

OVERALL HOUSING
NEEDS ASSESSMENT

FOR

PARMER, CASTRO, AND
DEAF SMITH COUNTIES, TEXAS

FOR

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TEXAS DEPARTMENT OF HOUSING AND
COMMUNITY AFFAIRS
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EFFECTIVE DATE

AUGUST 22, 2008

JOB REFERENCE NUMBER

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MARKET STUDY CERTIFICATION

This certifies that Christopher Bunch and Ted Uritus, employees of VWB Research, personally made inspections of Deaf Smith, Castro, and Parmer counties in Texas, including surveying existing rental developments. Further, the information contained in this report is true and accurate as of August 22, 2008.

VWB Research is a disinterested third party without any current or future financial interest in any projects under consideration in the study area. We have received a fee in preparation of the market study. However, no contingency fees exist between our firm and the client.

Certified:



Andrew Mazak

Project Director

Date: August 22, 2008



Patrick M. Bowen

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Date: August 22, 2008

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I. INTRODUCTION

A. PURPOSE

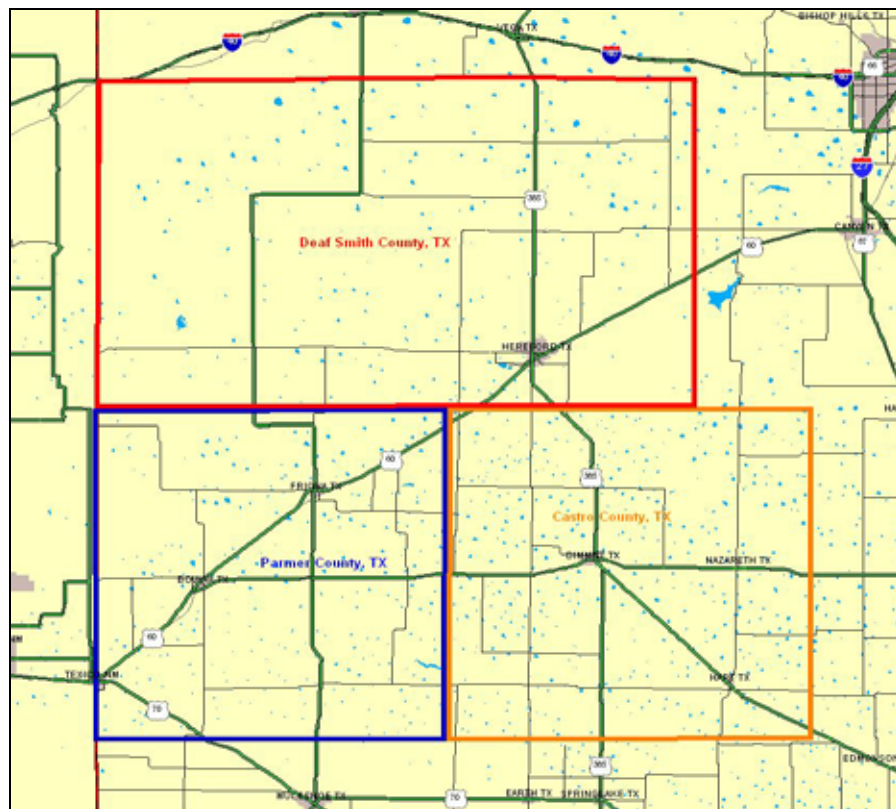
The purpose of this report is to evaluate the need for affordable rental housing in Deaf Smith County, Castro County, and Parmer County, Texas. This assessment is based upon the identification and analysis of the housing markets in each of these three subject counties. We have surveyed the housing stock, conducted interviews with key stakeholders, and provided a demand analysis indicating potential housing opportunities and a general housing needs assessment. The impact of farmworkers (both migrant and year-round) on the housing markets of each county has also been addressed in this analysis.

Mr. Michael Gerber of the Texas Department of Housing and Community Affairs (TDHCA) initiated this study.

B. METHODOLOGIES

Methodologies used by VWB Research include the following:

- Establishment of market areas, which are defined as the county boundaries for Deaf Smith County, Castro County, and Parmer County, Texas. The following map illustrates these three counties:



- Evaluation of general characteristics of each county including demographic and economic trends. The economic evaluation includes an assessment of area employment composition, income growth (particularly among the target market), and area growth perceptions. The demographic evaluation uses the most recently issued Census information, as well as projections that determine the characteristics of the market. We have also analyzed the impact of farms in each county and the number of farmworkers employed.
- A survey of area Tax Credit properties. All Tax Credit properties have been identified by lists provided by the Texas Department of Housing and Community Affairs (TDHCA). Both 9% and 4% allocation projects have been included. We surveyed at least 40% of listed TDHCA properties in person in order to evaluate overall condition and quality.
- A survey of most available market-rate properties in each county. For each county we have included details regarding all surveyed properties, including the overall vacancy rate, the number of units built per year, as well as the average rent and unit square footage for each unit type in the submarket.
- A survey of existing government-subsidized properties in each county. These properties were identified and analyzed due to their purpose of serving low- and very-low-income households in the area.
- Area building statistics and interviews with area officials familiar with area development provides identification of those properties that might be planned or proposed for the area that will have an impact on the rental housing market. Planned and proposed projects are always in different stages of development. As a result, it is important to establish the likelihood of construction, the timing of the project, and its impact on the market.
- A demand analysis by bedroom type and income range was completed to determine the need for additional Tax Credit development in each submarket. This analysis has been segregated into overall demand and demand from households age 55+.
- We have also projected the number of income-qualified households at 0% to 30% of the Area Median Household Income (AMHI), 31% to 40% AMHI, 41% to 50% AMHI, 51% to 60% AMHI, 61% to 80% AMHI, and 81% to 100% AMHI for the years 2008 through 2013. A detailed explanation of the demand analysis methodology is included at the beginning of each submarket demand section.

C. SOURCES

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

- The 1990 and 2000 Census on Housing
- ESRI Demographics
- InfoUSA
- Ribbon Demographics HISTA Data
- U.S. Department of Labor
- Management for each property included in the survey
- Local planning and building officials
- Local Housing Authority representatives
- Farm owners and agricultural representatives
- U.S. Department of Housing and Urban Development (HUD)
- USDA National Agriculture Statistics Service (NASS) 2002 Census of Agriculture

D. REPORT LIMITATIONS

VWB Research relies on a variety of sources of data to generate this report. These data sources are not always verifiable; however, VWB Research makes a significant effort to assure accuracy. While this is not always possible, we believe our effort provides an acceptable standard margin of error. VWB Research is not responsible for errors of or omissions in the data provided by other sources.

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II. EXECUTIVE SUMMARY

This report provides a rental housing needs assessment of the Deaf Smith County, Castro County, and Parmer County areas in the panhandle region of Texas. The focus of this report is to evaluate supply and demand characteristics and to determine the potential need for additional affordable rental housing in the subject counties. Potential housing demand was calculated for general occupancy, seniors, disabled persons, and migrant farm workers.

Demographic Overview

The following table provides demographic characteristics of each of the three subject counties, as well as the demographic characteristics of the state of Texas and the nation as a whole. Since 2000, Deaf Smith County is the only subject county to have experienced an increase in population and households. Overall, Deaf Smith County is the largest of the three subject counties and offers the most community services and employment opportunities. The following table reflects demographic trends projected to 2013:

	DEAF SMITH COUNTY		CASTRO COUNTY		PARMER COUNTY		TEXAS		U.S.	
	POP.	H.H.	POP.	H.H.	POP.	H.H.	POP.	H.H.	POP.	H.H.
1990 CENSUS	19,153	6,182	9,070	2,877	9,863	3,241	16,986,510	6,070,937	248,709,873	91,947,410
2000 CENSUS	18,561	6,180	8,285	2,761	10,016	3,322	20,851,820	7,393,354	281,421,906	105,480,101
2008 ESTIMATED	18,644	6,287	7,623	2,591	9,821	3,274	24,460,809	8,627,984	303,820,613	114,779,751
CHANGE 2000-2008	83	107	-662	-170	-195	-48	3,608,989	1,234,630	22,398,707	9,299,650
PERCENT CHANGE 2000-2008	0.4%	1.7%	-8.0%	-6.2%	-1.9%	-1.4%	17.3%	16.7%	8.0%	8.8%
2013 PROJECTED	18,721	6,346	7,260	2,486	9,686	3,235	26,832,696	9,456,782	317,696,069	120,338,490
CHANGE 2008-2013	77	59	-363	-105	-135	-39	2,371,887	828,798	13,875,456	5,558,739
PERCENT CHANGE 2008-2013	0.4%	0.9%	-4.8%	-4.1%	-1.4%	-1.2%	9.7%	9.6%	4.6%	4.8%

Source: VWB Research; ESRI; 1990, 2000 Census

H.H. – Households

POP. - Population

The state of Texas experienced significant growth in population and total households between 2000 and 2008, increasing by 17.3% and 16.7%, respectively. During the same time period, the population and households in Deaf Smith County increased by 0.4% and 1.7%, respectively. Essentially, household formations (i.e. younger people moving out of their parents' homes) are being created faster than the population growth rate. Note Castro County experienced declines of 8.0% and 6.2%, respectively. Parmer County also experienced a decline in population and households of 1.9% and 1.4%, respectively. Despite the projected decline in total population in Castro and Parmer counties over the next five years, the senior population (age 55 years and older) is projected to increase in all three subject counties. This is indicative of an aging population base and an increasing need for affordable senior housing.

Rental Housing Survey

We personally surveyed a total of 31 rental housing properties within the three subject counties. All properties surveyed in this analysis were found through apartment guide listing, classified advertisements, the Multiple Listing Service, interviews with local real estate agents and professionals, government officials, and the personal observations of our analysts. These 31 total properties surveyed contain a total of 886 units with an overall occupancy rate of 96.5%. This is considered a high occupancy rate for rental housing. The following table summarizes the rental housing supply by project type for each subject county.

PROJECT TYPE	DEAF SMITH COUNTY				CASTRO COUNTY				PARMER COUNTY			
	PROJECT SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE	PROJECT SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE	PROJECT SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE
MRR	10	217	13	94.0%	3	55	0	100.0%	7	126	8	93.7%
MRT	1	76	4	94.7%	0	0	-	-	0	0	-	-
TAX	1	32	1	96.9%	0	0	-	-	0	0	-	-
TGS	2	159	0	100.0%	0	0	-	-	0	0	-	-
GSS	4	150	5	96.7%	2	60	0	100.0%	1	11	0	100.0%
TOTAL	18	634	23	96.4%	5	115	0	100.0%	8	137	8	94.2%

MRR – Market-rate

MRT – Market-rate/Tax Credit

TAX – Tax Credit

TGS – Tax Credit/Government-Subsidized

GSS – Government-Subsidized

Based on our survey of rental housing alternatives in the Panhandle Region, vacancies are highest among market-rate properties. This is common, as demand for lower cost, affordable rental housing is typically higher than market-rate rental housing. In Parmer County, the overall occupancy rate is being slightly skewed by the currently under renovation 6th Street/Avenue B South Apartments (Map ID 3). This property has three vacancies among its six rentable units that have recently been renovated. Excluding this property, the 120 market-rate units surveyed in Parmer County have a combined occupancy rate of 95.8%, which is considered very good for market-rate rentals.

Overall, the demand for rental housing in each of the three counties appears to be strong. However, Castro County does not have any available rental units, clearly indicating a shortage of housing choices. Despite the declining demographic and economic trends in Castro County, the existing rental housing opportunities are not sufficient to accommodate the rental housing demand.

Demand Estimates

a. *Overall Affordable Housing*

Pursuant to the TDHCA RFP, two demand models were conducted as part of this analysis of affordable housing within the subject markets. These demand components include the following (Note: demand estimates for disabled persons and farm workers were conducted separately from the following analysis):

1. Demand based on strict need:
 - Household growth
 - Cost overburdened households
 - Overcrowding
 - Substandard housing
 - Demand from other non-overlapping sources

2. Demand based upon traditional transitory patterns:
 - Household growth
 - Turnover
 - Demand from other non-overlapping sources

We have summarized demand into three categories: below 40% of AMHI; between 41% and 60% of AMHI; and between 61% and 100% of AMHI. Note that although most government-subsidized units actually target households with incomes up to 50% of AMHI and Tax Credit units often target households with incomes as low as 30% of AMHI, we used the income levels that are typical for specific program occupants. Typically, households with incomes below 40% of AMHI reside in government-subsidized units, while those with incomes between 41% and 60% typically reside in Tax Credit units, and households with incomes between 61% and 100% of AMHI often reside in non-income-restricted market-rate units. Although exceptions can certainly occur, this summary is considered the most likely illustration of potential demand for each of the three subject counties (both the *Strict Need Demand* and *Traditional Transitory Demand* model estimates are shown). This summary is also illustrated on page V-27 of this report, as well as project-specific demand calculations assuming a single project can capture 25% of the very-low income anticipated demand or 10% of the moderate-income anticipated demand.

OVERALL DEMAND SUMMARY (STRICT AND TRANSITORY DEMAND MODELS)												
	DEAF SMITH COUNTY				CASTRO COUNTY				PARMER COUNTY			
	2008		2013		2008		2013		2008		2013	
	STRICT	TRANSITORY	STRICT	TRANSITORY	STRICT	TRANSITORY	STRICT	TRANSITORY	STRICT	TRANSITORY	STRICT	TRANSITORY
GENERAL OCCUPANCY												
TOTAL NET DEMAND (0%-40% AMHI)	457	411	389	402	85	97	82	106	216	160	188	153
TOTAL NET DEMAND (41%-60% AMHI)	92	92	118	185	-12	51	13	49	89	91	39	81
TOTAL NET DEMAND (61%-100% AMHI)	107	301	147	301	12	96	16	86	3	137	40	129
SENIOR HOUSING (AGE 55+)												
TOTAL NET DEMAND (0%-40% AMHI)	203	196	188	181	26	27	38	37	66	52	65	51
TOTAL NET DEMAND (41%-60% AMHI)	59	75	51	69	6	11	7	13	16	20	14	18
TOTAL NET DEMAND (61%-100% AMHI)	42	71	47	80	3	11	11	21	10	21	20	33

Regardless of the demand model used, most of the potential support for new affordable product appears to be in Deaf Smith County, where there are as many as 457 potentially income-eligible households with incomes under 40% of AMHI may be currently supported throughout the county. Currently, up there are up to 203 age- and income-restricted households that could potentially be supported in Deaf Smith County. It is important to reiterate that the total potential demand is for the entire county, rather than one specific site. Many additional factors such as site location, design, features, and rents all contribute to a project's ability to capture market support. As such, unless all product types at varying rent levels serving seniors and families at a wide band of income levels was built in several locations throughout the county, we would not anticipate that the total number of units listed in the table above could actually be supported. Instead, we believe only a portion of these units could be supported at a single site. A site specific estimate of support is addressed later in this report.

The demand estimates also indicate that a smaller support base appears to be in Castro and Parmer Counties, particularly among senior households. While there are many rent overburdened and overcrowded households in these two counties, any new product developed in this market may have difficulty attracting enough support to fill very many units. In the event that a well-designed and affordable project was built in either of these counties, it is anticipated that because most of its support would have to originate from existing rentals in the market, some existing projects may be adversely impacted and lease-up for the subject project(s) may be slower than typical. At this time, it appears that a mixed income range project (0% to 60% of AMHI) targeting both seniors and families would have the greatest support potential.

b. *Special Needs Housing (Disabled)*

The following table summarizes the demand for special needs housing in each subject county (Note: the data includes those non-institutionalized persons age 16+ with a sensory or physical disability).

DEAF SMITH COUNTY						
APPROPRIATE INCOME RANGE BY TARGETED AMHI	0% - 30%	31% - 40%	41% - 50%	51% - 60%	61% - 80%	81% - 100%
% BASELINE TARGETED INCOME-QUALIFIED RENTER HOUSEHOLDS	36.7%	9.4%	10.1%	10.5%	19.1%	14.3%
X DISABLED RENTER HOUSEHOLDS	547	547	547	547	547	547
TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS WITH DISABLED RESIDENT	201	51	55	57	104	78
CASTRO COUNTY						
APPROPRIATE INCOME RANGE BY TARGETED AMHI	0% - 30%	31% - 40%	41% - 50%	51% - 60%	61% - 80%	81% - 100%
% BASELINE TARGETED INCOME-QUALIFIED RENTER HOUSEHOLDS	31.1%	12.7%	11.4%	10.2%	16.8%	17.7%
X DISABLED RENTER HOUSEHOLDS	145	145	145	145	145	145
TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS WITH DISABLED RESIDENT	45	18	16	15	24	26
PARMER COUNTY						
APPROPRIATE INCOME RANGE BY TARGETED AMHI	0% - 30%	31% - 40%	41% - 50%	51% - 60%	61% - 80%	81% - 100%
% BASELINE TARGETED INCOME-QUALIFIED RENTER HOUSEHOLDS	31.6%	9.6%	10.9%	12.6%	21.7%	13.6%
X DISABLED RENTER HOUSEHOLDS	209	209	209	209	209	209
TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS WITH DISABLED RESIDENT	66	20	23	26	45	28

The preceding analysis assumes persons with disabilities have incomes reflective of the general population. In reality, it is more likely persons with disabilities will have lower incomes than the general population; therefore, the above analysis understates the housing required to serve this component at lower incomes. If units were developed to 100% of the above level, some vacancies would likely occur in the market since so many people are cared for in conventional units.

We recommend a development target of no more than 2% to 5% of total demand for special needs households. Due to the limitations of accurate information available pertaining to special needs households, we strongly recommend any planned project involve extensive interviews with appropriate local service providers, caregivers, medical facilities, etc., to help determine the demand of special needs households within that market, and the type or characteristics of the housing required.

c. *Farm Worker Housing*

Rural Development defines a farm worker household as a “household of one or more persons wherein at least one member of the household is a farmworker.” Farmworker is defined by Rural Development as “any laborer who is employed on a seasonal, temporary, or permanent basis in the planting, cultivating, harvesting or processing of agricultural or aquacultural products and who has derived at least 50% of his or her income in the immediately preceding 12 calendar months from such employment.”

The number of hired farm labor farms and workers for each county is as follows.

COUNTY	HIRED FARM LABOR FARMS	HIRED FARMWORKERS (FARMS WITH \$1,000+ PAYROLL)		
		TOTAL	150 DAYS OR MORE	LESS THAN 150 DAYS
DEAF SMITH	226	1,072	619	453
CASTRO	251	1,393	520	873
PARMER	261	1,662	635	1,027

Source: USDA National Agriculture Statistics Service (NASS) 2002 Census of Agriculture

Although Deaf Smith County has the largest population, it has the fewest number of hired farm labor farms and farmworkers among the three subject counties. In addition, the hired farmworkers in Deaf Smith County are predominately those working 150 days or more per year. Conversely, the majority of hired farmworkers in Castro County and Parmer County work less than 150 days per year, indicating more migrant workers. This indicates potential need for migrant farmworker housing.

Based on the National Agricultural Workers Study (NAWS) completed in 1998 by the U.S. Department of Labor, nearly three-quarters of U.S. farm workers earned less than \$10,000 per year; three out of five farm worker families had incomes below the poverty level. Therefore, farmworkers often live in overcrowded homes in order to reduce their housing costs. More than half of all farm workers live in overcrowded housing.

The table on the following page is a summary of the three projects in the subject counties that are either designated as farmworker housing or have a large share of farmworkers. For the purpose of this analysis, we have assumed two persons per bedroom for each of the farmworker apartment complexes identified.

	AMISTAD 301 S. TEXAS AVE. HEREFORD, TX		AZTECA APARTMENTS I & II 3910 E. JONES ST. DIMMITT, TX		COTTONWOOD TOWNHOMES 1300 WALNUT AVE. FRIONA, TX	
BEDROOMS	UNITS	POTENTIAL FARMWORKERS *	UNITS	POTENTIAL FARMWORKERS †	UNITS	POTENTIAL FARMWORKERS *
ONE-BR.	-	-	-	-	4	8
TWO-BR.	24	96	16	24	10	40
THREE-BR.	20	120	16	96	16	96
FOUR-BR.	6	48	28	224	-	-
TOTAL	50	264	60	344	30	144

*Based on two-persons per bedroom

Assuming that the hired farmworkers in each county that work less than 150 days per year reside at conventional apartment projects targeting farmworkers, we have estimated a farmworker housing deficit for each county in the following table. It is estimated that farmworkers that work more than 150 days per year, and are not migrant, typically reside in other conventional low-income apartments.

COUNTY	HIRE FARMWORKERS THAT WORK LESS THAN 150 DAYS	MINUS	TOTAL POTENTIAL BEDS OF EXISTING FARMWORKER HOUSING	EQUALS	FARMWORKER BEDS DEFICIT
DEAF SMITH	453	-	264	=	189
CASTRO	873	-	344	=	529
PARMER	1,027	-	144	=	883

As indicated in the preceding table, the largest farmworker housing deficit (based on the number of hired migrant farmworkers and the existing conventional farmworker housing opportunities in each county) is in Parmer County. As illustrated in the table above, Parmer County has the largest migrant farmworker base and the fewest existing beds available in conventional farmworker housing. The farmworker bed deficit is based on the number of beds for each farmworker, rather than the number of potential units of farmworker housing, considering that farmworkers often reside in overcrowded housing units, with an average of two persons per bedroom. The number of achievable units would be dependent upon the bedroom-types offered.

Based on our analysis of each of the three subject counties and the farmworker housing characteristics, it appears that due to the increasing dairy industry in the Texas Panhandle, farmworker housing is in increasing demand. Additional farmworker housing can likely be supported in each county. Numerous factors go into the specific achievability of a specific farmworker housing project. For instance, although Deaf Smith County has the fewest number of hired farmworkers (compared to Castro and Parmer Counties), this area may potentially be able to support a large project due to available community services and the fact that farmworkers are accustomed to commuting between counties for employment. The ability of a project to draw support from an entire county or

three-county area will be dependent upon design type (garden, townhouse, single-family), unit mix and bedroom types, amenities, rents, targeted AMHI and housing assistance, and location (proximity to community services, visibility, access, and surrounding land uses).

Similar to the achievability of non-farmworker rental housing, it is anticipated that any new farmworker rental project can capture no more than a small share of the total demand (based on deficit) in a given county. While this preceding analysis illustrates the gap between the number of hired migrant farmworkers in each of the three subject counties and the existing conventional rental farmworker housing supply, it does not take into account additional farmworker housing opportunities, such as private single-family rentals, mobile home rentals, or motels. Thus, caution must be exercised when determining the market potential of a specific farmworker housing project.

The following pages summarize of the key findings of each of the three subject counties.

DEAF SMITH COUNTY

Deaf Smith County: 1,498 square miles
 2008 Median Household Income: \$35,976
 2008 Median Home Value: \$67,699

	Population	Households
1990 Census	19,153	6,182
2000 Census	18,561	6,180
Change '90-'00	-592	-2
% Change '90-'00	-3.1%	0.0%
2008 Estimated	18,644	6,287
2013 Projected	18,721	6,346
Change '08-'13	77	59
% Change '08-'13	0.4%	0.9%

Source: VWB Research; ESRI; 1990, 2000 Census

Top 5 Employers	
Employer	Number of Employees
Hereford Services	500
Panda Hereford Ethanol	500
T & G Service Company	400
Blue Sky Petfoods	300
Tejas Industries	300
Total	2,723

Source: Deaf Smith County Chamber of Commerce



We identified and personally surveyed 18 conventional rental housing projects containing a total of 634 units within Deaf Smith County, which have a combined occupancy rate of 96.4%, a high rate.

MAP CODE	PROJECT NAME	PROJECT TYPE	YEAR BUILT	TOTAL UNITS	VACANT	OCCUPANCY RATE
1	Amistad	GSS	1991	50	0	100%
2	Arbor Glen	MRR	1986	24	1	96%
3	Bluewater Garden	TGS	1972	131	0	100%
4	Boardwalk	MRR	1962	30	12	60%
5	Countryside Village	GSS	1990	28	4	86%
6	Forrest Apts.	MRR	1955	16	0	100%
7	Hereford Senior Community	TGS	1995	28	0	100%
8	La Plata Manor	GSS	1985	28	1	96%
9	Masters Apts.	MRR	1978	20	0	100%
10	Paloma Lane	GSS	1972	44	0	100%
11	California Apts.	MRR	1960	37	0	100%
12	Thunderbird	MRR	1958	16	0	100%
13	Town Square	MRR	1974	17	0	100%
14	Hereford Central Place	TAX	2007	32	1	97%
15	Tierra Blanca	MRT	2007	76	4	95%
16	Royal Copper House	MRR	1980	0	0	U/C
17	Buena Vista Apts.	MRR	1960	41	0	100%
18	Sugarland Quads	MRR	1965	16	0	100%

PROJECT TYPE	PROJECT SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE
MRR – Market-Rate	10	217	13	94.0%
MRT – Market-Rate/Tax Credit	1	76	4	94.7%
TAX – Tax Credit	1	32	1	96.9%
TGS – Tax Credit/Government-Subsidized	2	159	0	100.0%
GSS – Government-Subsidized	4	150	5	96.7%

The following is a summary of the potential demand estimates for Deaf Smith County illustrated in full detail in Section V of this analysis.

DEAF SMITH COUNTY OVERALL DEMAND SUMMARY (STRICT AND TRANSITORY DEMAND MODELS)				
GENERAL OCCUPANCY	2008		2013	
	STRICT	TRANSITORY	STRICT	TRANSITORY
TOTAL NET DEMAND FOR UNITS 0%-40% AMHI	457	411	389	402
TOTAL NET DEMAND FOR UNITS 41%-60% AMHI	92	92	118	185
TOTAL NET DEMAND FOR UNITS 61%-100% AMHI	107	301	147	301
SENIOR HOUSING				
TOTAL NET DEMAND FOR AGE-RESTRICTED (55+) UNITS (0%-40% AMHI)	203	196	188	181
TOTAL NET DEMAND FOR AGE-RESTRICTED (55+) UNITS (41%-60% AMHI)	59	75	51	69
TOTAL NET DEMAND FOR AGE-RESTRICTED (55+) UNITS (61%-100% AMHI)	42	71	47	80

The following table summarizes the potential number of units that can be supported within a single project in Deaf Smith County, assuming a single project can capture 25% of very low-income potential households and 10% of low- and moderate-income potential households in any given county.

DEAF SMITH COUNTY SITE SPECIFIC DEMAND SUMMARY (STRICT AND TRANSITORY DEMAND MODELS)				
GENERAL OCCUPANCY	2008		2013	
	STRICT	TRANSITORY	STRICT	TRANSITORY
TOTAL NET DEMAND FOR UNITS 0%-40% AMHI	114	103	97	101
TOTAL NET DEMAND FOR UNITS 41%-60% AMHI	9	9	12	19
TOTAL NET DEMAND FOR UNITS 61%-100% AMHI	11	30	15	30
SENIOR HOUSING				
TOTAL NET DEMAND FOR AGE-RESTRICTED (55+) UNITS (0%-40% AMHI)	51	49	47	75
TOTAL NET DEMAND FOR AGE-RESTRICTED (55+) UNITS (41%-60% AMHI)	6	8	5	7
TOTAL NET DEMAND FOR AGE-RESTRICTED (55+) UNITS (61%-100% AMHI)	4	7	5	8

The following table summarizes the demand for special needs housing in Deaf Smith County (those non-institutionalized persons age 16+ with a sensory or physical disability).

DEAF SMITH COUNTY SPECIAL NEEDS DEMAND SUMMARY						
APPROPRIATE INCOME RANGE BY TARGETED AMHI	0% - 30%	31% - 40%	41% - 50%	51% - 60%	61% - 80%	81% - 100%
% BASELINE TARGETED INCOME-QUALIFIED RENTER HOUSEHOLDS	36.7%	9.4%	10.1%	10.5%	19.1%	14.3%
X DISABLED RENTER HOUSEHOLDS	547	547	547	547	547	547
TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS WITH DISABLED RESIDENT	201	51	55	57	104	78

The following table illustrates the migrant farmworker demand for Deaf Smith County:

COUNTY	HIRED FARMWORKERS THAT WORK LESS THAN 150 DAYS	MINUS	TOTAL POTENTIAL BEDS OF EXISTING FARMWORKER HOUSING	EQUALS	FARMWORKER BEDS DEFICIT
DEAF SMITH	453	-	264	=	189

SUMMARY OF DEAF SMITH COUNTY FINDINGS

Deaf Smith County experienced positive demographic growth between 2000 and 2008, which is projected to continue (at a minimal rate) through 2013. It should be noted that of the three subject counties, Deaf Smith County is the only area projected to experience a demographic increase in total population and total households over the next five years.

Over the past 10 years, Deaf Smith County has experienced an increase in total employment of 16.7%, which is a positive indication of the strength of the area economy. Data for 2007, the most recent year that year-end figures are available, indicates in-place employment in Deaf Smith County to be 81.6% of the total county employment. This indicates that the number of employment opportunities in the county is fewer than the number of employable persons seeking work. A high share of employed persons leaving the county for employment could have an adverse impact on residency with increasing energy costs.

The rental housing market within the Deaf Smith County area is considered to be strong, with an overall occupancy rate of 96.4%. There is only one existing conventional rental project serving farmworkers, Amistad (Map ID 1). This project originally constructed 30 units in 1991 under the RD 514 and 516 programs. In 2000, an additional 20 units were constructed due to strong demand. While additional small motels are rented on a weekly basis during the migratory farmworker season, we were unable to obtain specific rental information from these small properties due to the sensitivity of the migrant farmworker situation and likely presence of illegal immigrants in the migrant farmworking community.

Based on the demand calculations found in Section V of this analysis, Deaf Smith County appears to have the largest demographic support base for additional very low-income conventional rental units and senior rental units when compared to Castro and Parmer Counties. Combined with the increasing demographic trends, Deaf Smith County appears to be a favorable location for additional consideration for the development of modern rental housing.

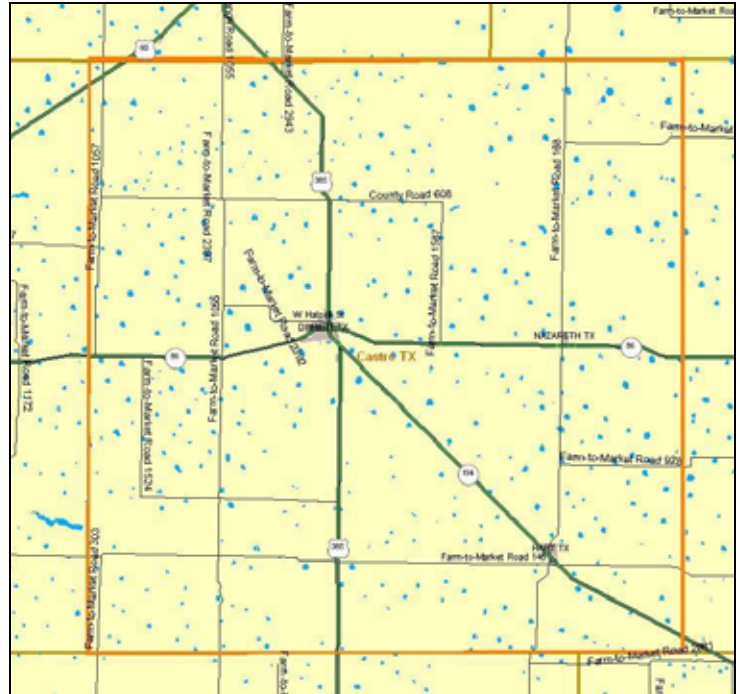
However, despite the positive factors associated with the new development of conventional rental housing in the Hereford and Deaf Smith County area, this county appears to have the lowest deficit of farmworker housing based on the number of farms that hire farm laborers. Interviews with local representatives have stated that many farms in the Deaf Smith County area highly mechanized and do not need significant farmworker labor forces. The farms in Castro and Parmer Counties appear to need more farmworker labor than the farms in Deaf Smith County. As such, there appears to be a potentially higher demand in these counties for farmworker housing. However, it is very important to note that this area may potentially be able to support a farmworker project due to available community services and the fact that farmworkers are accustomed to commuting between counties for employment. The ability of a project to draw support from an entire county or three-county area will be dependent upon design type (garden, townhouse, single-family), unit mix and bedroom types, amenities, rents, targeted AMHI and housing assistance, and location (proximity to community services, visibility, access, and surrounding land uses).

CASTRO COUNTY

Castro County: 899 square miles
 2008 Median Household Income: \$36,918
 2008 Median Home Value: \$73,556

	Population	Households
1990 Census	9,070	2,877
2000 Census	8,285	2,761
Change '90-'00	-785	-116
% Change '90-'00	-8.7%	-4.0%
2008 Estimated	7,623	2,591
2013 Projected	7,260	2,486
Change '08-'13	-363	-105
% Change '08-'13	-4.8%	-4.1%

Source: VWB Research; ESRI; 1990, 2000 Census



Top 5 Employers	
Employer	Number of Employees
Dimmitt ISD	142
Castro Co. Hospital	53
DeBruce Grain	50
Pioneer Dairy Lab	40
City of Dimmitt	28
Total	313

Source: Dimmitt Chamber of Commerce

We identified and personally surveyed five conventional rental housing projects containing a total of 115 units within Castro County. This survey was conducted to establish the overall strength of the rental market. These rentals have a combined occupancy rate of 100.0%, indicating a clear lack of housing choices. Among these projects, three are three non-subsidized (market-rate) projects containing 55 units. The remaining two projects contain 60 government-subsidized units.

MAP CODE	PROJECT NAME	PROJECT TYPE	YEAR BUILT	TOTAL UNITS	VACANT	OCCUPANCY RATE
1	Azteca Apts. Phase I	GSS	1962	48	0	100%
2	Azteca Apts. Phase II	GSS	2007	32	0	100%
3	121 E. Bedford St.	MRR	1929	6	0	100%
4	Northside Apts.	MRR	1992	24	0	100%
5	Dimmitt Gardens	MRR	1988	25	0	100%

PROJECT TYPE	PROJECT SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE
MRR – Market-Rate	3	55	0	100.0%
GSS – Government-Subsidized	2	60	0	100.0%

The following is a summary of the potential demand estimates for Castro County illustrated in full detail in Section V of this analysis.

CASTRO COUNTY OVERALL DEMAND SUMMARY (STRICT AND TRANSITORY DEMAND MODELS)				
GENERAL OCCUPANCY	2008		2013	
	STRICT	TRANSITORY	STRICT	TRANSITORY
TOTAL NET DEMAND FOR UNITS 0%-40% AMHI	85	97	82	106
TOTAL NET DEMAND FOR UNITS 41%-60% AMHI	-12	51	13	49
TOTAL NET DEMAND FOR UNITS 61%-100% AMHI	12	96	16	86
SENIOR HOUSING				
TOTAL NET DEMAND FOR AGE-RESTRICTED (55+) UNITS (0%-40% AMHI)	26	27	38	37
TOTAL NET DEMAND FOR AGE-RESTRICTED (55+) UNITS (41%-60% AMHI)	6	11	7	13
TOTAL NET DEMAND FOR AGE-RESTRICTED (55+) UNITS (61%-100% AMHI)	3	11	11	21

The following table summarizes the potential number of units that can be supported within a single project in Castro County, assuming a single project can capture 25% of very low-income potential households and 10% of low- and moderate-income potential households in any given county.

CASTRO COUNTY DEMAND SITE SPECIFIC SUMMARY (STRICT AND TRANSITORY DEMAND MODELS)				
GENERAL OCCUPANCY	2008		2013	
	STRICT	TRANSITORY	STRICT	TRANSITORY
TOTAL NET DEMAND FOR UNITS 0%-40% AMHI	21	24	21	27
TOTAL NET DEMAND FOR UNITS 41%-60% AMHI	0	5	1	5
TOTAL NET DEMAND FOR UNITS 61%-100% AMHI	1	10	2	9
SENIOR HOUSING				
TOTAL NET DEMAND FOR AGE-RESTRICTED (55+) UNITS (0%-40% AMHI)	7	7	10	9
TOTAL NET DEMAND FOR AGE-RESTRICTED (55+) UNITS (41%-60% AMHI)	1	1	1	1
TOTAL NET DEMAND FOR AGE-RESTRICTED (55+) UNITS (61%-100% AMHI)	1	1	1	2

The following table summarizes the demand for special needs housing in Castro County (those non-institutionalized persons age 16+ with a sensory or physical disability).

CASTRO COUNTY SPECIAL NEEDS DEMAND SUMMARY						
APPROPRIATE INCOME RANGE BY TARGETED AMHI	0% - 30%	31% - 40%	41% - 50%	51% - 60%	61% - 80%	81% - 100%
% BASELINE TARGETED INCOME-QUALIFIED RENTER HOUSEHOLDS	31.1%	12.7%	11.4%	10.2%	16.8%	17.7%
X DISABLED RENTER HOUSEHOLDS	145	145	145	145	145	145
TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS WITH DISABLED RESIDENT	45	18	16	15	24	26

The following table illustrates the migrant farmworker demand for Castro County:

COUNTY	HIRED FARMWORKERS THAT WORK LESS THAN 150 DAYS	MINUS	TOTAL POTENTIAL BEDS OF EXISTING FARMWORKER HOUSING	EQUALS	FARMWORKER BEDS DEFICIT
CASTRO	873	-	344	=	529

SUMMARY OF CASTRO COUNTY FINDINGS

Castro County experienced a decline in total population and households between 2000 and 2008. This county is projected to experience the largest demographic decline over the next five years compared to the other two subject counties.

Over the past 10 years, Castro County experienced a decline in total employment of 13.3%, which coupled with the demographic decline, is an indication of the instability of the area. Given the increasing senior demographic base in Castro County, it appears the area is aging faster than new persons and employment opportunities are entering the county.

Despite the negative demographic and economic factors in Castro County, the housing market appears to be very strong, as there is a lack of available rental housing opportunities. As previously stated, all surveyed rental units within Castro County are 100.0% occupied. Based on our analysis of the Dimmitt area and the surrounding Castro County area, there are two existing conventional rental projects currently serving farmworkers. Azteca Apartments I and II (Map IDs 1 and 2), built in 1962 and 2007, respectively, were developed under the RD 514 and 516 programs by the Azteca Economic Development Corporation. Phase I of the project originally consisted of 48 one-bedroom units; however, recent renovations converted this project into 20 three-bedroom units and eight remaining one-bedroom units. The second phase of Azteca Apartments consists of eight two-bedroom units, 16 three-bedroom units, and eight four-bedroom units. As expected, since the first phase was constructed in 1962 and the second phase was constructed in 2007, the first phase has a C- overall quality rating, while the second phase has a B+ overall quality rating. The contract rents are priced accordingly.

