age 55 and older within the region, it is projected that this age cohort will increase by 12.5%. The overall rural regions of the state will experience an increase in its older adult (age 55+) households base of 8.5%, while the overall state will increase by 17.6% during this same time period.

- Approximately 32.3% of renters in the region are paying over 30% (cost burdened) of their income towards rent compared to 22.9% of owners in the region who are cost burdened. Statewide, these shares are 44.5% for renters and 25.6% for owners. The greatest share of cost burdened renters and the greatest number of cost burdened renter households is in Burnet County. The greatest share of cost burdened homeowners is in Llano County, while the greatest number of cost burdened homeowners is in Burnet County.

- A total of 4.9% of renter households within the region are considered to be living in overcrowded housing (1.0 or more persons per room) compared to 2.5% of owner households. Statewide, these shares are 7.3% for renters and 3.2% for owners. The greatest share of overcrowded renter-occupied housing and the greatest number of overcrowded renter-occupied housing is in Burnet County. The highest share among owner-occupied housing is within Lee County, while the highest number among owner-occupied housing is within Fayette County.

- Within the region, the share of renter housing units that lack complete plumbing facilities is 1.5% among renter-occupied units and 0.5% among owner-occupied units. Overall, the state average is 0.8% of renter-occupied units and 0.5% of owner-occupied units lack complete plumbing facilities.

- Total employment within the region increased by 984 employees between 2006 and 2011, representing a 1.9% increase. The statewide average increase during this same time period is 6.6%.

- The region's largest industry by total employment is within the Retail Trade sector at 16.2%. The largest negative change in employment between 2000 and 2010 was within the Construction industry, losing 2,565 employees; the largest positive change was within the Accommodation and Food Services sector, increasing by 2,024 jobs.

- Between 2006 and 2011, the region's unemployment rate was at its lowest at 3.5% in 2007 and its highest rate in 2011 at 6.7%, indicating an upward trend in unemployment rates for the region. The state of Texas had unemployment rates ranging from 4.4% to 8.2% during the past six years.

- The overall occupancy rate of surveyed affordable rental-housing units in the region is 93.3%. This is below the statewide average of 97.3% for the rural regions of Texas.

- Of all affordable rental units surveyed in the region, 106 (8.0%) were built before 1970; 582 (43.8%) were built since 2000. A total 597 units were built between 1970 and 1989, comprising the largest share at 44.9%.

- The lowest gross rent among rental units surveyed in the region is $291; highest gross rent is $916. This is a wide range and indicates a wide variety of rental housing alternatives offered in the region.

- The estimated number of manufactured homes within the region is 8,763 units with approximately 26.5% renter-occupied and 73.5% owner-occupied. There were a total of 195 manufactured home lots surveyed with 9 available, representing an overall occupancy/usage rate of 95.4%. This is well above the state average (86.1%) occupancy rate for manufactured homes.

- Rental rates of manufactured homes were not available for this region.

- A total of 975 for-sale housing units were identified within the region that were listed as available for purchase. Less than one-third (27.0%) of the units were priced below $100,000. The average listed price of homes under $100,000 is $72,820, representing a moderate base of affordable for-sale product that is available to low-income households. It should be noted, however, that much of this supply is older (pre-1960) and likely lower quality product that requires repairs or renovations.

- The total affordable housing gap for the entire region was 2,670 rental units and 1,445 for-sale units. This does not mean that the entire region can support 2,670 new rental units and 1,445 new for-sale units. Instead, these numbers are primarily representative of the number of households in the region that are living in cost burdened, overcrowded or substandard housing. Since not all households living in such conditions are willing or able to move if new product is built, only a portion of the units cited above could be supported. Typically, only about 10% of the housing gap within a county can be supported at an individual site. Housing gaps for individual counties are included at the end of this addendum. The largest renter-occupied housing gap and the largest owner-occupied housing gap is in Burnet County.

C. DEMOGRAPHICS ANALYSIS

1. POPULATION TRENDS

		Year			
		1990	2000	2010	2015
Blanco County	Population	5,972	8,418	10,497	10,822
	Population Change	-	2,446	2,079	325
	Percent Change	-	41.0%	24.7%	3.1%
Burnet County	Population	22,677	34,148	42,750	46,570
	Population Change	-	11,471	8,602	3,820
	Percent Change	-	50.6%	25.2%	8.9%
Fayette County	Population	20,094	21,803	24,554	25,521
	Population Change	-	1,709	2,751	967
	Percent Change	-	8.5%	12.6%	3.9%
Lee County	Population	12,854	15,657	16,612	16,926
	Population Change	-	2,803	955	314
	Percent Change	-	21.8%	6.1%	1.9%
Llano County	Population	11,629	17,040	19,301	19,884
	Population Change	-	5,411	2,261	583
	Percent Change	-	46.5%	13.3%	3.0%
Sum of Rural Region	Population	73,226	97,066	113,714	119,723
	Population Change	-	23,840	16,648	6,009
	Percent Change	-	32.6%	17.2%	5.3%
Urban Areas	Population	846,216	1,249,746	1,716,289	2,028,517
	Population Change		403,530	466,543	312,228
	Percent Change		47.7%	37.3%	18.2%
State of Texas	Population	16,986,510	20,851,820	25,145,561	27,291,474
	Population Change	-	3,865,310	4,293,741	2,145,913
	Percent Change	-	22.8%	20.6%	8.5%

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

The population bases by age are summarized as follows:

		Population by Age						
		<25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+
Blanco County	2000	2,572 30.6%	888 10.5%	1,267 15.1%	1,334 15.8%	951 11.3%	694 8.2%	712 8.5%
	2010	3,007 28.6%	1,022 9.7%	1,245 11.9%	1,628 15.5%	1,817 17.3%	1,003 9.6%	775 7.4%
	2015	3,031 28.0%	1,089 10.1%	1,153 10.7%	1,452 13.4%	1,918 17.7%	1,398 12.9%	782 7.2%
Burnet County	2000	10,772 31.5%	3,644 10.7%	5,239 15.3%	4,554 13.3%	3,813 11.2%	3,414 10.0%	2,712 7.9%
	2010	12,706 29.7%	4,408 10.3%	5,053 11.8%	6,493 15.2%	6,185 14.5%	4,264 10.0%	3,640 8.5%
	2015	13,634 29.3%	4,786 10.3%	5,172 11.1%	6,232 13.4%	7,328 15.7%	5,511 11.8%	3,906 8.4%
Fayette County	2000	6,577 30.2%	1,984 9.1%	3,164 14.5%	3,010 13.8%	2,269 10.4%	2,120 9.7%	2,679 12.3%
	2010	6,955 28.3%	2,594 10.6%	2,565 10.4%	3,858 15.7%	3,615 14.7%	2,302 9.4%	2,665 10.9%
	2015	7,132 27.9%	2,654 10.4%	2,708 10.6%	3,355 13.1%	4,169 16.3%	2,878 11.3%	2,626 10.3%
Lee County	2000	5,944 38.0%	1,756 11.2%	2,361 15.1%	1,962 12.5%	1,382 8.8%	1,169 7.5%	1,083 6.9%
	2010	5,984 36.0%	2,043 12.3%	1,908 11.5%	2,413 14.5%	1,958 11.8%	1,182 7.1%	1,125 6.8%
	2015	6,019 35.6%	2,092 12.4%	1,918 11.3%	2,109 12.5%	2,275 13.4%	1,408 8.3%	1,103 6.5%
Llano County	2000	3,482 20.4%	1,177 6.9%	1,958 11.5%	2,400 14.1%	2,800 16.4%	2,892 17.0%	2,331 13.7%
	2010	3,574 18.5%	1,291 6.7%	1,478 7.7%	2,572 13.3%	3,827 19.8%	3,582 18.6%	2,977 15.4%
	2015	3,479 17.5%	1,404 7.1%	1,394 7.0%	2,125 10.7%	3,850 19.4%	4,449 22.4%	3,182 16.0%
Sum of Rural Region	2000	29,347 30.2%	9,449 9.7%	13,989 14.4%	13,260 13.7%	11,215 11.6%	10,289 10.6%	9,517 9.8%
	2010	32,226 28.3%	11,358 10.0%	12,249 10.8%	16,964 14.9%	17,402 15.3%	12,333 10.8%	11,182 9.8%
	2015	33,295 27.8%	12,025 10.0%	12,345 10.3%	15,273 12.8%	19,540 16.3%	15,644 13.1%	11,599 9.7%
Urban Areas	2000	484,018 38.7%	228,714 18.3%	212,142 17.0%	155,894 12.5%	78,334 6.3%	49,468 4.0%	41,176 3.3%
	2010	643,517 37.5%	279,737 16.3%	251,670 14.7%	241,817 14.1%	163,349 9.5%	76,646 4.5%	59,553 3.5%
	2015	752,222 37.1%	334,759 16.5%	280,094 13.8%	263,504 13.0%	210,377 10.4%	116,830 5.8%	70,734 3.5%
State of Texas	2000	8,085,640 38.8%	3,162,083 15.2%	3,322,238 15.9%	2,611,137 12.5%	1,598,190 7.7%	1,142,608 5.5%	929,924 4.5%
	2010	9,368,816 37.3%	3,653,545 14.5%	3,417,561 13.6%	3,485,240 13.9%	2,617,205 10.4%	1,431,667 5.7%	1,171,525 4.7%
	2015	10,067,025 36.9%	4,026,446 14.8%	3,562,076 13.1%	3,432,406 12.6%	3,052,202 11.2%	1,897,495 7.0%	1,253,824 4.6%