Joe Franco, Executive Director of Azteca Economic Development Corporation manages the Azteca Apartments I and II. According to Mr. Franco, most of the employment for farmworkers in the area is at dairy farms. Three new dairies are expected to come online in Castro County within the next year. By his estimate, each of these dairies will employ approximately 20 people, for a total of 60 people. All 60 of these new employees will require housing. Mr. Franco also noted that there has been a “dynamic change” in what groups need housing in Castro County. Over the years, the need for housing has shifted from migrant farmworkers to permanent farmworkers employed at dairies and feed lots. One dairy in Castro County, in order to meet its workforce needs, is currently importing workers from Africa, Guatemala, and Mexico. Housing is being provided by the dairy in double-wide trailers subdivided into additional units, as no other housing is available. Although dairies may provide housing for employees, this is the exception rather than the standard. Farmworkers that are new to the area will typically stay with established family members in the area, if housing is not available for them, until a unit opens up elsewhere.

Based on the demand calculations found in Section V of this analysis, Castro County appears to have the smallest demographic support base for additional very low-income conventional rental units and senior rental units when compared to the other two subject counties. Combined with the decreasing demographic trends, Castro County does not appear to be the most favorable location for the additional development of rental housing.

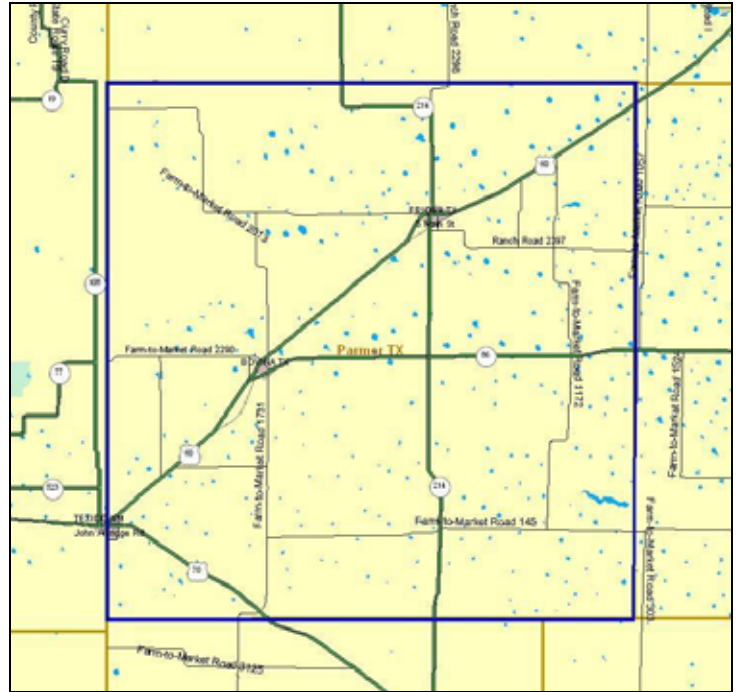
However, despite these negative factors in the Dimmitt and Castro County areas, it should be noted that all surveyed rental housing projects are currently 100.0% occupied. Possibly no more than 20 new units of affordable general occupancy housing could be supported at this time. In addition, the existing farmworker housing projects are also fully occupied and maintain waiting lists. With the potential addition of three new dairy farms in the Castro County area, the need for additional farmworker housing appears to be positive, despite the demographic trends. The farmworker beds deficit in Castro County is considerably higher than that in Deaf Smith County. As such, Castro County could likely support a new small farmworker housing complex.

PARMER COUNTY

Parmer County: 885 square miles
 2008 Median Household Income: \$37,267
 2008 Median Home Value: \$74,768

	Population	Households
1990 Census	9,863	3,241
2000 Census	10,016	3,322
Change '90-'00	153	81
% Change '90-'00	1.6%	2.5%
2008 Estimated	9,821	3,274
2013 Projected	9,686	3,235
Change '08-'13	-135	-39
% Change '08-'13	-1.4%	-1.2%

Source: VWB Research; ESRI; 1990, 2000 Census



Top 5 Employers	
Employer	Number of Employees
Cargill Meat Solutions	2,000
Friona ISD	235
Hi-Pro Inc.	114
Parmer County Hospital	65
Prairie Acres	85
Total	2,499

Source: Dimmitt Chamber of Commerce

We identified and personally surveyed eight conventional housing projects containing a total of 137 units within the Parmer County. This survey was conducted to establish the overall strength of the rental market. These rentals have a combined occupancy rate of 94.2%, a moderate rate for rental housing. However, it is important to note that the only project with a high share of vacancies is 6th Street/Avenue B South (Map ID 3), which currently has three vacancies among the six rentable units. This project is undergoing renovations and has an additional six units currently under construction. Six of the eight conventional rentals in the Parmer County area are all 100.0% occupied, indicating a strong rental market.

MAP CODE	PROJECT NAME	PROJECT TYPE	YEAR BUILT	TOTAL UNITS	VACANT	OCCUPANCY RATE
1	Cottonwood Twnhms.	MRR	1960	60	5	92%
2	1502 W. 5 th St.	MRR	1970	10	0	100%
3	6 th St./Ave. B South	MRR	1980	6	3	50%
4	Eastridge Manor	GSS	1978	11	0	100%
5	4 th St./Ave. A	MRR	1950	10	0	100%
6	Heritage Square Garden Homes	MRR	1990	8	0	100%
7	Farwell Gardens	MRR	1965	8	0	100%
8	902-912 W. 9 th St.	MRR	1960	24	0	100%

PROJECT TYPE	PROJECT SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE
MRR – Market-Rate	7	126	8	93.7%
GSS – Government-Subsidized	1	11	0	100.0%

The following is a summary of the potential demand estimates for Parmer County illustrated in full detail in Section V of this analysis.

PARMER COUNTY OVERALL DEMAND SUMMARY (STRICT AND TRANSITORY DEMAND MODELS)				
GENERAL OCCUPANCY	2008		2013	
	STRICT	TRANSITORY	STRICT	TRANSITORY
TOTAL NET DEMAND FOR UNITS 0%-40% AMHI	216	160	188	153
TOTAL NET DEMAND FOR UNITS 41%-60% AMHI	89	91	39	81
TOTAL NET DEMAND FOR UNITS 61%-100% AMHI	3	137	40	129
SENIOR HOUSING				
TOTAL NET DEMAND FOR AGE-RESTRICTED (55+) UNITS (0%-40% AMHI)	66	52	65	51
TOTAL NET DEMAND FOR AGE-RESTRICTED (55+) UNITS (41%-60% AMHI)	16	20	14	18
TOTAL NET DEMAND FOR AGE-RESTRICTED (55+) UNITS (61%-100% AMHI)	10	21	20	33

The following table summarizes the potential number of units that can be supported within a single project in Parmer County, assuming a single project can capture 25% of very low-income potential households and 10% of low- and moderate-income potential households in any given county.

PARMER COUNTY SITE SPECIFIC DEMAND SUMMARY (STRICT AND TRANSITORY DEMAND MODELS)				
GENERAL OCCUPANCY	2008		2013	
	STRICT	TRANSITORY	STRICT	TRANSITORY
TOTAL NET DEMAND FOR UNITS 0%-40% AMHI	54	40	47	38
TOTAL NET DEMAND FOR UNITS 41%-60% AMHI	9	10	4	8
TOTAL NET DEMAND FOR UNITS 61%-100% AMHI	1	14	4	13
SENIOR HOUSING				
TOTAL NET DEMAND FOR AGE-RESTRICTED (55+) UNITS (0%-40% AMHI)	17	13	16	13
TOTAL NET DEMAND FOR AGE-RESTRICTED (55+) UNITS (41%-60% AMHI)	2	2	1	2
TOTAL NET DEMAND FOR AGE-RESTRICTED (55+) UNITS (61%-100% AMHI)	1	2	2	3

The following table summarizes the demand for special needs housing in Parmer County (those non-institutionalized persons age 16+ with a sensory or physical disability).

PARMER COUNTY SPECIAL NEEDS DEMAND SUMMARY						
APPROPRIATE INCOME RANGE BY TARGETED AMHI	0% - 30%	31% - 40%	41% - 50%	51% - 60%	61% - 80%	81% - 100%
% BASELINE TARGETED INCOME-QUALIFIED RENTER HOUSEHOLDS	31.6%	9.6%	10.9%	12.6%	21.7%	13.6%
X DISABLED RENTER HOUSEHOLDS	209	209	209	209	209	209
TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS WITH DISABLED RESIDENT	66	20	23	26	45	28

The following table illustrates the migrant farmworker demand for Parmer County:

COUNTY	HIRED FARMWORKERS THAT WORK LESS THAN 150 DAYS	MINUS	TOTAL POTENTIAL BEDS OF EXISTING FARMWORKER HOUSING	EQUALS	FARMWORKER BEDS DEFICIT
PARMER	1,027	-	144	=	883

SUMMARY OF PARMER COUNTY FINDINGS

Parmer County experienced a decline in total population and households between 2000 and 2008. This county is projected to experience a continued demographic decline over the next five years; however, not as significant a demographic decline as projected in Castro County.

Over the past 10 years, Parmer County experienced a slight decline in total employment of 0.6%. However, the unemployment rate in Parmer County has historically remained well below the state average, as well as the unemployment rates for Deaf Smith County and Castro County. Overall, the Parmer County economy has fluctuated, increasing between 1998 and 2003, only to decline between 2003 and 2008. Regardless, it is very important to note that in-place employment in Parmer County is 114.3% of the total county employment. This means that Parmer County has more employed persons coming to the county from other counties for work (daytime employment). It is likely that a large share of Deaf Smith County and Castro County residents are working in Parmer County. A high share of employed persons commuting to Parmer County from other areas for employment is an indication that there may be a lack of available housing within this county. This would suggest that Parmer County lacks housing choices for employed persons in the area. Considering our field survey of conventional rental units (discussed in Section IV and listed in full detail in Section VIII), there does appear to be a lack of rental housing in the area, as indicated by the fact that six of the eight projects surveyed are currently 100.0% occupied.

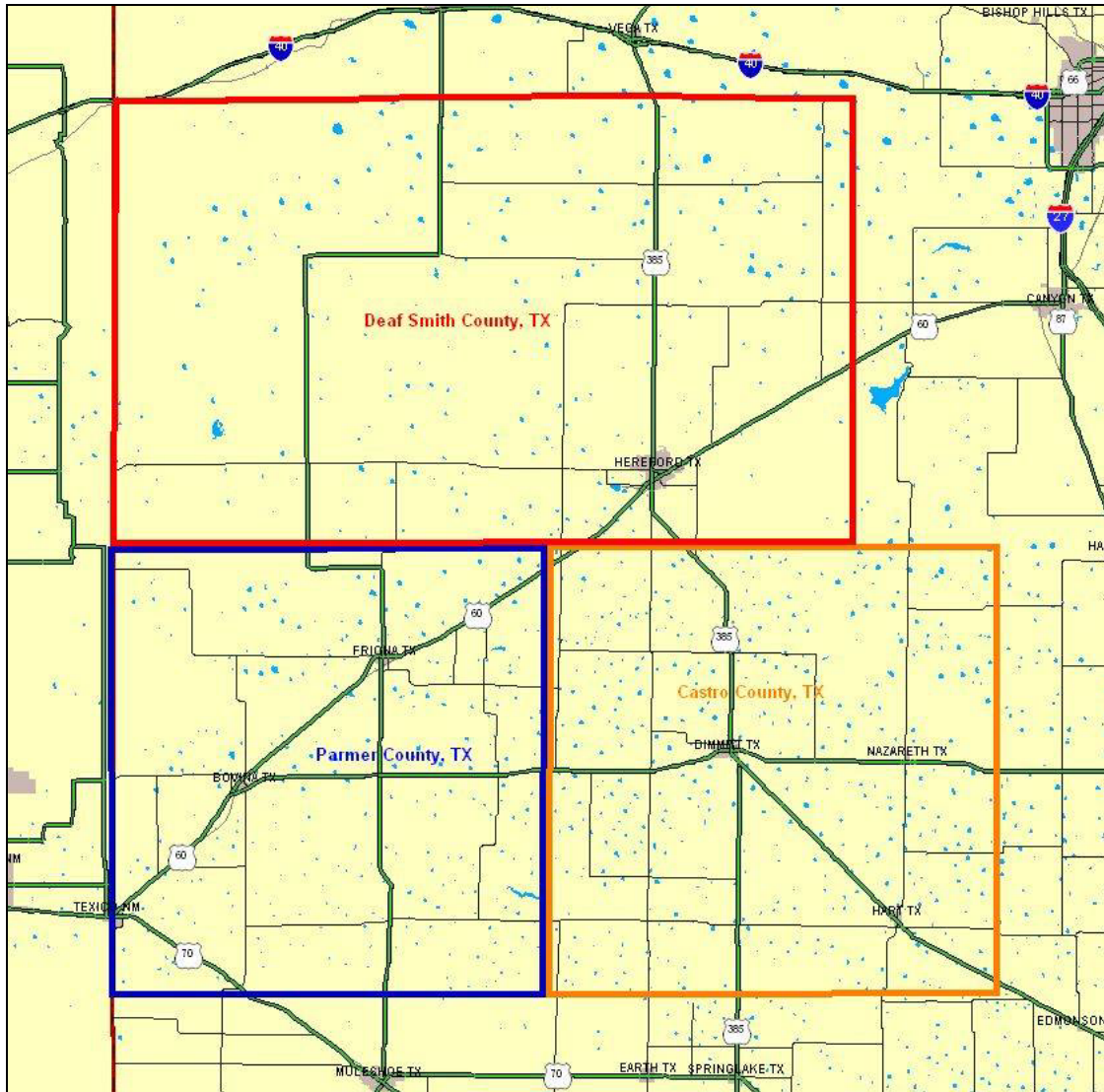
In addition, agricultural statistics provided by the most recent USDA National Agriculture Statistics Service (NASS) Census of Agriculture (2002) indicate that compared to Deaf Smith County and Castro County, Parmer County has the highest number of farms requiring hired farm laborers. In addition, Parmer County has the most hired farmworkers working in the county, compared to the other two subject counties. Given the strength of the overall rental market, there appears to be demographic support for farmworker housing. This is further illustrated by the fact that Parmer County has the largest farmworker beds deficit compared to the Deaf Smith and Castro Counties.

Based on the demand calculations found in Section V of this analysis, Parmer County appears to have a moderate demographic support base for additional very low-income conventional rental units and senior rental units when compared to the other two subject counties. Deaf Smith County has a larger demographic support base, while Castro County has a smaller demographic support base.

Overall, considering the in-place employment statistics, the existing farmworker housing beds deficit, and the increasing dairy industry in the Texas Panhandle, there appears to be support in Parmer County for additional farmworker housing.

III. GENERAL, DEMOGRAPHIC, AND ECONOMIC INFORMATION

The purpose of this analysis is to evaluate the general and demographic information of the three subject counties: Deaf Smith County, Castro County, and Parmer County. The following map illustrates the boundaries of the three subject counties.



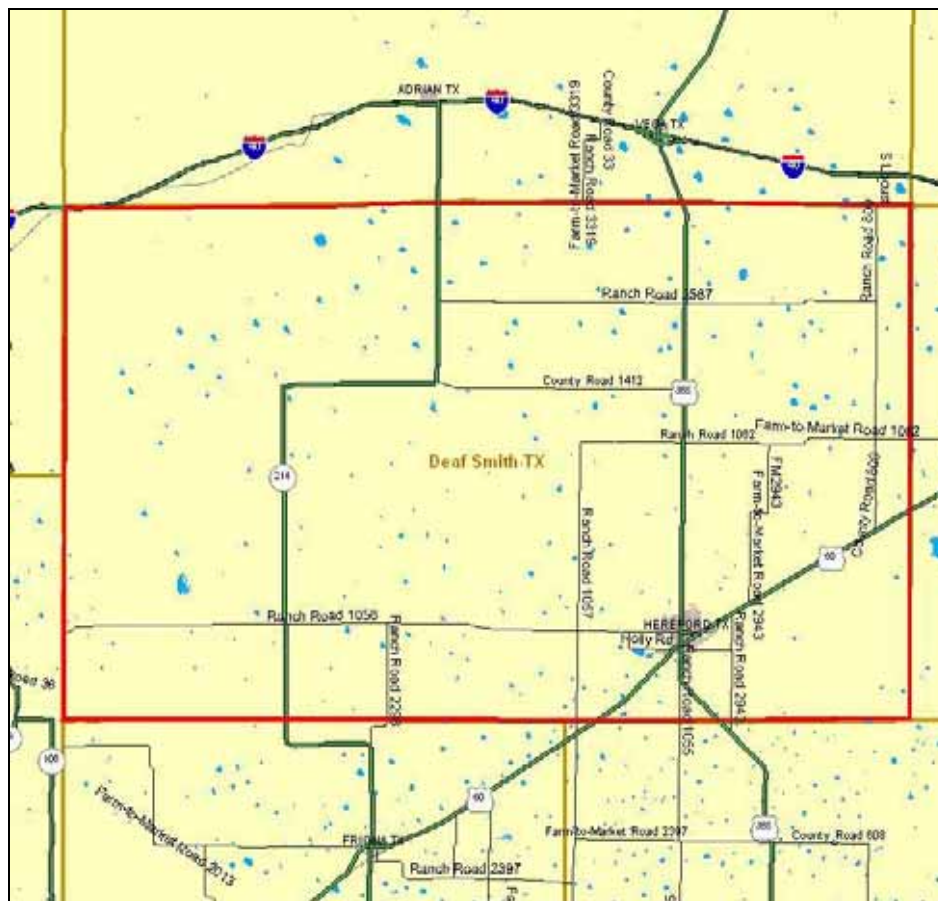
As illustrated in the preceding map, Deaf Smith County is notably larger than both Castro and Parma counties. We have evaluated the demographic and economic trends of each county later in this analysis. However, the following portion of this section of the analysis discusses the general characteristics and description of each county. Later in this section, the demographic and economic trends are illustrated simultaneously for comparison purposes.

A. GENERAL DESCRIPTION

1. DEAF SMITH COUNTY

The first area analyzed and discussed in this report is the largest of the three counties, Deaf Smith County. This county is located in the far northwestern portion of Texas and shares its western border with the state of New Mexico. The following are relevant facts about Deaf Smith County:

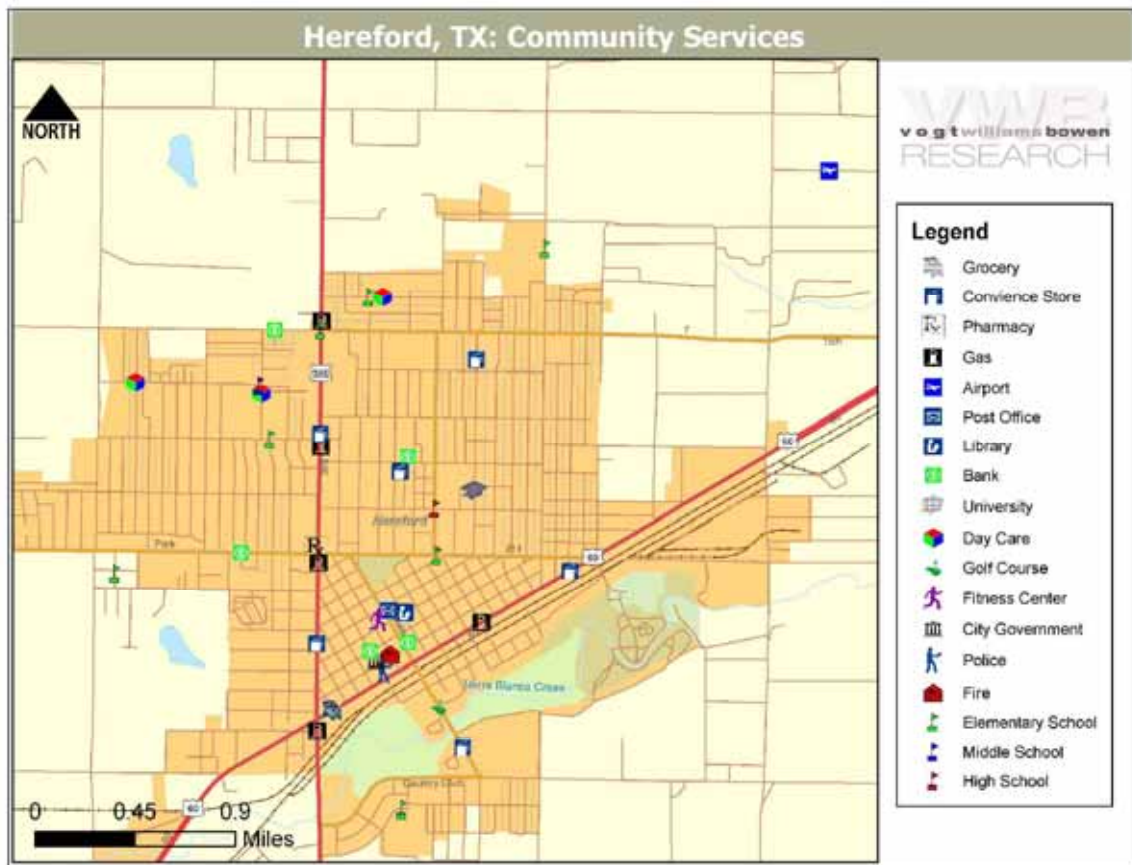
Deaf Smith County: 1,498 square miles
2008 Population: 18,644
2008 Households: 6,287
2008 Median Household Income: \$35,976
2008 Median Home Value: \$67,699



The largest city within Deaf Smith County is Hereford, which is located along U.S. Highway 60 and U.S. Highway 385 and is the county seat. Hereford is the largest city within all three subject counties (Deaf Smith, Castro, and Parmer), and is estimated to have a 2008 population of 14,646 with 4,911 households. The 2008 median household income in the city of Hereford is \$35,812 and the median home value in 2008 is estimated to be \$70,047.

Hereford City Hall and the offices of the county government are both located in the city. Hereford has access to numerous community services including grocery shopping, pharmacy, banking, employment opportunities, religious and educational institutions, medical and social services, recreational facilities, and community parks.

A Wal-Mart Supercenter is located on the north side of Hereford, which serves many purposes including grocery, pharmacy, and a major employment center. Along Main Street there are several small specialty shops and offices. Also in Hereford is a small branch of Amarillo College, a community aquatic center, and a rodeo arena. There are also numerous employment opportunities in close proximity, including feedlots and meat packaging facilities. The following map illustrates some of the key community services in the Hereford area:



Total crime risk for Deaf Smith County is below the national average with an overall personal crime index of 49 and property crime index of 63. Total crime risk for the state of Texas is above the national average with indices for personal and property crime of 114 and 127, respectively.

	CRIME RISK INDEX	
	DEAF SMITH COUNTY	TEXAS
TOTAL CRIME	58	126
PERSONAL CRIME	49	114
MURDER	16	110
RAPE	45	111
ROBBERY	17	115
ASSAULT	111	115
PROPERTY CRIME	63	127
BURGLARY	69	134
LARCENY	94	129
MOTOR VEHICLE THEFT	21	101

Source: Applied Geographic Solutions

Although the Deaf Smith County Total Crime risk (58) is higher than that of Castro County (42) and Parmer County (26), it is important to note that overall, the area is considered to be safe. Interviews with local law enforcement officers and Judge Tom Simons, the Deaf Smith County Judge, revealed that crime does not appear to be significant.

The homes in Hereford are primarily older ranch homes varying in condition for poor to excellent. Larger, better quality homes are typically located towards the outskirts of town, and in the county outside of town on large lots. According to ESRI demographic information, the median home value in 2008 within Deaf Smith County was \$67,699.

The following pages contain photographs of significant land uses in the Hereford area.

HEREFORD AREA PHOTOGRAPHS



Hereford City Hall



Hereford State Bank



Main Street

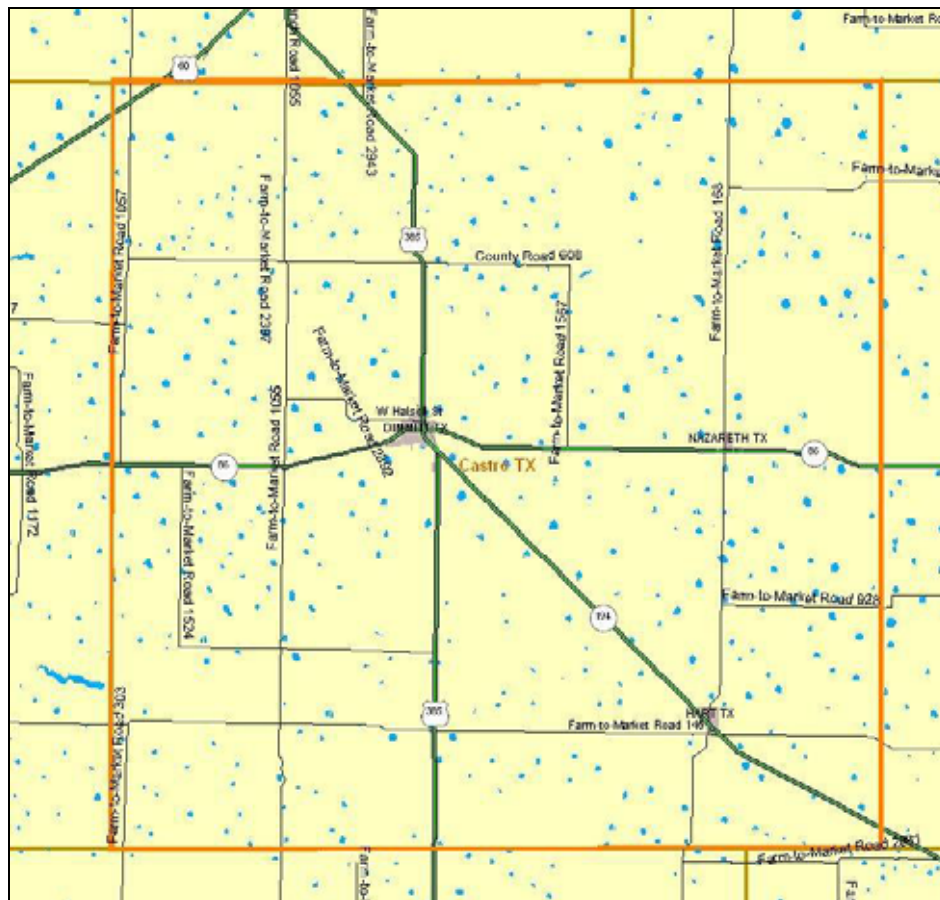


Main Street

2. CASTRO COUNTY

Castro County is located south and southeast of Deaf Smith County. Castro County is the smallest county of the three subject counties in terms of population and total households. The physical square-mile size of the county is very similar to that of Parmer County, but notably smaller than Deaf Smith County. The following are relevant facts about Castro County:

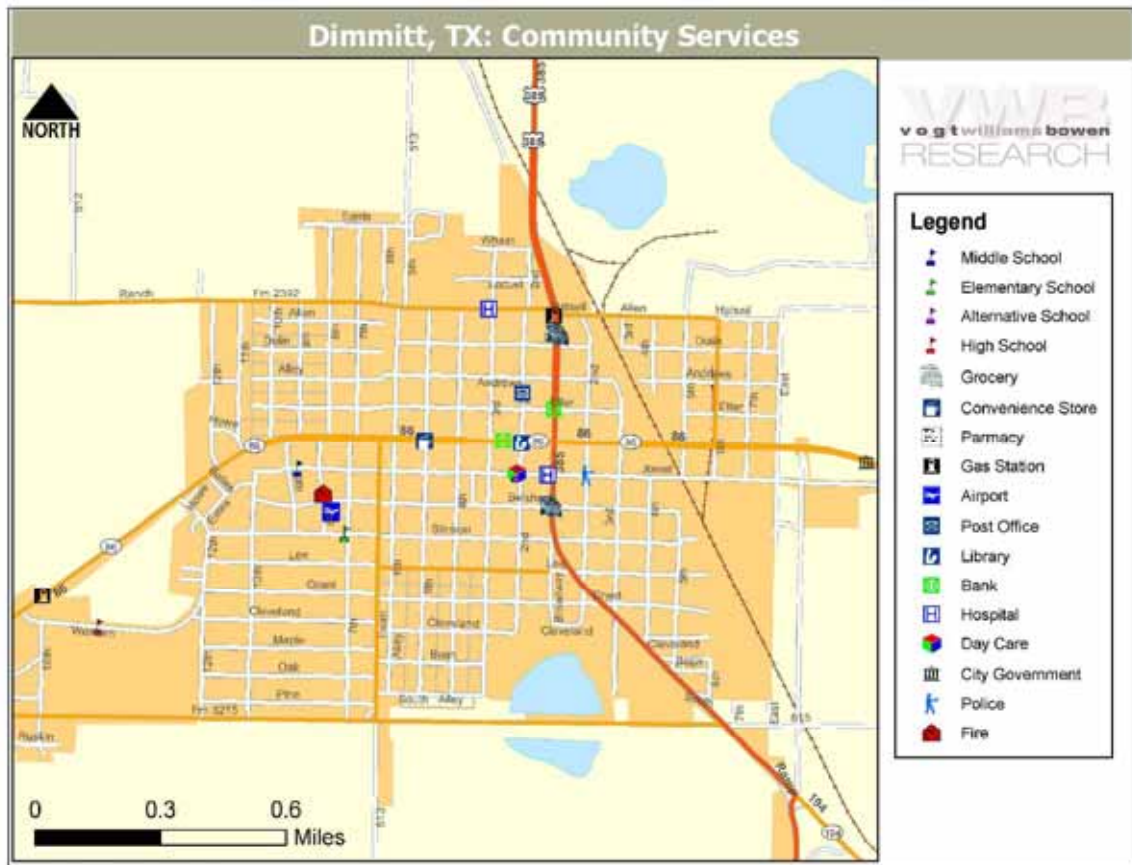
Castro County: 899 square miles
2008 Population: 7,623
2008 Households: 2,591
2008 Median Household Income: \$36,918
2008 Median Home Value: \$73,556



The largest city in Castro County is Dimmitt, which is located along U.S. Highway 385 and State Route 86. Dimmitt is also the county seat of Castro County. Dimmitt is estimated to have a 2008 population of 4,088 with 1,397 total households. The 2008 median household income in the city of Dimmitt is \$35,337 and the median home value in 2008 is estimated to be \$71,399.

Dimmitt and is home to the majority of county offices. Several small shops including a Dollar General Store, as well as other community services are located along Bedford Street, the main arterial roadway in Dimmitt. Also in Dimmitt is the Castro County Healthcare Medical Center, which is one of the area's major employers. There are also other employment opportunities within the city limits and the surrounding area, many of which are feedlots and meat packaging facilities.

The following map illustrates some of the key community services in the Dimmitt area:



Total crime risk for Castro County is well below the national average with an overall personal crime index of 35 and property crime index of 47. Total crime risk for the state of Texas is above the national average with indices for personal and property crime of 114 and 127, respectively.

	CRIME RISK INDEX	
	CASTRO COUNTY	TEXAS
TOTAL CRIME	42	126
PERSONAL CRIME	35	114
MURDER	4	110
RAPE	38	111
ROBBERY	10	115
ASSAULT	80	115
PROPERTY CRIME	47	127
BURGLARY	69	134
LARCENY	41	129
MOTOR VEHICLE THEFT	27	101

Source: Applied Geographic Solutions

As illustrated in the preceding table, the crime risk index for Castro County is very low. Parmer County has a lower total crime risk (26) and Deaf Smith County has a higher crime risk (58). Overall, the Castro County area is considered to be relatively safe, and crime is not considered to be a significant issue in the area.

The housing in Dimmitt is similar to the other two counties with mainly single-family homes in varying condition. Again, larger, better quality homes in the best condition are located on the periphery of Dimmitt and scattered throughout the county on large lots. According to ESRI demographic information, the median home value in 2008 within Castro County was \$73,556.

The following pages contain photographs of land uses in the Dimmitt area.

DIMMITT AREA PHOTOGRAPHS



Castro County Courthouse



Bedford Street



Bedford Street

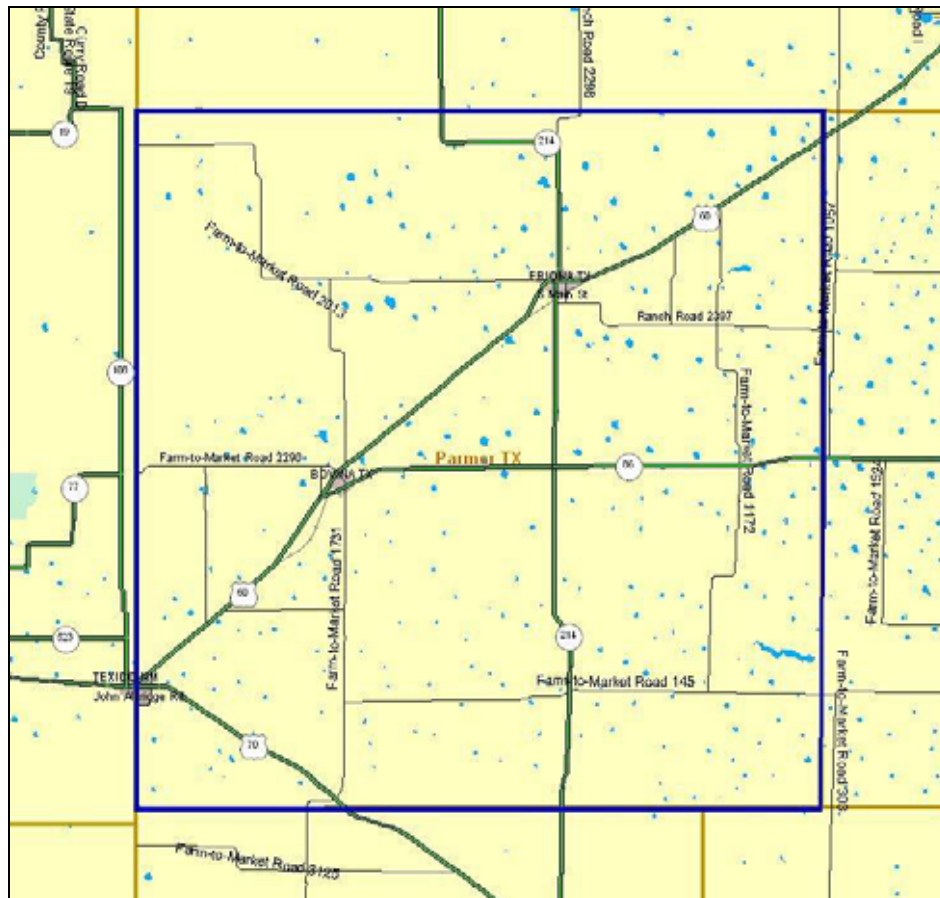


Rhodes Memorial Library

3. PARMER COUNTY

Parmer County is located south and southwest of Deaf Smith County, and directly west of Castro County. Although slightly larger in terms of population and households than Castro County, Parmer County is considered relatively similar in size. Compared to Deaf Smith County, Parmer and Castro counties are both considerably smaller in terms of square miles, population, and total households. The following are relevant facts about Parmer County:

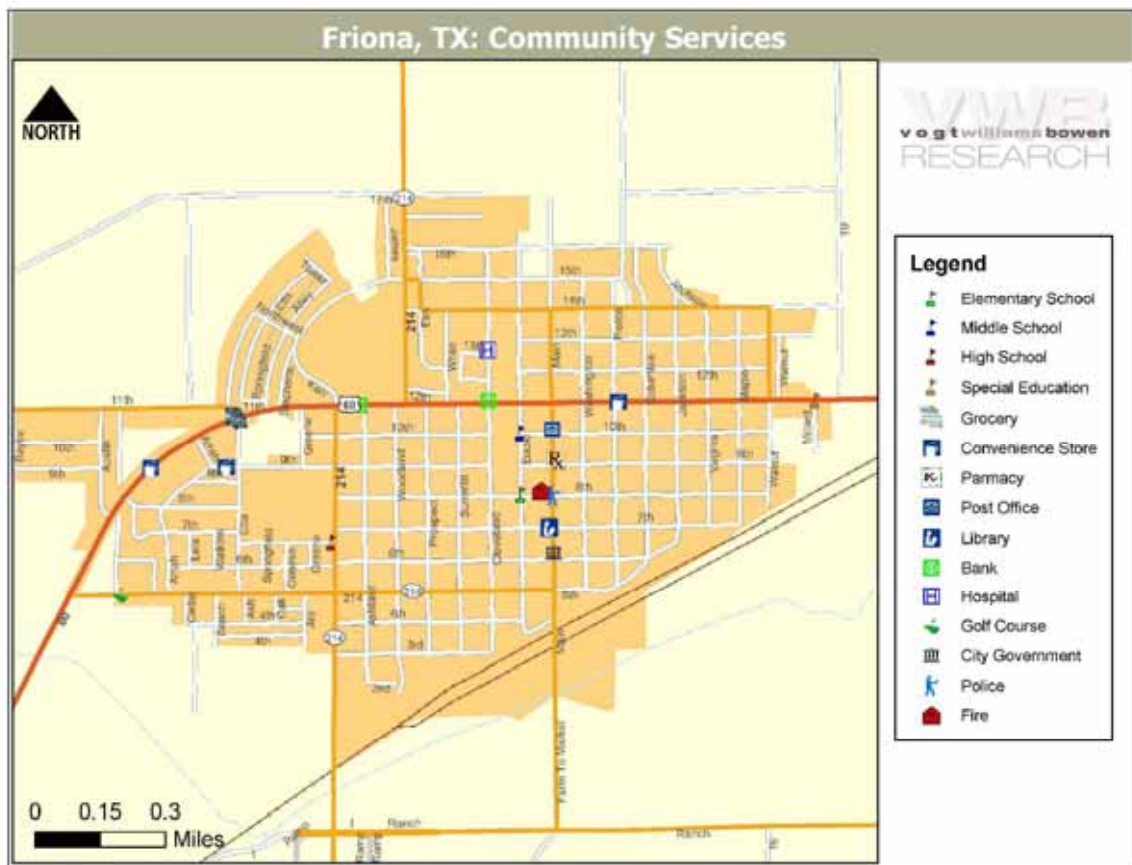
Parmer County: 885 square miles
2008 Population: 9,821
2008 Households: 3,274
2008 Median Household Income: \$37,267
2008 Median Home Value: \$74,768



The county seat is the city of Farwell, located near the New Mexico border along U.S. Highways 60, 70, and 84. The county government offices are located in Farwell where there are adequate employment opportunities but limited community services (compared to other large cities in the subject counties). There is a small medical clinic as well as other essential community services such as a small grocery store and gas station/convenience store.

Although Farwell is the county seat of Parmer County, the city of Friona, located along U.S. Highway 60 (approximately 25.0 miles northeast of Farwell), is the largest city in the county and has significantly more community services and employment opportunities. Friona is estimated to have a 2008 population of 3,881 with 1,293 total households. The 2008 median household income in the city of Friona is \$39,811 and the median home value in 2008 is estimated to be \$72,007.

There are various retail shops and small offices located on U.S. Highway 60 and State Route 214. Also, Friona has a city hall and public library near the center of town. There are adequate employment opportunities in the Friona area (compared to other cities in the subject counties), comprised mainly of cattle-related industries including feedlots and meat packaging facilities. The following map illustrates some of the key community services in the Friona area:



Total crime risk for Parmer County is significantly below the national average and virtually non-existent with an overall personal crime index of 21 and property crime index of 29. As previously stated, total crime risk for the state of Texas is above the national average with indices for personal and property crime of 114 and 127, respectively.

	CRIME RISK INDEX	
	PARMER COUNTY	TEXAS
TOTAL CRIME	26	126
PERSONAL CRIME	21	114
MURDER	26	110
RAPE	24	111
ROBBERY	9	115
ASSAULT	23	115
PROPERTY CRIME	29	127
BURGLARY	44	134
LARCENY	30	129
MOTOR VEHICLE THEFT	13	101

Source: Applied Geographic Solutions

As illustrated in the preceding table, the crime risk index for Parmer County is very low. Deaf Smith County and Castro County both have higher crime indices, with total crime risk indexes of 58 and 46, respectively. Overall, the Parmer County area is considered to be very safe, and crime is not considered to be a significant issue in the area.

The housing in both Farwell and Friona is comprised mainly of single-family homes in varying size and condition. The larger and newer homes are located towards the outskirts of town on much larger lots. According to ESRI demographic information, the median home value in 2008 within Parmer County was \$74,768.

The following pages contain photographs of land uses in the Friona area.

FRIONA AREA PHOTOGRAPHS



Friona City Park



Friona City Hall



Friona Public Library

B. DEMOGRAPHIC CHARACTERISTICS AND TRENDS

For comparison purposes, we have evaluated the demographic trends of each of the three counties together in the following analysis.

1. POPULATION TRENDS

Deaf Smith County is notably larger than Castro County and Parmer County, which are relatively similar in size to each other. Between 1990 and 2000, Deaf Smith County and Castro County experienced declines in population of 3.1% and 8.7%, respectively. During the same time period, the population in Parmer County increased slightly by 1.6%. The population bases for 1990, 2000, 2008 (estimated), and 2013 (projected) are summarized for all three subject counties area illustrated as follows:

		YEAR			
		1990 (CENSUS)	2000 (CENSUS)	2008 (ESTIMATED)	2013 (PROJECTED)
DEAF SMITH COUNTY	POPULATION	19,153	18,561	18,644	18,721
	POPULATION CHANGE	-	-592	83	77
	PERCENT CHANGE	-	-3.1%	0.4%	0.4%
CASTRO COUNTY	POPULATION	9,070	8,285	7,623	7,260
	POPULATION CHANGE	-	-785	-662	-363
	PERCENT CHANGE	-	-8.7%	-8.0%	-4.8%
PARMER COUNTY	POPULATION	9,863	10,016	9,821	9,686
	POPULATION CHANGE	-	153	-195	-135
	PERCENT CHANGE	-	1.6%	-1.9%	-1.4%

Source: 2000 Census; ESRI; VWB Research

Between 2000 and 2008, Deaf Smith County is the only county estimated to have experienced an increase in population, which rose by 0.4%. Castro County and Parmer County experienced declines in population during the same time period of 8.0% and 1.9%, respectively. These trends are projected to continue through 2013, as Deaf Smith County will continue to increase slightly, while Castro and Parmer Counties will continue to decline.

The following table illustrates the population bases by age for the three Texas counties:

POPULATION BY AGE	DEAF SMITH COUNTY		CASTRO COUNTY		PARMER COUNTY	
	2008 (ESTIMATED)		2008 (ESTIMATED)		2008 (ESTIMATED)	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
19 & UNDER	6,351	34.1%	2,558	33.6%	3,281	33.4%
20 TO 24	1,345	7.2%	503	6.6%	727	7.4%
25 TO 34	2,461	13.2%	861	11.3%	1,216	12.4%
35 TO 44	2,176	11.7%	850	11.1%	1,210	12.3%
45 TO 54	2,202	11.8%	1,100	14.4%	1,263	12.9%
55 TO 64	1,710	9.2%	796	10.4%	868	8.8%
65 TO 74	1,238	6.6%	532	7.0%	648	6.6%
75 & HIGHER	1,161	6.2%	424	5.6%	608	6.2%
TOTAL	18,644	100.0%	7,623	100.0%	9,821	100.0%

Source: 2000 Census; ESRI; VWB Research

As the preceding table illustrates, approximately 43.0% to 45.0% of all three subject counties are estimated to have a population base between the ages of 20 and 54 years old. It should also be noted that despite the projected decline in total population in Castro and Parmer counties over the next five years, the seniors population age 55 years and older is projected to increase in all three subject counties. This is indicative of an aging population base and the potential increasing need for affordable senior housing.

2. HOUSEHOLD TRENDS

Between 1990 and 2000, Parmer County experienced a 2.5% increase in total households, while Deaf Smith County remained stagnant and Castro County declined by 4.0%. The population bases for 1990, 2000, 2008 (estimated), and 2013 (projected) are summarized for all three subject counties as follows:

		YEAR			
		1990 (CENSUS)	2000 (CENSUS)	2008 (ESTIMATED)	2013 (PROJECTED)
DEAF SMITH COUNTY	HOUSEHOLDS	6,182	6,180	6,287	6,346
	HOUSEHOLD CHANGE	-	-2	107	59
	PERCENT CHANGE	-	<0.0%	1.7%	0.9%
CASTRO COUNTY	HOUSEHOLDS	2,877	2,761	2,591	2,486
	HOUSEHOLD CHANGE	-	-116	-170	-105
	PERCENT CHANGE	-	-4.0%	-6.2%	-4.1%
PARMER COUNTY	HOUSEHOLDS	3,241	3,322	3,274	3,235
	HOUSEHOLD CHANGE	-	81	-48	-39
	PERCENT CHANGE	-	2.5%	-1.4%	-1.2%

Source: 2000 Census; ESRI; VWB Research

Similar to population trends, between 2000 and 2008, Deaf Smith County is the only county estimated to have experienced an increase in total households, which rose by 1.7%. Castro County and Parmer County experienced declines in total households during the same time period of 6.2% and 1.4%, respectively. These trends are projected to continue through 2013, as Deaf Smith County households will continue to increase slightly, while Castro and Parmer counties total households will continue to decline.

The three subject counties household bases by age for 2008 are summarized as follows:

HOUSEHOLDS BY AGE	DEAF SMITH COUNTY		CASTRO COUNTY		PARMER COUNTY	
	2008 (ESTIMATED)		2008 (ESTIMATED)		2008 (ESTIMATED)	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
UNDER 25	384	6.1%	100	3.9%	174	5.3%
25 - 34	1,085	17.3%	402	15.5%	566	17.3%
35 - 44	1,125	17.9%	423	16.3%	615	18.8%
45 - 54	1,166	18.5%	599	23.1%	674	20.6%
55 - 64	980	15.6%	445	17.2%	475	14.5%
65 - 74	780	12.4%	329	12.7%	396	12.1%
75 - 84	575	9.1%	212	8.2%	262	8.0%
85 & HIGHER	193	3.1%	81	3.1%	114	3.5%
TOTAL	6,287	100.0%	2,591	100.0%	3,274	100.0%

Source: 2000 Census; ESRI; VWB Research

More than half of each of the three subject counties household bases are between the ages of 25 and 54 years of age. It should be noted that Castro County, which is projected to experience the most significant declines in population and households, has the lowest share of young households, under the age of 25. This is indicative of a likely continuing decline in households.

Households by tenure for the three counties in 2008 are distributed as follows:

TENURE	DEAF SMITH COUNTY		CASTRO COUNTY		PARMER COUNTY	
	2008 (ESTIMATED)		2008 (ESTIMATED)		2008 (ESTIMATED)	
	HOUSEHOLDS	PERCENT	HOUSEHOLDS	PERCENT	HOUSEHOLDS	PERCENT
OWNER-OCCUPIED	4,353	69.2%	1,882	72.6%	2,415	73.8%
RENTER-OCCUPIED	1,933	30.8%	709	27.4%	859	26.2%
TOTAL	6,287	100.0%	2,591	100.0%	3,274	100.0%

Source: 2000 Census; ESRI; VWB Research

Deaf Smith County has the highest share of renter-occupied households, which comprise 30.8% of all occupied housing units, while Castro County has a 27.4% renter share and Parmer County has a 26.2% renter share. These shares are typical of rural Texas counties.

The household size within the three subject counties, based on 2008 estimates, is distributed as follows:

RENTER PERSONS PER HOUSEHOLD	DEAF SMITH COUNTY		CASTRO COUNTY		PARMER COUNTY	
	2008 (ESTIMATED)		2008 (ESTIMATED)		2008 (ESTIMATED)	
	HOUSEHOLDS	PERCENT	HOUSEHOLDS	PERCENT	HOUSEHOLDS	PERCENT
1 PERSON	585	30.3%	170	24.0%	199	23.2%
2 PERSONS	333	17.2%	162	22.8%	211	24.5%
3 PERSONS	346	17.9%	153	21.6%	159	18.5%
4 PERSONS	268	13.8%	90	12.7%	150	17.4%
5+ PERSONS	402	20.8%	133	18.8%	141	16.4%
TOTAL	1,933	100.0%	709	100.0%	859	100.0%

Source: 2000 Census; ESRI; VWB Research

OWNER PERSONS PER HOUSEHOLD	DEAF SMITH COUNTY		CASTRO COUNTY		PARMER COUNTY	
	2008 (ESTIMATED)		2008 (ESTIMATED)		2008 (ESTIMATED)	
	HOUSEHOLDS	PERCENT	HOUSEHOLDS	PERCENT	HOUSEHOLDS	PERCENT
1 PERSON	799	18.3%	403	21.4%	459	19.0%
2 PERSONS	1,456	33.4%	638	33.9%	857	35.5%
3 PERSONS	660	15.2%	317	16.8%	336	13.9%
4 PERSONS	708	16.3%	214	11.4%	360	14.9%
5+ PERSONS	731	16.8%	311	16.5%	402	16.7%
TOTAL	4,353	100.0%	1,882	100.0%	2,415	100.0%

Source: 2000 Census; ESRI; VWB Research

As illustrated in the preceding table, Deaf Smith County has a higher share of small one-person renter households than the other two counties, but a smaller share of two-person households. Overall, Deaf Smith County also has the highest share of large five+ person renter households.

3. INCOME TRENDS

The distribution of households by income within the three counties are summarized as follows:

HOUSEHOLD INCOME	DEAF SMITH COUNTY		CASTRO COUNTY		PARMER COUNTY	
	2008 (ESTIMATED)		2008 (ESTIMATED)		2008 (ESTIMATED)	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
LESS THAN \$10,000	811	12.9%	288	11.1%	392	12.0%
\$10,000 - \$19,999	826	13.1%	338	13.0%	392	12.0%
\$20,000 - \$29,999	891	14.2%	419	16.2%	501	15.3%
\$30,000 - \$39,999	951	15.1%	331	12.8%	486	14.8%
\$40,000 - \$49,999	718	11.4%	312	12.0%	370	11.3%
\$50,000 - \$59,999	563	9.0%	272	10.5%	283	8.6%
\$60,000 - \$74,999	518	8.2%	212	8.2%	329	10.0%
\$75,000 - \$99,999	505	8.0%	167	6.4%	241	7.4%
\$100,000 & HIGHER	503	8.0%	253	9.8%	280	8.6%
TOTAL	6,286	100.0%	2,592	100.0%	3,274	100.0%
MEDIAN INCOME	\$35,976		\$36,918		\$37,267	

Source: 2000 Census; ESRI; VWB Research

Parmer County has the highest median household income, while Castro County has the second highest, and Deaf Smith County has the lowest median household income. The median household incomes in Deaf Smith County is estimated to be \$35,976, while the Castro County median household income is slightly higher at \$36,918, and the Parmer County median household income is \$37,267.

The distribution of senior (age 55+) households by income within the three counties are summarized as follows:

HOUSEHOLD INCOME (55+)	DEAF SMITH COUNTY		CASTRO COUNTY		PARMER COUNTY	
	2008 (ESTIMATED)		2008 (ESTIMATED)		2008 (ESTIMATED)	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
LESS THAN \$10,000	673	26.6%	253	23.7%	315	25.3%
\$10,000 - \$19,999	395	15.6%	143	13.4%	186	14.9%
\$20,000 - \$29,999	301	11.9%	180	16.9%	179	14.4%
\$30,000 - \$39,999	399	15.8%	170	15.9%	192	15.4%
\$40,000 - \$49,999	361	14.3%	170	15.9%	192	15.4%
\$50,000 - \$59,999	205	8.1%	37	3.5%	59	4.7%
\$60,000 - \$74,999	108	4.3%	72	6.8%	66	5.3%
\$75,000 - \$99,999	34	1.3%	21	2.0%	25	2.0%
\$100,000 & HIGHER	50	2.0%	20	1.9%	32	2.6%
TOTAL	2,527	100.0%	1,066	100.0%	1,246	100.0%
MEDIAN INCOME	\$31,386		\$32,787		\$31,714	

Source: 2000 Census; ESRI; VWB Research

Castro County has the highest median senior (age 55+) household income, while Parmer County has the second highest, and Deaf Smith County has the lowest median senior household income. The median household income in Deaf Smith County is estimated to be \$31,386, while the Parmer County median household income is slightly higher at \$31,714, and the Castro County median household income is \$32,787. Note that in all three counties, more than half of the total population has incomes below \$30,000.

The following tables provide renter household income by household size for each of the three counties in 2008 (estimated).

RENTER HOUSEHOLDS	DEAF SMITH COUNTY					
	2008 ESTIMATED					
	1-PERSON	2-PERSON	3-PERSON	4-PERSON	5+-PERSON	TOTAL
\$0 - \$10,000	221	99	89	54	39	502
\$10,000 - \$20,000	129	59	72	44	45	349
\$20,000 - \$30,000	139	57	65	52	92	405
\$30,000 - \$40,000	60	31	17	50	63	221
\$40,000 - \$50,000	8	31	50	34	40	163
\$50,000 - \$60,000	1	12	5	7	56	81
\$60,000+	27	44	48	27	67	213
TOTAL	585	333	346	268	402	1,933

Source: Ribbon Demographics, ESRI

RENTER HOUSEHOLDS	CASTRO COUNTY					
	2008 ESTIMATED					
	1-PERSON	2-PERSON	3-PERSON	4-PERSON	5+-PERSON	TOTAL
\$0 - \$10,000	56	25	20	9	11	121
\$10,000 - \$20,000	35	42	19	21	25	142
\$20,000 - \$30,000	28	15	23	5	23	95
\$30,000 - \$40,000	25	18	31	6	23	102
\$40,000 - \$50,000	4	18	15	7	21	64
\$50,000 - \$60,000	7	14	16	11	5	54
\$60,000+	15	30	29	31	26	131
TOTAL	170	162	153	90	133	709

Source: Ribbon Demographics, ESRI

RENTER HOUSEHOLDS	PARMER COUNTY					
	2008 ESTIMATED					
	1-PERSON	2-PERSON	3-PERSON	4-PERSON	5+-PERSON	TOTAL
\$0 - \$10,000	99	21	19	26	15	180
\$10,000 - \$20,000	39	26	36	20	24	145
\$20,000 - \$30,000	27	48	44	31	50	201
\$30,000 - \$40,000	15	23	5	34	19	97
\$40,000 - \$50,000	13	15	23	20	20	90
\$50,000 - \$60,000	5	20	14	14	4	57
\$60,000+	0	57	18	5	10	90
TOTAL	199	211	159	150	141	859

Source: Ribbon Demographics, ESRI

The following tables illustrate senior (age 55+) renter household income by household size for each of the three counties in 2008 (estimated).

RENTER HOUSEHOLDS (55+)	DEAF SMITH COUNTY					
	2008 ESTIMATED					
	1-PERSON	2-PERSON	3-PERSON	4-PERSON	5+-PERSON	TOTAL
\$0 - \$10,000	179	45	2	3	3	232
\$10,000 - \$20,000	79	44	6	10	0	139
\$20,000 - \$30,000	63	17	24	0	8	111
\$30,000 - \$40,000	25	4	1	1	2	34
\$40,000 - \$50,000	5	4	3	3	10	24
\$50,000 - \$60,000	1	4	1	1	1	8
\$60,000+	0	26	22	0	12	61
TOTAL	352	143	59	18	37	609

Source: Ribbon Demographics, ESRI

RENTER HOUSEHOLDS (55+)	CASTRO COUNTY					
	2008 ESTIMATED					
	1-PERSON	2-PERSON	3-PERSON	4-PERSON	5+-PERSON	TOTAL
\$0 - \$10,000	49	15	0	0	3	67
\$10,000 - \$20,000	14	19	2	0	4	39
\$20,000 - \$30,000	5	8	3	0	0	16
\$30,000 - \$40,000	7	12	14	0	0	33
\$40,000 - \$50,000	0	7	0	0	0	7
\$50,000 - \$60,000	1	9	0	1	1	11
\$60,000+	7	17	8	12	0	43
TOTAL	83	86	27	13	7	216

Source: Ribbon Demographics, ESRI

RENTER HOUSEHOLDS (55+)	PARMER COUNTY					
	2008 ESTIMATED					
	1-PERSON	2-PERSON	3-PERSON	4-PERSON	5+-PERSON	TOTAL
\$0 - \$10,000	55	5	2	2	0	64
\$10,000 - \$20,000	18	11	9	5	0	43
\$20,000 - \$30,000	5	25	5	4	0	39
\$30,000 - \$40,000	10	3	0	3	3	18
\$40,000 - \$50,000	0	5	8	0	0	13
\$50,000 - \$60,000	0	12	0	0	0	12
\$60,000+	0	24	0	0	0	24
TOTAL	87	84	24	14	3	212

Source: Ribbon Demographics, ESRI

Data from the preceding tables is used in our demand estimates.

C. ECONOMIC PROFILE AND ANALYSIS

1. LABOR FORCE PROFILE

Employment within the three Texas counties as of 2008 is distributed as follows:

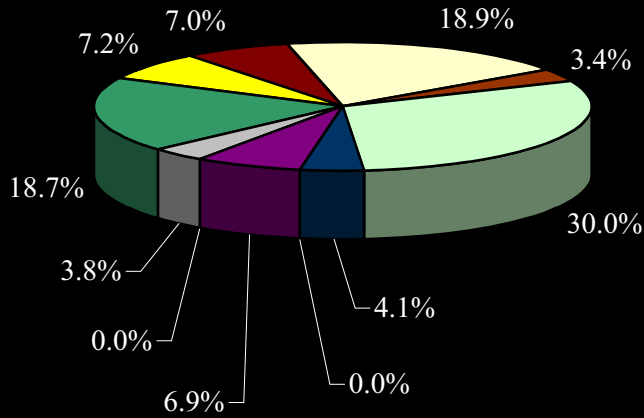
SIC GROUP	DEAF SMITH COUNTY		CASTRO COUNTY		PARMER COUNTY	
	EMPLOYEES	PERCENT	EMPLOYEES	PERCENT	EMPLOYEES	PERCENT
AGRICULTURE & NATURAL RESOURCES	471	6.9%	442	20.1%	225	5.1%
MINING	3	0.0%	0	0.0%	0	0.0%
CONSTRUCTION	257	3.8%	15	0.7%	32	0.7%
MANUFACTURING	1,282	18.7%	63	2.9%	1,994	44.9%
TRANSPORTATION & UTILITIES	495	7.2%	122	5.5%	172	3.9%
WHOLESALE TRADE	478	7.0%	177	8.0%	363	8.2%
RETAIL TRADE	1,291	18.9%	250	11.4%	185	4.2%
F.I.R.E.	235	3.4%	56	2.5%	92	2.1%
SERVICES	2,051	30.0%	933	42.4%	1,200	27.0%
GOVERNMENT	279	4.1%	144	6.5%	144	3.2%
NON-CLASSIFIABLE	1	0.0%	0	0.0%	30	0.7%
TOTAL	6,843	100.0%	2,202	100.0%	4,437	100.0%

Source: 2000 Census; ESRI; VWB Research

Note: Due to the fact that this survey is conducted of establishments and not of residents, some employees may not live within the Site PMA. However, these employees are included in our labor force calculations because their places of employment are located within the Site PMA.

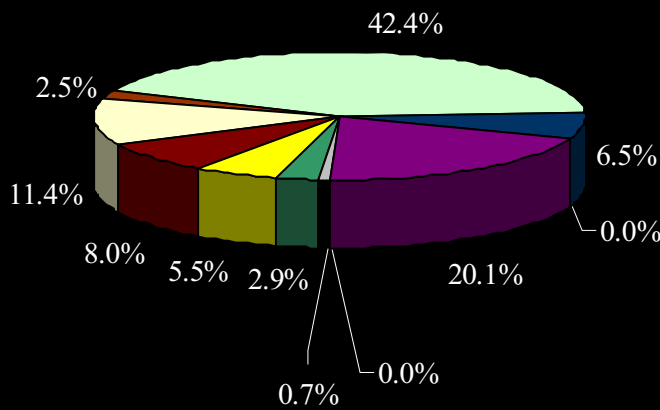
The Services industry plays a significant role in the local economy of all three counties. However, within Parmer County, the Manufacturing industry represents 44.9% of the entire county labor force. Similarly, Manufacturing represents a relatively high share of the Deaf Smith County economy. However, in Castro County, Manufacturing is not significant. Retail Trade is notable in Deaf Smith County and Castro County, but not in Parmer County. The employment by share is provided in the preceding table.

DEAF SMITH COUNTY EMPLOYMENT BY INDUSTRY

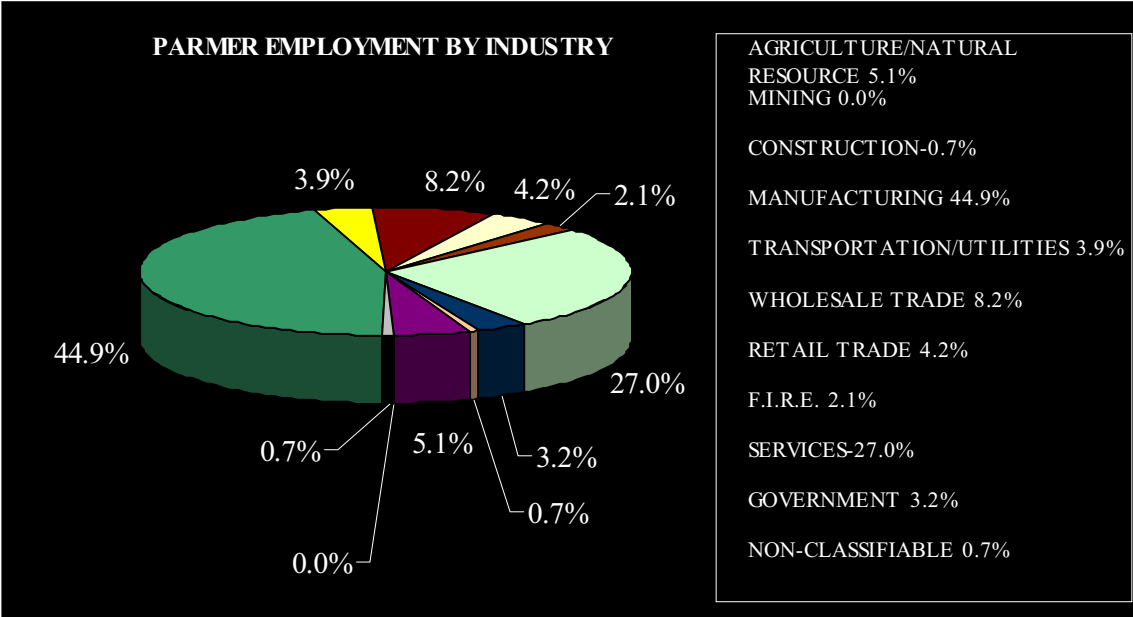


AGRICULTURE/NATURAL RESOURCE-	6.9%
MINING-0.0%	
CONSTRUCTION-3.8%	
MANUFACTURING-18.7%	
TRANSPORTATION/UTILITIES-7.2%	
WHOLESALE TRADE-7.0%	
RETAIL TRADE-18.9%	
F.I.R.E.-3.4%	
SERVICES-30.0%	
GOVERNMENT-4.1%	
NON-CLASSIFIABLE-0.0%	

CASTRO COUNTY EMPLOYMENT BY INDUSTRY



AGRICULTURE/NATURAL RESOURCE	20.1%
MINING	0.0%
CONSTRUCTION-0.7%	
MANUFACTURING	2.9%
TRANSPORTATION/UTILITIES	5.5%
WHOLESALE TRADE	8.0%
RETAIL TRADE	11.4%
F.I.R.E.	2.5%
SERVICES-42.4%	
GOVERNMENT	6.5%
NON-CLASSIFIABLE	0.0%



2. EMPLOYMENT TRENDS

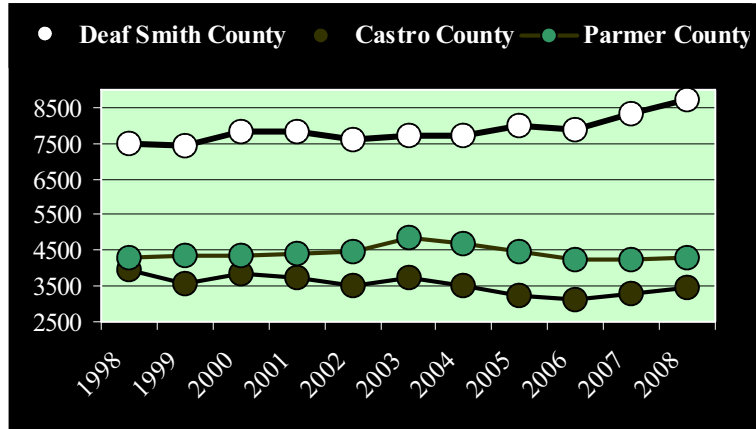
The following tables were generated from the U.S. Department of Labor, Bureau of Labor Statistics and reflect employment trends within the county in which the site is located.

The following illustrates the total employment base for Deaf Smith, Castro and Parmer counties:

YEAR	TOTAL EMPLOYMENT			
	DEAF SMITH COUNTY	CASTRO COUNTY	PARMER COUNTY	TEXAS
1998	7,480	3,958	4,303	9,600,982
1999	7,418	3,559	4,341	9,766,299
2000	7,828	3,835	4,334	9,896,002
2001	7,841	3,730	4,427	9,991,920
2002	7,590	3,531	4,485	10,115,299
2003	7,716	3,752	4,840	10,228,640
2004	7,691	3,523	4,660	10,403,340
2005	7,996	3,222	4,442	10,592,626
2006	7,891	3,092	4,220	10,815,873
2007	8,307	3,308	4,261	10,992,828
2008*	8,729	3,432	4,279	11,205,744

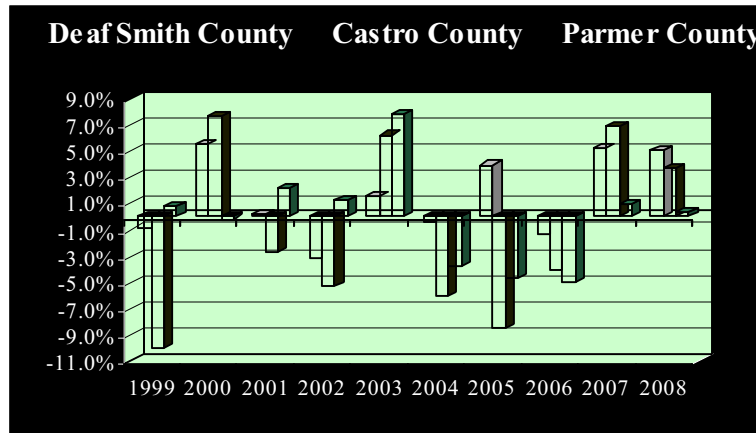
Source: Department of Labor, Bureau of Labor Statistics
 *Through July





Somewhat similar to total population and household trends, Deaf Smith County has experienced the largest increase in total employment over the past 10 years, increasing by 16.7%. Castro County and Parmer County have experienced declines in employment by 13.3% and 0.6%, respectively.

The following table contains the percent change in employment for Deaf Smith, Castro and Parmer counties:



Despite declines in the early part of the decade, all three counties experienced growth between 2006 and July 2008. This is a positive economic trend, especially considering the uncertain and fluctuating state of the national economy. The area's dependence on agriculture, farming, and food production has stabilized the economy over the last few years.

Unemployment rates for Deaf Smith, Castro and Parmer counties follow:

YEAR	UNEMPLOYMENT RATE			
	DEAF SMITH COUNTY	CASTRO COUNTY	PARMER COUNTY	TEXAS
1998	7.5%	4.6%	3.0%	4.9%
1999	5.9%	4.5%	2.6%	4.7%
2000	4.9%	3.7%	3.4%	4.4%
2001	4.6%	4.1%	3.7%	5.0%
2002	5.9%	4.8%	4.1%	6.4%
2003	5.8%	5.1%	4.1%	6.7%
2004	5.3%	5.0%	4.5%	6.0%
2005	4.6%	5.5%	3.9%	5.4%
2006	4.3%	4.7%	3.8%	4.9%
2007	3.7%	3.9%	3.3%	4.3%
2008*	3.5%	3.6%	3.2%	4.8%

Source: Department of Labor, Bureau of Labor Statistics

*Through July

The unemployment rates in the three subject counties have all remained between 3.2% and 5.8% over the past five years. Since 2005, all three counties have experienced declines in unemployment, which is a positive indication of the growing economic stability of this portion of Texas. Note that the overall Texas unemployment rate has historically remained higher than the three subject counties.

In-place employment reflects the total number of jobs within the county regardless of the employee's county of residence. The following illustrates the total in-place employment base for the three subject counties:

YEAR	IN-PLACE EMPLOYMENT								
	DEAF SMITH COUNTY			CASTRO COUNTY			PARMER COUNTY		
	EMPLOYMENT	CHANGE	% CHANGE	EMPLOYMENT	CHANGE	% CHANGE	EMPLOYMENT	CHANGE	% CHANGE
2001	5,942	-	-	2,546	-	-	4,743	-	-
2002	5,633	-309	-5.2%	2,384	-162	-6.4%	4,784	41	0.9%
2003	5,475	-158	-2.8%	2,387	3	0.1%	4,942	158	3.3%
2004	5,622	147	2.7%	2,327	-60	-2.5%	4,914	-28	-0.6%
2005	6,384	762	13.6%	2,200	-127	-5.5%	4,956	42	0.9%
2006	6,521	137	2.1%	2,235	35	1.6%	4,849	-107	-2.2%
2007	7,123	602	9.2%	2,438	203	9.1%	4,871	22	0.5%

Source: Department of Labor, Bureau of Labor Statistics

Data for 2007, the most recent year that year-end figures are available, indicates in-place employment in Deaf Smith County to be 81.6% of the total county employment, while the in-place employment in Castro County is 73.7% of the total county employment, and the in-place employment in Parmer County is 114.3% of the total county employment. This means that Deaf Smith County and Castro County have fewer employment opportunities in the respective county than employable persons seeking work. Conversely, Parmer County has more employed persons coming to the county from other counties for work (daytime employment). It is likely that a large share of Deaf Smith County and Castro County residents are working in Parmer County.

A high share of employed persons leaving the county for employment could have an adverse impact on residency with increasing energy costs. A high share of employed persons commuting to the county from other areas for employment is an indication that there may be a lack of available housing within that county. This would suggest that Parmer County lacks housing choices for employed persons in the area. Considering our field survey of conventional rental units (discussed in Section IV and listed in full detail in Section VIII), there does appear to be a lack of rental housing in the area, as indicated by the fact that six of the eight projects surveyed are currently 100.0% occupied.

3. MAJOR EMPLOYERS AND ECONOMIC INTERVIEWS

a. Major Employers in Deaf Smith County

EMPLOYER	INDUSTRY	NUMBER OF EMPLOYEES	STATUS
HEREFORD SERVICES	MANUFACTURING	500	STABLE
PANDA HEREFORD ETHANOL	ETHANOL PRODUCTION	500	STABLE
T&G SERVICE COMPANY, INC.	CLEANING SERVICES	400	STABLE
BLUE SKY PETFOODS	MANUFACTURING	300	STABLE
TEJAS INDUSTRIES	PET FOOD	300	STABLE
CAVINESS PACKING	MEAT PACKING	200	EXPANDING
AZTX CATTLE COMPANY	AGRICULTURE	150	STABLE
HEREFORD HIGH SCHOOL	EDUCATION	136	STABLE
KING'S MANOR METHODIST HOME	RETIREMENT HOME	125	STABLE
HEREFORD JUNIOR HIGH	EDUCATION	112	STABLE
TOTAL		2,723	

Caviness Packing Company, currently the 6th largest employer in Deaf Smith County, is expected to add 250 to 300 employees by October 2008. Sheila Quirk of the Hereford Economic Development Corporation estimates that the average wage will be \$10 per hour and above. Caviness Packing Company currently employs approximately 200 people.

A regional medical center is also planned along West 15th Street in Hereford, immediately east of a planned 260-unit (likely market-rate) apartment project. According to Steve Bartels, Assistant City Manager for Hereford, this medical center project will be constructed in two phases. The first phase of this regional medical center will consist of a clinic. This clinic is presently under construction, and is expected to open by the end of 2008. It is anticipated that employees for this clinic will be transferred from existing facilities in Hereford. Planning for the second phase of this development has yet to be finalized.

State of Texas Comptroller Susan Comps reported that the city of Hereford has experienced a 19.8% increase in sales tax revenue from December 2006 to December 2008 (Sources: Amarillo Globe-News; Texas A & M University Real Estate Center). This is a positive indication of the increasing amount of retail opportunities and economic spending, which is also tied to the increasing population.

In December 2007, White Energy opened a 100 million gallon ethanol plant in Hereford, the first in the state of Texas. This facility will mostly burn corn shipped from the Midwest by rail. Panda Energy also opened a 100 million gallon ethanol plant (the second in the state) in the first quarter of 2008. This plant presently uses cow manure in its process of converting crops into ethanol (Sources: Lubbock Avalanche-Journal; Texas A & M University Real Estate Center).

Dairy production in the Texas Panhandle, where Deaf Smith County is located, has increased dramatically since 2001. This increase is due in part to less expensive land and an ideal climate (i.e. low humidity and low precipitation) for dairy production. It is anticipated that the cow population in the Texas Panhandle will increase by approximately 20,000 cows annually for the next few years. It is also estimated that one dairy job is created for every 100 cows added to local dairies. Using this calculation, the Panhandle can expect to add 200 new dairy jobs annually (Sources: Associated Press; Texas A&M University Real Estate Center). Note that Deaf Smith, Castro, and Parmer counties only make up a small portion of the entire Panhandle.

b. Major Employers in Castro County

EMPLOYER	INDUSTRY	NUMBER OF EMPLOYEES	STATUS
DIMMITT INDEPENDENT SCHOOL DISTRICT	EDUCATION	142	STABLE
CASTRO COUNTY HOSPITAL DISTRICT	HEALTHCARE	53	STABLE
DEBRUCE GRAIN	AGRICULTURE	50*	STABLE
PIONEER DAIRY LABORATORY	TESTING LAB	40*	STABLE
CITY OF DIMMITT	GOVERNMENT	28	STABLE
TOTAL		313	

*Estimated figures

As previously stated, dairy production in the Texas Panhandle, where Castro County is located, has increased dramatically since 2001. According to the Associated Press and Texas A&M University Real Estate Center, the Texas Panhandle can expect to add approximately 200 new dairy jobs annually. Note that Deaf Smith, Castro, and Parmer Counties only make up a small portion of the entire Panhandle.

Joe Franco, Executive Director of Azteca Economic Development Corporation, estimated that most of the employment for farm workers in Castro County is at dairy farms. Mr. Franco anticipates that three new dairies are expected to come online in Castro County within the next year. By his estimate, each of these dairies will employ approximately 20 people, for a total of 60 new employment positions.

Vanderham Dairy, an existing dairy located outside of the city of Hart, is expected to add an estimated 70 to 80 jobs. Due to the specialized nature of dairy work, Zach Vanderham of Vanderham Dairy expects that many of these jobs will be filled by people who live outside of the area. The planned increase in employment at Vanderham Dairy would most likely make this facility one of the five largest employers in Castro County.

c. Major Employers in Parmer County

EMPLOYER	INDUSTRY	NUMBER OF EMPLOYEES	STATUS
CARGILL MEAT SOLUTIONS	BEEF PACKING	2,000	EXPANDING
FRIONA INDEPENDENT SCHOOL DISTRICT	EDUCATION	235	STABLE
HI-PRO INC.	AGRICULTURE	114	STABLE
PARMER COUNTY COMMUNITY HOSPITAL	MEDICAL FACILITY	65	STABLE
PRAIRIE ACRES	NURSING HOME	85	STABLE
CATTLE TOWN INC.	CATTLE FEEDING	48	STABLE
CAPROCK INDUSTRIES	CATTLE FEEDING	43	STABLE
PACO FEEDERS	CATTLE FEEDING	40	STABLE
FRIONA FEED YARDS	CATTLE FEEDING	35	STABLE
FRIONA STATE BANK	FINANCIAL SERVICES	25	STABLE
TOTAL		2,690	

Note that six of the top 10 employers in Parmer County are based in agriculture. The largest employer by far is Cargill Meat Solutions, which has a total of 2,000 employees. In fact, the 2,000 employees at Cargill Meat Solutions represent nearly 75.0% of the 2,690 employees at the 10 largest employers in Parmer County. With the anticipated expansion of Cargill Meat Solutions, coupled with the recent and planned growth of the dairy industry, it is anticipated that the share of jobs based in agriculture will continue to increase in Parmer County.

As previously stated, dairy production in the Texas Panhandle, where Parmer County is located, has increased dramatically since 2001. According to the Associated Press and Texas A&M University Real Estate Center, the Texas Panhandle can expect to add approximately 200 new dairy jobs annually.

Friona is the largest city in Parmer County. The Community Fact Sheet, published by the Friona Chamber of Commerce and Agriculture, states that “Friona is seeking to diversify and strengthen its agricultural base. The community is working earnestly to build an economic development program that embodies those characteristics that have caused the recent expansion of Cargill Corporation...” (Website: www.frionachamber.com).