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

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

		Year			
		1990	2000	2010	2015
Blanco County	Population	5,972	8,418	10,497	10,822
	Area in Square Miles	713.39	713.39	713.39	713.39
	Density	8.4	11.8	14.7	15.2
Burnet County	Population	22,677	34,148	42,750	46,570
	Area in Square Miles	1,021.06	1,021.06	1,021.06	1,021.06
	Density	22.2	33.4	41.9	45.6
Fayette County	Population	20,094	21,803	24,554	25,521
	Area in Square Miles	959.84	959.84	959.84	959.84
	Density	20.9	22.7	25.6	26.6
Lee County	Population	12,854	15,657	16,612	16,926
	Area in Square Miles	634.00	634.00	634.00	634.00
	Density	20.3	24.7	26.2	26.7
Llano County	Population	11,629	17,040	19,301	19,884
	Area in Square Miles	965.57	965.57	965.57	965.57
	Density	12.0	17.6	20.0	20.6
Sum of Rural Region	Population	73,226	97,066	113,714	119,723
	Area in Square Miles	4,293.86	4,293.86	4,293.86	4,293.86
	Density	17.1	22.6	26.5	27.9
Urban Areas	Population	846,216	1,249,746	1,716,289	2,028,517
	Area in Square Miles	4,150	4,150	4,150	4,150
	Density	203.9	301.2	413.6	488.8
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

2. HOUSEHOLD TRENDS

Household trends are summarized as follows:

		Year			
		1990	2000	2010	2015
Blanco County	Households	2,338	3,303	4,309	4,439
	Household Change	-	965	1,006	130
	Percent Change	-	41.3%	30.5%	3.0%
Burnet County	Households	9,055	13,135	16,511	17,977
	Household Change	-	4,080	3,376	1,466
	Percent Change	-	45.1%	25.7%	8.9%
Fayette County	Households	8,101	8,722	10,078	10,478
	Household Change	-	621	1,356	400
	Percent Change	-	7.7%	15.5%	4.0%
Lee County	Households	4,706	5,663	6,151	6,263
	Household Change	-	957	488	112
	Percent Change	-	20.3%	8.6%	1.8%
Llano County	Households	5,277	7,877	9,008	9,285
	Household Change	-	2,600	1,131	277
	Percent Change	-	49.3%	14.4%	3.1%
Sum of Rural Region	Households	29,477	38,700	46,057	48,442
	Household Change	-	9,223	7,357	2,385
	Percent Change	-	31.3%	19.0%	5.2%
Urban Areas	Households	325,987	471,848	650,459	768,121
	Household Change	-	145,860	178,611	117,662
	Percent Change	-	44.7%	37.9%	18.1%
State of Texas	Households	6,070,937	7,393,354	8,922,933	9,673,279
	Household Change	-	1,322,417	1,529,579	750,346
	Percent Change	-	21.8%	20.7%	8.4%

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

The household bases by age are summarized as follows:

		Households by Age						
		<25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+
Blanco County	2000	106 3.2%	378 11.4%	708 21.4%	711 21.5%	549 16.6%	435 13.2%	416 12.6%
	2010	114 2.6%	439 10.2%	686 15.9%	886 20.6%	1,069 24.8%	649 15.1%	467 10.8%
	2015	107 2.4%	489 11.0%	626 14.1%	770 17.3%	1,096 24.7%	889 20.0%	463 10.4%
Burnet County	2000	518 3.9%	1,474 11.2%	2,763 21.0%	2,494 19.0%	2,088 15.9%	2,055 15.6%	1,743 13.3%
	2010	581 3.5%	1,878 11.4%	2,476 15.0%	3,424 20.7%	3,308 20.0%	2,529 15.3%	2,315 14.0%
	2015	584 3.2%	2,106 11.7%	2,501 13.9%	3,248 18.1%	3,873 21.5%	3,211 17.9%	2,453 13.6%
Fayette County	2000	291 3.3%	779 8.9%	1,659 19.0%	1,599 18.3%	1,320 15.1%	1,337 15.3%	1,737 19.9%
	2010	296 2.9%	1,165 11.6%	1,338 13.3%	2,062 20.5%	2,105 20.9%	1,422 14.1%	1,690 16.8%
	2015	269 2.6%	1,239 11.8%	1,404 13.4%	1,773 16.9%	2,390 22.8%	1,756 16.8%	1,647 15.7%
Lee County	2000	294 5.2%	789 13.9%	1,227 21.7%	1,087 19.2%	852 15.0%	693 12.2%	721 12.7%
	2010	262 4.3%	933 15.2%	992 16.1%	1,345 21.9%	1,122 18.2%	767 12.5%	730 11.9%
	2015	245 3.9%	972 15.5%	989 15.8%	1,162 18.6%	1,283 20.5%	903 14.4%	710 11.3%
Llano County	2000	203 2.6%	520 6.6%	1,097 13.9%	1,229 15.6%	1,451 18.4%	1,831 23.2%	1,546 19.6%
	2010	199 2.2%	597 6.6%	766 8.5%	1,346 14.9%	1,994 22.1%	2,174 24.1%	1,932 21.4%
	2015	176 1.9%	673 7.2%	719 7.7%	1,101 11.9%	1,990 21.4%	2,624 28.3%	2,003 21.6%
Sum of Rural Region	2000	1,412 3.6%	3,940 10.2%	7,454 19.3%	7,120 18.4%	6,260 16.2%	6,351 16.4%	6,163 15.9%
	2010	1,452 3.2%	5,012 10.9%	6,258 13.6%	9,063 19.7%	9,598 20.8%	7,541 16.4%	7,134 15.5%
	2015	1,381 2.9%	5,479 11.3%	6,239 12.9%	8,054 16.6%	10,632 21.9%	9,383 19.4%	7,276 15.0%
Urban Areas	2000	48,241 10.2%	112,035 23.7%	119,443 25.3%	91,085 19.3%	45,786 9.7%	30,410 6.4%	24,848 5.3%
	2010	58,062 8.9%	136,610 21.0%	139,379 21.4%	139,743 21.5%	94,795 14.6%	46,107 7.1%	35,762 5.5%
	2015	63,649 8.3%	165,569 21.6%	154,241 20.1%	151,398 19.7%	120,758 15.7%	69,661 9.1%	42,843 5.6%
State of Texas	2000	477,063 6.5%	1,430,025 19.3%	1,800,482 24.4%	1,455,189 19.7%	924,316 12.5%	718,080 9.7%	588,199 8.0%
	2010	535,328 6.0%	1,626,238 18.2%	1,777,887 19.9%	1,914,271 21.5%	1,485,204 16.6%	862,658 9.7%	721,347 8.1%
	2015	542,204 5.6%	1,818,970 18.8%	1,834,258 19.0%	1,869,304 19.3%	1,710,141 17.7%	1,127,683 11.7%	770,719 8.0%