D. AGRICULTURAL INFORMATION

Since the housing needs assessment of Deaf Smith, Castro and Parmer counties is significantly influenced by the agriculture industry, which dominates this region of Texas’ economy, we have provided general agricultural statistics regarding to farmworkers and farm labor employment. This analysis will provide an understanding of the local factors impacting the housing market and the overall demand for housing (permanent and/or seasonal) in Deaf Smith, Castro and Parmer counties.

According to the National Center for Farmworker Health, Inc., it is estimated that there are over three million migrant and seasonal farmworkers in the United States. Based on the National Agricultural Workers Study (NAWS) completed in 1998 by the U.S. Department of Labor, approximately 81% of all farmworkers are foreign born with an estimated 95% born in Mexico, 2% in Latin America, 1% in Asia, and 1% in other countries.

Additionally, 56% of farmworkers surveyed migrated in order to secure employment. Of those 56%, 17% had at least two farm jobs more than 75.0 miles from their home base. Forty-four percent of farmworkers surveyed were non-migrants; working farm jobs less than 75.0 miles away from their home base. Nearly three-quarters of U.S. farmworkers earned less than \$10,000 per year; three out of five farmworker families had incomes below the poverty level.

The USDA National Agriculture Statistics Service (NASS) 2002 Census of Agriculture provides the most current detailed information regarding farmworkers and labor farms in each of the three subject counties. The following table illustrates the total number of farms within Deaf Smith, Castro and Parmer counties, as well as the total number of hired farm labor workers with payrolls over \$1,000.

COUNTY	HIREF FARM LABOR FARMS	TOTAL FARM LABOR WORKERS
DEAF SMITH	226	1,072
CASTRO	251	1,393
PARMER	261	1,662

Source: USDA National Agriculture Statistics Service (NASS) 2002 Census of Agriculture

As indicated in the previous table, Parmer County has the most total farms and hired farm labor workers of the three subject counties. Although Deaf Smith is the largest county in terms of population and total households, it has the fewest farms and hired farm labor farms.

The following table illustrates the breakdown of type of farms within each of the three subject counties.

ITEM	DEAF SMITH COUNTY	CASTRO COUNTY	PARMER COUNTY
OILSEED AND GRAIN FARMING	160	112	122
VEGETABLE AND MELON FARMING	4	-	17
FRUIT AND TREE NUT FARMING	-	-	-
GREENHOUSE, NURSERY, AND FLORICULTURE PRODUCTION	3	-	-
OTHER CROP FARMING	235	223	312
TOBACCO FARMING	-	-	-
COTTON FARMING	55	90	134
SUGARCANE, HAY, AND ALL OTHER CROP FARMING	180	133	178
BEEF CATTLE RANCHING AND FARMING	211	141	148
CATTLE FEEDLOTS	31	24	28
DAIRY CATTLE AND MILK PRODUCTION	4	4	4
HOG AND PIG FARMING	-	7	4
POULTRY AND EGG PRODUCTION	4	-	-
SHEEP AND GOAT FARMING	5	6	3
ANIMAL AQUACULTURE AND OTHER ANIMAL PRODUCTION	46	18	22
TOTAL FARMS	703	535	660

Source: USDA National Agriculture Statistics Service (NASS) 2002 Census of Agriculture

The following table illustrates the number of hired farm labor farms and workers for each county.

COUNTY	HIREF FARM LABOR FARMS	HIREF FARMWORKERS (FARMS WITH \$1,000+ PAYROLL)		
		TOTAL	150 DAYS OR MORE	LESS THAN 150 DAYS
DEAF SMITH	226	1,072	619	453
CASTRO	251	1,393	520	873
PARMER	261	1,662	635	1,027

Source: USDA National Agriculture Statistics Service (NASS) 2002 Census of Agriculture

Although Deaf Smith County has the largest population, it has the fewest number of hired farm labor farms and farmworkers in the three subject counties. In addition, the hired farmworkers in Deaf Smith County are predominately those working 150 days or more per year. Conversely, the majority of hired farmworkers in Castro County and Parmer County work less than 150 days per year, indicating more migrant workers. This indicates potential need for migrant farmworker housing.

The following maps locate the 10 largest farms for each county in terms of sales volume and total employees. The following maps were derived from InfoUSA employment data sources. Due to the sensitivity of farmworker labor and migrant workers, many farmers do not report the actual number of employees to the government. Since the USDA National Agriculture Statistics Service (NASS) 2002 Census of Agriculture is not reported to the government directly, farmers are typically more willing to provide accurate information. Therefore, we have mapped both the largest sales volume farms and the farms with the most reported employees. These maps for each county are illustrated on the preceding pages. Note that the location of each farm is the address reported to the government and InfoUSA and may not represent the actual physical location of the farm. However, based on data provided as well as on-site research, the farm locations appear to be accurate.

Deaf Smith County, TX: 2008 Estimated Largest Farms by Sales Volume



214

GREAT PLAINS CATTLE CO

Fm1412

Fm 1062

385

Ranch

Ranch

STUEVE GOLD DAIRY

Fm 1057

AZTX CATTLE CO

Hereford

OSTERKAMP DAIRY

VAN DER WEG DAIRY

LITTLE CREEK DAIRY LLC

MISSION DAIRY

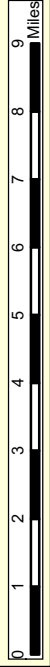
SOUTHWEST FEED YARDS

SUGARLAND FEED YARDS INC

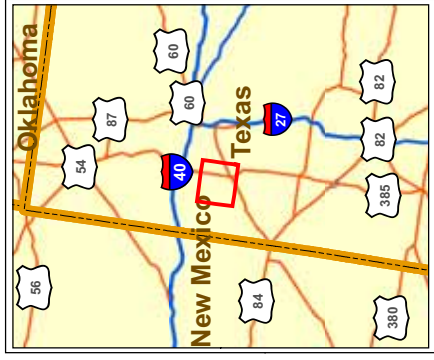
Fm 2943

HEREFORD FARMERS GIN INC

Fm 1055



1:179,127



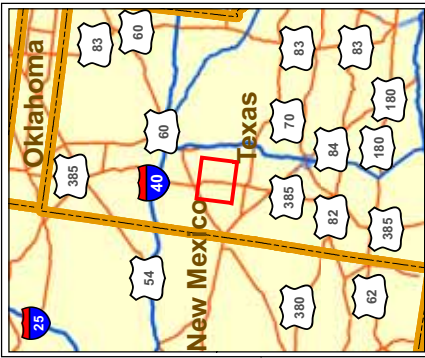
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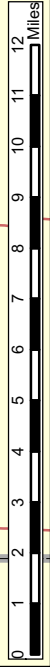
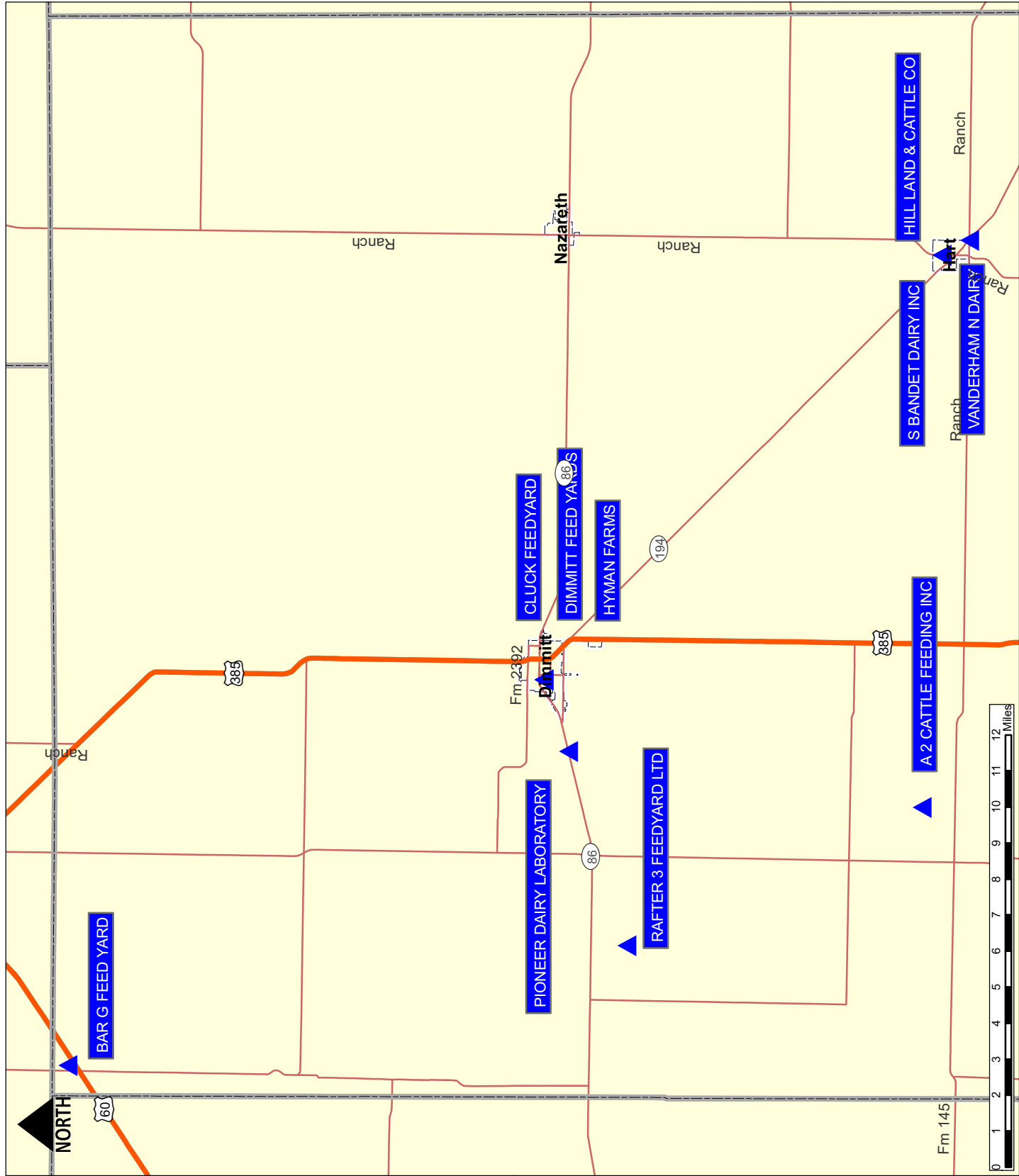
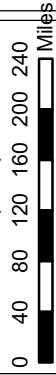
Legend

- Farm
- county
- Primary Limited Access
- Primary US and State Highways
- Secondary State and County
- Highway Ramp
- City Boundary

Castro County, TX: 2008 Estimated Largest Farms by Sales Volume

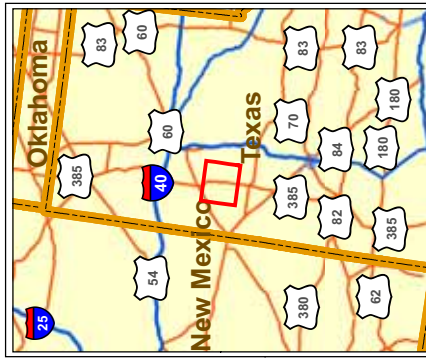


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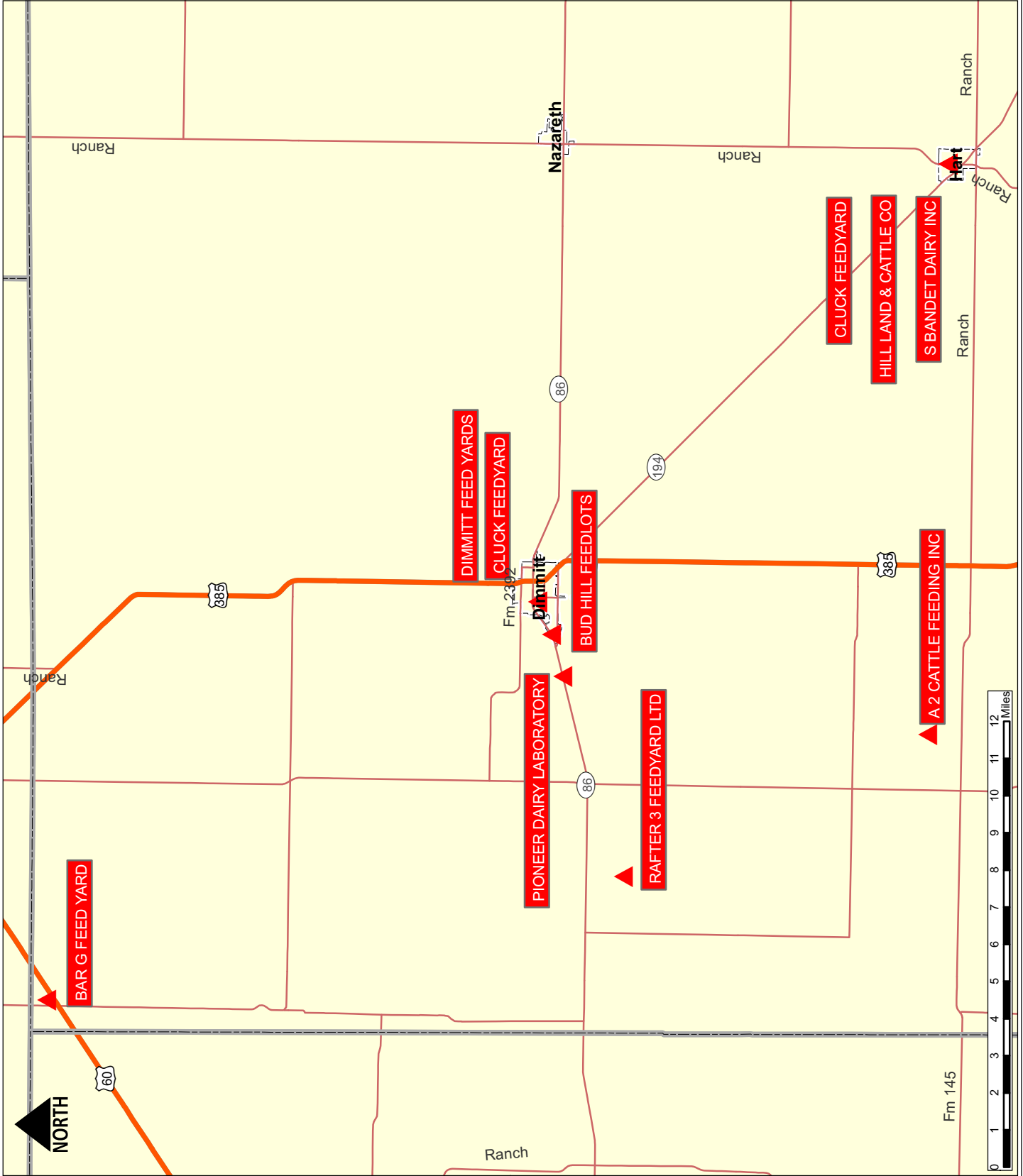
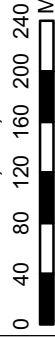


1:239,345

Castro County, TX: 2008 Estimated Largest Farms by Total Employees



1:9,591,963



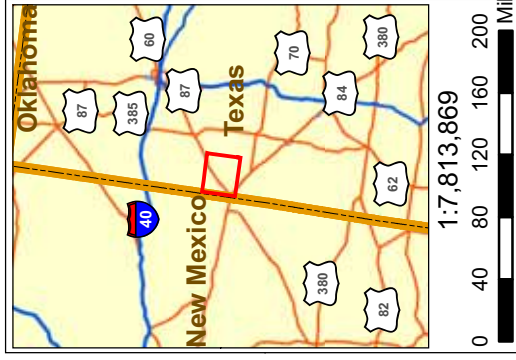
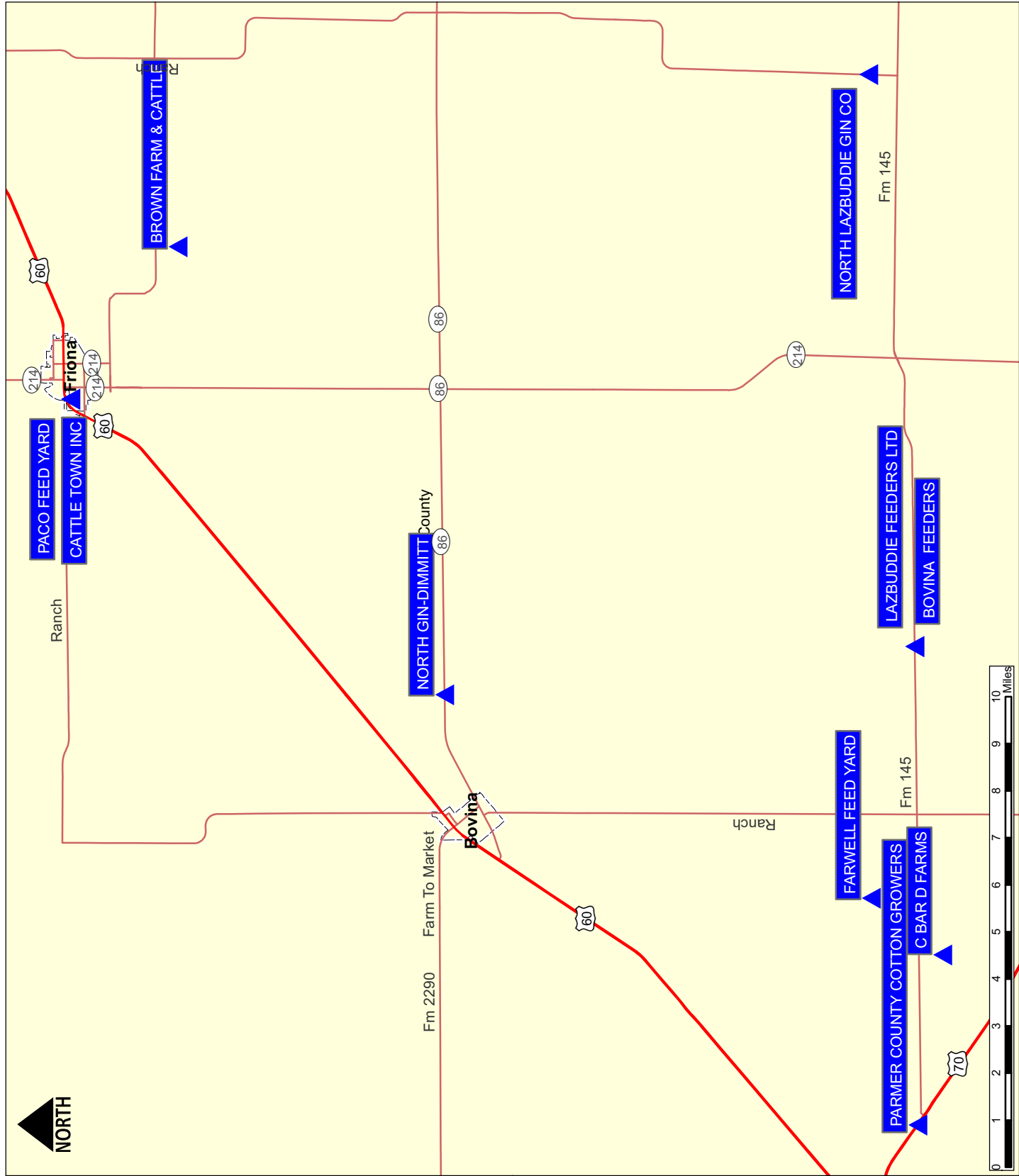
Legend

- Farm
- county
- Freeway System (State)
- Primary Limited Access
- Primary US and State Highways
- Secondary State and County
- Highway Ramp
- City Boundary



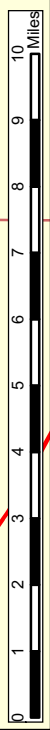
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Parmer County, TX: 2008 Estimated Largest Farms by Sales Volume



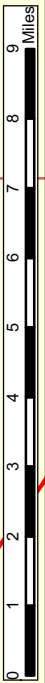
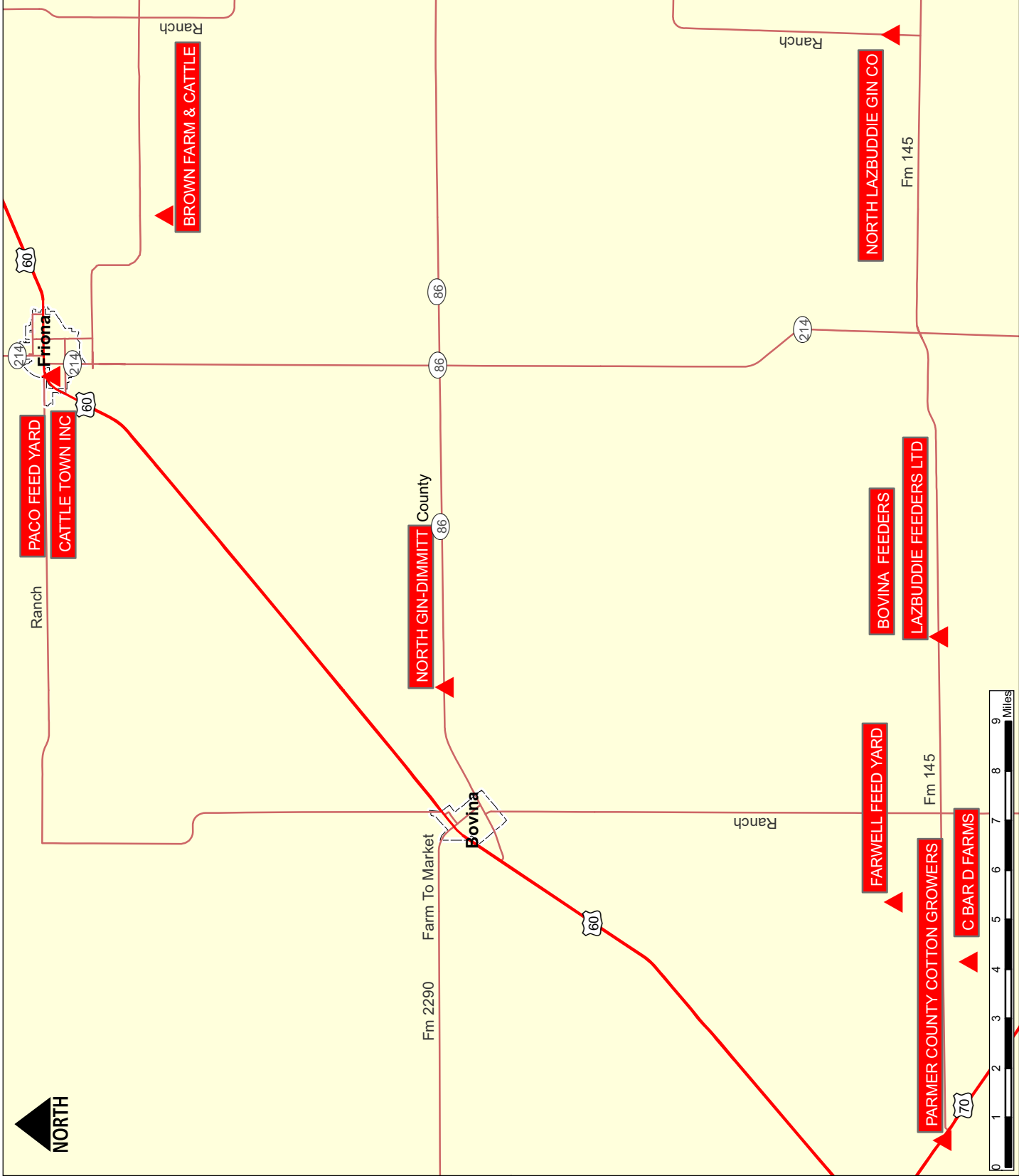
Legend

- Farm (blue triangle)
- county (grey rectangle)
- Primary Limited Access (blue line)
- Primary US and State Highways (red line)
- Secondary State and County (yellow line)
- Highway Ramp (blue line)
- City Boundary (dashed line)

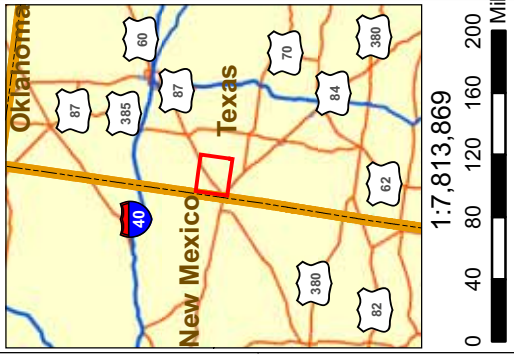


1:183,222

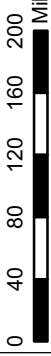
Parmer County, TX: 2008 Estimated Largest Farms by Total Employees



1:174,686



1:7,813,869



Legend

- Business
- county
- Primary Limited Access
- Primary US and State Highways
- Secondary State and County
- Highway Ramp
- City Boundary

IV. HOUSING AND SUPPLY ANALYSIS

A. OVERVIEW OF HOUSING

The purpose of this analysis is to evaluate the need for additional housing in the subject counties: Deaf Smith County, Castro County, and Parmer County, Texas. For a general understanding of the three subject counties housing markets, the following table is a breakdown of existing occupied housing units by structure type. In the following overview of housing, we have compared information in Deaf Smith County, Castro County, and Parmer County. Later in this analysis, each county is evaluated in further detail.

UNITS IN STRUCTURE	DEAF SMITH COUNTY		CASTRO COUNTY		PARMER COUNTY	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
1; DETACHED	4,993	80.8%	2,281	82.6%	2,781	83.7%
1; ATTACHED	76	1.2%	26	0.9%	39	1.2%
2 TO 4	393	6.4%	80	2.9%	68	2.0%
5 TO 9	115	1.9%	53	1.9%	18	0.5%
10 TO 19	64	1.0%	14	0.5%	12	0.4%
20 TO 49	50	0.8%	0	0.0%	0	0.0%
50+	56	0.9%	0	0.0%	15	0.5%
MOBILE HOMES	428	6.9%	300	10.9%	381	11.5%
BOAT, RV, VANS	5	0.1%	7	0.3%	8	0.2%
TOTAL	6,180	100.0%	2,761	100.0%	3,322	100.0%

U.S. Census Bureau; Census 2000

According to the preceding table, mobile homes represent a popular housing option in Castro and Parmer counties, comprising 10.9% and 11.5%, respectively, of all housing by types. Mobile homes do not represent as significant a share of total housing units (6.9%) in Deaf Smith County.

Based on the 2000 Census, the following table is a distribution of the housing stock in Deaf Smith, Castro, and Parmer counties.

HOUSING TYPE	DEAF SMITH COUNTY		CASTRO COUNTY		PARMER COUNTY	
	HOUSING UNITS	PERCENT	HOUSING UNITS	PERCENT	PERCENT	PERCENT
TOTAL OCCUPIED	6,180	89.4%	2,761	86.3%	3,322	89.0%
OWNER-OCCUPIED	4,163	67.4%	1,964	71.1%	2,403	72.3%
RENTER-OCCUPIED	2,017	32.6%	797	28.9%	919	27.7%
VACANT	734	10.6%	437	13.7%	410	11.0%
TOTAL	6,914	100.0%	3,198	100.0%	3,732	100.0%

U.S. Census Bureau; Census 2000

Note that in 2000, Deaf Smith County had a 10.6% overall vacancy rate, while Castro County has a 13.7% overall vacancy rate, and Parmer County had a 11.0% vacancy rate. These vacancies can be attributed to numerous factors, including the age of the units, the overall quality, seasonal use, etc. The following table is a breakdown of vacancies by status as of the 2000 Census.

VACANCY STATUS BY HOUSING UNITS	DEAF SMITH COUNTY VACANCIES		CASTRO COUNTY VACANCIES		PARMER COUNTY VACANCIES	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
FOR RENT	220	30.0%	93	21.3%	99	24.1%
FOR SALE ONLY	106	14.4%	61	14.0%	66	16.1%
RENTED OR SOLD, NOT OCCUPIED	49	6.7%	38	8.7%	0	0.0%
FOR SEASONAL, RECREATIONAL, OR OCCASIONAL USE	43	5.9%	27	6.2%	32	7.8%
FOR MIGRANT WORKERS	9	1.2%	65	14.9%	15	3.7%
OTHER VACANT	307	41.8%	153	35.0%	198	48.3%
TOTAL	734	100.0%	437	100.0%	410	100.0%

U.S. Census Bureau; Census 2000

Castro County had the highest share of vacancies for migrant worker housing (14.9%), while Deaf Smith County and Parmer County only had 1.2% and 3.7%, respectively, vacant for migrant worker housing.

Based on the 2000 Census, the following is a distribution of the share of housing units in each of the three subject counties by year of construction.

YEAR	DEAF SMITH COUNTY HOUSING UNITS			CASTRO COUNTY HOUSING UNITS			PARMER COUNTY HOUSING UNITS		
	OWNER	RENTER	TOTAL	OWNER	RENTER	TOTAL	OWNER	RENTER	PERCENT
1999 TO MARCH 2000	0.4%	0.0%	0.3%	0.4%	0.0%	0.2%	0.8%	0.4%	0.7%
1995 TO 1998	2.3%	2.0%	2.2%	5.9%	2.3%	4.6%	3.8%	3.7%	3.6%
1990 TO 1994	1.5%	4.6%	2.5%	1.9%	3.6%	2.3%	3.2%	1.4%	2.7%
1980 TO 1989	10.6%	10.7%	10.6%	8.5%	11.9%	9.1%	8.2%	8.3%	7.9%
1970 TO 1979	25.6%	29.6%	26.8%	23.5%	17.6%	20.9%	21.5%	18.9%	20.1%
1960 TO 1969	26.6%	18.3%	23.8%	21.9%	26.1%	22.2%	23.6%	21.8%	22.3%
1940 TO 1959	27.2%	30.8%	28.3%	31.8%	41.3%	33.1%	31.0%	49.7%	35.0%
1939 OR EARLIER	6.0%	5.1%	5.6%	6.3%	11.8%	7.5%	7.9%	7.7%	7.6%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: 2000 Census

The general age of housing units in all three counties appears to be relatively similar. The largest share of total housing units for all subject counties were built between 1940 and 1959. With the second largest production of housing built between 1960 and 1979, Deaf Smith, Castro, and Parmer counties all have a dated housing stock. Note that the median year of construction for all housing units in Deaf Smith County was 1966, while the median year of construction for Castro County was 1963, and for Parmer County, it was 1962.

The following table is a distribution of owner-occupied and renter-occupied households considered to be living in substandard units (lacking complete plumbing facilities) in each of the three subject counties as of 2000.

	TENURE	SUBSTANDARD UNITS 2000 CENSUS				
		TOTAL HOUSING UNITS	PERCENT	COMPLETE PLUMBING FACILITIES	LACKING COMPLETE PLUMBING FACILITIES	PERCENT SUBSTANDARD
DEAF SMITH COUNTY	OWNER-OCCUPIED	4,163	67.4%	4,121	42	1.0%
	RENTER-OCCUPIED	2,017	32.6%	2,003	14	0.7%
	TOTAL	6,180	100.0%	6,124	56	0.9%
CASTRO COUNTY	OWNER-OCCUPIED	1,964	71.1%	1,950	14	0.7%
	RENTER-OCCUPIED	797	28.9%	780	17	2.1%
	TOTAL	2,761	100.0%	2,730	31	1.1%
PARMER COUNTY	OWNER-OCCUPIED	2,403	72.3%	2,395	8	0.3%
	RENTER-OCCUPIED	919	27.7%	898	21	2.3%
	TOTAL	3,322	100.0%	3,293	29	0.9%

Source: 2000 Census

Deaf Smith County has the highest share of owner-occupied households living in substandard housing, 1.0%. Parmer County has the highest share of renter-occupied households living in substandard housing, 2.3%. Overall, Deaf Smith County and Parmer County has a combined total of 0.9% of all occupied households living in substandard housing, while Castro County has a combined total of 1.1% of occupied households living in substandard housing.

The following table contains the tenure by occupants per room for each of the three subject counties. The purpose of this table is to illustrate the number of households living in overcrowded situations (those households with 1.01 or more occupants per room according to the 2000 Census).

	TENURE BY OCCUPANTS PER ROOM		
	DEAF SMITH COUNTY	CASTRO COUNTY	PARMER COUNTY
TOTAL	6,180	2,761	3,322
OWNER OCCUPIED	4,163	1,964	2,403
0.50 OR LESS OCCUPANTS PER ROOM	2,429	1,246	1,455
0.51 TO 1.00 OCCUPANTS PER ROOM	1,290	460	674
1.01 OCCUPANTS OR MORE PER ROOM	443	258	274
RENTER OCCUPIED	2,017	797	919
0.50 OR LESS OCCUPANTS PER ROOM	901	383	405
0.51 TO 1.00 OCCUPANTS PER ROOM	792	279	385
1.01 OCCUPANTS OR MORE PER ROOM	324	135	130

Source: 2000 Census

Over 16.0% of all renter households in Deaf Smith County were overcrowded, while in Castro County, 16.9% of all renter households were overcrowded, and in Parmer County 14.1% of all renter households were overcrowded. These demographics are used later in our demand calculations.

In addition to substandard and overcrowded housing situations, it is also important to evaluate the population living in poverty (according to the US Census Bureau) for each of the three counties.

POVERTY STATUS 2000 CENSUS			
DEAF SMITH COUNTY	POPULATION LIVING IN POVERTY	3,815	20.6%
	POPULATION NOT LIVING IN POVERTY	14,746	79.4%
	TOTAL*	18,561	100.0%
CASTRO COUNTY	POPULATION LIVING IN POVERTY	1,575	19.0%
	POPULATION NOT LIVING IN POVERTY	6,710	81.0%
	TOTAL*	8,285	100.0%
PARMER COUNTY	POPULATION LIVING IN POVERTY	1,700	17.0%
	POPULATION NOT LIVING IN POVERTY	8,316	83.0%
	TOTAL*	10,016	100.0%

Source: Summary File 3, Census of Population and Housing, U.S. Bureau of the Census, 2000

* Population for whom poverty status is determined

According to the 2000 Census, Deaf Smith County has the highest share of population living in poverty, 20.6%. Parmer County has the lowest share of population living in poverty (17.9%), while Castro County has 19.0% of its population living in poverty. All shares, however, are relatively similar.

In addition to the evaluation of the area population living in poverty, we have also evaluated the share of rent overburdened households (those households paying more than 35% of their gross income towards rent). This share of renter overburdened households for Deaf Smith County, Castro County, and Parmer County is illustrated as follows.

PERCENTAGE OF RENT OVERBURDENED*	
DEAF SMITH COUNTY	22.9%
CASTRO COUNTY	15.9%
PARMER COUNTY	22.5%

Source: 2000 Census, Claritas

*Households paying more than 35% of their gross income to rent

Deaf Smith County has the highest share of rent overburdened households (22.9%), similar to the Parmer County 22.5% share. Castro County has a considerably lower share of rent overburdened households, 15.9%. As discussed earlier, Castro County has the highest share of households in substandard housing situations. Thus, it is reasonable that the households living in substandard units are not rent overburdened.

B. RENTAL HOUSING ANALYSIS

The following analysis includes a detailed survey of rental housing opportunities in each of the three subject counties. We have surveyed conventional rental housing units including market-rate, Tax Credit and government-subsidized apartments, for-sale homes, as well as farmworker housing. All properties surveyed were found through apartment guide listing, classified advertisements, the Multiple Listing Service, interviews with local real estate agents and professionals, government officials, and the personal observations of our analysts.

1. DEAF SMITH COUNTY

We identified and personally surveyed 18 conventional housing projects containing a total of 634 units within Deaf Smith County. This survey was conducted to establish the overall strength of the rental market. These rentals have a combined occupancy rate of 96.4%, a stable rate for rental housing. Among these projects, 12 are non-subsidized (market-rate and Tax Credit) projects containing 325 units. These non-subsidized units are 94.5% occupied. The remaining six projects contain 309 government-subsidized units, which are 98.4% occupied.

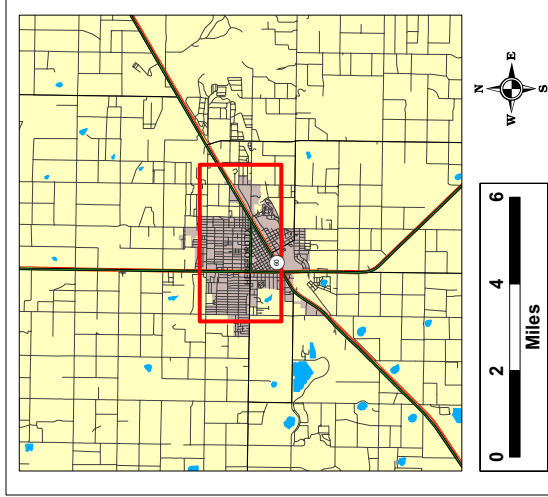
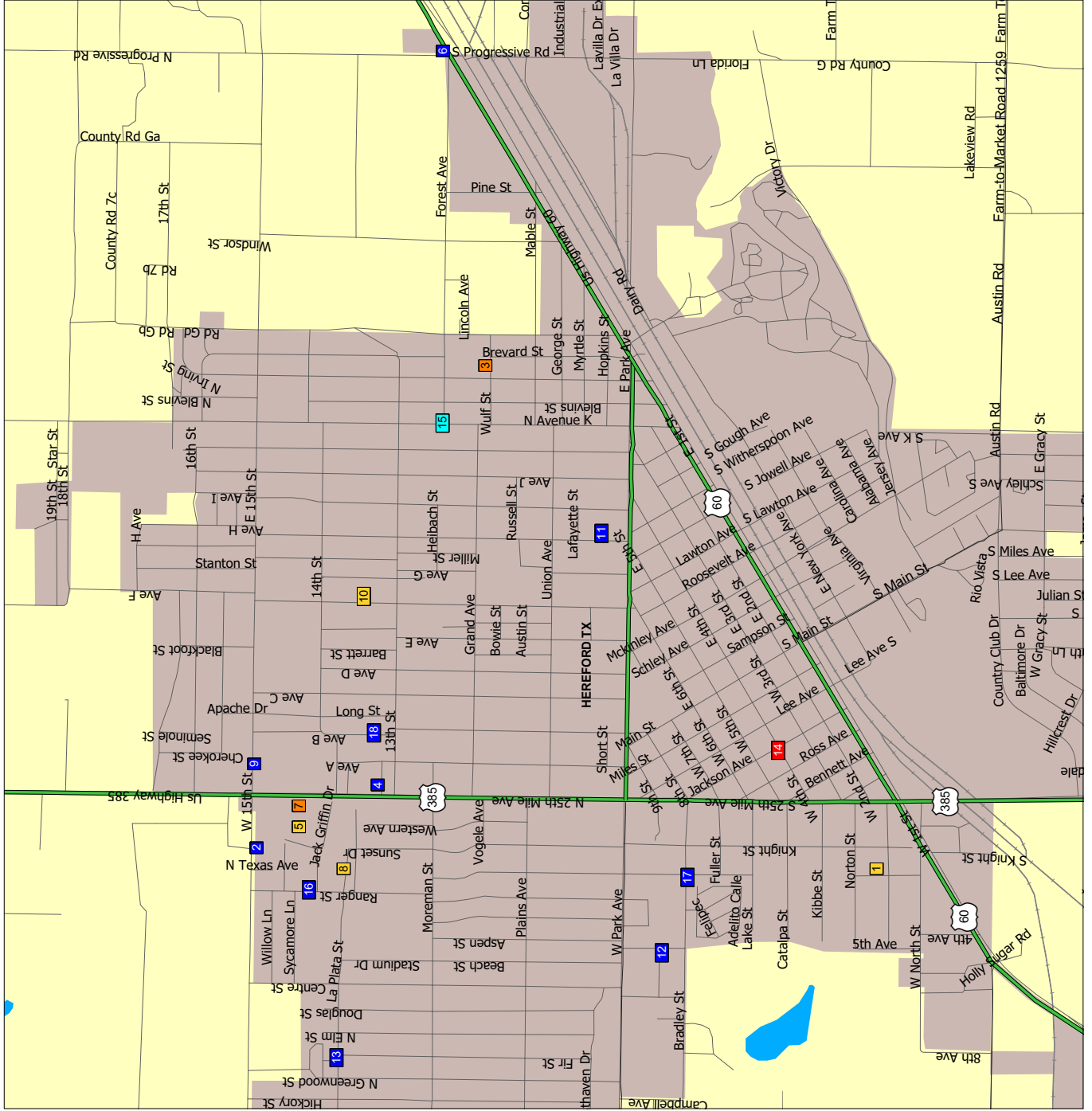
The following is a list of the 18 total conventional rental projects surveyed in the Deaf Smith County area.

MAP CODE	PROJECT NAME	PROJECT TYPE	YEAR BUILT	TOTAL UNITS	VACANT	OCCUPANCY RATE
1	Amistad	GSS	1991	50	0	100%
2	Arbor Glen	MRR	1986	24	1	96%
3	Bluewater Garden	TGS	1972	131	0	100%
4	Boardwalk	MRR	1962	30	12	60%
5	Countryside Village	GSS	1990	28	4	86%
6	Forrest Apts.	MRR	1955	16	0	100%
7	Hereford Senior Community	TGS	1995	28	0	100%
8	La Plata Manor	GSS	1985	28	1	96%
9	Masters Apts.	MRR	1978	20	0	100%
10	Paloma Lane	GSS	1972	44	0	100%
11	California Apts.	MRR	1960	37	0	100%
12	Thunderbird	MRR	1958	16	0	100%
13	Town Square	MRR	1974	17	0	100%
14	Hereford Central Place	TAX	2007	32	1	97%
15	Tierra Blanca	MRT	2007	76	4	95%
16	Royal Copper House	MRR	1980	0	0	U/C
17	Buena Vista Apts.	MRR	1960	41	0	100%
18	Sugarland Quads	MRR	1965	16	0	100%

PROJECT TYPE	PROJECT SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE
MRR – Market-Rate	10	217	13	94.0%
MRT – Market-Rate/Tax Credit	1	76	4	94.7%
TAX – Tax Credit	1	32	1	96.9%
TGS – Tax Credit/Government-Subsidized	2	159	0	100.0%
GSS – Government-Subsidized	4	150	5	96.7%

The map on the following page illustrates the map of the surveyed properties within Deaf Smith County. Note the map ID numbers coincide with the labels listed in the field survey of conventional rentals in Section VII of this analysis.

Deaf Smith County, TX: Apartment Locations



	Interstate Highways		
	US Highways		
	State Highways		
	Govt. Sub.		
	Market Rate		
	Market Rate/Tax Credit		
	Tax Credit		
	Tax Credit/Govt. Sub.		
	Miles		
0	.2	.4	.6
1:22,920			

Conventional Non-Subsidized Apartments (Deaf Smith County)

The following table summarizes the breakdown of market-rate and Tax Credit units within Deaf Smith County:

MARKET RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANCY	%VACANT	MEDIAN GROSS RENT
STUDIO	1.0	1	0.5%	0	0.0%	\$411
ONE-BEDROOM	1.0	57	25.9%	7	12.3%	\$530
TWO-BEDROOM	1.0	109	49.5%	6	5.5%	\$630
TWO-BEDROOM	1.5	16	7.3%	0	0.0%	\$555
TWO-BEDROOM	2.0	3	1.4%	0	0.0%	\$610
THREE-BEDROOM	1.0	6	2.7%	0	0.0%	\$460
THREE-BEDROOM	2.0	16	7.3%	0	0.0%	\$828
FOUR-BEDROOM	2.0	12	5.5%	0	0.0%	\$914
TOTAL MARKET RATE		220	100.0%	13	5.9%	-
TAX CREDIT						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANCY	%VACANT	MEDIAN GROSS RENT
ONE-BEDROOM	1.0	19	18.1%	0	0.0%	\$482
TWO-BEDROOM	2.0	47	44.8%	0	0.0%	\$578
THREE-BEDROOM	2.0	39	37.1%	5	12.8%	\$668
TOTAL TAX CREDIT		105	100.0%	5	4.8%	-

Of these 325 non-subsidized units that were surveyed, 94.5% are occupied. More specifically, the market-rate units were 94.1% occupied and the Tax Credit units are 95.2% occupied, indicating a stable rental housing market.

The preceding table illustrates the median gross rents by bedroom type of all non-subsidized units surveyed. Gross rents include the collected rent plus the estimated cost of the tenant-paid utilities at each project. It is important when comparing and evaluating rent levels to consider gross rents, as they consider the cost of collected rent and utilities.

Over 59% of all non-subsidized apartments surveyed were built prior to 1980. These older apartments have a vacancy rate of 6.2%, slightly higher than the overall market. The following is a distribution of units surveyed by year built for the county:

YEAR BUILT	UNITS	VACANCY RATE
PRIOR TO 1960	32	0.0%
1960 – 1969	124	9.7%
1970 – 1979	37	0.0%
1980 – 1989	24	4.2%
1990 – 1999	0	0.0%
2000 – 2005	0	0.0%
2006	0	0.0%
2007	108	4.6%
2008*	0	0.0%
TOTAL	325	5.5%

*As of July

Only 108 conventional non-subsidized apartment units have been added to the market in more than 15 years. Of these 108 total new units in the market, 32 are found at Hereford Central Place (Map ID 14), a family Tax Credit project consisting of one-, two-, and three-bedroom units targeting households with incomes up to 60% of AMHI. The remaining 76 new non-subsidized units in the market are located at Tierra Blanca (Map ID 15), which contains market-rate and Tax Credit rental units found in one-, two-, and three-bedroom apartments. As such, the existing rental housing stock is considered to be old in the Hereford area.

Hereford Central Place opened in September 2007 and was fully occupied by December 2007, leasing more than eight units per month. This is a positive indication of the strong demand for modern, quality affordable rental housing in the Hereford area. In addition, Tierra Blanca opened in May 2007 and reached at 100.0% occupancy in November 2007. This represents an absorption rate of approximately 10 to 12 units per month, which is considered very good.

We rated each market-rate and LIHTC property surveyed on a scale of A through E. Our rating system is described as follows, with “+” and “-“ variations assigned according to variances from the following general descriptions:

- A – Upscale/high-quality property
- B – Good condition and quality
- C – Fair condition, in need of minor improvements
- D – Poor condition
- E – Serious disrepair, dilapidated

Following is a distribution by quality rating, units, and vacancies.

MARKET-RATE PROPERTIES				MEDIAN GROSS RENT			
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	STUDIO	ONE-BR.	TWO-BR.	THREE-BR.
B+	1	3	0.0%	-	\$612	\$680	-
B	1	17	0.0%	\$411	-	\$667	\$914
B-	2	44	2.3%	-	\$517	\$610	-
C	2	32	0.0%	-	-	\$555	-
C-	1	37	0.0%	-	\$530	\$630	-
D+	1	30	40.0%	-	\$537	\$710	-
D	2	57	0.0%	-	\$318	\$416	\$547
NON-SUBSIDIZED TAX CREDIT PROPERTIES				MEDIAN NET RENT			
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	STUDIO	ONE-BR.	TWO-BR.	THREE-BR.
B+	2	105	4.8%	-	\$482	\$578	\$668

As indicated in the preceding table, the highest vacancy rate is among units with an overall quality rating of D+. It is important to note that despite the low quality rating, management at this project is charging some of the highest rents in the market. Thus, the rent levels are likely a main reason for the high vacancy rate.

Conventional Government-Subsidized Apartments (Deaf Smith County)

Within Deaf Smith County, the six government-subsidized projects currently existing operate under the HUD Section 8, RD 514, 515, and 516 programs. Generally, these properties have few amenities, are older, and offer small unit sizes (square feet). The government-subsidized units in the county are summarized as follows.

BEDROOMS	UNITS	DISTRIBUTION	VACANT	PERCENT
ONE-BEDROOM/1.0 BATH	92	29.8%	5	5.4%
TWO-BEDROOM/1.0 BATH	112	36.2%	0	0.0%
THREE-BEDROOM/1.0 BATH	20	6.5%	0	0.0%
THREE-BEDROOM/1.5 BATH	63	20.4%	0	0.0%
FOUR-BEDROOM/1.5 BATH	16	5.2%	0	0.0%
FOUR-BEDROOM/2.0 BATH	6	1.9%	0	0.0%
TOTAL	309	100.0%	5	1.6%

There is a very low vacancy rate (1.6%) among the government-subsidized projects Deaf Smith County, indicating a very strong market for low-income housing. Four of the six government-subsidized projects are currently 100.0% occupied with waiting lists for government-subsidized units ranging from two households to 37 households.

According to Sherry Reeves, the Director of Housing for Panhandle Community Services, there are currently 274 Housing Choice Vouchers issued in the county. Ms. Reeves stated that there are currently 106 people on the waiting list for additional Vouchers; however, Vouchers have not been issued in seven years. This is an indication of very strong demand for low-income housing. The Fair Market Rents for Deaf Smith County are illustrated as follows.

FAIR MARKET RENTS	
STUDIO UNIT	\$358
ONE-BEDROOM UNIT	\$456
TWO-BEDROOM UNIT	\$550
THREE-BEDROOM UNIT	\$799
FOUR-BEDROOM UNIT	\$910

A complete field survey of all conventional apartments we surveyed in Deaf Smith County is included in Section VII. "Field Survey – Deaf Smith County, Texas".

For-Sale Housing (Deaf Smith County)

Real estate representatives were able to provide Multiple Listing Service data for the currently for-sale homes in Hereford. We identified 101 for-sale properties within the Hereford area. The following tables provide the average and median current asking price by bedroom type as well as the average and median home size (in square feet) for the for-sale homes in the area.

BEDROOM TYPE	ASKING PRICE			
	LOW	HIGH	MEDIAN	AVERAGE
TWO-BEDROOM	\$28,000	\$250,000	\$60,000	\$68,580
THREE-BEDROOM	\$47,000	\$255,000	\$114,900	\$115,032
FOUR-BEDROOM	\$49,900	\$250,000	\$170,700	\$163,257
FIVE-BEDROOM	\$69,500	\$230,454	\$149,977	\$149,977

BEDROOM TYPE	HOME SIZE (SQUARE FEET)			
	LOW	HIGH	MEDIAN	AVERAGE
TWO-BEDROOM	530	2,047	1,220	1,249
THREE-BEDROOM	936	3,739	1,757	1,823
FOUR-BEDROOM	1,556	3,679	2,525	2,612
FIVE-BEDROOM	3,717	3,717	3,717	3,717

The average for-sale asking price per square foot is \$54.90 for two-bedroom units, \$63.10 per square foot for three-bedroom homes, \$62.50 per square foot for four-bedroom homes, and \$40.35 per square foot for five-bedroom homes.

A description and photographs of a sampling of five currently for-sale homes in the area are provided on the following pages. These photographs provide an illustration of the type, size, and price of a variety of homes currently for-sale in the Hereford (Deaf Smith County) area.

SINGLE-FAMILY FOR-SALE HOMES (HEREFORD, TEXAS)

400 W. 3RD STREET, HEREFORD, TX
3 BEDROOM/2.0-BATH AT 1,591 SQ. FT.
\$74,900



537 W. 15TH, HEREFORD, TX
3 BEDROOM/2.0-BATH AT 2,412 SQ. FT.
\$105,000



1405 16TH, HEREFORD, TX
4 BEDROOM/2.5-BATH AT 2,146 SQ. FT.
\$120,000



239 AVENUE C, HEREFORD, TX
2 BEDROOM/1.0-BATH AT 840 SQ. FT.
\$57,500



232 AVENUE I, HEREFORD, TX
2 BEDROOM/1.0-BATH AT 1,200 SQ. FT.
\$67,500



Considering the rural nature of the three subject counties, including Deaf Smith County and the Hereford area, the USDA Homeownership Direct Loan Program (Section 502) has been in effect in the area. The USDA 502 direct loan program offers mortgages for low-income homebuyers in rural areas. There is also a separate Section 502 loan guarantee program.

The purpose of the USDA Section 502 direct loan is to provide financing for low-income households to purchase, build, repair, renovate, or relocate homes. At least 40% of the funds appropriated each year must be used to assist families with incomes below 50% of AMHI. Households with incomes below 50% of AMHI are considered very low-income households, while households with incomes between 50% and 80% of AMHI are considered low-income households. In order to qualify for the Section 502 loan, applicants must be unable to obtain credit elsewhere, and have reasonable credit histories.

Section 502 loans offer limits for up to 33 years (38 years for those with incomes below 60% of AMHI and who cannot afford a 33-year term). For manufactured homes, the term is 30 years, and no down payment is required for any Section 502 loans. In Deaf Smith County, since 2001, there have been five USDA Section 502 loans allocated to individuals:

YEAR	COUNTY	LOCAL OFFICE	ASSISTANCE TYPE	TOTAL OBLIGATION AMOUNT
2001	DEAF SMITH	AMARILLO	SEC 502 LOAN	\$37,500
2003	DEAF SMITH	AMARILLO	DIRECT 504 LOAN GRANT ONLY	\$6,978
2005	DEAF SMITH	AMARILLO	DIRECT 502 LOAN GENERAL - LOW INCOME	\$32,400
2005	DEAF SMITH	AMARILLO	DIRECT 504 LOAN GRANT ONLY	\$7,500
2007	DEAF SMITH	AMARILLO	DIRECT 502 LOAN GENERAL - LOW INCOME	\$63,998

According to ESRI Demographics, the median home value in Deaf Smith County was \$72,227 in 2007. At an estimated interest rate of 6.0% and a 30-year term (and 95% LTV), the monthly mortgage for a \$72,227 home is \$514, including estimated taxes and insurance.

BUY VERSUS RENT ANALYSIS	
DEAF SMITH COUNTY AVERAGE HOME PRICE – ESRI	\$72,227
MORTGAGED VALUE = 95% OF AVERAGE HOME PRICE	\$68,616
INTEREST RATE – BANKRATE.COM – 6.0%	6.0%
TERM – 30 YEARS	30
MONTHLY PRINCIPAL & INTEREST	\$411
ESTIMATED TAXES AND INSURANCE*	\$103
ESTIMATED MONTHLY MORTGAGE PAYMENT:	\$514

* Estimated at 25% of principal and interest.

The estimated typical mortgage for a home in Deaf Smith County is approximately \$514 per month. It should be noted that based on our field survey of conventional rental units in the Deaf County area, the two-, three- and four-bedroom collected market-rate rents range from \$300 to \$800 per month, with the majority of rents in the \$500 to \$650 range. As such, it is likely that there is and will continue to be some competitive overlap between the for-sale and rental markets. However, most renters in the area are families that would likely neither be able to afford the down payment or have qualifying credit to purchase a home, especially given the current mortgage situation.

Migrant and Farmworker Housing (Deaf Smith County)


Based on our analysis of the Hereford area and surrounding Deaf Smith County area, there is only one existing conventional rental project serving farmworkers. This project, Amistad (Map ID 1), originally constructed 30 units in 1991 under the RD 514 and 516 programs. In 2000, an additional 20 units were constructed due to strong demand. While additional small motels are rented on a weekly basis during the migratory farmworker season, we were unable to obtain specific rental information from these small properties due to the sensitivity of the migrant farmworker situation and presence of illegal immigrants in the migrant farmworking community.

Angie Alonzo manages the Amistad Apartments in Hereford, the only farmworker project in Hereford. The biggest obstacle for her property is that many of these people that work at dairy farms will earn an overall wage that is above the maximum income to qualify for residency. For example, the hourly wage may be low, but these workers may work 60+ hours a week generating an income that exceeds the projects maximum allowable income. As a result, persons with higher incomes than allowed at this property must seek market-rate alternatives.

All Amistad residents employed as farmworkers are permanent residents of the complex. Ms. Alonzo has not had a migrant farmworker apply for housing in the past five to six years. By and large, migrant farmworker jobs in the Hereford area are not typically available due to advances in farming technology and the effectiveness of fertilizers. Ms. Alonzo also described the Hereford economy as “booming”, despite the downturns in the national economy, and she stated that there is a need for new rental housing in the area.

The following page illustrates a one-page field sheet for the Amistad Apartments.

APARTMENT PROJECT PROFILE - DEAF SMITH COUNTY, TEXAS

Map Code 1 Total Units 50 Vacancies 0	
Project Name Amistad	
Address 301 S. Texas Ave. Hereford, TX 79045	
Phone (806) 364-5082 Contact Angie	
Project Type Government-Subsidized	
Year Open 1991 Floors 1,2	
Concessions No Rent Specials	
Parking Surface Parking	Quality Rating B- Neighborhood Rating C
Waiting List 4-5 households	Percent Occupied 100.0%

UNIT CONFIGURATION

BEDROOMS	BATHS	TYPE	SQUARE FEET	UNITS	OCCUP.	VACANT	COLLECTED RENT
2	1	G	779 to 795	24	24	0	\$435 to \$465
3	1	T	971 to 1017	20	20	0	\$565 to \$590
4	2	T	1168	6	6	0	\$680

Utilities	Landlord pays Electric, Gas Heat, Gas Hot Water, Gas for Cooking, Water, Sewer, Trash
Unit Amenities	Refrigerator, Range, Window AC, Vinyl Flooring, Blinds
Project Amenities	On-site Management, Laundry Facility, Meeting Room, Playground, Sports Court, Picnic Area
Remarks	Government-subsidized, RD 514 & 516; Phase I built 1991; Phase II built 2000; Phase II units are higher rent

Surveyed - July 2008



Building Permits and Planned Projects (Deaf Smith County)

HOUSING UNIT BUILDING PERMITS FOR DEAF SMITH COUNTY, TX						
	2003	2004	2005	2006	2007	2008*
UNITS IN SINGLE-FAMILY STRUCTURES	3	6	17	17	25	8
UNITS IN 2-UNIT MULTIFAMILY STRUCTURES	0	0	2	2	0	0
UNITS IN 3- AND 4-UNIT MULTIFAMILY STRUCTURES	0	0	0	0	0	0
UNITS IN 5+ UNIT MULTIFAMILY STRUCTURES	0	0	0	108	0	0
UNITS IN ALL MULTIFAMILY STRUCTURES	0	0	2	110	0	0
TOTAL UNITS	3	6	19	127	25	8

Source: SOCDS

*Through July

Since 2003, there have been 188 total building permits issued in Deaf Smith County. According to our field survey of conventional rentals, 108 were for Hereford Central Place and Tierra Blanca, local affordable rental projects built in 2007.

According to Steve Bartels, Assistant City Manager of Hereford, a 260-unit market-rate apartment project is planned on West 15th Street, in the northwest portion of Hereford. This project will be on a 22-acre parcel that was recently annexed into the city of Hereford. Plans have been sent to the city government for review, but no permits have been issued. This \$9 million project is being developed by CMS Properties of Lubbock (806-794-1492; www.cmspropertiesinc.com). If this project is developed, it will be significantly larger than all other multifamily housing projects in the area. City representatives anticipate it is likely that the initially proposed 260-units will be decreased to a smaller size, as the Hereford area cannot support 260 new market-rate rental units.

2. CASTRO COUNTY

We identified and personally surveyed five conventional housing projects containing a total of 115 units within Castro County. This survey was conducted to establish the overall strength of the rental market. These rentals have a combined occupancy rate of 100.0%, indicating a clear lack of housing choices. Among these projects, three are three non-subsidized (market-rate) projects containing 55 units. The remaining two projects contain 60 government-subsidized units.

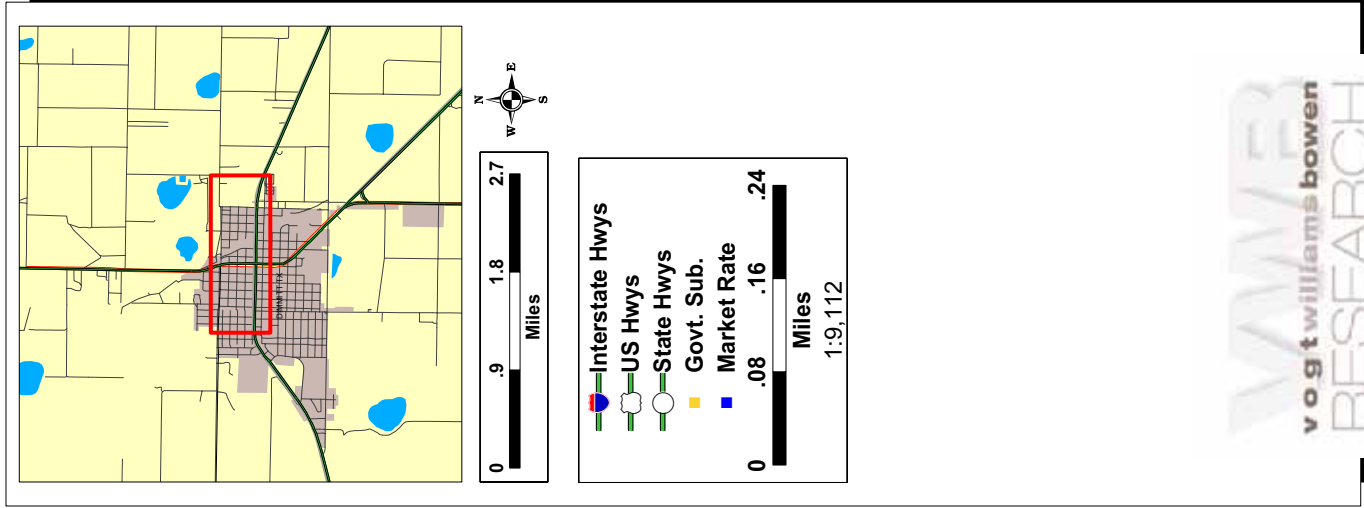
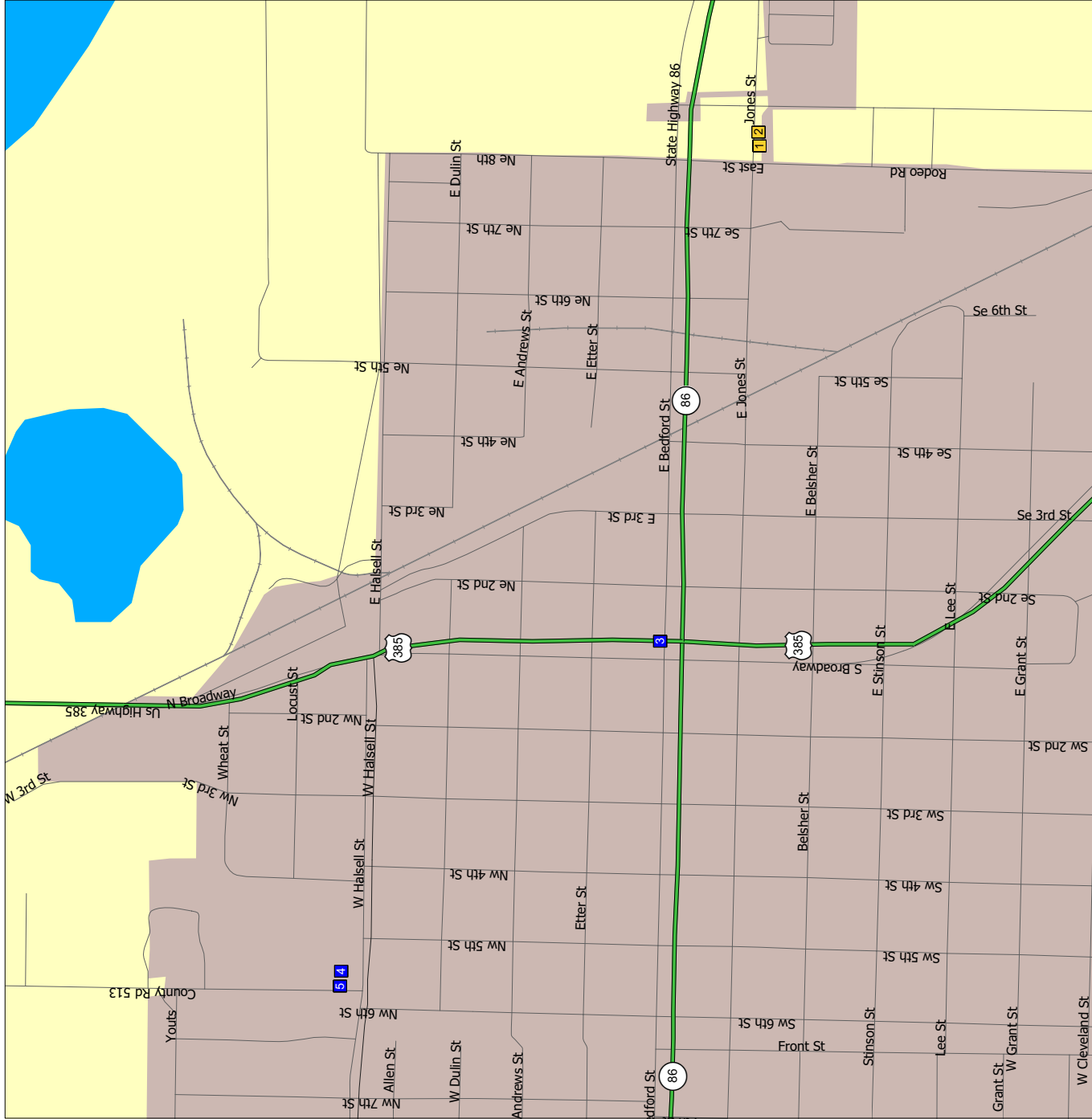
The following is a list of the five total conventional rental projects surveyed in the Castro County area.

MAP CODE	PROJECT NAME	PROJECT TYPE	YEAR BUILT	TOTAL UNITS	VACANT	OCCUPANCY RATE
1	Azteca Apts. Phase I	GSS	1962	48	0	100%
2	Azteca Apts. Phase II	GSS	2007	32	0	100%
3	121 E. Bedford St.	MRR	1929	6	0	100%
4	Northside Apts.	MRR	1992	24	0	100%
5	Dimmitt Gardens	MRR	1988	25	0	100%

PROJECT TYPE	PROJECT SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE
MRR – Market-Rate	3	55	0	100.0%
GSS – Government-Subsidized	2	60	0	100.0%

The map on the following page illustrates the surveyed properties within Castro County. Note the map ID numbers coincide with the labels listed in the field survey of conventional rentals in Section VIII of this analysis.

Castro County, TX: Apartment Locations



Conventional Non-Subsidized Apartments (Castro County)

The following table summarizes the breakdown of market-rate units within Castro County:

MARKET RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANCY	%VACANT	MEDIAN GROSS RENT
ONE-BEDROOM	1.0	47	85.5%	0	0.0%	\$487
TWO-BEDROOM	1.0	8	14.5%	0	0.0%	\$555
TOTAL MARKET RATE		55	100.0%	0	0.0%	-

As previously stated and illustrated in the preceding table, the lack of available non-subsidized rental units in Castro County (especially in the city of Dimmitt) is a positive indication of the potential demand for additional rental housing.

The following is a distribution of units surveyed by year built for Castro County:

YEAR BUILT	UNITS	VACANCY RATE
PRIOR TO 1960	6	0.0%
1960 – 1969	0	0.0%
1970 – 1979	0	0.0%
1980 – 1989	25	0.0%
1990 – 1994	24	0.0%
1995 – 1999	0	0.0%
2000 – 2005	0	0.0%
2006	0	0.0%
2007	0	0.0%
2008*	0	0.0%
TOTAL	55	0.0%

*As of July

No conventional non-subsidized apartment units have been added to the market since 1992. However, Azteca Apartments Phase II was constructed in 2007. This is a 32-unit government-subsidized rental community targeting migrant farmworkers. We have discussed this project in further detail later in the Migrant and Farmworker Housing portion of this analysis.

We rated each market-rate property surveyed on a scale of A through E. Our rating system is described as follows, with “+” and “-“ variations assigned according to variances from the following general descriptions:

- A – Upscale/high-quality property
- B – Good condition and quality
- C – Fair condition, in need of minor improvements
- D – Poor condition
- E – Serious disrepair, dilapidated

Following is a distribution by quality rating, units, and vacancies.

MARKET-RATE PROPERTIES				MEDIAN GROSS RENT			
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	STUDIO	ONE-BR.	TWO-BR.	THREE-BR.
B	2	30	0.0%	-	\$487	\$555	-
B-	1	25	0.0%	-	\$487	\$555	-

Due to the lack of vacancies in the market, there is a clear demand for all rental housing. Quality currently does not have an impact on demand, as there is a lack of available rental housing.

A complete field survey of all conventional apartments we surveyed in Castro County is included in Section VIII. “Field Survey – Castro County, Texas”.

Conventional Government-Subsidized Apartments (Castro County)

Within Castro County, the two government-subsidized projects currently existing (Azteca Apartments I and II) operate under the RD 514 and 516 programs. While Azteca Apartments Phase I is considered to have an overall quality rating of C-, it should be noted that Azteca Apartments Phase II was recently constructed in 2007 and is considered to have a B+ quality rating. The aggregate unit breakdown of these two government-subsidized projects is summarized as follows.

BEDROOMS	UNITS	DISTRIBUTION	VACANT	PERCENT
ONE-BEDROOM/1.0 BATH	8	13.3%	0	0.0%
TWO-BEDROOM/1.0 BATH	8	13.3%	0	0.0%
THREE-BEDROOM/2.0 BATH	36	60.0%	0	0.0%
FOUR-BEDROOM/2.0 BATH	8	13.3%	0	0.0%
TOTAL	60	100.0%	0	0.0%

According to management at Azteca Economic Development Corporation, there is a very strong demand for farmworker housing in the area. Some units are occupied by multigenerational families due to the current lack of rental housing in the Castro County area. Additional details of these projects are discussed later in this analysis.

According to Sherry Reeves, the Director of Housing for Panhandle Community Services, there are currently 123 Housing Choice Vouchers issued in the county. Ms. Reeves stated that there are currently 14 people on the waiting list for additional Vouchers; however, Vouchers have not been issued in seven years. This is an indication of very strong demand for low-income housing. The Fair Market Rents for Castro County are illustrated as follows.

FAIR MARKET RENTS	
STUDIO UNIT	\$448
ONE-BEDROOM UNIT	\$450
TWO-BEDROOM UNIT	\$550
THREE-BEDROOM UNIT	\$733
FOUR-BEDROOM UNIT	\$756

For-Sale Housing (Castro County)

Given the rural nature of the Castro County and Dimmitt, real estate representatives were unable to provide MLS data for the currently for-sale homes. However, we were able to obtain a listing of most currently for-sale homes in the Dimmitt area. The following tables contain the average and median current asking price by bedroom type as well as the average and median home size (in square feet) for the for-sale homes in the area.

BEDROOM TYPE	ASKING PRICE			
	LOW	HIGH	MEDIAN	AVERAGE
THREE-BEDROOM	\$48,000	\$109,000	\$51,500	\$65,000
FOUR-BEDROOM	\$44,500	\$44,500	\$44,500	\$44,500

BEDROOM TYPE	HOME SIZE (SQUARE FEET)			
	LOW	HIGH	MEDIAN	AVERAGE
THREE-BEDROOM	936	3,739	1,757	1,823
FOUR-BEDROOM	1,556	3,679	2,525	2,612

The average for-sale asking price per square foot is \$36.87 per square foot for three-bedroom homes and \$30.52 per square foot for four-bedroom homes.

A sampling of five currently for-sale homes in the area are illustrated on the following page. These photographs show the type, size, and price of a variety of homes currently for-sale in the Dimmitt (Castro County) area.

SINGLE-FAMILY FOR-SALE HOMES (DIMMITT, TEXAS)

709 W. LEE STREET, DIMMITT, TX
3 BEDROOM/2.0-BATH AT 2,150 SQ. FT.
\$55,000



403 NW 6TH STREET, DIMMITT, TX
3 BEDROOM/2.0-BATH AT 2,000 SQ. FT.
\$48,000



210 FRONT STREET, DIMMITT, TX
3 BEDROOM/1.5-BATH AT 1,300 SQ. FT.
\$109,000



1015 STINSON STREET, DIMMITT, TX
3 BEDROOM/1.5-BATH AT 1,600 SQ. FT.
\$48,000



604 OAK STREET, DIMMITT, TX
4 BEDROOM/1.5-BATH AT 1,458 SQ. FT.
\$44,500



As discussed in greater detail earlier in this analysis (on page IV-13), considering the rural nature of the three subject counties, including Castro County and the Dimmitt area, the USDA Homeownership Direct Loan Program (Section 502) has been in effect in the area. The USDA 502 direct loan program offers mortgages for low-income homebuyers in rural areas.

In Castro County, since 2001, there have been three USDA Section 502 loans allocated to individuals. The following shows each loan and the amount of the total obligation.

YEAR	COUNTY	LOCAL OFFICE	ASSISTANCE TYPE	TOTAL OBLIGATION AMOUNT
2004	CASTRO	AMARILLO	DIRECT 502 LOAN GENERAL – VERY LOW INCOME	\$58,800
2005	CASTRO	AMARILLO	DIRECT 502 LOAN GENERAL – VERY LOW INCOME	\$35,805
2006	CASTRO	AMARILLO	DIRECT 502 LOAN GENERAL – VERY LOW INCOME	\$54,500

According to ESRI Demographics, the median home value in Castro County was \$69,251 in 2007. At an estimated interest rate of 6.0% and a 30-year term (and 95% LTV), the monthly mortgage for a \$69,251 home is \$493, including estimated taxes and insurance.

BUY VERSUS RENT ANALYSIS	
CASTRO COUNTY AVERAGE HOME PRICE – ESRI	\$69,251
MORTGAGED VALUE = 95% OF AVERAGE HOME PRICE	\$65,788
INTEREST RATE – BANKRATE.COM – 6.0%	6.0%
TERM – 30 YEARS	30
MONTHLY PRINCIPAL & INTEREST	\$394
ESTIMATED TAXES AND INSURANCE*	\$99
ESTIMATED MONTHLY MORTGAGE PAYMENT:	\$493

* Estimated at 25% of principal and interest.

The estimated typical mortgage for a home in Castro County is approximately \$493 per month. It should be noted that based on our field survey of conventional rental units in the Castro County area, the surveyed units (one- and two-bedroom) collected market-rate rents range from \$425 to \$550 per month, with the majority of rents in the \$425 to \$475 range. As such, most rentals in the market are priced below the cost of a typical home ownership alternative. It should be noted that most renters in the area are families that would likely neither be able to afford the down payment or have qualifying credit to purchase a home, especially given the current mortgage situation. Thus, there does not appear to be any competitive impact between the rental and the for-sale markets in the Castro County.

Migrant and Farmworker Housing (Castro County)


Based on our analysis of the Dimmitt area and the surrounding Castro County area, there are two existing conventional rental projects currently serving farmworkers. Azteca Apartment I and II, built in 1962 and 2007, respectively, were developed under the RD 514 and 516 programs by the Azteca Economic Development Corporation. Phase I of the project originally consisted of 48 one-bedroom units; however, recent renovations converted this project into 20 three-bedroom units and eight remaining one-bedroom units. The second phase of Azteca Apartments consists of eight two-bedroom units, 16 three-bedroom units, and eight four-bedroom units. As expected, since the first phase was constructed in 1962 and the second phase was constructed in 2007, the first phase has a C- overall quality rating while the second phase has a B+ overall quality rating. The contract rents are priced accordingly.

Joe Franco, Executive Director of Azteca Economic Development Corporation manages the Azteca Apartments I and II. According to Mr. Franco, most of the employment for farmworkers in the area is at dairy farms. Three new dairies are expected to come online in Castro County within the next year. By his estimate, each of these dairies will employ approximately 20 people, for a total of 60 people. All 60 of these new employees will require housing.

At Azteca Apartments, only two or three families include migrant farmworkers. Mr. Franco suspects that these families will take permanent jobs, and will therefore become permanent residents. These migrant farmworkers currently drive silage trucks for area feed lots. Mr. Franco also noted that there has been a “dynamic change” as far as which groups need housing in Castro County. Over the years, the need for housing has shifted from migrant farmworkers to permanent farmworkers employed at dairies and feed lots. One dairy in Castro County to meet its workforce needs is currently importing workers from Africa, Guatemala, and Mexico. Housing is being provided by the dairy in double-wide trailers subdivided into additional units, as no other housing is available. Although dairies may provide housing for employees, this is the exception rather than the rule. Farmworkers that are new to the area will typically stay with established family members in the area, if housing is not available for them, until a unit opens up elsewhere. While additional small motels are rented on a weekly basis during the migratory farmworker season, information was unable to be obtained from these small properties due to the sensitivity of the migrant farmworker situation and presence of illegal immigrants in the migrant farmworking community.

The following page illustrates one-page field sheets for the first and second phase of the Azteca Apartments.