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

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

		Persons Per Renter Household					
		1-Person	2-Person	3-Person	4-Person	5-Person	Total
Blanco County	2000	202 28.8%	185 26.4%	127 18.1%	117 16.7%	70 10.0%	701 100.0%
	2010	250 28.3%	242 27.4%	163 18.5%	139 15.8%	89 10.1%	882 100.0%
	2015	278 28.7%	275 28.4%	180 18.6%	138 14.2%	99 10.2%	970 100.0%
Burnet County	2000	909 31.9%	696 24.4%	508 17.8%	403 14.2%	332 11.7%	2,848 100.0%
	2010	1,334 32.0%	1,078 25.9%	716 17.2%	523 12.6%	512 12.3%	4,163 100.0%
	2015	1,301 32.2%	1,010 25.0%	700 17.3%	522 12.9%	513 12.7%	4,046 100.0%
Fayette County	2000	824 43.5%	477 25.2%	225 11.9%	186 9.8%	182 9.6%	1,893 100.0%
	2010	978 43.3%	573 25.3%	278 12.3%	198 8.8%	234 10.3%	2,261 100.0%
	2015	1,045 43.9%	590 24.8%	287 12.1%	203 8.5%	254 10.7%	2,379 100.0%
Lee County	2000	367 31.4%	277 23.7%	194 16.6%	208 17.8%	124 10.6%	1,170 100.0%
	2010	443 33.0%	298 22.2%	213 15.9%	253 18.9%	134 10.0%	1,341 100.0%
	2015	473 34.8%	284 20.9%	209 15.4%	252 18.6%	140 10.3%	1,358 100.0%
Llano County	2000	635 42.1%	459 30.5%	179 11.9%	182 12.1%	51 3.4%	1,507 100.0%
	2010	769 39.6%	583 30.0%	221 11.4%	294 15.1%	74 3.8%	1,941 100.0%
	2015	737 39.8%	554 29.9%	208 11.2%	279 15.1%	74 4.0%	1,852 100.0%
Sum of Rural Region	2000	2,937 36.2%	2,094 25.8%	1,233 15.2%	1,096 13.5%	759 9.3%	8,119 100.0%
	2010	3,774 35.6%	2,774 26.2%	1,591 15.0%	1,407 13.3%	1,043 9.9%	10,588 100.0%
	2015	3,834 36.2%	2,713 25.6%	1,584 14.9%	1,394 13.1%	1,080 10.2%	10,605 100.0%
Urban Areas	2000	75,805 38.5%	58,267 29.6%	28,478 14.4%	18,440 9.4%	16,151 8.2%	197,140 100.0%
	2010	109,559 40.6%	72,536 26.9%	39,151 14.5%	25,518 9.5%	23,246 8.6%	270,011 100.0%
	2015	127,718 40.5%	81,779 26.0%	46,435 14.7%	30,866 9.8%	28,171 8.9%	314,969 100.0%
State of Texas	2000	900,225 33.6%	675,181 25.2%	436,715 16.3%	335,107 12.5%	329,168 12.3%	2,676,395 100.0%
	2010	1,169,147 36.1%	766,951 23.7%	514,648 15.9%	392,300 12.1%	394,534 12.2%	3,237,580 100.0%
	2015	1,276,764 36.4%	807,734 23.0%	558,721 15.9%	431,217 12.3%	437,636 12.5%	3,512,073 100.0%

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

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

		Persons Per Owner Household					
		1-Person	2-Person	3-Person	4-Person	5-Person	Total
Blanco County	2000	589 22.6%	1,052 40.4%	393 15.1%	346 13.3%	222 8.5%	2,602 100.0%
	2010	714 20.8%	1,378 40.2%	560 16.3%	469 13.7%	305 8.9%	3,427 100.0%
	2015	703 20.3%	1,421 41.0%	568 16.4%	467 13.5%	309 8.9%	3,469 100.0%
Burnet County	2000	2,021 19.6%	4,543 44.2%	1,498 14.6%	1,286 12.5%	940 9.1%	10,287 100.0%
	2010	2,409 19.5%	5,639 45.7%	1,766 14.3%	1,488 12.1%	1,046 8.5%	12,348 100.0%
	2015	2,654 19.1%	6,362 45.7%	2,051 14.7%	1,695 12.2%	1,170 8.4%	13,931 100.0%
Fayette County	2000	1,594 23.3%	2,659 38.9%	1,037 15.2%	959 14.0%	579 8.5%	6,829 100.0%
	2010	1,694 21.7%	3,109 39.8%	1,202 15.4%	1,112 14.2%	700 9.0%	7,817 100.0%
	2015	1,748 21.6%	3,270 40.4%	1,224 15.1%	1,136 14.0%	720 8.9%	8,098 100.0%
Lee County	2000	926 20.6%	1,626 36.2%	712 15.8%	642 14.3%	586 13.0%	4,493 100.0%
	2010	1,005 20.9%	1,770 36.8%	792 16.5%	652 13.6%	591 12.3%	4,810 100.0%
	2015	1,012 20.6%	1,827 37.2%	840 17.1%	638 13.0%	588 12.0%	4,905 100.0%
Llano County	2000	1,587 24.9%	3,467 54.4%	613 9.6%	402 6.3%	302 4.7%	6,370 100.0%
	2010	1,704 24.1%	3,877 54.9%	737 10.4%	441 6.2%	308 4.4%	7,067 100.0%
	2015	1,799 24.2%	4,131 55.6%	788 10.6%	416 5.6%	298 4.0%	7,433 100.0%
Sum of Rural Region	2000	6,717 22.0%	13,347 43.6%	4,253 13.9%	3,635 11.9%	2,629 8.6%	30,581 100.0%
	2010	7,526 21.2%	15,773 44.5%	5,057 14.3%	4,162 11.7%	2,950 8.3%	35,469 100.0%
	2015	7,916 20.9%	17,011 45.0%	5,471 14.5%	4,352 11.5%	3,085 8.2%	37,836 100.0%
Urban Areas	2000	48,947 17.8%	94,947 34.6%	49,594 18.1%	47,896 17.4%	33,324 12.1%	274,707 100.0%
	2010	69,356 18.2%	134,500 35.4%	69,173 18.2%	63,333 16.6%	44,087 11.6%	380,448 100.0%
	2015	83,696 18.5%	162,013 35.8%	81,947 18.1%	73,583 16.2%	51,915 11.5%	453,154 100.0%
State of Texas	2000	837,449 17.8%	1,575,067 33.4%	831,761 17.6%	802,092 17.0%	670,590 14.2%	4,716,959 100.0%
	2010	1,008,796 17.7%	1,928,236 33.9%	1,024,767 18.0%	946,252 16.6%	777,302 13.7%	5,685,353 100.0%
	2015	1,098,415 17.8%	2,106,810 34.2%	1,108,772 18.0%	1,010,386 16.4%	836,823 13.6%	6,161,206 100.0%

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

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

		Less Than 9th Grade	High School, No Diploma	High School Graduate	Some College, No Degree	Associate Degree	Bachelor's Degree	Graduate Degree	Total
Blanco County	Number	489	547	2,177	1,459	432	1,136	512	6,752
	Percent	7.2%	8.1%	32.2%	21.6%	6.4%	16.8%	7.6%	100.0%
Burnet County	Number	2,059	3,520	11,148	7,046	1,983	4,199	2,017	31,972
	Percent	6.4%	11.0%	34.9%	22.0%	6.2%	13.1%	6.3%	100.0%
Fayette County	Number	2,259	1,699	6,521	2,749	839	2,072	691	16,830
	Percent	13.4%	10.1%	38.7%	16.3%	5.0%	12.3%	4.1%	100.0%
Lee County	Number	1,506	993	4,266	1,806	606	1,138	438	10,753
	Percent	14.0%	9.2%	39.7%	16.8%	5.6%	10.6%	4.1%	100.0%
Llano County	Number	640	1,366	5,486	3,865	802	2,414	1,250	15,823
	Percent	4.0%	8.6%	34.7%	24.4%	5.1%	15.3%	7.9%	100.0%
Sum of Rural Region	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%
Urban Areas	Number	77,805	67,865	226,520	228,581	74,145	280,006	148,776	1,103,698
	Percent	7.0%	6.1%	20.5%	20.7%	6.7%	25.4%	13.5%	100.0%
State of Texas	Number	1,465,389	1,649,091	3,176,650	2,858,720	668,476	1,996,204	976,012	12,790,542
	Percent	11.5%	12.9%	24.8%	22.4%	5.2%	15.6%	7.6%	100.0%

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

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

		White Alone	Black or African American Alone	American Indian and Alaskan Native American	Asian Alone	Native Hawaiian and Other Pacific Islander Alone	Some Other Race Alone	Two or More Races	Total
Blanco County	Number	9,475	69	74	51	4	623	201	10,497
	Percent	90.3%	0.7%	0.7%	0.5%	0.0%	5.9%	1.9%	100.0%
Burnet County	Number	37,825	766	290	203	17	2,855	794	42,750
	Percent	88.5%	1.8%	0.7%	0.5%	0.0%	6.7%	1.9%	100.0%
Fayette County	Number	20,491	1,632	177	66	7	1,849	332	24,554
	Percent	83.5%	6.6%	0.7%	0.3%	0.0%	7.5%	1.4%	100.0%
Lee County	Number	13,101	1,807	104	55	18	1,204	323	16,612
	Percent	78.9%	10.9%	0.6%	0.3%	0.1%	7.2%	1.9%	100.0%
Llano County	Number	18,319	112	118	77	5	397	273	19,301
	Percent	94.9%	0.6%	0.6%	0.4%	0.0%	2.1%	1.4%	100.0%
Sum of Rural Region	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%
Urban Areas	Number	1,250,332	127,397	13,452	82,433	1,347	186,455	54,873	1,716,289
	Percent	72.9%	7.4%	0.8%	4.8%	0.1%	10.9%	3.2%	100.0%
State of Texas	Number	6,570,152	1,088,836	57,265	307,373	6,353	714,396	178,558	8,922,933
	Percent	73.6%	12.2%	0.6%	3.4%	0.1%	8.0%	2.0%	100.0%

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

The table below summarizes the Hispanic and Non-Hispanic populations within the study counties of Region 7.

County	Total Population	Total Hispanic Population	Percent Hispanic	Total Non-Hispanic Population	Percent Non-Hispanic
Blanco County	10,497	1,909	18.2%	8,588	81.8%
Burnet County	42,750	8,652	20.2%	34,098	79.8%
Fayette County	24,554	4,585	18.7%	19,969	81.3%
Lee County	16,612	3,724	22.4%	12,888	77.6%
Llano County	19,301	1,542	8.0%	17,759	92.0%
Sum of Rural Region	113,714	20,412	18.0%	93,302	82.0%
Urban Areas	25,031,847	9,440,509	37.7%	15,591,338	62.3%
State of Texas	25,145,561	9,460,921	37.6%	15,684,640	62.4%

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

	Top 5 Highest Nationality Shares						
	Nationality 1	Nationality 2	Nationality 3	Nationality 4	Nationality 5	Remaining Nationalities	Total
Blanco County	German (29.4%)	Irish (12.4%)	English (10.9%)	French (4.2%)	Scotch-Irish (2.3%)	40.8%	11,417
Burnet County	German (19.8%)	Irish (15.4%)	English (13.9%)	American (5.4%)	French (3.7%)	41.8%	50,280
Fayette County	German (29.8%)	Czech (14.7%)	Irish (7.1%)	English (6.6%)	American (4.2%)	37.6%	26,467
Lee County	German (28.3%)	English (9.0%)	Irish (8.5%)	American (3.8%)	French (3.3%)	47.1%	18,512
Llano County	German (19.6%)	English (15.8%)	Irish (14.6%)	American (7.0%)	French (4.8%)	38.3%	21,802
Sum of Rural Region	German (23.9%)	Irish (12.3%)	English (11.7%)	American (4.9%)	Czech (3.7%)	43.5%	128,478
Urban Areas	German (13.9%)	English (8.6%)	Irish (8.5%)	American (3.7%)	French (2.7%)	62.5%	1,837,638
State of Texas	German (10.4%)	Irish (7.5%)	English (7.0%)	American (5.5%)	French (2.3%)	67.3%	25,910,495

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

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

		Same House	Different House in Same County	Different County Same State	Different County in Different State	Elsewhere	Total
Blanco County	Number	7,953	438	419	115	6	8,931
	Percent	89.0%	4.9%	4.7%	1.3%	0.1%	100.0%
Burnet County	Number	37,013	2,884	2,496	610	29	43,032
	Percent	86.0%	6.7%	5.8%	1.4%	0.1%	100.0%
Fayette County	Number	19,242	1,706	1,014	158	60	22,180
	Percent	86.8%	7.7%	4.6%	0.7%	0.3%	100.0%
Lee County	Number	13,575	618	1,351	290	77	15,911
	Percent	85.3%	3.9%	8.5%	1.8%	0.5%	100.0%
Llano County	Number	15,480	1,413	813	193	27	17,926
	Percent	86.4%	7.9%	4.5%	1.1%	0.2%	100.0%
Sum of Rural Region	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%
Urban Areas	Number	1,199,671	199,005	101,278	49,693	14,069	1,563,716
	Percent	76.7%	12.7%	6.5%	3.2%	0.9%	100.0%
State of Texas	Number	18,934,892	2,702,009	1,042,342	557,097	188,594	23,424,934
	Percent	80.8%	11.5%	4.4%	2.4%	0.8%	100.0%

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

Households by tenure are distributed as follows:

	Household Type	2000 Number	2000 Percent	2010 Number	2010 Percent	2015 Number	2015 Percent
Blanco County	Owner-Occupied	2,602	78.8%	3,427	79.5%	3,469	78.1%
	Renter-Occupied	701	21.2%	882	20.5%	970	21.9%
	Total	3,303	100.0%	4,309	100.0%	4,439	100.0%
Burnet County	Owner-Occupied	10,287	78.3%	12,348	74.8%	13,931	77.5%
	Renter-Occupied	2,848	21.7%	4,163	25.2%	4,046	22.5%
	Total	13,135	100.0%	16,511	100.0%	17,977	100.0%
Fayette County	Owner-Occupied	6,829	78.3%	7,817	77.6%	8,098	77.3%
	Renter-Occupied	1,893	21.7%	2,261	22.4%	2,379	22.7%
	Total	8,722	100.0%	10,078	100.0%	10,478	100.0%
Lee County	Owner-Occupied	4,493	79.3%	4,810	78.2%	4,905	78.3%
	Renter-Occupied	1,170	20.7%	1,341	21.8%	1,358	21.7%
	Total	5,663	100.0%	6,151	100.0%	6,263	100.0%
Llano County	Owner-Occupied	6,370	80.9%	7,067	78.5%	7,433	80.1%
	Renter-Occupied	1,507	19.1%	1,941	21.5%	1,852	19.9%
	Total	7,877	100.0%	9,008	100.0%	9,285	100.0%
Sum of Rural Region	Owner-Occupied	30,581	79.0%	35,469	77.0%	37,836	78.1%
	Renter-Occupied	8,119	21.0%	10,588	23.0%	10,605	21.9%
	Total	38,700	100.0%	46,057	100.0%	48,442	100.0%
Urban Areas	Owner-Occupied	274,707	58.2%	380,448	58.5%	453,154	59.0%
	Renter-Occupied	197,140	41.8%	270,011	41.5%	314,969	41.0%
	Total	471,848	100.0%	650,459	100.0%	768,121	100.0%
State of Texas	Owner-Occupied	4,716,959	63.8%	5,685,353	63.7%	6,161,206	63.7%
	Renter-Occupied	2,676,395	36.2%	3,237,580	36.3%	3,512,073	36.3%
	Total	7,393,354	100.0%	8,922,933	100.0%	9,673,279	100.0%

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

3. INCOME TRENDS

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

		Households by Income						
		<$10,000	$10,000 - $19,999	$20,000 - $29,999	$30,000 - $39,999	$40,000 - $49,999	$50,000 - $59,999	$60,000+
Blanco County	2000	337 10.2%	477 14.4%	450 13.6%	407 12.3%	409 12.4%	325 9.8%	899 27.2%
	2010	326 7.6%	439 10.2%	425 9.9%	432 10.0%	383 8.9%	438 10.2%	1,866 43.3%
	2015	298 6.7%	372 8.4%	406 9.1%	395 8.9%	366 8.2%	368 8.3%	2,235 50.3%
Burnet County	2000	1,130 8.6%	2,027 15.4%	1,959 14.9%	1,797 13.7%	1,533 11.7%	1,195 9.1%	3,494 26.6%
	2010	1,156 7.0%	1,810 11.0%	2,042 12.4%	1,998 12.1%	1,726 10.5%	1,586 9.6%	6,195 37.5%
	2015	1,141 6.3%	1,675 9.3%	2,023 11.3%	1,959 10.9%	1,949 10.8%	1,517 8.4%	7,713 42.9%
Fayette County	2000	1,120 12.8%	1,435 16.5%	1,272 14.6%	1,147 13.2%	1,007 11.5%	747 8.6%	1,994 22.9%
	2010	1,008 10.0%	1,152 11.4%	1,269 12.6%	1,080 10.7%	1,003 10.0%	834 8.3%	3,732 37.0%
	2015	937 8.9%	1,034 9.9%	1,176 11.2%	1,081 10.3%	935 8.9%	869 8.3%	4,446 42.4%
Lee County	2000	696 12.3%	763 13.5%	953 16.8%	684 12.1%	743 13.1%	493 8.7%	1,331 23.5%
	2010	588 9.6%	597 9.7%	731 11.9%	787 12.8%	577 9.4%	667 10.8%	2,205 35.8%
	2015	539 8.6%	543 8.7%	634 10.1%	723 11.5%	593 9.5%	578 9.2%	2,653 42.4%
Llano County	2000	710 9.0%	1,280 16.2%	1,367 17.4%	1,117 14.2%	812 10.3%	737 9.4%	1,854 23.5%
	2010	617 6.8%	940 10.4%	1,187 13.2%	1,144 12.7%	981 10.9%	789 8.8%	3,351 37.2%
	2015	561 6.0%	789 8.5%	1,047 11.3%	1,114 12.0%	970 10.4%	806 8.7%	3,998 43.1%
Sum of Rural Region	2000	3,993 10.3%	5,982 15.5%	6,001 15.5%	5,152 13.3%	4,504 11.6%	3,497 9.0%	9,572 24.7%
	2010	3,695 8.0%	4,938 10.7%	5,654 12.3%	5,441 11.8%	4,670 10.1%	4,314 9.4%	17,349 37.7%
	2015	3,476 7.2%	4,413 9.1%	5,286 10.9%	5,272 10.9%	4,813 9.9%	4,138 8.5%	21,045 43.4%
Urban Areas	2000	35,907 7.6%	44,781 9.5%	54,571 11.6%	55,950 11.9%	49,356 10.5%	44,224 9.4%	187,058 39.6%
	2010	44,882 6.9%	54,623 8.4%	65,070 10.0%	69,939 10.8%	64,887 10.0%	56,957 8.8%	294,097 45.2%
	2015	52,007 6.8%	63,433 8.3%	75,257 9.8%	81,109 10.6%	75,975 9.9%	67,257 8.8%	353,082 46.0%
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

		Household Incomes		
		Median Income	Mean Income	HUD 4-Person Median Income
Blanco County	2000	$45,336	$56,982	$34,600
	2010	$53,525	$63,988	$58,000
	2015	$58,192	$71,160	$80,600
Burnet County	2000	$43,954	$54,830	$37,300
	2010	$53,325	$63,863	$56,100
	2015	$59,635	$71,517	$62,450
Fayette County	2000	$43,595	$55,435	$38,700
	2010	$50,995	$59,689	$53,000
	2015	$54,893	$65,891	$53,250
Lee County	2000	$42,169	$50,098	$39,600
	2010	$50,918	$57,455	$53,700
	2015	$55,406	$63,619	$70,700
Llano County	2000	$40,672	$59,696	$33,300
	2010	$51,686	$68,663	$51,800
	2015	$58,314	$78,697	$58,400
Sum of Rural Region	2000	$43,145	$55,408	$36,700
	2010	$52,090	$62,732	$54,520
	2015	$57,288	$70,177	$65,080
Urban Areas	2000	N/A	N/A	N/A
	2010	N/A	N/A	N/A
	2015	N/A	N/A	N/A
State of Texas	2000	$60,903	$45,858	N/A
	2010	$59,323	$74,825	N/A
	2015	$66,417	$85,091	N/A

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

The population by poverty status is distributed as follows:

		Income below poverty level:			Income at or above poverty level:			
		<18	18 to 64	65+	<18	18 to 64	65+	Total
Blanco County	Number	278	674	79	1,805	5,229	926	8,991
	Percent	3.1%	7.5%	0.9%	20.1%	58.2%	10.3%	100.0%
Burnet County	Number	1,751	2,970	672	7,859	20,306	8,766	42,324
	Percent	4.1%	7.0%	1.6%	18.6%	48.0%	20.7%	100.0%
Fayette County	Number	827	1,003	570	4,168	11,433	3,689	21,690
	Percent	3.8%	4.6%	2.6%	19.2%	52.7%	17.0%	100.0%
Lee County	Number	618	775	228	3,398	8,419	2,154	15,592
	Percent	4.0%	5.0%	1.5%	21.8%	54.0%	13.8%	100.0%
Llano County	Number	615	925	309	2,331	8,801	4,946	17,927
	Percent	3.4%	5.2%	1.7%	13.0%	49.1%	27.6%	100.0%
Sum of Rural Region	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%
Urban Areas	Number	66,916	130,812	8,764	328,320	913,712	106,068	1,554,592
	Percent	4.3%	8.4%	0.6%	21.1%	58.8%	6.8%	100.0%
State of Texas	Number	1,549,110	2,063,809	279,613	4,992,273	12,306,555	2,016,796	23,208,156
	Percent	6.7%	8.9%	1.2%	21.5%	53.0%	8.7%	100.0%

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

D. ECONOMIC ANALYSIS

This region is located in the central portion of the state. Primary job sectors in this region include Retail Trade and Utilities. The overall job base has increased by 984, or by 1.9%, between 2006 and 2011. The region's unemployment rate ranged from 3.5% to 6.7% over the past six years.

1. EMPLOYMENT BY JOB SECTOR

Employment by industry is illustrated in the following table:

	Largest Industries by County	
	Industry	**Percent of Total Employment**
Blanco County	Utilities	32.2%
Burnet County	Retail Trade	19.1%
Fayette County	Retail Trade	17.5%
Lee County	Retail Trade	16.2%
Llano County	Accommodation & Food Services	25.1%
Sum of Rural Region	Retail Trade	16.2%
Urban Areas	Retail Trade	11.2%
State of Texas	Retail Trade	13.1%

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

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

	Largest Industry Changes by County between 2000 and 2010	
	Industry	**Number of Jobs**
Blanco County	Utilities	849
Burnet County	Construction	-1,198
Fayette County	Agriculture, Forestry, Fishing & Hunting	-614
Lee County	Manufacturing	-516
Llano County	Accommodation & Food Services	987
Sum of Rural Region	Construction	-2,565
Urban Areas	Public Administration	32,005
State of Texas	Health Care & Social Assistance	345,031

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

2. WAGES BY OCCUPATION

Typical Wage by Occupation Type		
Occupation Type	Central Texas Nonmetropolitan Area	Texas
Management Occupations	$81,910	$102,840
Business and Financial Occupations	$51,410	$66,440
Computer and Mathematical Occupations	$57,960	$77,400
Architecture and Engineering Occupations	$56,860	$79,590
Community and Social Service Occupations	$39,660	$43,640
Art, Design, Entertainment and Sports Medicine Occupations	$36,590	$46,720
Healthcare Practitioners and Technical Occupations	$52,680	$67,420
Healthcare Support Occupations	$22,510	$24,570
Protective Service Occupations	$32,840	$39,330
Food Preparation and Serving Related Occupations	$18,690	$19,420
Building and Grounds Cleaning and Maintenance Occupations	$21,970	$22,080
Personal Care and Service Occupations	$22,810	$21,400
Sales and Related Occupations	$27,270	$35,650
Office and Administrative Support Occupations	$28,810	$32,400
Construction and Extraction Occupations	$32,630	$36,310
Installation, Maintenance and Repair Occupations	$36,410	$39,730
Production Occupations	$30,830	$32,710
Transportation and Moving Occupations	$28,740	$31,820

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

3. TOP EMPLOYERS

The 10 largest employers within the Capital region comprise a total of 4,605 employees. These employers are summarized as follows:

Business	Total Employed	County
Pedernales Electric Co-Op Inc.	800	Blanco County
SSP Partners	600	Fayette County
H-E-B Foods	500	Burnet County
Marriott-Horseshoe Bay Resort	500	Llano County
Walmart Supercenter	414	Burnet County
Walmart	400	Fayette County
Horseshoe Bay Resort	400	Llano County
Giddings State Home & School	390	Lee County
Llano Memorial Healthcare Systems	301	Llano County
Camp Longhorn-Indian Springs	300	Burnet County
Total:	4,605	

Source: InfoGroup

4. EMPLOYMENT GROWTH

The following illustrates the total employment base by county:

		Total Employment					
		2006	2007	2008	2009	2010	2011*
Blanco County	Number	4,471	4,602	4,681	4,802	4,790	4,769
	Change	-	2.9%	1.7%	2.6%	-0.2%	-0.4%
Burnet County	Number	20,397	20,940	21,242	20,865	21,052	21,016
	Change	-	2.7%	1.4%	-1.8%	0.9%	-0.2%
Fayette County	Number	11,525	11,653	11,865	11,587	11,436	11,327
	Change	-	1.1%	1.8%	-2.3%	-1.3%	-1.0%
Lee County	Number	8,432	8,547	8,616	8,503	8,668	8,889
	Change	-	1.4%	0.8%	-1.3%	1.9%	2.5%
Llano County	Number	7,743	7,818	8,047	7,930	7,716	7,551
	Change	-	1.0%	2.9%	-1.5%	-2.7%	-2.1%
Sum of Rural Region	Number	52,568	53,560	54,451	53,687	53,662	53,552
	Change	-	1.9%	1.7%	-1.4%	0.0%	-0.2%
Urban Areas	Number	788,158	812,059	825,054	824,869	843,414	852,456
	Change	-	3.0%	1.6%	0.0%	2.2%	1.1%
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

5. UNEMPLOYMENT RATES

The following illustrates the total unemployment base by county:

		Unemployment Rate					
		2006	2007	2008	2009	2010	2011*
Blanco County	Rate	3.9%	3.3%	3.7%	5.2%	5.9%	6.0%
	Change	-	-0.6	0.4	1.5	0.7	0.1
Burnet County	Rate	4.1%	3.5%	4.0%	6.1%	6.5%	6.8%
	Change	-	-0.6	0.5	2.1	0.4	0.3
Fayette County	Rate	3.7%	3.2%	3.5%	5.5%	5.9%	6.1%
	Change	-	-0.5	0.3	2.0	0.4	0.2
Lee County	Rate	4.0%	3.5%	4.0%	6.7%	6.7%	6.5%
	Change	-	-0.5	0.5	2.7	0.0	-0.2
Llano County	Rate	4.7%	4.0%	4.4%	6.9%	7.5%	7.9%
	Change	-	-0.7	0.4	2.5	0.6	0.4
Sum of Rural Region	Rate	4.1%	3.5%	3.9%	6.1%	6.5%	6.7%
	Change	-	-0.5	0.4	2.2	0.4	0.2
Urban Areas	Rate	4.2%	3.7%	4.4%	6.9%	7.1%	7.0%
	Change	-	-0.4	0.7	2.5	0.2	-0.1
State of Texas	Rate	4.9%	4.4%	4.9%	7.5%	8.2%	7.9%
	Change	-	-0.5	0.5	2.6	0.7	-0.3

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

E. HOUSING SUPPLY ANALYSIS

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

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

Rental Housing

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

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

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

Secondary Data (Data Obtained from Published Sources)

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

For-Sale Housing

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

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

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

1. RENTAL HOUSING

We identified 1,530 affordable housing units contained in 33 projects within study counties of the region. Bowen National Research surveyed projects with a total of 1,417 units. These units have a combined 93.3% occupancy rate, the lowest among the 13 regions.