APARTMENT PROJECT PROFILE - CASTRO, TEXAS

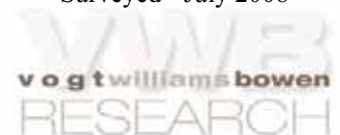
Map Code 1 Total Units 28 Vacancies 0	
Project Name Azteca Apts. Phase I	
Address 910 E. Jones St. Dimmitt, TX 79027	
Phone (806) 647-3406 Contact Joe	
Project Type Government-Subsidized	
Year Open 1962 Renovated 2006 Floors 1	
Concessions No Rent Specials	
Parking Surface Parking	Quality Rating C- Neighborhood Rating C
Waiting List 4-8 households	Percent Occupied 100.0%

UNIT CONFIGURATION


BEDROOMS	BATHS	TYPE	SQUARE FEET	UNITS	OCCUP.	VACANT	COLLECTED RENT
1	1	G	450	8	8	0	\$275
3	2	G	900	20	20	0	\$450

Utilities	Landlord pays Electric, Gas Heat, Gas Hot Water, Gas for Cooking, Water, Sewer, Trash
Unit Amenities	Refrigerator, Range, Central AC, Vinyl Flooring, Patio/Deck/Balcony, Ceiling Fan, Blinds
Project Amenities	On-site Management, Laundry Facility, Playground, Sports Court, Business Center, Wireless Internet
Remarks	Government-subsidized, RD 514 & 516

Surveyed - July 2008



APARTMENT PROJECT PROFILE - CASTRO, TEXAS

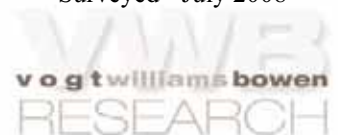
Map Code 2 Total Units 32 Vacancies 0	
Project Name Azteca Apts. Phase II	
Address 910 E. Jones St. Dimmitt, TX 79027	
Phone (806) 647-3406 Contact Joe	
Project Type Government-Subsidized	
Year Open 2007 Floors 1	
Concessions No Rent Specials	
Parking Surface Parking	Quality Rating B+ Neighborhood Rating C
Waiting List 4-8 households	Percent Occupied 100.0%

UNIT CONFIGURATION

BEDROOMS	BATHS	TYPE	SQUARE FEET	UNITS	OCCUP.	VACANT	COLLECTED RENT
2	1	G	800	8	8	0	\$525
3	2	G	1000	16	16	0	\$625
4	2	G	1170	8	8	0	\$800

Utilities	Landlord pays Electric, Electric Heat, Electric HotWater, for Cooking Heat, Water, Sewer, Trash
Unit Amenities	Refrigerator, Range, Window AC, Washer/Dryer Hook Up, Concrete Flooring
Project Amenities	On-site Management, Laundry Facility, Playground, Sports Court, Business Center, Wireless Internet
Remarks	Government-subsidized, RD 514 & 516

Surveyed - July 2008



Building Permits and Planned Projects (Castro County)

HOUSING UNIT BUILDING PERMITS FOR CASTRO COUNTY, TX						
	2003	2004	2005	2006	2007	2008*
UNITS IN SINGLE-FAMILY STRUCTURES	0	0	0	4	1	0
UNITS IN 2-UNIT MULTIFAMILY STRUCTURES	0	0	0	0	0	0
UNITS IN 3- AND 4-UNIT MULTIFAMILY STRUCTURES	0	0	0	0	0	0
UNITS IN 5+ UNIT MULTIFAMILY STRUCTURES	0	0	0	0	0	0
UNITS IN ALL MULTIFAMILY STRUCTURES	0	0	0	0	0	0
TOTAL UNITS	0	0	0	4	1	0

Source: SOCDS

*Through July

As shown in the preceding table, since 2003, the SOCDS website lists building permits for only five total units in Castro County. However, it is important to reiterate that Azteca Apartments Phase II completed the constructed of 32 units in 2007. In some instances, rural areas outside of city limits do not need to report building permits. Considering Azteca Apartments Phase II is located just outside of the city limits of Dimmitt, this was likely the case for this property.

According to interviews with local planned and development representatives for Dimmitt and Castro County, there are currently no plans for any additional new construction multifamily projects in the area.

3. PARMER COUNTY

Conventional Non-Subsidized Apartments (Parmer County)

We identified and personally surveyed eight conventional housing projects containing a total of 137 units within the Parmer County. This survey was conducted to establish the overall strength of the rental market. These rentals have a combined occupancy rate of 94.2%, a moderate rate for rental housing. However, it is important to note that the only project with a high share of vacancies is 6th Street/Avenue B South (Map ID 3), which currently has three vacancies among the six rentable units. This project is currently undergoing renovations and has an additional six units currently under construction. Management anticipates the project will be fully occupied within two months of completion of renovations. Excluding this project, Cottonwood Townhomes also has five vacancies, resulting in a 91.7% overall occupancy rate. The six remaining conventional rentals in the Parmer County area are all 100.0% occupied, indicating a strong rental market.

Among the eight surveyed projects, seven are non-subsidized (market-rate) projects containing 126 units. These non-subsidized units are 93.7% occupied. The remaining project contains 11 government-subsidized units, which are 100.0% occupied. The following is a list of the eight total conventional rental projects surveyed in the Parmer County area.

MAP CODE	PROJECT NAME	PROJECT TYPE	YEAR BUILT	TOTAL UNITS	VACANT	OCCUPANCY RATE
1	Cottonwood Twnhms.	MRR	1960	60	5	92%
2	1502 W. 5 th St.	MRR	1970	10	0	100%
3	6 th St./Ave. B South	MRR	1980	6	3	50%
4	Eastridge Manor	GSS	1978	11	0	100%
5	4 th St./Ave. A	MRR	1950	10	0	100%
6	Heritage Square Garden Homes	MRR	1990	8	0	100%
7	Farwell Gardens	MRR	1965	8	0	100%
8	902-912 W. 9 th St.	MRR	1960	24	0	100%

PROJECT TYPE	PROJECT SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE
MRR – Market-Rate	7	126	8	93.7%
GSS – Government-Subsidized	1	11	0	100.0%

The map on the following page illustrates the surveyed properties within Parmer County. Note the map ID numbers coincide with the labels listed in the field survey of conventional rentals in Section VIII of this analysis.

Conventional Non-Subsidized Apartments (Parmer County)

The following table summarizes the breakdown of market-rate units within Parmer County:

MARKET RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANCY	%VACANT	MEDIAN GROSS RENT
ONE-BEDROOM	1.0	21	16.7%	4	19.0%	\$449
TWO-BEDROOM	1.0	73	57.9%	1	1.4%	\$481
THREE-BEDROOM	1.5	32	25.4%	3	9.4%	\$538
TOTAL MARKET RATE		126	100.0%	8	6.3%	-

Of these 126 non-subsidized units that were surveyed, 93.7% are occupied. As previously stated, this occupancy rate is primarily due to the vacancies at 6th Street/ Avenue B South (Map ID 3). Excluding this project, the remaining 120 market-rate units have a combined occupancy rate of 95.8%, which is considered good for market-rate rental housing.

Nearly 90.0% of all apartments surveyed were built prior to 1980, with the majority of units built in the 1960s. The following is a distribution of units surveyed by year built for the Site PMA:

YEAR BUILT	UNITS	VACANCY RATE
PRIOR TO 1960	10	0.0%
1960 – 1969	92	5.4%
1970 – 1979	10	0.0%
1980 – 1989	6	50.0%
1990 – 1994	8	0.0%
1995 – 1999	0	0.0%
2000 – 2005	0	0.0%
2006	0	0.0%
2007	0	0.0%
2008*	0	0.0%
TOTAL	126	6.3%

*As of July

No conventional apartment units have been added to the market since 1990. As such, the existing rental housing stock in Parmer County is considered to be old.

We rated each market-rate property surveyed on a scale of A through E. Our rating system is described as follows, with “+” and “-“ variations assigned according to variances from the following general descriptions:

- A – Upscale/high-quality property
- B – Good condition and quality
- C – Fair condition, in need of minor improvements
- D – Poor condition
- E – Serious disrepair, dilapidated

Following is a distribution by quality rating, units, and vacancies.

MARKET-RATE PROPERTIES				MEDIAN GROSS RENT			
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	STUDIO	ONE-BR.	TWO-BR.	THREE-BR.
B+	1	8	0.0%	-	-	\$655	-
B	1	6	50.0%	-	\$537	-	-
B-	1	60	8.3%	-	\$449	\$481	\$538
C+	2	18	0.0%	-	\$444	\$580	-
C-	1	24	0.0%	-	-	\$480	-
D	1	10	0.0%	-	\$295	\$367	-

The preceding table illustrates that no direct correlation appears to exist in the Parmer County area between quality of units and vacancies. The B vacancies are due to the project currently being renovated in the area, 6th Street/Avenue B South. In addition, the B- vacancies are due to the fact that Cottonwood Townhomes are significantly larger in size (60 total units) than all other existing rental communities.

A complete field survey of all conventional apartments we surveyed in Parmer County is included in Section IX. “Field Survey – Parmer County, Texas”.

Conventional Government-Subsidized Apartments (Parmer County)

The government-subsidized project within the Site PMA, Eastridge Manor (Map ID 4), operates under the Rural Development 515 program. Built in 1978, this project is considered to have a B- overall quality rating and competitive unit sizes. However, the only kitchen appliance included at this property is a range. The following table is a breakdown of bedroom types at Eastridge Manor.

BEDROOMS	UNITS	DISTRIBUTION	VACANT	PERCENT
ONE-BEDROOM/1.0 BATH	4	36.4%	0	0.0%
TWO-BEDROOM/1.0 BATH	7	63.6%	0	0.0%
TOTAL	11	100.0%	0	0.0%

As previously stated, Eastridge Manor is currently 100.0% occupied with a five-person waiting list for the next available two-bedroom units. This is a positive indication of the demand for affordable rental housing in the area.

According to Sherry Reeves, the Director of Housing for Panhandle Community Services, there are currently 54 Housing Choice Vouchers issued in the county. Ms. Reeves stated that there are currently two people on the waiting list for additional Vouchers; however, Vouchers have not been issued in seven years. This is an indication of strong demand for low-income housing. The Fair Market Rents for Parmer County are illustrated as follows.

FAIR MARKET RENTS	
STUDIO UNIT	\$448
ONE-BEDROOM UNIT	\$450
TWO-BEDROOM UNIT	\$550
THREE-BEDROOM UNIT	\$733
FOUR-BEDROOM UNIT	\$756

For-Sale Housing (Parmer County)

Given the rural nature of the Parmer County and Friona, real estate representatives were unable to provide MLS data for the currently for-sale homes. However, we were able to obtain a listing of most currently for-sale homes in the Friona area. The following table contains the average current asking price by bedroom type for the for-sale homes in the area.

BEDROOM TYPE	ASKING PRICE			
	LOW	HIGH	MEDIAN	AVERAGE
TWO-BEDROOM	\$72,000	\$72,000	\$72,000	\$72,000
THREE-BEDROOM	\$95,000	\$145,000	\$115,000	\$118,333
FOUR-BEDROOM	\$85,000	\$128,000	\$108,000	\$107,000
FIVE-BEDROOM	\$295,000	\$295,000	\$295,000	\$295,000

A sampling of five currently for-sale homes in the area are illustrated on the following page. These photographs provide an indication of the type, size, and price of a variety of homes currently for-sale in the Friona (Parmer County) area.

SINGLE-FAMILY FOR-SALE HOMES (FRIONA, TX)

911 WOODLAND, FRIONA, TX

4 BEDROOM/3.0-BATH

\$85,000



1001 AUSTIN, FRIONA, TX

3 BEDROOM/3.0-BATH

\$145,000



905 W. 6TH, FRIONA, TX

4 BEDROOM/2.0-BATH

\$128,000



1210 ELM AVENUE, FRIONA, TX
4 BEDROOM/3.0-BATH
\$108,000



805 SUMMIT AVENUE, FRIONA, TX
2 BEDROOM/1.0-BATH
\$72,000



As discussed in greater detail earlier in this analysis (on page IV-13), considering the rural nature of the three subject counties, including Parmer County and the Friona area, the USDA Homeownership Direct Loan Program (Section 502) has been in effect in the area. The USDA 502 direct loan program offers mortgages for low-income homebuyers in rural areas.

In Parmer County, since 2001, there have been three USDA Section 502 loans allocated to individuals. The following shows each loan and the amount of the total obligation.

YEAR	COUNTY	LOCAL OFFICE	ASSISTANCE TYPE	TOTAL OBLIGATION AMOUNT
2001	PARMER	AMARILLO	SEC 502 LOAN	\$34,000
2001	PARMER	AMARILLO	SEC 504 GRANT	\$7,500
2006	PARMER	AMARILLO	DIRECT 502 LOAN GENERAL – VERY LOW INCOME	\$44,000

According to ESRI Demographics, the median home value in Parmer County was \$70,139 in 2007. At an estimated interest rate of 6.0% and a 30-year term (and 95% LTV), the monthly mortgage for a \$70,139 home is \$499, including estimated taxes and insurance.

BUY VERSUS RENT ANALYSIS	
PARMER COUNTY AVERAGE HOME PRICE – ESRI	\$70,139
MORTGAGED VALUE = 95% OF AVERAGE HOME PRICE	\$66,632
INTEREST RATE – BANKRATE.COM – 6.0%	6.0%
TERM – 30 YEARS	30
MONTHLY PRINCIPAL & INTEREST	\$399
ESTIMATED TAXES AND INSURANCE*	\$100
ESTIMATED MONTHLY MORTGAGE PAYMENT:	\$499

* Estimated at 25% of principal and interest.

As illustrated in the preceding table, the estimated typical mortgage for a home in Castro County is approximately \$499 per month. It should be noted that based on our field survey of conventional rental units in the Castro County area, the surveyed units (one- and two-bedroom) collected market-rate rents range from \$200 to \$575 per month. Since Cottonwood Townhomes offers the most rental units in any one location, it should be noted that this property currently charges collected rents between \$380 and \$440. As such, most rentals in the market are priced below the cost of a typical home ownership alternative. It should be noted that most renters in the area are likely families that would likely neither be able to afford the down payment or have qualifying credit to purchase a home, especially given the current mortgage situation. Thus, there does not appear to be any competitive impact between the rental and the for-sale markets in the Parmer County.


Migrant and Farmworker Housing (Parmer County)

Based on our analysis of the Friona, Farwell, and Bovina areas, as well as the surrounding Parmer County area, there is one existing conventional rental project that has a large share (50% of the 60 total units) of farmworkers. Although this project, Cottonwood Townhomes, is not restricted to farmworkers and is actually a non-income-restricted market-rate project, we have included it in the following analysis, as it represents the most readily available rental opportunity.

According to management at this project, the farmworkers currently residing at the project typically work at either Cargill or dairies, and the majority are permanent residents of the area. Temporary and migratory farmworkers typically reside in motels, trailers, or with family/friends.

The following page illustrates a one-page field sheet for Cottonwood Townhomes.

APARTMENT PROJECT PROFILE - PARMER, TEXAS

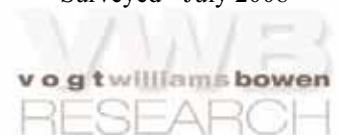
Map Code 1 Total Units 60 Vacancies 5	
Project Name Cottonwood Twnhms.	
Address 1300 Walnut Ave. Friona, TX 79035	
Phone (806) 250-5288 Contact Betty	
Project Type Market-Rate	
Year Open 1960 Renovated 1998 Floors 2	
Concessions No Rent Specials	
Parking Surface Parking	Quality Rating B- Neighborhood Rating B
Waiting List NONE	Percent Occupied 91.7%

UNIT CONFIGURATION

BEDROOMS	BATHS	TYPE	SQUARE FEET	UNITS	OCCUP.	VACANT	COLLECTED RENT
1	1	G	549	8	7	1	\$380
2	1	T	944	20	19	1	\$400
3	1.5	T	1121	32	29	3	\$440

Utilities	Landlord pays Water, Sewer, Trash
Unit Amenities	Refrigerator, Range, Central AC, Carpet, Blinds, VCT Tile
Project Amenities	On-site Management, Laundry Facility, Sports Court
Remarks	Has RA (12 units); Landlord pays gas in 1-br units; ~50% farmworkers, not designated; Property for-sale; Playground planned

Surveyed - July 2008



Building Permits and Planned Projects (Parmer County)

HOUSING UNIT BUILDING PERMITS FOR PARMER COUNTY, TX						
	2003	2004	2005	2006	2007	2008
UNITS IN SINGLE-FAMILY STRUCTURES	3	4	1	6	6	0
UNITS IN 2-UNIT MULTIFAMILY STRUCTURES	0	0	0	0	0	0
UNITS IN 3- AND 4-UNIT MULTIFAMILY STRUCTURES	0	0	0	0	0	0
UNITS IN 5+ UNIT MULTIFAMILY STRUCTURES	0	0	0	6	0	0
UNITS IN ALL MULTIFAMILY STRUCTURES	0	0	0	6	0	0
TOTAL UNITS	3	4	1	12	6	0

Source: SOCDS

Since 2003, the SOCDS website lists building permits for only 26 total units in Parmer County. As such, there has been very minimal development of new housing in the area over the past five years. According to interviews with local planning and development representatives for Friona, Farwell, Bovina, and Castro County, there are currently no plans for any additional new construction multifamily projects in the area.

C. POTENTIAL SUPPORT FROM NEW MEXICO

Interviews with local representatives in the Clovis, New Mexico area were conducted in order to determine the the potential impact on the housing markets in Deaf Smith, Castro, and Parmer counties. Renee Ortiz, property manager for Eastern Plains Council of Governments, stated that while many residents of Clovis will commute to nearby counties (Deaf Smith, Castro, and Parmer counties) for employment, they rarely if ever move to those communities. The main reason so few people move the subject counties is a lack of community services in those communities compared to Clovis. The city of Clovis is larger than any city in the three subject counties.

Kim Stevenson, occupancy specialist for Region IV Housing Authority, works for the housing authority that covers Clovis and some of the surrounding areas in New Mexico. She stated that in her time at the housing authority she cannot remember anyone leaving Clovis for any of the three subject counties. She cited a lack of appropriate housing as the reason so few people move to the other counties.

Leighann Melancon, finance director and city clerk for the city of Clovis, spoke about the lack of community services in the three counties compared to Clovis. She felt that most people in the area would rather live in Clovis and commute to work given the disparity in housing and community services.

All three were in agreement that very few, if any, residents of Clovis would relocate to Deaf Smith, Castro, or Parmer. Potentially, if Hereford or any of the other large cities in the subject counties would develop and offer more community services and housing opportunities, there would be potential to draw housing support from the Clovis area. However, currently, there does not appear to be any significant draw from the Clovis area.

V. DEMAND ANALYSIS

A. INTRODUCTION

Pursuant to the Texas Department of Housing and Community Affairs RFP, two demand models are required as part of this analysis of affordable housing within the subject markets. These demand components include the following:

1. Demand based on strict need
 - Household growth
 - Cost overburdened households
 - Overcrowding;
 - Substandard housing; and,
 - Demand from other non-overlapping sources
2. Demand based upon traditional transitory patterns:
 - Household growth
 - Turnover; and
 - Demand from other non-overlapping sources

This analysis identifies demand for additional housing units for the most recent baseline data year (2008) and five years later (2013).

It is important to note that this analysis considers the number of income-appropriate household growth by household size. Projections based only on income often include estimates of smaller households even though they are over income-qualified due to their household size limitation (i.e. income analysis based on a five-person limit set at \$46,000 includes two-person households with incomes above their maximum but below \$46,000, thus overstating the number who are qualified).

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.

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. Farmworkers are also often found in overcrowded conditions.

Substandard housing is typically considered product that lacks complete indoor plumbing facilities. Such housing is often considered to be of such poor quality and disrepair that it should be replaced.

Turnover of existing renters within a market each year represents a potential base of support for rental properties. Turnover is considered the number of households that move annually from one rental to another.

B. DETERMINATION OF INCOME ELIGIBILITY

The number of income-eligible households in the market is an important consideration in evaluating the market’s potential to support affordable housing units. This section of the report establishes the window of affordability for each of the targeted income levels considered in this report.

a. Maximum Income Limits

Under affordable housing programs, household eligibility is based on household income not exceeding the targeted percentage of Area Median Household Income (AMHI), depending upon household size.

The maximum allowable incomes for the three counties are identical. The following table summarizes the maximum allowable income by household size for the three subject counties at various levels of AMHI.

HOUSEHOLD SIZE	MAXIMUM ALLOWABLE INCOME					
	30%	40%	50%	60%	80%	100%
ONE-PERSON	\$9,150	\$12,200	\$15,250	\$18,300	\$24,400	\$30,500
TWO-PERSON	\$10,470	\$13,960	\$17,450	\$20,940	\$27,920	\$34,900
THREE-PERSON	\$11,760	\$15,680	\$19,600	\$23,520	\$31,360	\$39,200
FOUR-PERSON	\$13,080	\$17,440	\$21,800	\$26,160	\$34,880	\$43,600
FIVE-PERSON	\$14,130	\$18,840	\$23,550	\$28,260	\$37,680	\$47,100

b. Minimum Income Requirements

Pursuant to TDHCA 2009 market study guidelines, the maximum rent to income ratio permitted for family projects is 35% and 50% for elderly projects.

For the purposes of this analysis, we have established the minimum income requirement for each county and each targeted income level by household size by using the maximum income limit for the next lowest targeted income. For example, the maximum income for a one-person household at 30% of AMHI in Deaf Smith County is \$9,150. Therefore, we assume that the minimum income requirement for a one-person household at 40% of AMHI would be \$9,150. This approach eliminates overlap between the various targeted income levels and prevents double-counting of eligible households in the market. It should be noted that the minimum income requirement for the 30% of AMHI units is \$0. The following table summarizes the minimum annual income requirement for the subject counties and at each targeted income level (note: all three counties have the same income and rent restrictions).

HOUSEHOLD SIZE	MINIMUM ANNUAL INCOME REQUIREMENT					
	< 30%	40%	50%	60%	80%	100%
ONE-PERSON	\$0	\$9,150	\$12,200	\$15,250	\$18,300	\$24,400
TWO-PERSON	\$0	\$10,470	\$13,960	\$17,450	\$20,940	\$27,920
THREE-PERSON	\$0	\$11,760	\$15,680	\$19,600	\$23,520	\$31,360
FOUR-PERSON	\$0	\$13,080	\$17,440	\$21,800	\$26,160	\$34,880
FIVE-PERSON	\$0	\$14,130	\$18,840	\$23,550	\$28,260	\$37,680

c. Income-Appropriate Range

Based on the preceding analyses, the income-appropriate range at each target AMHI is as follows:

HOUSEHOLD SIZE	ANNUAL HOUSEHOLD INCOME RANGE					
	0%-30%	31% - 40%	41% - 50%	51% - 60%	61% - 80%	81% - 100%
ONE-PERSON	\$0 - \$9,150	\$9,150 - \$12,200	\$12,200 - \$15,250	\$15,250 - \$18,300	\$18,300 - \$24,400	\$24,400 - \$30,500
TWO-PERSON	\$0 - \$10,470	\$10,470 - \$13,960	\$13,960 - \$17,450	\$17,450 - \$20,940	\$20,940 - \$27,920	\$27,920 - \$34,900
THREE-PERSON	\$0 - \$11,760	\$11,760 - \$15,680	\$15,680 - \$19,600	\$19,600 - \$23,520	\$23,520 - \$31,360	\$31,360 - \$39,200
FOUR-PERSON	\$0 - \$13,080	\$13,080 - \$17,440	\$17,440 - \$21,800	\$21,800 - \$26,160	\$26,160 - \$34,880	\$34,880 - \$43,600
FIVE-PERSON	\$0 - \$14,130	\$14,130 - \$18,840	\$18,840 - \$23,550	\$23,550 - \$28,260	\$28,260 - \$37,680	\$37,680 - \$47,100

C. METHODOLOGY

Pursuant to TDHCA requirements, the following are the demand components used in our analysis:

- a. **Household Growth.** The growth in the number of renter households is determined using the 2000 Census and projecting forward to the current year (2008). We have also conducted such an analysis evaluating the change in renter households between 2008 and 2013. We have used growth rates and projections established from ESRI, a reputable national data provider. This data was evaluated for all households, seniors (age 55+) and disabled households to the degree the data was available.
- b. **Rent over-burdened households.** This calculation evaluates renter households paying more than 35% of their income toward rent. Based on the 2000 Census, depending upon targeted income level, the share of the renter households that were rent overburdened ranged from 10.9% to 51.2% in Deaf Smith County, 0.6% to 48.1% in Castro County, and 5.8% to 69.2% to Parmer County. These shares have been applied to the number of income eligible households within the market for the study year (either 2008 or 2013).
- c. **Overcrowded Households.** Overcrowded households are defined as those with 1.01 persons or more per room. Households in substandard housing are adjusted for age, income band, and tenure that apply. Based on the 2000 Census, the share of all renter households living in overcrowded housing was 16.1% in Deaf Smith County, 16.9% in Castro County, and 14.1% in Parmer County. These shares were applied to the number of income-eligible renter households within each income band evaluated.

- d.* **Substandard Housing.** Substandard housing is considered occupied housing units that lack complete indoor plumbing. Based on the 2000 Census, the share of all renter households living in substandard housing was 0.7% in Deaf Smith County, 2.1% in Castro County, and 2.3% in Parmer County. We have applied these shares to the number of income-eligible renter households within each income band evaluated.
- e.* **Elderly homeowners likely to convert to rentership (senior projects only).** Based on information from the 2005 American Housing Survey in markets throughout the U.S., we have estimated that on average, just 1.4% of low-income senior homeowners will convert to a rental in a given year. This share has been applied to the number of income-qualified homeowner. The American Housing survey conducted interviews of seniors to determine residency status and previous residency of senior renters. Based on calculations from Table 3-9, Table 4-9 and Table 4-10, we determined that nationally, approximately 0.7% of all senior renter households moved from owner-occupied housing units in any one year. Considering the limited number of rental opportunities in many areas throughout the country, and the fact that the three subject counties are considered relatively rural, we have doubled this share of senior homeowners likely to convert to rentership, assuming a new senior rental alternatives were made available. Thus, the 1.4% senior homeowner conversion rate has been used in the following demand calculations.
- f.* **Turnover from existing renters.** Turnover is considered those renters that typically move out of a rental property in any given year. The turnover rates, based on IREM's 2007 report, is 62.9% for region VI, which includes the subject counties that are evaluated in this report. Note that IREM does not report specific information for non-metropolitan statistical areas. Therefore, while the actual turnover may be slightly lower in the subject counties due to the lack of available rental housing, we consider this 62.9% turnover rate to be accurate assuming a new rental project was built in one of these counties.

The components from the preceding paragraphs are combined to represent total demand for the proposed subject project.

D. DEMAND CALCULATIONS

a. Introduction

The following tables summarize projected demand for affordable housing for all renter households 2008 as well as 2013. Note the 2008 Baseline Total Renter Households includes *all* renter households, while the demand analysis only considers households earning up to 100% AMHI (\$47,100). Therefore, the total Baseline Targeted Income-Qualified Renter Households for each income band does not equate to the total number of renter households in 2008. For example, there were a total of 1,933 renter households in the Deaf Smith County Submarket in 2008; out of this total, 1,591 were *income-qualified* renter households. This results in 342 renter households earning above \$47,000.

b. General Occupancy Demand

The tables on the following page illustrate the appropriate income range by targeted AMHI level as well as the number of targeted income-eligible renter households.

DEAF SMITH COUNTY 2008 SUPPORT BASE ESTIMATES

GENERAL OCCUPANCY – DEAF SMITH COUNTY SUBMARKET						
APPROPRIATE INCOME RANGE BY TARGETED AMHI	TARGETED AMHI					
	0%-30%	31% - 40%	41% - 50%	51% - 60%	61% - 80%	81% - 100%
1-PERSON	\$0 - \$9,150	\$9,150 – \$12,200	\$12,200 - \$15,250	\$15,250 - \$18,300	\$18,300 - \$24,400	\$24,400 - \$30,500
2-PERSON	\$0 - \$10,470	\$10,470 - \$13,960	\$13,960 - \$17,450	\$17,450 - \$20,940	\$20,940 - \$27,920	\$27,920 - \$34,900
3-PERSON	\$0 - \$11,760	\$11,760 - \$15,680	\$15,680 - \$19,600	\$19,600 - \$23,520	\$23,520 - \$31,360	\$31,360 - \$39,200
4-PERSON	\$0 - \$13,080	\$13,080 - \$17,440	\$17,440 - \$21,800	\$21,800 - \$26,160	\$26,160 - \$34,880	\$34,880 - \$43,600
5+-PERSON	\$0 - \$14,130	\$14,130 - \$18,840	\$18,840 - \$23,550	\$23,550 - \$28,260	\$28,260 - \$37,680	\$37,680 - \$47,100
BASELINE TOTAL RENTER HOUSEHOLDS (HISTA DATA)	1,933	1,933	1,933	1,933	1,933	1,933
TARGETED INCOME-QUALIFIED RENTER HOUSEHOLDS						
1-PERSON	202	47	39	39	83	86
2-PERSON	102	21	21	20	40	27
3-PERSON	102	28	28	26	44	13
4-PERSON	68	19	20	23	45	38
5+-PERSON	57	21	38	44	64	43
= BASELINE TARGETED INCOME-QUALIFIED RENTER HOUSEHOLDS	531	136	146	152	276	207

**CASTRO COUNTY
2008 SUPPORT BASE ESTIMATES**

GENERAL OCCUPANCY – CASTRO COUNTY SUBMARKET

APPROPRIATE INCOME RANGE BY TARGETED AMHI	TARGETED AMHI					
	0%-30%	31% - 40%	41% - 50%	51% - 60%	61% - 80%	81% - 100%
1-PERSON	\$0 - \$9,150	\$9,150 – \$12,200	\$12,200 - \$15,250	\$15,250 - \$18,300	\$18,300 - \$24,400	\$24,400 - \$30,500
2-PERSON	\$0 - \$10,470	\$10,470 - \$13,960	\$13,960 - \$17,450	\$17,450 - \$20,940	\$20,940 - \$27,920	\$27,920 - \$34,900
3-PERSON	\$0 - \$11,760	\$11,760 - \$15,680	\$15,680 - \$19,600	\$19,600 - \$23,520	\$23,520 - \$31,360	\$31,360 - \$39,200
4-PERSON	\$0 - \$13,080	\$13,080 - \$17,440	\$17,440 - \$21,800	\$21,800 - \$26,160	\$26,160 - \$34,880	\$34,880 - \$43,600
5+-PERSON	\$0 - \$14,130	\$14,130 - \$18,840	\$18,840 - \$23,550	\$23,550 - \$28,260	\$28,260 - \$37,680	\$37,680 - \$47,100
BASELINE TOTAL RENTER HOUSEHOLDS (HISTA DATA)	709	709	709	709	709	709
TARGETED INCOME-QUALIFIED RENTER HOUSEHOLDS						
1-PERSON	51	13	11	11	19	17
2-PERSON	27	15	15	12	10	12
3-PERSON	23	7	7	9	19	24
4-PERSON	15	9	6	2	5	5
5+-PERSON	21	12	11	11	21	20
= BASELINE TARGETED INCOME-QUALIFIED RENTER HOUSEHOLDS	137	56	50	45	74	78

**PARMER COUNTY
2008 SUPPORT BASE ESTIMATES**

GENERAL OCCUPANCY – PARMER COUNTY SUBMARKET

APPROPRIATE INCOME RANGE BY TARGETED AMHI	TARGETED AMHI					
	0%-30%	31% - 40%	41% - 50%	51% - 60%	61% - 80%	81% - 100%
1-PERSON	\$0 - \$9,150	\$9,150 – \$12,200	\$12,200 - \$15,250	\$15,250 - \$18,300	\$18,300 - \$24,400	\$24,400 - \$30,500
2-PERSON	\$0 - \$10,470	\$10,470 - \$13,960	\$13,960 - \$17,450	\$17,450 - \$20,940	\$20,940 - \$27,920	\$27,920 - \$34,900
3-PERSON	\$0 - \$11760	\$11,760 - \$15,680	\$15,680 - \$19,600	\$19,600 - \$23,520	\$23,520 - \$31,360	\$31,360 - \$39,200
4-PERSON	\$0 - \$13080	\$13,080 - \$17,440	\$17,440 - \$21,800	\$21,800 - \$26,160	\$26,160 - \$34,880	\$34,880 - \$43,600
5+-PERSON	\$0 - \$14130	\$14,130 - \$18,840	\$18,840 - \$23,550	\$23,550 - \$28,260	\$28,260 - \$37,680	\$37,680 - \$47,100
BASELINE TOTAL RENTER HOUSEHOLDS (HISTA DATA)	859	859	859	859	859	859
TARGETED INCOME-QUALIFIED RENTER HOUSEHOLDS						
1-PERSON	91	16	12	12	19	16
2-PERSON	22	9	9	12	34	21
3-PERSON	25	14	14	16	29	4
4-PERSON	32	9	11	14	29	25
5+-PERSON	25	11	21	24	23	18
= BASELINE TARGETED INCOME-QUALIFIED RENTER HOUSEHOLDS	195	59	67	78	134	84

or demand by bedroom type and household size, we have based this estimate upon the share of households currently within those bedroom types from the American Housing Survey findings for MSAs in Texas within close proximity to the subject counties (which are not located in an MSA). This distribution of demand by bedroom type and household size is distributed as follows:

DEMAND BY BEDROOM AND HOUSEHOLD SIZE				
	STUDIO / 1-BR.	2-BR.	3-BR.	4+-BR.
1-PERSON HH	68%	24%	8%	-
2-PERSON HH	36%	44%	16%	4%
3-PERSON HH	16%	55%	22%	7%
4-PERSON HH	7%	46%	42%	12%
5+-PERSON HH	-	44%	37%	19%

Source: American Housing Survey; VWB Research
 HH-Household

These percentages, applied to the number of income-qualified renter households in each submarket, are as follows:

**DEAF SMITH COUNTY
SUPPORT BASE BY BEDROOM TYPE, HOUSEHOLD SIZE & AMHI
2008 ESTIMATES**

HOUSEHOLD SIZE	PERCENT AMHI	STUDIO / 1-BR.	2-BR.	3-BR.	4-BR.	TOTAL
1-PERSON HOUSEHOLD	0%-30%	137	48	16	0	201
	31%-40%	32	11	4	0	47
	41%-50%	27	9	3	0	39
	51%-60%	27	9	3	0	39
	61%-80%	56	20	7	0	83
	81%-100%	58	21	7	0	86
2-PERSON HOUSEHOLD	0%-30%	37	45	16	4	102
	31%-40%	8	9	3	1	21
	41%-50%	8	9	3	1	21
	51%-60%	7	9	3	1	20
	61%-80%	14	18	6	2	40
	81%-100%	10	12	4	1	27
3-PERSON HOUSEHOLD	0%-30%	16	56	22	7	101
	31%-40%	4	15	6	2	27
	41%-50%	4	15	6	2	27
	51%-60%	4	14	6	2	26
	61%-80%	7	24	10	3	44
	81%-100%	2	7	3	1	13
4-PERSON HOUSEHOLD	0%-30%	5	31	29	8	73
	31%-40%	1	9	8	2	20
	41%-50%	1	9	8	2	20
	51%-60%	2	11	10	3	26
	61%-80%	3	21	19	5	48
	81%-100%	3	17	16	5	41
5+-PERSON HOUSEHOLD	0%-30%	0	25	21	11	57
	31%-40%	0	9	8	4	21
	41%-50%	0	17	14	7	38
	51%-60%	0	19	16	8	43
	61%-80%	0	28	24	12	64
	81%-100%	0	19	16	8	43
TOTAL (%)	0%-30%	195 (37%)	205 (38%)	104 (19%)	30 (6%)	534
	31%-40%	45 (33%)	53 (39%)	29 (21%)	9 (7%)	136
	41%-50%	40 (28%)	59 (41%)	34 (23%)	12 (8%)	145
	51%-60%	40 (26%)	62 (40%)	38 (25%)	14 (9%)	154
	61%-80%	80 (29%)	111 (40%)	66 (24%)	22 (8%)	279
	81%-100%	73 (35%)	76 (36%)	46 (22%)	15 (7%)	210
OVERALL TOTALS		473	566	317	102	

Some totals may vary from other demand estimates reported earlier in this section due to rounding.

**CASTRO COUNTY
SUPPORT BASE BY BEDROOM TYPE, HOUSEHOLD SIZE & AMHI
2008 ESTIMATES**

HOUSEHOLD SIZE	PERCENT AMHI	STUDIO / 1-BR.	2-BR.	3-BR.	4-BR.	TOTAL
1-PERSON HOUSEHOLD	0%-30%	35	12	4	0	51
	31%-40%	9	3	1	0	13
	41%-50%	7	3	1	0	11
	51%-60%	7	3	1	0	11
	61%-80%	13	5	2	0	20
	81%-100%	12	4	1	0	17
2-PERSON HOUSEHOLD	0%-30%	10	12	4	1	27
	31%-40%	5	7	2	1	15
	41%-50%	5	7	2	1	15
	51%-60%	4	5	2	0	11
	61%-80%	4	4	2	0	10
	81%-100%	4	5	2	0	11
3-PERSON HOUSEHOLD	0%-30%	4	13	5	2	24
	31%-40%	1	4	2	0	7
	41%-50%	1	4	2	0	7
	51%-60%	1	5	2	1	9
	61%-80%	3	10	4	1	18
	81%-100%	4	13	5	2	24
4-PERSON HOUSEHOLD	0%-30%	1	7	6	2	16
	31%-40%	1	4	4	1	10
	41%-50%	0	3	3	1	7
	51%-60%	0	1	1	0	2
	61%-80%	0	2	2	1	5
	81%-100%	0	2	2	1	5
5+-PERSON HOUSEHOLD	0%-30%	0	9	8	4	21
	31%-40%	0	5	4	2	11
	41%-50%	0	5	4	2	11
	51%-60%	0	5	4	2	11
	61%-80%	0	9	8	4	21
	81%-100%	0	9	7	4	20
TOTAL (%)	0%-30%	50 (36%)	53 (38%)	27 (19%)	9 (6%)	139
	31%-40%	16 (29%)	23 (41%)	13 (23%)	4 (7%)	56
	41%-50%	13 (25%)	22 (43%)	12 (24%)	4 (8%)	51
	51%-60%	12 (27%)	19 (43%)	10 (23%)	3 (7%)	44
	61%-80%	20 (27%)	30 (41%)	18 (24%)	6 (8%)	74
	81%-100%	20 (26%)	33 (43%)	17 (22%)	7 (9%)	77
OVERALL TOTALS		131	180	97	33	

Some totals may vary from other demand estimates reported earlier in this section due to rounding.