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

	Rural Texas Rental Housing Inventory 2011											
	Surveyed Units				Not Surveyed Units				Total Units			
County	TAX	HUD	PH	USDA	TAX	HUD	PH	USDA	TAX	HUD	PH	USDA
Blanco	0	0	0	44	0	0	50	0	0	0	50	44
Burnet	327	71	40	226	0	40	0	0	327	111	40	226
Fayette	0	0	138	96	24	0	0	0	24	0	138	96
Lee	0	0	0	56	0	0	0	0	0	0	0	56
Llano	261	0	50	108	0	0	0	0	261	0	50	108
Region Total	**588**	**71**	**228**	**530**	**24**	**40**	**50**	**0**	**612**	**111**	**278**	**530**

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

Tax Credit units represent the greatest number of affordable housing units in the region.

A total of 418 Housing Choice vouchers have been issued in the region.

Apartments

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

	Surveyed Projects		
	Units	Vacant	Occ.
<1-BR	631	27	95.7%
2-BR	548	37	93.2%
3+-BR	134	23	82.8%

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

	Tax Credit			Tax Credit/Subsidized			Subsidized			Total Units
	Units	Vacant	Occ.	Units	Vacant	Occ.	Units	Vacant	Occ.	
<1-BR	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

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

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

	Year Built					
	<1970	1970-1989	1990-1999	2000-2004	2005+	Total
Number	106	597	44	318	264	1,329
Percent	8.0%	44.9%	3.3%	23.9%	19.9%	100.0%

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

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

	Tax Credit
	Gross Rent Range
1-BR	$291 - $699
2-BR	$350 - $821
3-BR	$403 - $916

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

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

Square Footage		
1-Bedroom	2-Bedroom	3-Bedroom+
390 - 826	698 - 1,079	800 - 1,285

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

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

Unit Amenities (Share Of Units With Feature)										
Range	Refrigerator	Dishwasher	Disposal	Microwave Oven	Window A/C	Central A/C	Washer/ Dryer	Washer/ Dryer Hook-ups	Window Blinds	Patio
100.0%	100.0%	15.2%	21.2%	9.1%	3.0%	100.0%	0.0%	75.8%	100.0%	36.4%

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

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

Project Amenities (Share Of Units With Feature)							
On-Site Management	Laundry Facility	Playground	Picnic Area	Storage	Sports Court	Clubhouse	Community Space
63.6%	63.6%	42.4%	42.4%	0.0%	6.1%	21.2%	27.3%

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

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

Units for Persons with Disabilities		
Total Units	Disabled Units	Percent of Disabled Units
1,531	22	1.4%

Source: Bowen National Research – 2011 Survey

Manufactured Housing

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

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

Manufactured Home Units by Type (Rent vs. Own)		
Renter-Occupied	**Owner-Occupied**	**Total**
2,319	6,444	8,763

Source: ACS 2005-2009

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

Manufactured Home Park Survey Percent Occupancy/Usage		
Total Lots	**Total Lots Available**	**Percent Occupancy/Usage**
195	9	95.4%

Source: Bowen National Research – 2011 Survey

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

Manufactured Home Park Survey Rental Rates Range	
Lot Only	**Lot with Manufactured Home**
$150 - $330	N/A

Source: Bowen National Research – 2011 Survey

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

Manufactured Home Park Survey Percent of Parks Offering On-Site Amenities & Utilities		
Office	**Laundry Facility**	**All Utilities***
100.0%	67.0%	0.0%

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

Secondary Housing Data (US Census and American Community Survey)

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

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

	Housing Status				
	Renter-Occupied	Owner-Occupied	Total Occupied	Vacant	Total Households
2000	8,118	30,581	38,699	11,057	49,756
2010	10,588	35,469	46,057	15,992	62,049

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

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

		Housing by Tenure by Year Built					
		<1970	1970-1989	1990-1999	2000-2004	2005+	Total
Blanco County	Renter	266 30.2%	424 48.1%	155 17.6%	26 2.9%	11 1.2%	882 100.0%
	Owner	827 24.1%	1,394 40.7%	770 22.5%	331 9.7%	105 3.1%	3,427 100.0%
Burnet County	Renter	1,167 28.0%	1,824 43.8%	426 10.2%	722 17.3%	23 0.6%	4,163 100.0%
	Owner	3,029 24.5%	4,818 39.0%	2,501 20.3%	1,600 13.0%	399 3.2%	12,348 100.0%
Fayette County	Renter	1,262 55.8%	687 30.4%	257 11.4%	45 2.0%	10 0.4%	2,261 100.0%
	Owner	2,963 37.9%	2,419 30.9%	1,424 18.2%	658 8.4%	352 4.5%	7,817 100.0%
Lee County	Renter	341 25.4%	694 51.8%	227 16.9%	73 5.4%	6 0.4%	1,341 100.0%
	Owner	1,303 27.1%	1,726 35.9%	1,152 24.0%	550 11.4%	80 1.7%	4,810 100.0%
Llano County	Renter	664 34.2%	675 34.8%	244 12.6%	270 13.9%	87 4.5%	1,941 100.0%
	Owner	1,784 25.2%	2,626 37.2%	1,707 24.2%	755 10.7%	194 2.7%	7,067 100.0%

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

		Housing by Tenure by Year Built					
		<1970	1970-1989	1990-1999	2000-2004	2005+	Total
Sum of Rural Region	Renter	3,700 34.9%	4,304 40.6%	1,309 12.4%	1,136 10.7%	137 1.3%	10,588 100.0%
	Owner	9,906 27.9%	12,983 36.6%	7,554 21.3%	3,894 11.0%	1,130 3.2%	35,469 100.0%
Urban Areas	Renter	46,469 17.2%	114,387 42.4%	49,652 18.4%	45,307 16.8%	14,198 5.3%	270,011 100.0%
	Owner	62,317 16.4%	125,545 33.0%	90,457 23.8%	69,675 18.3%	32,457 8.5%	380,448 100.0%
State of Texas	Renter	906,296 28.0%	1,383,596 42.7%	466,897 14.4%	350,273 10.8%	130,517 4.0%	3,237,580 100.0%
	Owner	1,701,505 29.9%	1,941,572 34.2%	1,002,690 17.6%	732,282 12.9%	307,303 5.4%	5,685,353 100.0%

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

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

	Number of Bedrooms				
	No Bedroom	1-Bedroom	2-Bedroom	3+-Bedroom	Total
Renter	95	1,926	4,966	3,601	10,588
Owner	148	1,126	9,586	24,609	35,469

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

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

	Units in Structure					
	1	2-9	10-49	50+	Manufactured Homes	Total
Renter	5,078	2,542	527	123	2,319	10,588
Owner	28,701	203	79	30	6,444	35,469
Total	33,780	2,745	606	152	8,763	46,057