**PARMER COUNTY
SUPPORT BASE BY BEDROOM TYPE, HOUSEHOLD SIZE & AMHI
2008 ESTIMATES**

HOUSEHOLD SIZE	PERCENT AMHI	STUDIO / 1-BR.	2-BR.	3-BR.	4-BR.	TOTAL
1-PERSON HOUSEHOLD	0%-30%	62	22	7	0	91
	31%-40%	11	4	1	0	16
	41%-50%	8	3	1	0	12
	51%-60%	8	3	1	0	12
	61%-80%	13	5	2	0	20
	81%-100%	11	4	1	0	16
2-PERSON HOUSEHOLD	0%-30%	8	10	4	1	23
	31%-40%	3	4	1	0	8
	41%-50%	3	4	1	0	8
	51%-60%	4	5	2	0	11
	61%-80%	12	15	5	1	33
	81%-100%	8	9	3	1	21
3-PERSON HOUSEHOLD	0%-30%	4	14	6	2	26
	31%-40%	2	8	3	1	14
	41%-50%	2	8	3	1	14
	51%-60%	3	9	4	1	17
	61%-80%	5	16	6	2	29
	81%-100%	1	2	1	0	4
4-PERSON HOUSEHOLD	0%-30%	2	15	13	4	34
	31%-40%	1	4	4	1	10
	41%-50%	1	5	5	1	12
	51%-60%	1	6	6	2	15
	61%-80%	2	13	12	3	30
	81%-100%	2	12	11	3	28
5+-PERSON HOUSEHOLD	0%-30%	0	11	9	5	25
	31%-40%	0	5	4	2	11
	41%-50%	0	9	8	4	21
	51%-60%	0	11	9	5	25
	61%-80%	0	10	9	4	23
	81%-100%	0	8	7	3	18
TOTAL (%)	0%-30%	76 (38%)	72 (36%)	39 (20%)	12 (6%)	199
	31%-40%	17 (29%)	25 (42%)	13 (22%)	4 (7%)	59
	41%-50%	14 (21%)	29 (43%)	18 (27%)	6 (9%)	67
	51%-60%	16 (20%)	34 (43%)	22 (28%)	8 (10%)	80
	61%-80%	32 (24%)	59 (44%)	34 (25%)	10 (7%)	135
	81%-100%	22 (25%)	35 (40%)	23 (26%)	7 (8%)	87
OVERALL TOTALS		177	254	149	47	

Some totals may vary from other demand estimates reported earlier in this section due to rounding.

**DEAF SMITH COUNTY
SUPPORT BASE FROM GROWTH, RENT BURDEN, OVERCROWDING & SUBSTANDARD
HOUSEHOLDS/HOUSING
2008 ESTIMATES**

STRICT NEED DEMAND						
I. GROWTH DEMAND HOUSEHOLD-BASED:	0% - 30% (\$0-\$14,130)	31% - 40% (\$9,150-\$18,840)	41% - 50% (\$12,200-\$23,550)	51% - 60% (\$15,250-\$28,260)	61% - 80% (\$18,300-\$37,680)	81% - 100% (\$24,400-\$47,100)
2000 TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS	492	147	108	127	283	242
2008 TOTAL ESTIMATED INCOME-QUALIFIED RENTER HOUSEHOLDS	531	136	146	152	276	207
NEW INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH OVER PROJECTION PERIOD (2000 TO 2008)	39	-11	38	25	-7	-35
II. COST OVERBURDENED HOUSEHOLDS						
2008 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	531	136	146	152	276	207
(X) SHARE OF RENT OVERBURDENED HOUSEHOLDS IN 2000	51.2%	39.6%	26.3%	24.1%	17.6%	10.9%
(=) ESTIMATED NUMBER OF RENT OVERBURDENED HOUSEHOLDS IN 2008	272	54	38	37	49	23
III. OVERCROWDED HOUSEHOLDS						
2008 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	531	136	146	152	276	207
(X) SHARE OF OVERCROWDED HOUSEHOLDS IN 2000	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%
(=) ESTIMATED NUMBER OF OVERCROWDED HOUSEHOLDS IN 2008	85	22	24	24	44	33
IV. SUBSTANDARD HOUSING						
2008 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	531	136	146	152	276	207
(X) SHARE OF SUBSTANDARD HOUSING UNITS IN 2000	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%
(=) ESTIMATED NUMBER OF SUBSTANDARD HOUSEHOLDS IN 2008	4	1	1	1	2	1
V. EXISTING COMPARABLE SUPPLY						
(-) NUMBER OF COMPARABLE UNITS BUILT SINCE 2000	9	0	24	72	0	3
VI. TOTAL NET DEMAND	391	66	77	15	88	19

Note: 2000 income-qualified households based on 2000 income limits.

TRADITIONAL TRANSITORY DEMAND						
I. GROWTH DEMAND HOUSEHOLD-BASED:	0% - 30% (\$0-\$14,130)	31% - 40% (\$9,150-\$18,840)	41% - 50% (\$12,200-\$23,550)	51% - 60% (\$15,250-\$28,260)	61% - 80% (\$18,300-\$37,680)	81% - 100% (\$24,400-\$47,100)
2000 TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS	492	147	108	127	283	242
2008 TOTAL ESTIMATED INCOME-QUALIFIED RENTER HOUSEHOLDS	531	136	146	152	276	207
ESTIMATED INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH ('00-'08)	39	-11	38	25	-7	-35
II. HOUSEHOLD TURNOVER						
2008 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	531	136	146	152	276	207
(X) SHARE OF ANNUAL TURNOVER	62.9%	62.9%	62.9%	62.9%	62.9%	62.9%
(=) ESTIMATED NUMBER OF RENTER HOUSEHOLDS FROM TURNOVER 2008	334	86	92	96	174	130
III. EXISTING COMPARABLE SUPPLY						
(-) NUMBER OF COMPARABLE UNITS BUILT SINCE 2000	9	0	24	72	0	3
IV. TOTAL NET DEMAND	325	86	68	24	174	127

Note: 2000 income-qualified households based on 2000 income limits.

**DEAF SMITH COUNTY
SUPPORT BASE FROM GROWTH, RENT BURDEN, OVERCROWDING & SUBSTANDARD
HOUSEHOLDS/HOUSING
2013 ESTIMATES**

STRICT NEED DEMAND

I. GROWTH DEMAND HOUSEHOLD-BASED:	0% - 30% (\$0-\$14,130)	31% - 40% (\$9,150-\$18,840)	41% - 50% (\$12,200-\$23,550)	51% - 60% (\$15,250-\$28,260)	61% - 80% (\$18,300-\$37,680)	81% - 100% (\$24,400-\$47,100)
2008 TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS	531	136	146	152	276	207
2013 TOTAL ESTIMATED INCOME-QUALIFIED RENTER HOUSEHOLDS	505	133	144	149	272	207
ESTIMATED INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH ('08-'13)	-26	-3	-2	-3	-4	0
II. COST OVERBURDENED HOUSEHOLDS						
2013 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	505	133	144	149	272	207
(X) SHARE OF RENT OVERBURDENED HOUSEHOLDS IN 2000	51.2%	39.6%	26.3%	24.1%	17.6%	10.9%
(=) ESTIMATED NUMBER OF RENT OVERBURDENED HOUSEHOLDS IN 2013	259	53	38	36	48	23
III. OVERCROWDED HOUSEHOLDS						
2013 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	505	133	144	149	272	207
(X) SHARE OF OVERCROWDED HOUSEHOLDS IN 2000	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%
(=) ESTIMATED NUMBER OF OVERCROWDED HOUSEHOLDS IN 2013	81	21	23	24	44	33
IV. SUBSTANDARD HOUSING						
2013 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	505	133	144	149	272	207
(X) SHARE OF SUBSTANDARD HOUSING UNITS IN 2000	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%
(=) ESTIMATED NUMBER OF SUBSTANDARD HOUSEHOLDS IN 2013	4	1	1	1	2	1
V. PLANNED DEVELOPMENT						
(-) NUMBER OF COMPARABLE UNITS PLANNED FOR THE MARKET	0	0	0	0	0	0
VI. TOTAL NET DEMAND	317	72	60	58	90	57

Note: 2013 income limits are projected based on average annual historical increase between 2000-2008.

TRADITIONAL TRANSITORY DEMAND

I. GROWTH DEMAND HOUSEHOLD-BASED:	0% - 30% (\$0-\$14,130)	31% - 40% (\$9,150-\$18,840)	41% - 50% (\$12,200-\$23,550)	51% - 60% (\$15,250-\$28,260)	61% - 80% (\$18,300-\$37,680)	81% - 100% (\$24,400-\$47,100)
2008 TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS	531	136	146	152	276	207
2013 TOTAL ESTIMATED INCOME-QUALIFIED RENTER HOUSEHOLDS	505	133	144	149	272	207
ESTIMATED INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH ('08-'13)	-26	-3	-2	-3	-4	0
II. HOUSEHOLD TURNOVER						
2013 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	505	133	144	149	272	207
(X) SHARE OF ANNUAL TURNOVER	62.9%	62.9%	62.9%	62.9%	62.9%	62.9%
(=) ESTIMATED NUMBER OF RENTER HOUSEHOLDS FROM TURNOVER 2013	318	84	91	94	171	130
III. PLANNED DEVELOPMENT						
(-) NUMBER OF COMPARABLE UNITS PLANNED FOR THE MARKET	0	0	0	0	0	0
IV. TOTAL NET DEMAND	318	84	91	94	171	130

Note: 2013 income limits are projected based on average annual historical increase between 2000-2008.

**CASTRO COUNTY
SUPPORT BASE FROM GROWTH, RENT BURDEN, OVERCROWDING & SUBSTANDARD
HOUSEHOLDS/HOUSING
2008 ESTIMATES**

STRICT NEED DEMAND

I. GROWTH DEMAND HOUSEHOLD-BASED:	0% - 30% (\$0-\$14,130)	31% - 40% (\$9,150-\$18,840)	41% - 50% (\$12,200-\$23,550)	51% - 60% (\$15,250-\$28,260)	61% - 80% (\$18,300-\$37,680)	81% - 100% (\$24,400-\$47,100)
2000 TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS	138	69	71	65	102	74
2008 TOTAL ESTIMATED INCOME-QUALIFIED RENTER HOUSEHOLDS	137	56	50	45	74	78
NEW INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH OVER PROJECTION PERIOD (2000 TO 2008)	-1	-13	-21	-20	-28	4
II. COST OVERBURDENED HOUSEHOLDS						
2008 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	137	56	50	45	74	78
(X) SHARE OF RENT OVERBURDENED HOUSEHOLDS IN 2000	48.1%	36.4%	22.3%	17.4%	9.5%	0.6%
(=) ESTIMATED NUMBER OF RENT OVERBURDENED HOUSEHOLDS IN 2008	66	20	11	8	7	0
III. OVERCROWDED HOUSEHOLDS						
2008 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	137	56	50	45	74	78
(X) SHARE OF OVERCROWDED HOUSEHOLDS IN 2000	16.9%	16.9%	16.9%	16.9%	16.9%	16.9%
(=) ESTIMATED NUMBER OF OVERCROWDED HOUSEHOLDS IN 2008	23	9	8	8	13	13
IV. SUBSTANDARD HOUSING						
2008 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	137	56	50	45	74	78
(X) SHARE OF SUBSTANDARD HOUSING UNITS IN 2000	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%
(=) ESTIMATED NUMBER OF SUBSTANDARD HOUSEHOLDS IN 2008	3	1	1	1	2	2
V. EXISTING COMPARABLE SUPPLY						
(-) NUMBER OF COMPARABLE UNITS BUILT SINCE 2000	14	10	8	0	0	0
VI. TOTAL NET DEMAND	77	8	-8	-4	-7	19

Note: 2000 income-qualified households based on 2000 income limits.

TRADITIONAL TRANSITORY DEMAND

I. GROWTH DEMAND HOUSEHOLD-BASED:	0% - 30% (\$0-\$14,130)	31% - 40% (\$9,150-\$18,840)	41% - 50% (\$12,200-\$23,550)	51% - 60% (\$15,250-\$28,260)	61% - 80% (\$18,300-\$37,680)	81% - 100% (\$24,400-\$47,100)
2000 TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS	138	69	71	65	102	74
2008 TOTAL ESTIMATED INCOME-QUALIFIED RENTER HOUSEHOLDS	137	56	50	45	74	78
ESTIMATED INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH ('00-'08)	-1	-13	-21	-20	-28	4
II. HOUSEHOLD TURNOVER						
2008 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	137	56	50	45	74	78
(X) SHARE OF ANNUAL TURNOVER	62.9%	62.9%	62.9%	62.9%	62.9%	62.9%
(=) ESTIMATED NUMBER OF RENTER HOUSEHOLDS FROM TURNOVER 2008	86	35	31	28	47	49
III. EXISTING COMPARABLE SUPPLY						
(-) NUMBER OF COMPARABLE UNITS BUILT SINCE 2000	14	10	8	0	0	0
IV. TOTAL NET DEMAND	72	25	23	28	47	49

Note: 2000 income-qualified households based on 2000 income limits.

**CASTRO COUNTY
SUPPORT BASE FROM GROWTH, RENT BURDEN, OVERCROWDING & SUBSTANDARD
HOUSEHOLDS/HOUSING
2013 ESTIMATES**

STRICT NEED DEMAND						
I. GROWTH DEMAND HOUSEHOLD-BASED:	0%-30% (\$0-\$14,130)	31% - 40% (\$9,150-\$18,840)	41% - 50% (\$12,200-\$23,550)	51% - 60% (\$15,250-\$28,260)	61% - 80% (\$18,300-\$37,680)	81% - 100% (\$24,400-\$47,100)
2008 TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS	137	56	50	45	74	78
2013 TOTAL ESTIMATED INCOME-QUALIFIED RENTER HOUSEHOLDS	121	47	41	37	68	68
ESTIMATED INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH ('08-'13)	-16	-9	-9	-8	-6	-10
II. COST OVERBURDENED HOUSEHOLDS						
2013 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	121	47	41	37	68	68
(X) SHARE OF RENT OVERBURDENED HOUSEHOLDS IN 2000	48.1%	36.4%	22.3%	17.4%	9.5%	0.6%
(=) ESTIMATED NUMBER OF RENT OVERBURDENED HOUSEHOLDS IN 2013	58	17	9	6	6	0
III. OVERCROWDED HOUSEHOLDS						
2013 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	121	47	41	37	68	68
(X) SHARE OF OVERCROWDED HOUSEHOLDS IN 2000	16.9%	16.9%	16.9%	16.9%	16.9%	16.9%
(=) ESTIMATED NUMBER OF OVERCROWDED HOUSEHOLDS IN 2013	20	8	7	6	11	11
IV. SUBSTANDARD HOUSING						
2013 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	121	47	41	37	68	68
(X) SHARE OF SUBSTANDARD HOUSING UNITS IN 2000	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%
(=) ESTIMATED NUMBER OF SUBSTANDARD HOUSEHOLDS IN 2013	3	1	1	1	1	1
V. PLANNED DEVELOPMENT						
(-) NUMBER OF COMPARABLE UNITS PLANNED FOR THE MARKET	0	0	0	0	0	0
VI. TOTAL NET DEMAND	65	17	8	5	13	3

Note: 2013 income limits are projected based on average annual historical increase between 2000-2008.

TRADITIONAL TRANSITORY DEMAND						
I. GROWTH DEMAND HOUSEHOLD-BASED:	0%-30% (\$0-\$14,130)	31% - 40% (\$9,150-\$18,840)	41% - 50% (\$12,200-\$23,550)	51% - 60% (\$15,250-\$28,260)	61% - 80% (\$18,300-\$37,680)	81% - 100% (\$24,400-\$47,100)
2008 TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS	137	56	50	45	74	78
2013 TOTAL ESTIMATED INCOME-QUALIFIED RENTER HOUSEHOLDS	121	47	41	37	68	68
ESTIMATED INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH ('08-'13)	-16	-9	-9	-8	-6	-10
II. HOUSEHOLD TURNOVER						
2013 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	121	47	41	37	68	68
(X) SHARE OF ANNUAL TURNOVER	62.9%	62.9%	62.9%	62.9%	62.9%	62.9%
(=) ESTIMATED NUMBER OF RENTER HOUSEHOLDS FROM TURNOVER 2013	76	30	26	23	43	43
III. PLANNED DEVELOPMENT						
(-) NUMBER OF COMPARABLE UNITS PLANNED FOR THE MARKET	0	0	0	0	0	0
IV. TOTAL NET DEMAND	76	30	26	23	43	43

Note: 2013 income limits are projected based on average annual historical increase between 2000-2008.

**PARMER COUNTY
SUPPORT BASE FROM GROWTH, RENT BURDEN, OVERCROWDING & SUBSTANDARD
HOUSEHOLDS/HOUSING
2008 ESTIMATES**

STRICT NEED DEMAND						
I. GROWTH DEMAND HOUSEHOLD-BASED:	0% - 30% (\$0-\$14,130)	31% - 40% (\$9,150-\$18,840)	41% - 50% (\$12,200-\$23,550)	51% - 60% (\$15,250-\$28,260)	61% - 80% (\$18,300-\$37,680)	81% - 100% (\$24,400-\$47,100)
2008 TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS	180	66	53	67	159	113
2008 TOTAL ESTIMATED INCOME-QUALIFIED RENTER HOUSEHOLDS	195	59	67	78	134	84
NEW INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH OVER PROJECTION PERIOD (2000 TO 2008)	15	-7	14	11	-25	-29
II. COST OVERBURDENED HOUSEHOLDS						
2008 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	195	59	67	78	134	84
(X) SHARE OF RENT OVERBURDENED HOUSEHOLDS IN 2000	69.2%	52.6%	29.0%	26.7%	12.3%	5.8%
(=) ESTIMATED NUMBER OF RENT OVERBURDENED HOUSEHOLDS IN 2008	135	31	19	21	16	5
III. OVERCROWDED HOUSEHOLDS						
2008 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	195	59	67	78	134	84
(X) SHARE OF OVERCROWDED HOUSEHOLDS IN 2000	14.1%	14.1%	14.1%	14.1%	14.1%	14.1%
(=) ESTIMATED NUMBER OF OVERCROWDED HOUSEHOLDS IN 2008	27	8	9	11	19	12
IV. SUBSTANDARD HOUSING						
2008 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	195	59	67	78	134	84
(X) SHARE OF SUBSTANDARD HOUSING UNITS IN 2000	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%
(=) ESTIMATED NUMBER OF SUBSTANDARD HOUSEHOLDS IN 2008	4	1	2	2	3	2
V. EXISTING COMPARABLE SUPPLY						
(-) NUMBER OF COMPARABLE UNITS BUILT SINCE 2000	0	0	0	0	0	0
VI. TOTAL NET DEMAND	182	34	44	45	13	-10

Note: 2000 income-qualified households based on 2000 income limits.

TRADITIONAL TRANSITORY DEMAND						
I. GROWTH DEMAND HOUSEHOLD-BASED:	0% - 30% (\$0-\$14,130)	31% - 40% (\$9,150-\$18,840)	41% - 50% (\$12,200-\$23,550)	51% - 60% (\$15,250-\$28,260)	61% - 80% (\$18,300-\$37,680)	81% - 100% (\$24,400-\$47,100)
2008 TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS	180	66	53	67	159	113
2008 TOTAL ESTIMATED INCOME-QUALIFIED RENTER HOUSEHOLDS	195	59	67	78	134	84
ESTIMATED INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH ('00-'08)	15	-7	14	11	-25	-29
II. HOUSEHOLD TURNOVER						
2008 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	195	59	67	78	134	84
(X) SHARE OF ANNUAL TURNOVER	62.9%	62.9%	62.9%	62.9%	62.9%	62.9%
(=) ESTIMATED NUMBER OF RENTER HOUSEHOLDS FROM TURNOVER 2008	123	37	42	49	84	53
III. EXISTING COMPARABLE SUPPLY						
(-) NUMBER OF COMPARABLE UNITS BUILT SINCE 2000	0	0	0	0	0	0
IV. TOTAL NET DEMAND	123	37	42	49	84	53

Note: 2000 income-qualified households based on 2000 income limits.

**PARMER COUNTY
SUPPORT BASE FROM GROWTH, RENT BURDEN, OVERCROWDING & SUBSTANDARD
HOUSEHOLDS/HOUSING
2013 ESTIMATES**

STRICT NEED DEMAND						
I. GROWTH DEMAND HOUSEHOLD-BASED:	0%-30% (\$0-\$14,130)	31% - 40% (\$9,150-\$18,840)	41% - 50% (\$12,200-\$23,550)	51% - 60% (\$15,250-\$28,260)	61% - 80% (\$18,300-\$37,680)	81% - 100% (\$24,400-\$47,100)
2008 TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS	195	59	67	78	134	84
2013 TOTAL ESTIMATED INCOME-QUALIFIED RENTER HOUSEHOLDS	184	59	62	66	122	83
ESTIMATED INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH ('08-'13)	-11	0	-5	-12	-12	-1
II. COST OVERBURDENED HOUSEHOLDS						
2013 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	184	59	62	66	122	83
(X) SHARE OF RENT OVERBURDENED HOUSEHOLDS IN 2000	69.2%	52.6%	29.0%	26.7%	12.3%	5.8%
(=) ESTIMATED NUMBER OF RENT OVERBURDENED HOUSEHOLDS IN 2013	127	31	18	18	15	5
III. OVERCROWDED HOUSEHOLDS						
2013 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	184	59	62	66	122	83
(X) SHARE OF OVERCROWDED HOUSEHOLDS IN 2000	14.1%	14.1%	14.1%	14.1%	14.1%	14.1%
(=) ESTIMATED NUMBER OF OVERCROWDED HOUSEHOLDS IN 2013	26	8	9	9	17	12
IV. SUBSTANDARD HOUSING						
2013 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	184	59	62	66	122	83
(X) SHARE OF SUBSTANDARD HOUSING UNITS IN 2000	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%
(=) ESTIMATED NUMBER OF SUBSTANDARD HOUSEHOLDS IN 2013	4	1	1	2	3	2
V. PLANNED DEVELOPMENT						
(-) NUMBER OF COMPARABLE UNITS PLANNED FOR THE MARKET	0	0	0	0	0	0
VI. TOTAL NET DEMAND	147	41	23	16	23	17

Note: 2013 income limits are projected based on average annual historical increase between 2000-2008.

TRADITIONAL TRANSITORY DEMAND						
I. GROWTH DEMAND HOUSEHOLD-BASED:	0%-30% (\$0-\$14,130)	31% - 40% (\$9,150-\$18,840)	41% - 50% (\$12,200-\$23,550)	51% - 60% (\$15,250-\$28,260)	61% - 80% (\$18,300-\$37,680)	81% - 100% (\$24,400-\$47,100)
2008 TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS	195	59	67	78	134	84
2013 TOTAL ESTIMATED INCOME-QUALIFIED RENTER HOUSEHOLDS	184	59	62	66	122	83
ESTIMATED INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH ('08-'13)	-11	0	-5	-12	-12	-1
II. HOUSEHOLD TURNOVER						
2013 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	184	59	62	66	122	83
(X) SHARE OF ANNUAL TURNOVER	62.9%	62.9%	62.9%	62.9%	62.9%	62.9%
(=) ESTIMATED NUMBER OF RENTER HOUSEHOLDS FROM TURNOVER 2013	116	37	39	42	77	52
III. PLANNED DEVELOPMENT						
(-) NUMBER OF COMPARABLE UNITS PLANNED FOR THE MARKET	0	0	0	0	0	0
IV. TOTAL NET DEMAND	116	37	39	42	77	52

Note: 2013 income limits are projected based on average annual historical increase between 2000-2008.

c. Senior (age 55+) Demand

The following tables summarize projected demand for affordable housing for senior households (55+) in 2008 and 2013.

SENIOR (55+) OCCUPANCY – DEAF SMITH COUNTY (2008)						
APPROPRIATE INCOME RANGE BY TARGETED AMHI	TARGETED AMHI					
	0%-30%	31% - 40%	41% - 50%	51% - 60%	61% - 80%	81% - 100%
1-PERSON	\$0 - \$9,150	\$9,150 - \$12,200	\$12,200 - \$15,250	\$15,250 - \$18,300	\$18,300 - \$24,400	\$24,400 - \$30,500
2-PERSON	\$0 - \$10,470	\$10,470 - \$13,960	\$13,960 - \$17,450	\$17,450 - \$20,940	\$20,940 - \$27,920	\$27,920 - \$34,900
BASELINE TOTAL RENTER HOUSEHOLDS (HISTA DATA)	609	609	609	609	609	609
TARGETED INCOME-QUALIFIED RENTER HOUSEHOLDS						
1-PERSON	164	32	24	24	41	36
2-PERSON	47	15	15	13	12	5
= BASELINE TARGETED INCOME-QUALIFIED RENTER HOUSEHOLDS	211	47	39	37	53	41

SENIOR (55+) OCCUPANCY – CASTRO COUNTY (2008)						
APPROPRIATE INCOME RANGE BY TARGETED AMHI	TARGETED AMHI					
	0%-30%	31% - 40%	41% - 50%	51% - 60%	61% - 80%	81% - 100%
1-PERSON	\$0 - \$9,150	\$9,150 - \$12,200	\$12,200 - \$15,250	\$15,250 - \$18,300	\$18,300 - \$24,400	\$24,400 - \$30,500
2-PERSON	\$0 - \$10,470	\$10,470 - \$13,960	\$13,960 - \$17,450	\$17,450 - \$20,940	\$20,940 - \$27,920	\$27,920 - \$34,900
BASELINE TOTAL RENTER HOUSEHOLDS (HISTA DATA)	216	216	216	216	216	216
TARGETED INCOME-QUALIFIED RENTER HOUSEHOLDS						
1-PERSON	45	7	4	4	4	3
2-PERSON	16	7	7	6	5	8
= BASELINE TARGETED INCOME-QUALIFIED RENTER HOUSEHOLDS	61	14	11	10	9	11

SENIOR (55+) OCCUPANCY – PARMER COUNTY (2008)

TARGETED AMHI

APPROPRIATE INCOME RANGE BY TARGETED AMHI	0%-30%	31% - 40%	41% - 50%	51% - 60%	61% - 80%	81% - 100%
1-PERSON	\$0 - \$9,150	\$9,150 - \$12,200	\$12,200 - \$15,250	\$15,250 - \$18,300	\$18,300 - \$24,400	\$24,400 - \$30,500
2-PERSON	\$0 - \$10,470	\$10,470 - \$13,960	\$13,960 - \$17,450	\$17,450 - \$20,940	\$20,940 - \$27,920	\$27,920 - \$34,900
BASELINE TOTAL RENTER HOUSEHOLDS (HISTA DATA)	212	212	212	212	212	212
TARGETED INCOME-QUALIFIED RENTER HOUSEHOLDS						
1-PERSON	50	9	5	5	5	3
2-PERSON	6	4	4	5	17	6
= BASELINE TARGETED INCOME- QUALIFIED RENTER HOUSEHOLDS	64	18	14	14	30	11

Using the estimated share of demand for seniors 55+ by bedroom type and household size for MSAs in Texas within close proximity to the subject counties (which are not located in an MSA) (note: while some low-income seniors would respond to a three-bedroom unit, for the purposes of this analysis, we have only evaluated demand for one- and two-bedroom units):

DEMAND BY BEDROOM AND HOUSEHOLD SIZE		
	STUDIO / 1-BR.	2-BR.
1-PERSON HH	68%	24%
2-PERSON HH	36%	44%

Source: American Housing Survey
HH-Household

These percentages, as applied to the number of income-qualified renter households age 55+ in each county, are as follows:

**DEAF SMITH COUNTY
SENIOR DEMAND BY BEDROOM TYPE, HOUSEHOLD SIZE & AMHI
2008 ESTIMATES**

DEMAND BY BEDROOM TYPE AND HOUSEHOLD SIZE				
	AMHI	STUDIO / 1-BR.	2-BR.	TOTAL
1-PERSON HH	0%-30%	112	39	151
	31%-40%	22	8	30
	41%-50%	16	6	22
	51%-60%	16	6	22
	61%-80%	28	10	38
	81%-100%	24	9	33
2-PERSON HH	0%-30%	17	21	38
	31%-40%	5	7	12
	41%-50%	5	7	12
	51%-60%	5	6	11
	61%-80%	4	5	9
	81%-100%	2	2	4
TOTAL (%)	0%-30%	129 (68%)	60 (32%)	189
	31%-40%	27 (64%)	15 (36%)	42
	41%-50%	21 (62%)	13 (38%)	34
	51%-60%	21 (64%)	12 (36%)	33
	61%-80%	32 (68%)	15 (32%)	47
	81%-100%	26 (70%)	11 (30%)	37
OVERALL TOTALS		256	126	

Due to rounding, some of the above percentages may not total 100%. Also note that because we only considered demand for one- and two-bedroom units, the totals on this table will be less than the senior demand estimates reported earlier in this section, which included demand for all bedroom types.

**CASTRO COUNTY
SENIOR DEMAND BY BEDROOM TYPE, HOUSEHOLD SIZE & AMHI
2008 ESTIMATES**

DEMAND BY BEDROOM TYPE AND HOUSEHOLD SIZE				
	AMHI	STUDIO / 1-BR.	2-BR.	TOTAL
1-PERSON HH	0%-30%	31	11	42
	31%-40%	5	2	7
	41%-50%	3	1	4
	51%-60%	3	1	4
	61%-80%	3	1	4
	81%-100%	2	1	3
2-PERSON HH	0%-30%	6	7	13
	31%-40%	3	3	6
	41%-50%	3	3	6
	51%-60%	2	3	5
	61%-80%	2	2	4
	81%-100%	3	4	7
TOTAL (%)	0%-30%	37 (67%)	18 (33%)	55
	31%-40%	8 (62%)	5 (38%)	13
	41%-50%	6 (60%)	4 (40%)	10
	51%-60%	5 (56%)	4 (44%)	9
	61%-80%	5 (63%)	3 (38%)	8
	81%-100%	5 (50%)	5 (50%)	10
OVERALL TOTALS		66	39	

Due to rounding, some of the above percentages may not total 100%. Also note that because we only considered demand for one- and two-bedroom units, the totals on this table will be less than the senior demand estimates reported earlier in this section, which included demand for all bedroom types.

**PARMER COUNTY
SENIOR DEMAND BY BEDROOM TYPE, HOUSEHOLD SIZE & AMHI
2008 ESTIMATES**

DEMAND BY BEDROOM TYPE AND HOUSEHOLD SIZE				
	AMHI	STUDIO / 1-BR.	2-BR.	TOTAL
1-PERSON HH	0%-30%	34	12	46
	31%-40%	6	2	8
	41%-50%	3	1	4
	51%-60%	3	1	4
	61%-80%	3	1	4
	81%-100%	2	1	3
2-PERSON HH	0%-30%	2	3	5
	31%-40%	1	2	3
	41%-50%	1	2	3
	51%-60%	2	2	4
	61%-80%	6	7	13
	81%-100%	2	3	5
TOTAL (%)	0%-30%	36 (71%)	15 (29%)	51
	31%-40%	7 (64%)	4 (36%)	11
	41%-50%	4 (57%)	3 (43%)	7
	51%-60%	5 (63%)	3 (38%)	8
	61%-80%	9 (53%)	8 (47%)	17
	81%-100%	4 (50%)	4 (50%)	8
OVERALL TOTALS		65	37	

Due to rounding, some of the above percentages may not total 100%. Also note that because we only considered demand for one- and two-bedroom units, the totals on this table will be less than the senior demand estimates reported earlier in this section, which included demand for all bedroom types.

**DEAF SMITH COUNTY
2008 SENIOR DEMAND ESTIMATES**

I. GROWTH DEMAND HOUSEHOLD-BASED:						
	0% - 30% (\$0-\$10,470)	31% - 40% (\$9,150-\$13,960)	41% - 50% (\$12,200-\$17,450)	51% - 60% (\$15,250-\$20,940)	61% - 80% (\$18,300-\$27,920)	81% - 100% (\$24,400-\$34,900)
2000 TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS	174	55	27	25	47	39
2008 TOTAL ESTIMATED INCOME-QUALIFIED RENTER HOUSEHOLDS	211	47	39	37	53	41
NEW INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH (2000 TO 2008)	37	-8	12	12	6	2
II. COST OVERBURDENED HOUSEHOLDS						
2008 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	211	47	39	37	53	41
(X) SHARE OF RENT OVERBURDENED HOUSEHOLDS IN 2000	51.2%	39.6%	26.3%	24.1%	17.6%	10.9%
(=) ESTIMATED NUMBER OF RENT OVERBURDENED HOUSEHOLDS IN 2008	108	19	10	9	9	4
III. OVERCROWDED HOUSEHOLDS						
2008 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	211	47	39	37	53	41
(X) SHARE OF OVERCROWDED HOUSEHOLDS IN 2000	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%
(=) ESTIMATED NUMBER OF OVERCROWDED HOUSEHOLDS IN 2008	34	8	6	6	9	7
IV. SUBSTANDARD HOUSING						
2008 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	211	47	39	37	53	41
(X) SHARE OF SUBSTANDARD HOUSING UNITS IN 2000	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%
(=) ESTIMATED NUMBER OF SUBSTANDARD HOUSEHOLDS IN 2008	1	0	0	0	0	0
V. SENIOR HOMEOWNER CONVERSION						
2008 INCOME-QUALIFIED OWNER HOUSEHOLDS (OCCUPIED UNITS)	200	107	107	103	153	161
(X) SHARE OF SENIORS OWNERS CONVERTING TO RENTERS	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%
(=) TOTAL SENIORS OWNERS CONVERTING TO RENTERS	3	1	1	1	2	2
VI. EXISTING COMPARABLE SUPPLY						
(-) NUMBER OF COMPARABLE UNITS BUILT SINCE 2000	0	0	0	0	0	0
VII. TOTAL NET DEMAND	183	20	30	29	26	16

DEMAND - STRICT NEED DEMAND

I. GROWTH DEMAND HOUSEHOLD-BASED:						
	0% - 30% (\$0-\$10,470)	31% - 40% (\$9,150-\$13,960)	41% - 50% (\$12,200-\$17,450)	51% - 60% (\$15,250-\$20,940)	61% - 80% (\$18,300-\$27,920)	81% - 100% (\$24,400-\$34,900)
NEW INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH (2000 TO 2008)	37	-8	12	12	6	2
II. HOUSEHOLD TURNOVER						
2008 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	211	47	39	37	53	41
(X) SHARE OF ANNUAL TURNOVER	62.9%	62.9%	62.9%	62.9%	62.9%	62.9%
(=) ESTIMATED NUMBER OF RENTER HOUSEHOLDS FROM TURNOVER 2008	133	30	25	23	33	26
III. SENIOR HOMEOWNER CONVERSION						
2008 INCOME-QUALIFIED OWNER HOUSEHOLDS (OCCUPIED UNITS)	200	107	107	103	153	161
(X) SHARE OF SENIORS OWNERS CONVERTING TO RENTERS	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%
(=) TOTAL SENIORS OWNERS CONVERTING TO RENTERS	3	1	1	1	2	2
IV. EXISTING COMPARABLE SUPPLY						
(-) NUMBER OF COMPARABLE UNITS BUILT SINCE 2000	0	0	0	0	0	0
V. TOTAL NET DEMAND	173	23	38	37	41	30

DEMAND - TRADITIONAL TRANSITORY PATTERNS

**DEAF SMITH COUNTY
2013 SENIOR DEMAND ESTIMATES**

DEMAND - STRICT NEED DEMAND						
I. GROWTH DEMAND HOUSEHOLD-BASED:	0% - 30% (\$0-\$10,470)	31% - 40% (\$9,150-\$13,960)	41% - 50% (\$12,200-\$17,450)	51% - 60% (\$15,250-\$20,940)	61% - 80% (\$18,300-\$27,920)	81% - 100% (\$24,400-\$34,900)
2008 TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS	211	47	39	37	53	41
2013 TOTAL ESTIMATED INCOME-QUALIFIED RENTER HOUSEHOLDS	214	53	45	42	58	46
NEW INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH (2008 TO 2013)	3	6	6	5	5	5
II. COST OVERBURDENED HOUSEHOLDS						
2013 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	214	53	45	42	58	46
(X) SHARE OF RENT OVERBURDENED HOUSEHOLDS IN 2000	51.2%	39.6%	26.3%	24.1%	17.6%	10.9%
(=) ESTIMATED NUMBER OF RENT OVERBURDENED HOUSEHOLDS IN 2013	110	21	12	10	10	5
III. OVERCROWDED HOUSEHOLDS						
2013 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	214	53	45	42	58	46
(X) SHARE OF OVERCROWDED HOUSEHOLDS IN 2000	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%
(=) ESTIMATED NUMBER OF OVERCROWDED HOUSEHOLDS IN 2013	34	9	7	7	9	7
IV. SUBSTANDARD HOUSING						
2013 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	214	53	45	42	58	46
(X) SHARE OF SUBSTANDARD HOUSING UNITS IN 2000	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%
(=) ESTIMATED NUMBER OF SUBSTANDARD HOUSEHOLDS IN 2013	1	0	0	0	0	0
V. SENIOR HOMEOWNER CONVERSION						
2013 INCOME-QUALIFIED OWNER HOUSEHOLDS (OCCUPIED UNITS)	192	109	111	106	160	168
(X) SHARE OF SENIORS OWNERS CONVERTING TO RENTERS	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%
(=) TOTAL SENIORS OWNERS CONVERTING TO RENTERS IN 2013	3	2	2	1	2	2
VI. PLANNED DEVELOPMENT						
(-) NUMBER OF COMPARABLE UNITS PLANNED FOR THE MARKET	0	0	0	0	0	0
VII. TOTAL NET DEMAND	151	37	27	24	27	20

DEMAND - TRADITIONAL TRANSITORY PATTERNS						
I. GROWTH DEMAND HOUSEHOLD-BASED:	0% - 30% (\$0-\$10,470)	31% - 40% (\$9,150-\$13,960)	41% - 50% (\$12,200-\$17,450)	51% - 60% (\$15,250-\$20,940)	61% - 80% (\$18,300-\$27,920)	81% - 100% (\$24,400-\$34,900)
NEW INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH (2008 TO 2013)	3	6	6	5	5	5
II. HOUSEHOLD TURNOVER						
2013 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	214	53	45	42	58	46
(X) SHARE OF ANNUAL TURNOVER	62.9%	62.9%	62.9%	62.9%	62.9%	62.9%
(=) ESTIMATED NUMBER OF RENTER HOUSEHOLDS FROM TURNOVER 2013	135	33	28	26	36	29
III. SENIOR HOMEOWNER CONVERSION						
2013 INCOME-QUALIFIED OWNER HOUSEHOLDS (OCCUPIED UNITS)	192	109	111	106	160	168
(X) SHARE OF SENIORS OWNERS CONVERTING TO RENTERS	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%
(=) TOTAL SENIORS OWNERS CONVERTING TO RENTERS IN 2013	3	2	2	1	2	2
IV. PLANNED DEVELOPMENT						
(-) NUMBER OF COMPARABLE UNITS PLANNED FOR THE MARKET	0	0	0	0	0	0
V. TOTAL NET DEMAND	140	41	36	33	44	36