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

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

Owner	Renter
$1,181	$626

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

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

		Cost as a Percent of Income				
		Less Than 20%	20% - 29%	30% or More	Not Computed	Total
Blanco County	Renter	152 17.2%	260 29.5%	287 32.5%	184 20.9%	882 100.0%
	Owner	1,999 58.3%	727 21.2%	701 20.5%	0 0.0%	3,427 100.0%
Burnet County	Renter	1,131 27.2%	831 20.0%	1,547 37.2%	654 15.7%	4,163 100.0%
	Owner	6,654 53.9%	2,621 21.2%	3,052 24.7%	21 0.2%	12,348 100.0%
Fayette County	Renter	624 27.6%	463 20.5%	580 25.7%	594 26.3%	2,261 100.0%
	Owner	4,866 62.2%	1,421 18.2%	1,508 19.3%	21 0.3%	7,817 100.0%
Lee County	Renter	379 28.3%	443 33.0%	340 25.4%	179 13.3%	1,341 100.0%
	Owner	2,746 57.1%	1,095 22.8%	969 20.1%	0 0.0%	4,810 100.0%
Llano County	Renter	576 29.7%	323 16.6%	673 34.7%	369 19.0%	1,941 100.0%
	Owner	3,888 55.0%	1,311 18.6%	1,850 26.2%	18 0.3%	7,067 100.0%
Sum of Rural Region	Renter	2,862 27.0%	2,320 21.9%	3,427 32.4%	1,980 18.7%	10,588 100.0%
	Owner	20,153 56.8%	7,175 20.2%	8,080 22.8%	60 0.2%	35,469 100.0%
Urban Areas	Renter	65,237 24.2%	68,357 25.3%	123,570 45.8%	12,846 4.8%	270,011 100.0%
	Owner	169,093 44.4%	102,450 26.9%	107,094 28.1%	1,813 0.5%	380,448 100.0%
State of Texas	Renter	788,401 24.4%	742,012 22.9%	1,442,041 44.5%	265,126 8.2%	3,237,580 100.0%
	Owner	2,882,501 50.7%	1,311,320 23.1%	1,453,941 25.6%	37,591 0.7%	5,685,353 100.0%

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

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

		Occupants per Room			
		Less Than 1.0	1.0 – 1.5	1.5 or More	Total
Blanco County	Renter	865 98.1%	17 1.9%	0 0.0%	882 100.0%
	Owner	3,316 96.8%	107 3.1%	4 0.1%	3,427 100.0%
Burnet County	Renter	3,912 94.0%	184 4.4%	67 1.6%	4,163 100.0%
	Owner	12,050 97.6%	229 1.9%	68 0.6%	12,348 100.0%
Fayette County	Renter	2,197 97.2%	53 2.3%	11 0.5%	2,261 100.0%
	Owner	7,598 97.2%	144 1.8%	76 1.0%	7,817 100.0%
Lee County	Renter	1,215 90.6%	113 8.4%	13 1.0%	1,341 100.0%
	Owner	4,616 96.0%	130 2.7%	64 1.3%	4,810 100.0%
Llano County	Renter	1,883 97.0%	51 2.6%	7 0.4%	1,941 100.0%
	Owner	6,988 98.9%	79 1.1%	0 0.0%	7,067 100.0%
Sum of Rural Region	Renter	10,072 95.1%	418 3.9%	98 0.9%	10,588 100.0%
	Owner	34,568 97.5%	689 1.9%	212 0.6%	35,469 100.0%
Urban Areas	Renter	255,401 94.6%	10,782 4.0%	3,828 1.4%	270,011 100.0%
	Owner	372,255 97.8%	6,738 1.8%	1,455 0.4%	380,448 100.0%
State of Texas	Renter	2,992,816 92.4%	177,803 5.5%	66,961 2.1%	3,237,580 100.0%
	Owner	5,502,669 96.8%	146,079 2.6%	36,605 0.6%	5,685,353 100.0%

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

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

		Plumbing Facilities		
		Complete Plumbing Facilities	Lacking Complete Plumbing Facilities	Total
Blanco County	Renter	787 89.2%	95 10.8%	882 100.0%
	Owner	3,388 98.9%	39 1.1%	3,427 100.0%
Burnet County	Renter	4,163 100.0%	0 0.0%	4,163 100.0%
	Owner	12,310 99.7%	38 0.3%	12,348 100.0%
Fayette County	Renter	2,234 98.8%	27 1.2%	2,261 100.0%
	Owner	7,737 99.0%	80 1.0%	7,817 100.0%
Lee County	Renter	1,337 99.7%	4 0.3%	1,341 100.0%
	Owner	4,790 99.6%	20 0.4%	4,810 100.0%
Llano County	Renter	1,896 97.7%	45 2.3%	1,941 100.0%
	Owner	7,051 99.8%	16 0.2%	7,067 100.0%
Sum of Rural Region	Renter	10,417 98.4%	171 1.6%	10,588 100.0%
	Owner	35,276 99.5%	193 0.5%	35,469 100.0%
Urban Areas	Renter	268,641 99.5%	1,370 0.5%	270,011 100.0%
	Owner	379,246 99.7%	1,202 0.3%	380,448 100.0%
State of Texas	Renter	3,211,698 99.2%	25,882 0.8%	3,237,580 100.0%
	Owner	5,657,396 99.5%	27,957 0.5%	5,685,353 100.0%

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

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

Permits	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Multi-Family	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

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

2. FOR-SALE HOUSING

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

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

Available For-Sale Housing by Price Point							
Less Than $100k		$100,000-$139,999		$140,999-$199,999		$200,000-$300,000	
Units	Avg. Price	Units	Avg. Price	Units	Avg. Price	Units	Avg. Price
263	$72,820	161	$122,373	247	$173,079	304	$256,962

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
45	$162,151	261	$146,256	538	$168,798	96	$180,439	16	$245,856

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

Available For-Sale Housing by Year Built									
2006 to Present		2001 to 2005		1991 to 2000		1961 to 1990		1960 & Earlier	
Units	Avg. Price	Units	Avg. Price	Units	Avg. Price	Units	Avg. Price	Units	Avg. Price
111	$203,343	128	$179,477	142	$158,060	374	$165,395	108	$138,602

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

	Estimated Home Values						
	<$40,000	$40,000 - $59,999	$60,000 - $79,999	$80,000 - $99,999	$100,000 -$149,999	$150,000 - $199,999	$200,000+
2000	8,118	30,581	38,699	11,057	49,756	8,118	30,581
2010	10,588	35,469	46,057	15,992	62,049	10,588	35,469

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

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

	Total Foreclosures (10/2010-9/2011)
Region 7	389

F. STAKEHOLDER INTERVIEWS & DEVELOPMENT BARRIERS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. **Introduction**

Region 7 is located in the Capital portion of the state of Texas. 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 manufactured homes in the region. Bowen National Research was able to survey manufactured home parks with 195 lots/homes. These manufactured 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.

G. DEMAND ANALYSIS

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

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

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

*Units under construction, planned or proposed

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

*Units under construction, planned or proposed

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

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

Rental Housing Gap Analysis

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

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

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

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

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

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

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

<u>For-Sale Housing Gap Analysis</u>

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

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

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

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

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

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

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

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

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

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

1. Rental Housing

Region 7 is located in the central portion of the state of Texas. This region includes five counties which were classified as rural and were included in this analysis. The following tables summarize the housing gaps by AMHI and county for this region:

	County Level Rental Housing Gap			
	Target Income			Total
	0% - 30%	31% - 50%	51% - 80%	
Blanco County	183	92	-15	260
Burnet County	629	315	342	1,286
Fayette County	162	69	116	347
Lee County	231	150	34	415
Llano County	164	96	101	362
Region Total	1,369	722	578	2,670

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

2. For-Sale Housing

	County Level For-Sale Housing Gap			
	Price Point			Total
	<$100,000	$100,000 to $139,999	$140,000-$200,000	
Blanco County	18	14	27	59
Burnet County	243	245	450	938
Fayette County	71	120	40	231
Lee County	13	49	93	155
Llano County	-31	71	22	62
Region Total	314	499	632	1,445

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