**CASTRO COUNTY
2008 SENIOR DEMAND ESTIMATES**

I. GROWTH DEMAND HOUSEHOLD-BASED:						
	0% - 30% (\$0-\$10,470)	31% - 40% (\$9,150-\$13,960)	41% - 50% (\$12,200-\$17,450)	51% - 60% (\$15,250-\$20,940)	61% - 80% (\$18,300-\$27,920)	81% - 100% (\$24,400-\$34,900)
2000 TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS	58	38	13	11	18	6
2008 TOTAL ESTIMATED INCOME-QUALIFIED RENTER HOUSEHOLDS	61	14	11	10	9	11
NEW INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH (2000 TO 2008)	3	-24	-2	-1	-9	5
II. COST OVERBURDENED HOUSEHOLDS						
2008 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	61	14	11	10	9	11
(X) SHARE OF RENT OVERBURDENED HOUSEHOLDS IN 2000	48.1%	36.4%	22.3%	17.4%	9.5%	0.6%
(=) ESTIMATED NUMBER OF RENT OVERBURDENED HOUSEHOLDS IN 2008	29	5	2	2	1	0
III. OVERCROWDED HOUSEHOLDS						
2008 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	61	14	11	10	9	11
(X) SHARE OF OVERCROWDED HOUSEHOLDS IN 2000	16.9%	16.9%	16.9%	16.9%	16.9%	16.9%
(=) ESTIMATED NUMBER OF OVERCROWDED HOUSEHOLDS IN 2008	10	2	2	2	2	2
IV. SUBSTANDARD HOUSING						
2008 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	61	14	11	10	9	11
(X) SHARE OF SUBSTANDARD HOUSING UNITS IN 2000	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%
(=) ESTIMATED NUMBER OF SUBSTANDARD HOUSEHOLDS IN 2008	1	0	0	0	0	0
V. SENIOR HOMEOWNER CONVERSION						
2008 INCOME-QUALIFIED OWNER HOUSEHOLDS (OCCUPIED UNITS)	77	27	27	28	70	67
(X) SHARE OF SENIORS OWNERS CONVERTING TO RENTERS	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%
(=) TOTAL SENIORS OWNERS CONVERTING TO RENTERS	1	0	0	0	1	1
VI. EXISTING COMPARABLE SUPPLY						
(-) NUMBER OF COMPARABLE UNITS BUILT SINCE 2000	0	0	0	0	0	0
VII. TOTAL NET DEMAND	45	-16	3	3	-5	8

DEMAND - STRICT NEED DEMAND

I. GROWTH DEMAND HOUSEHOLD-BASED:						
	0% - 30% (\$0-\$10,470)	31% - 40% (\$9,150-\$13,960)	41% - 50% (\$12,200-\$17,450)	51% - 60% (\$15,250-\$20,940)	61% - 80% (\$18,300-\$27,920)	81% - 100% (\$24,400-\$34,900)
NEW INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH (2000 TO 2008)	3	-24	-2	-1	-9	5
II. HOUSEHOLD TURNOVER						
2008 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	61	14	11	10	9	11
(X) SHARE OF ANNUAL TURNOVER	62.9%	62.9%	62.9%	62.9%	62.9%	62.9%
(=) ESTIMATED NUMBER OF RENTER HOUSEHOLDS FROM TURNOVER 2008	38	9	7	6	6	7
III. SENIOR HOMEOWNER CONVERSION						
2008 INCOME-QUALIFIED OWNER HOUSEHOLDS (OCCUPIED UNITS)	77	27	27	28	70	67
(X) SHARE OF SENIORS OWNERS CONVERTING TO RENTERS	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%
(=) TOTAL SENIORS OWNERS CONVERTING TO RENTERS	1	0	0	0	1	1
IV. EXISTING COMPARABLE SUPPLY						
(-) NUMBER OF COMPARABLE UNITS BUILT SINCE 2000	0	0	0	0	0	0
V. TOTAL NET DEMAND	42	-15	5	6	-2	13

DEMAND - TRADITIONAL TRANSITORY PATTERNS

**CASTRO COUNTY
2013 SENIOR DEMAND ESTIMATES**

DEMAND - STRICT NEED DEMAND						
I. GROWTH DEMAND HOUSEHOLD-BASED:	0% - 30% (\$0-\$10,470)	31% - 40% (\$9,150-\$13,960)	41% - 50% (\$12,200-\$17,450)	51% - 60% (\$15,250-\$20,940)	61% - 80% (\$18,300-\$27,920)	81% - 100% (\$24,400-\$34,900)
2008 TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS	61	14	11	10	9	11
2013 TOTAL ESTIMATED INCOME-QUALIFIED RENTER HOUSEHOLDS	56	12	10	10	11	13
NEW INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH (2008 TO 2013)	-5	-2	-1	0	2	2
II. COST OVERBURDENED HOUSEHOLDS						
2013 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	56	12	10	10	11	13
(X) SHARE OF RENT OVERBURDENED HOUSEHOLDS IN 2000	48.1%	36.4%	22.3%	17.4%	9.5%	0.6%
(=) ESTIMATED NUMBER OF RENT OVERBURDENED HOUSEHOLDS IN 2013	27	4	2	2	1	0
III. OVERCROWDED HOUSEHOLDS						
2013 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	56	12	10	10	11	13
(X) SHARE OF OVERCROWDED HOUSEHOLDS IN 2000	16.9%	16.9%	16.9%	16.9%	16.9%	16.9%
(=) ESTIMATED NUMBER OF OVERCROWDED HOUSEHOLDS IN 2013	9	2	2	2	2	2
IV. SUBSTANDARD HOUSING						
2013 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	56	12	10	10	11	13
(X) SHARE OF SUBSTANDARD HOUSING UNITS IN 2000	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%
(=) ESTIMATED NUMBER OF SUBSTANDARD HOUSEHOLDS IN 2013	1	0	0	0	0	0
V. SENIOR HOMEOWNER CONVERSION						
2013 INCOME-QUALIFIED OWNER HOUSEHOLDS (OCCUPIED UNITS)	62	23	22	23	56	61
(X) SHARE OF SENIORS OWNERS CONVERTING TO RENTERS	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%
(=) TOTAL SENIORS OWNERS CONVERTING TO RENTERS IN 2013	1	0	0	0	1	1
VI. PLANNED DEVELOPMENT						
(-) NUMBER OF COMPARABLE UNITS PLANNED FOR THE MARKET	0	0	0	0	0	0
VII. TOTAL NET DEMAND	33	5	3	4	6	5

DEMAND - TRADITIONAL TRANSITORY PATTERNS						
I. GROWTH DEMAND HOUSEHOLD-BASED:	0% - 30% (\$0-\$10,470)	31% - 40% (\$9,150-\$13,960)	41% - 50% (\$12,200-\$17,450)	51% - 60% (\$15,250-\$20,940)	61% - 80% (\$18,300-\$27,920)	81% - 100% (\$24,400-\$34,900)
NEW INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH (2008 TO 2013)	-5	-2	-1	0	2	2
II. HOUSEHOLD TURNOVER						
2013 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	56	12	10	10	11	13
(X) SHARE OF ANNUAL TURNOVER	62.9%	62.9%	62.9%	62.9%	62.9%	62.9%
(=) ESTIMATED NUMBER OF RENTER HOUSEHOLDS FROM TURNOVER 2013	35	8	6	6	7	8
III. SENIOR HOMEOWNER CONVERSION						
2013 INCOME-QUALIFIED OWNER HOUSEHOLDS (OCCUPIED UNITS)	62	23	22	23	56	61
(X) SHARE OF SENIORS OWNERS CONVERTING TO RENTERS	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%
(=) TOTAL SENIORS OWNERS CONVERTING TO RENTERS IN 2013	1	0	0	0	1	1
IV. PLANNED DEVELOPMENT						
(-) NUMBER OF COMPARABLE UNITS PLANNED FOR THE MARKET	0	0	0	0	0	0
V. TOTAL NET DEMAND	31	6	6	7	10	11

**PARMER COUNTY
2008 SENIOR DEMAND ESTIMATES**

I. GROWTH DEMAND HOUSEHOLD-BASED:						
	0% - 30% (\$0-\$10,470)	31% - 40% (\$9,150-\$13,960)	41% - 50% (\$12,200-\$17,450)	51% - 60% (\$15,250-\$20,940)	61% - 80% (\$18,300-\$27,920)	81% - 100% (\$24,400-\$34,900)
2000 TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS	47	16	7	6	17	15
2008 TOTAL ESTIMATED INCOME-QUALIFIED RENTER HOUSEHOLDS	56	13	9	10	22	9
NEW INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH (2000 TO 2008)	9	-3	2	4	5	-6
II. COST OVERBURDENED HOUSEHOLDS						
2008 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	56	13	9	10	22	9
(X) SHARE OF RENT OVERBURDENED HOUSEHOLDS IN 2000	69.2%	52.6%	29.0%	26.7%	12.3%	5.8%
(=) ESTIMATED NUMBER OF RENT OVERBURDENED HOUSEHOLDS IN 2008	39	7	3	3	3	1
III. OVERCROWDED HOUSEHOLDS						
2008 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	56	13	9	10	22	9
(X) SHARE OF OVERCROWDED HOUSEHOLDS IN 2000	14.1%	14.1%	14.1%	14.1%	14.1%	14.1%
(=) ESTIMATED NUMBER OF OVERCROWDED HOUSEHOLDS IN 2008	8	2	1	1	3	1
IV. SUBSTANDARD HOUSING						
2008 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	56	13	9	10	22	9
(X) SHARE OF SUBSTANDARD HOUSING UNITS IN 2000	14.1%	14.1%	14.1%	14.1%	14.1%	14.1%
(=) ESTIMATED NUMBER OF SUBSTANDARD HOUSEHOLDS IN 2008	8	2	1	1	3	1
V. SENIOR HOMEOWNER CONVERSION						
2008 INCOME-QUALIFIED OWNER HOUSEHOLDS (OCCUPIED UNITS)	121	59	62	68	115	95
(X) SHARE OF SENIORS OWNERS CONVERTING TO RENTERS	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%
(=) TOTAL SENIORS OWNERS CONVERTING TO RENTERS	2	1	1	1	2	1
VI. EXISTING COMPARABLE SUPPLY						
(-) NUMBER OF COMPARABLE UNITS BUILT SINCE 2000	0	0	0	0	0	0
VII. TOTAL NET DEMAND	59	7	7	9	13	-3

DEMAND - STRICT NEED DEMAND

I. GROWTH DEMAND HOUSEHOLD-BASED:						
	0% - 30% (\$0-\$10,470)	31% - 40% (\$9,150-\$13,960)	41% - 50% (\$12,200-\$17,450)	51% - 60% (\$15,250-\$20,940)	61% - 80% (\$18,300-\$27,920)	81% - 100% (\$24,400-\$34,900)
NEW INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH (2000 TO 2008)	9	-3	2	4	5	-6
II. HOUSEHOLD TURNOVER						
2008 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	56	13	9	10	22	9
(X) SHARE OF ANNUAL TURNOVER	62.9%	62.9%	62.9%	62.9%	62.9%	62.9%
(=) ESTIMATED NUMBER OF RENTER HOUSEHOLDS FROM TURNOVER 2008	35	8	6	6	14	6
III. SENIOR HOMEOWNER CONVERSION						
2008 INCOME-QUALIFIED OWNER HOUSEHOLDS (OCCUPIED UNITS)	121	59	62	68	115	95
(X) SHARE OF SENIORS OWNERS CONVERTING TO RENTERS	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%
(=) TOTAL SENIORS OWNERS CONVERTING TO RENTERS	2	1	1	1	2	1
IV. EXISTING COMPARABLE SUPPLY						
(-) NUMBER OF COMPARABLE UNITS BUILT SINCE 2000	0	0	0	0	0	0
V. TOTAL NET DEMAND	46	6	9	11	20	1

DEMAND - TRADITIONAL TRANSITORY PATTERNS

**PARMER COUNTY
2013 SENIOR DEMAND ESTIMATES**

DEMAND - STRICT NEED DEMAND						
I. GROWTH DEMAND HOUSEHOLD-BASED:	0% - 30% (\$0-\$10,470)	31% - 40% (\$9,150-\$13,960)	41% - 50% (\$12,200-\$17,450)	51% - 60% (\$15,250-\$20,940)	61% - 80% (\$18,300-\$27,920)	81% - 100% (\$24,400-\$34,900)
2008 TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS	56	13	9	10	22	9
2013 TOTAL ESTIMATED INCOME-QUALIFIED RENTER HOUSEHOLDS	59	13	10	12	25	13
NEW INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH (2008 TO 2013)	3	0	1	2	3	4
II. COST OVERBURDENED HOUSEHOLDS						
2013 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	59	13	10	12	25	13
(X) SHARE OF RENT OVERBURDENED HOUSEHOLDS IN 2000	69.2%	52.6%	29.0%	26.7%	12.3%	5.8%
(=) ESTIMATED NUMBER OF RENT OVERBURDENED HOUSEHOLDS IN 2013	41	7	3	3	3	1
III. OVERCROWDED HOUSEHOLDS						
2013 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	59	13	10	12	25	13
(X) SHARE OF OVERCROWDED HOUSEHOLDS IN 2000	14.1%	14.1%	14.1%	14.1%	14.1%	14.1%
(=) ESTIMATED NUMBER OF OVERCROWDED HOUSEHOLDS IN 2013	8	2	1	2	4	2
IV. SUBSTANDARD HOUSING						
2013 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	59	13	10	12	25	13
(X) SHARE OF SUBSTANDARD HOUSING UNITS IN 2000	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%
(=) ESTIMATED NUMBER OF SUBSTANDARD HOUSEHOLDS IN 2013	1	0	0	0	1	0
V. SENIOR HOMEOWNER CONVERSION						
2013 INCOME-QUALIFIED OWNER HOUSEHOLDS (OCCUPIED UNITS)	111	55	57	65	118	94
(X) SHARE OF SENIORS OWNERS CONVERTING TO RENTERS	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%
(=) TOTAL SENIORS OWNERS CONVERTING TO RENTERS IN 2013	2	1	1	1	2	1
VI. PLANNED DEVELOPMENT						
(-) NUMBER OF COMPARABLE UNITS PLANNED FOR THE MARKET	0	0	0	0	0	0
VII. TOTAL NET DEMAND	55	10	6	8	12	8

DEMAND - TRADITIONAL TRANSITORY PATTERNS						
I. GROWTH DEMAND HOUSEHOLD-BASED:	0% - 30% (\$0-\$10,470)	31% - 40% (\$9,150-\$13,960)	41% - 50% (\$12,200-\$17,450)	51% - 60% (\$15,250-\$20,940)	61% - 80% (\$18,300-\$27,920)	81% - 100% (\$24,400-\$34,900)
NEW INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH (2008 TO 2013)	3	0	1	2	3	4
II. HOUSEHOLD TURNOVER						
2013 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	59	13	10	12	25	13
(X) SHARE OF ANNUAL TURNOVER	62.9%	62.9%	62.9%	62.9%	62.9%	62.9%
(=) ESTIMATED NUMBER OF RENTER HOUSEHOLDS FROM TURNOVER 2013	37	8	6	8	16	8
III. SENIOR HOMEOWNER CONVERSION						
2013 INCOME-QUALIFIED OWNER HOUSEHOLDS (OCCUPIED UNITS)	111	55	57	65	118	94
(X) SHARE OF SENIORS OWNERS CONVERTING TO RENTERS	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%
(=) TOTAL SENIORS OWNERS CONVERTING TO RENTERS IN 2013	2	1	1	1	2	1
IV. PLANNED DEVELOPMENT						
(-) NUMBER OF COMPARABLE UNITS PLANNED FOR THE MARKET	0	0	0	0	0	0
V. TOTAL NET DEMAND	42	9	8	10	20	13

C. DEMAND SUMMARY

The table below summarizes the preceding demand calculations. We have summarized demand into three categories: below 40% of AMHI; between 41% and 60% of AMHI; and between 61% and 100% of AMHI. Note that although most government-subsidized units actually target households with incomes up to 50% of AMHI and Tax Credit units often target households with incomes as low as 30% of AMHI, we used the income levels that are typical for specific program occupants. Typically, households with incomes below 40% of AMHI reside in government-subsidized units, while those with incomes between 41% and 60% typically reside in Tax Credit units, and households with incomes between 61% and 100% of AMHI often reside in non-income-restricted market-rate units. Although exceptions can certainly occur, this summary is considered the most likely illustration of potential demand for each of the three subject counties (both the *Strict Need Demand* and *Traditional Transitory Demand* model estimates are shown).

DEAF SMITH COUNTY OVERALL DEMAND SUMMARY (STRICT AND TRANSITORY DEMAND MODELS)				
GENERAL OCCUPANCY	2008		2013	
	STRICT	TRANSITORY	STRICT	TRANSITORY
TOTAL NET DEMAND FOR UNITS 0%-40% AMHI	457	411	389	402
TOTAL NET DEMAND FOR UNITS 41%-60% AMHI	92	92	118	185
TOTAL NET DEMAND FOR UNITS 61%-100% AMHI	107	301	147	301
SENIOR HOUSING				
TOTAL NET DEMAND FOR AGE-RESTRICTED (55+) UNITS (0%-40% AMHI)	203	196	188	181
TOTAL NET DEMAND FOR AGE-RESTRICTED (55+) UNITS (41%-60% AMHI)	59	75	51	69
TOTAL NET DEMAND FOR AGE-RESTRICTED (55+) UNITS (61%-100% AMHI)	42	71	47	80

CASTRO COUNTY OVERALL DEMAND SUMMARY (STRICT AND TRANSITORY DEMAND MODELS)				
GENERAL OCCUPANCY	2008		2013	
	STRICT	TRANSITORY	STRICT	TRANSITORY
TOTAL NET DEMAND FOR UNITS 0%-40% AMHI	85	97	82	106
TOTAL NET DEMAND FOR UNITS 41%-60% AMHI	-12	51	13	49
TOTAL NET DEMAND FOR UNITS 61%-100% AMHI	12	96	16	86
SENIOR HOUSING				
TOTAL NET DEMAND FOR AGE-RESTRICTED (55+) UNITS (0%-40% AMHI)	26	27	38	37
TOTAL NET DEMAND FOR AGE-RESTRICTED (55+) UNITS (41%-60% AMHI)	6	11	7	13
TOTAL NET DEMAND FOR AGE-RESTRICTED (55+) UNITS (61%-100% AMHI)	3	11	11	21

PARMER COUNTY DEMAND OVERALL SUMMARY (STRICT AND TRANSITORY DEMAND MODELS)				
GENERAL OCCUPANCY	2008		2013	
	STRICT	TRANSITORY	STRICT	TRANSITORY
TOTAL NET DEMAND FOR UNITS 0%-40% AMHI	216	160	188	153
TOTAL NET DEMAND FOR UNITS 41%-60% AMHI	89	91	39	81
TOTAL NET DEMAND FOR UNITS 61%-100% AMHI	3	137	40	129
SENIOR HOUSING				
TOTAL NET DEMAND FOR AGE-RESTRICTED (55+) UNITS (0%-40% AMHI)	66	52	65	51
TOTAL NET DEMAND FOR AGE-RESTRICTED (55+) UNITS (41%-60% AMHI)	16	20	14	18
TOTAL NET DEMAND FOR AGE-RESTRICTED (55+) UNITS (61%-100% AMHI)	10	21	20	33

The preceding tables illustrate the overall potential demand for each of the subject counties. It is important to be aware that the Strict Need Demand focuses on support from renter household growth, rent overburdened households, overcrowded households and substandard households (note: senior demand also include homeowner conversions). Based on this methodology in the subject counties, most of the demand will originate from rent overburdened households and those living in overcrowded housing. Minimal support is expected to originate from new renter household growth (some segments may actually decline) and households living in substandard housing units. These factors primarily indicate that these markets require more affordable housing units (responding to the need of rent overburdened households) and larger units or units with more bedrooms (responding to the need of overcrowded housing).

Demand based on the Traditional Transitory Demand model focuses on renter household growth and turnover from existing renters. As stated in the preceding paragraph, minimal support is expected to originate in any of the subject counties from new renter household growth. However, there is potential support for new renter housing that may originate from renter turnover. It is critical to understand, however, turnover is not necessarily a good measure of demand, as it only indicates movership within a market. Simply put, it evaluates households that will potentially be looking for new housing in the market, but may not be seeking or represent support for new rental development. Therefore, demand using turnover may overstate support.

Regardless of the total demand shown in either of these demand models, we anticipate that any new product will only be able to capture only a portion of the overall potential demand. Based on our experience in using and evaluating these demand models in various markets and states around the United States, it is anticipated that any new project can capture no more than 25% of very low-income units (typically government-subsidized) in any given county. For all other types of housing, we have estimated a 10% capture rate of the total demand in a given county. In fact, the ability of a project to draw support from an entire county may be limited, and at the very least will be determined by numerous factors such as design type (garden vs. townhouse), unit mix and bedroom types, amenities, rents, targeted AMHI, targeted household type (senior vs. family) and location (proximity to community services, employment opportunities, visibility, access, and surrounding land uses). Other factors that will also contribute to a project's ability to draw support from a market will be the existing supply as well as any planned rental projects in the market, and the economic and demographic trends and characteristics of the market. As such, our demand projections assume that any new project will be well-designed, offer competitive rents and features, be within a good location and will ultimately have the ability to draw from the entire county in which it is located.

The following table summarizes the potential number of units that can be supported within a single project in each of the subject markets, assuming a project can capture 25% or 10% of the anticipated demand.

DEAF SMITH COUNTY PROJECT SPECIFIC DEMAND SUMMARY (STRICT AND TRANSITORY DEMAND MODELS)				
GENERAL OCCUPANCY	2008		2013	
	STRICT	TRANSITORY	STRICT	TRANSITORY
TOTAL NET DEMAND FOR UNITS 0%-40% AMHI	114	103	97	101
TOTAL NET DEMAND FOR UNITS 41%-60% AMHI	9	9	12	19
TOTAL NET DEMAND FOR UNITS 61%-100% AMHI	11	30	15	30
SENIOR HOUSING				
TOTAL NET DEMAND FOR AGE-RESTRICTED (55+) UNITS (0%-40% AMHI)	51	49	47	75
TOTAL NET DEMAND FOR AGE-RESTRICTED (55+) UNITS (41%-60% AMHI)	6	8	5	7
TOTAL NET DEMAND FOR AGE-RESTRICTED (55+) UNITS (61%-100% AMHI)	4	7	5	8

CASTRO COUNTY PROJECT SPECIFIC DEMAND SUMMARY (STRICT AND TRANSITORY DEMAND MODELS)				
GENERAL OCCUPANCY	2008		2013	
	STRICT	TRANSITORY	STRICT	TRANSITORY
TOTAL NET DEMAND FOR UNITS 0%-40% AMHI	21	24	21	27
TOTAL NET DEMAND FOR UNITS 41%-60% AMHI	0	5	1	5
TOTAL NET DEMAND FOR UNITS 61%-100% AMHI	1	10	2	9
SENIOR HOUSING				
TOTAL NET DEMAND FOR AGE-RESTRICTED (55+) UNITS (0%-40% AMHI)	7	7	10	9
TOTAL NET DEMAND FOR AGE-RESTRICTED (55+) UNITS (41%-60% AMHI)	1	1	1	1
TOTAL NET DEMAND FOR AGE-RESTRICTED (55+) UNITS (61%-100% AMHI)	1	1	1	2

PARMER COUNTY PROJECT SPECIFIC DEMAND SUMMARY (STRICT AND TRANSITORY DEMAND MODELS)				
GENERAL OCCUPANCY	2008		2013	
	STRICT	TRANSITORY	STRICT	TRANSITORY
TOTAL NET DEMAND FOR UNITS 0%-40% AMHI	54	40	47	38
TOTAL NET DEMAND FOR UNITS 41%-60% AMHI	9	10	4	8
TOTAL NET DEMAND FOR UNITS 61%-100% AMHI	1	14	4	13
SENIOR HOUSING				
TOTAL NET DEMAND FOR AGE-RESTRICTED (55+) UNITS (0%-40% AMHI)	17	13	16	13
TOTAL NET DEMAND FOR AGE-RESTRICTED (55+) UNITS (41%-60% AMHI)	2	2	1	2
TOTAL NET DEMAND FOR AGE-RESTRICTED (55+) UNITS (61%-100% AMHI)	1	2	2	3

Regardless of the demand model used, most of the potential support for new product is in Deaf Smith County, where as many as 114 general occupancy units targeted to households with incomes under 40% of AMHI may be currently supported. Up to 51 age-restricted units could potentially be supported in Deaf Smith County. It is important to reiterate that many factors contribute to a project's ability to capture market support. Well-designed projects with marketable features, location, and rents could potentially capture a greater share than the 25% or 10% we used in this analysis. Conversely, while our estimates show that as many as 114 general occupancy units targeted to households with incomes of up to 40% of AMHI could be supported in Deaf Smith County, a poorly designed project, with inferior amenities and low quality, and disproportionately high rents may have difficulty capturing 25% or 10% of the market. Therefore, great planning and additional research should be conducted for each project being considered for development in each subject market.

The demand estimates on the preceding page also indicate that there is minimal support for additional low-income units in Castro and Parmer Counties, particularly senior units. While there are many rent overburdened and overcrowded households in these counties, any new product developed in this market may have difficulty attracting enough support. In the event that a well-designed and affordable project was built in either of these counties, it is anticipated that since most of its support would have to originate from existing rentals in the market, some existing projects may be adversely impacted and lease-up for the subject project(s) may be slower than typical. At this time, it appears that only a mixed income range project (0% to 60% of AMHI) targeting both seniors and families would be most beneficial.

It is recommended that a full site-specific market feasibility study be conducted for any rental project that is being considered for development in any of the three subject counties.

D. SPECIAL NEEDS HOUSEHOLDS

Persons with special needs, as defined by HUD, include persons with disabilities, persons with HIV/AIDS, elderly persons, frail elderly persons, persons with alcohol and/or drug addictions, victims of domestic violence, and public housing residents.

Demand from elderly households was described in the previous section. Information on persons with HIV/AIDS, alcohol and/or drug addictions, and victims of domestic violence is typically difficult to obtain and persons with such afflictions are often served and temporarily housed by or through a supportive service organization. Census data is available to estimate the number of persons with other types of disabilities. Based on 2000 Census data, it is estimated those (non-institutionalized) persons age 16+ with a sensory or physical disability within the Deaf Smith County, Castro County and Parmer County are as follows:

	PERSONS WITH DISABILITIES					
	DEAF SMITH COUNTY		CASTRO COUNTY		PARMER COUNTY	
	NUMBER	SHARE	NUMBER	SHARE	NUMBER	SHARE
SENSORY DISABILITY (BLINDNESS, DEAFNESS, VISION OR HEARING)	691	32.0%	223	30.1%	369	37.0%
PHYSICAL DISABILITY	1,466	68.0%	518	69.9%	628	63.0%
TOTAL PERSONS WITH DISABILITIES	2,157	100.0%	741	100.0%	997	100.0%

Source: 2000 Census; ESRI; VWB Research

Note there may be some overlap in the above categories of disability, causing the total number to appear higher. We have not included mentally disabled residents since this group does not require a specific housing product.

According to the 2000 Census, there are 2,157 persons in Deaf Smith County, 741 persons in Castro County, and 997 persons in Parmer County aged 16 and older with either a sensory or physical disability. It is reasonable to assume caregivers and/or family members are providing services to many of these people and are therefore not in one-person households. According to ESRI, approximately 30.8% of all occupied housing units in Deaf Smith County are renter-occupied, while 27.4% in Castro County and 26.2% in Parmer County are renter occupied. Applying these shares of renter households to the number of persons with disabilities results in approximately 664 persons with disabilities living in renter-occupied households in Deaf Smith County, 203 persons with disabilities living in renter-occupied households in Castro County, and 261 persons living with disabilities in renter-occupied households in Parmer County.

Based on the preceding analysis, in 2008, approximately 82.4% of all renter households in Deaf Smith County, 71.2% of all renter households in Castro County, and 80.0% of all renter households in Parmer County are income-qualified (incomes between 0% and 100% AMHI) renter households. Applying these shares to the number of persons with disabilities living in renter households results in 547 income-qualified persons with a disability living in a renter-occupied household in Deaf Smith County, 145 in Castro County, and 209 in Parmer County. This analysis is summarized below:

	DEAF SMITH COUNTY	CASTRO COUNTY	PARMER COUNTY
TOTAL PERSONS WITH DISABILITIES	2,157	741	997
(X) RENTER PERCENTAGE	30.8%	27.4%	26.2%
(=) RENTER HOUSEHOLDS WITH DISABLED RESIDENT	664	203	261
(X) BASELINE TARGETED INCOME-QUALIFIED RENTER HOUSEHOLDS (%)	82.4%	71.2%	80.0%
(=) TOTAL INCOME-QUALIFIED RENTERS WITH DISABILITIES	547	145	209

DEAF SMITH COUNTY						
APPROPRIATE INCOME RANGE BY TARGETED AMHI	0% - 30%	31% - 40%	41% - 50%	51% - 60%	61% - 80%	81% - 100%
% BASELINE TARGETED INCOME-QUALIFIED RENTER HOUSEHOLDS	36.7%	9.4%	10.1%	10.5%	19.1%	14.3%
X DISABLED RENTER HOUSEHOLDS	547	547	547	547	547	547
TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS WITH DISABLED RESIDENT	201	51	55	57	104	78

CASTRO COUNTY						
APPROPRIATE INCOME RANGE BY TARGETED AMHI	0% - 30%	31% - 40%	41% - 50%	51% - 60%	61% - 80%	81% - 100%
% BASELINE TARGETED INCOME-QUALIFIED RENTER HOUSEHOLDS	31.1%	12.7%	11.4%	10.2%	16.8%	17.7%
X DISABLED RENTER HOUSEHOLDS	145	145	145	145	145	145
TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS WITH DISABLED RESIDENT	45	18	16	15	24	26

PARMER COUNTY						
APPROPRIATE INCOME RANGE BY TARGETED AMHI	0% - 30%	31% - 40%	41% - 50%	51% - 60%	61% - 80%	81% - 100%
% BASELINE TARGETED INCOME-QUALIFIED RENTER HOUSEHOLDS	31.6%	9.6%	10.9%	12.6%	21.7%	13.6%
X DISABLED RENTER HOUSEHOLDS	209	209	209	209	209	209
TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS WITH DISABLED RESIDENT	66	20	23	26	45	28

The above analysis assumes persons with disabilities have incomes reflective of the general population. In reality, it is more likely persons with disabilities will have lower incomes than the general population; therefore, the above analysis understates the housing required to serve this component at lower incomes. If units were developed to 100% of the above level, a large number of vacancies would occur in the market since so many people are cared for in conventional units.

We recommend a site-specific development target no more than 2% to 5% of total demand for special needs households. Due to the limitations of accurate information available pertaining to special needs households, we strongly recommend any planned project involve extensive interviews with appropriate local service providers, caregivers, medical facilities, etc., to help determine the demand of special needs households within that market and the type or characteristics of the housing required.

E. FARMWORKER HOUSING DEMAND

Rural Development defines a farm worker household as a “household of one or more persons wherein at least one member of the household is a farm worker.” “Farm worker” is defined by Rural Development as any laborer who is employed on a seasonal, temporary, or permanent basis in the planting, cultivating, harvesting or processing of agricultural or aquacultural products and who has derived at least 50% of his or her income in the immediately preceding 12 calendar months from such employment.

The methodology used by VWB Research to estimate support for rental housing units specified for farm workers is based on analyses of data provided by the 2002 Census of Agriculture and the 2001-2002 National Agriculture Workers Survey (NAWS) conducted by the U.S. Bureau of Labor Statistics.

According to the 2002 (most recent) Agriculture Census, the number of farms in Deaf Smith County, Castro County and Parmer County decreased between 1997 and 2002. However, given the lack of housing for farmworkers, local representatives stated that there has historically been a lack of affordable housing prior to 2000.

The following table illustrates the number of hired farm labor farms and workers for each county.

COUNTY	HIRED FARM LABOR FARMS	HIRED FARMWORKERS (FARMS WITH \$1,000+ PAYROLL)		
		TOTAL	150 DAYS OR MORE	LESS THAN 150 DAYS
DEAF SMITH	226	1,072	619	453
CASTRO	251	1,393	520	873
PARMER	261	1,662	635	1,027

Source: USDA National Agriculture Statistics Service (NASS) 2002 Census of Agriculture

Although Deaf Smith County has the largest population, it has the fewest number of hired farm labor farms and farmworkers among the three subject counties. In addition, the hired farmworkers in Deaf Smith County are predominately those working 150 days or more per year. Conversely, the majority of hired farmworkers in Castro County and Parmer County work less than 150 days per year, indicating more migrant workers. This indicates potential need for migrant farmworker housing.

Based on the National Agricultural Workers Study (NAWS) completed in 1998 by the U.S. Department of Labor, nearly three-quarters of U.S. farmworkers earned less than \$10,000 per year; three out of five farmworker families had incomes below the poverty level. Therefore, farmworkers often live in overcrowded homes in order to reduce their housing costs. More than half of all farmworkers live in overcrowded housing.

As previously stated in this analysis, there is one rental project (Amistad) in Hereford (Deaf Smith County) targeting farmworkers and two projects (Azteca Apartments I and II) in Dimmitt (Castro County) targeting farmworkers. In addition, in Friona (Parmer County), there is one conventional rental community (Cottonwood Townhomes) that is approximately 50% occupied by farmworkers. Based on national statistics as well as our interviews with local housing and farmworker representatives, it is typical for farmworkers to reside two persons per bedroom. In fact, many of the migrant farmworkers often overcrowd units with more than two persons per bedroom. For the purpose of this analysis, we have assumed two persons per bedroom for each of the aforementioned farmworker apartment complexes.

	AMISTAD 301 S. TEXAS AVE. HEREFORD, TX		AZTECA APARTMENTS I & II 3910 E. JONES ST. DIMMITT, TX		COTTONWOOD TOWNHOMES 1300 WALNUT AVE. FRIONA, TX	
BEDROOMS	UNITS	POTENTIAL FARMWORKERS *	UNITS	POTENTIAL FARMWORKERS *	UNITS	POTENTIAL FARMWORKERS *
ONE-BR.	-	-	-	-	4	8
TWO-BR.	24	96	16	24	10	40
THREE-BR.	20	120	16	96	16	96
FOUR-BR.	6	48	28	224	-	-
TOTAL	50	264	60	344	30	144

*Based on two-persons per bedroom

In Deaf Smith County (Hereford), Amistad has the potential to house approximately 264 farmworkers, while Azteca in Castro County (Dimmitt) has the potential to house approximately 344 farmworkers, and Cottonwood Townhomes in Parmer County (Frona) has the potential to house approximately 144 farmworkers (considering about half of the 60 total units are occupied by farmworkers).

Assuming that the hired farmworkers in each county that work less than 150 days per year reside at the aforementioned conventional apartment projects targeting farmworkers, we estimate a farmworker housing deficit for each county in the following table. It is estimated that farmworkers that work more than 150 days per year, and are not migrant, typically reside in other conventional low-income apartments.

COUNTY	HIRE FARMWORKERS THAT WORK LESS THAN 150 DAYS	MINUS	TOTAL POTENTIAL BEDS OF EXISTING FARMWORKER HOUSING	EQUALS	FARMWORKER BEDS DEFICIT
DEAF SMITH	453	-	264	=	189
CASTRO	873	-	344	=	529
PARMER	1,027	-	144	=	883

As indicated in the preceding table, the largest farmworker housing deficit (based on the number of hired migrant farmworkers and the existing conventional farmworker housing opportunities in each county) is in Parmer County. As illustrated in the table above, Parmer County has the largest migrant farmworker base and the fewest existing beds available in conventional farmworker housing. It is important to note that the farmworker beds deficit is based on the number of beds for each farmworker, rather than the number of potential units of farmworker housing, considering farmworkers often reside in overcrowded housing units, with an average of two persons per bedroom. The number of achievable units would be dependent upon the bedroom-types offered.

Based on our analysis of each of the three subject counties and the farmworker housing characteristics, it appears that due to the increasing dairy industry in the Texas Panhandle, farmworker housing is in increasing demand. Additional farmworker housing can likely be supported in each county. Numerous factors go into the specific achievability of a specific farmworker housing project. For instance, although Deaf Smith County has the fewest number of hired farmworkers (compared to Castro and Parmer Counties), this area may potentially be able to support a large project due to available community services and the fact that farmworkers are accustomed to commuting between counties for employment. The ability of a project to draw support from an entire county or three-county area will be dependent upon design type (garden, townhouse, single-family), unit mix and bedroom types, amenities, rents, targeted AMHI and housing assistance, and location (proximity to community services, visibility, access, and surrounding land uses).

Similar to the achievability of non-farmworker rental housing, it is anticipated that any new farmworker rental project can capture no more than a small share of the total demand (based on deficit) in a given county. While this preceding analysis illustrates the gap between the number of hired migrant farmworkers in each of the three subject counties and the existing conventional rental farmworker housing supply, it does not take into account additional farmworker housing opportunities, such as private single-family rentals, mobile home rentals or motels. Thus, caution must be exercised when determining the market potential of a specific farmworker housing project.

VI. FIELD SURVEY OF CONVENTIONAL RENTALS

DEAF SMITH COUNTY, TEXAS

The following section is a field survey of conventional rental properties. These properties were identified through a variety of sources including area apartment guides, yellow page listings, government agencies, the Chamber of Commerce, and our own field inspection. The intent of this field survey is to evaluate the overall strength of the existing rental market, identify trends that impact future development, and identify those properties that would be considered most comparable to the subject site.

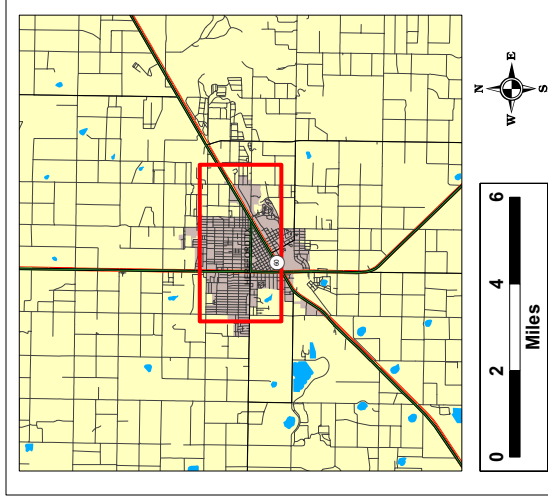
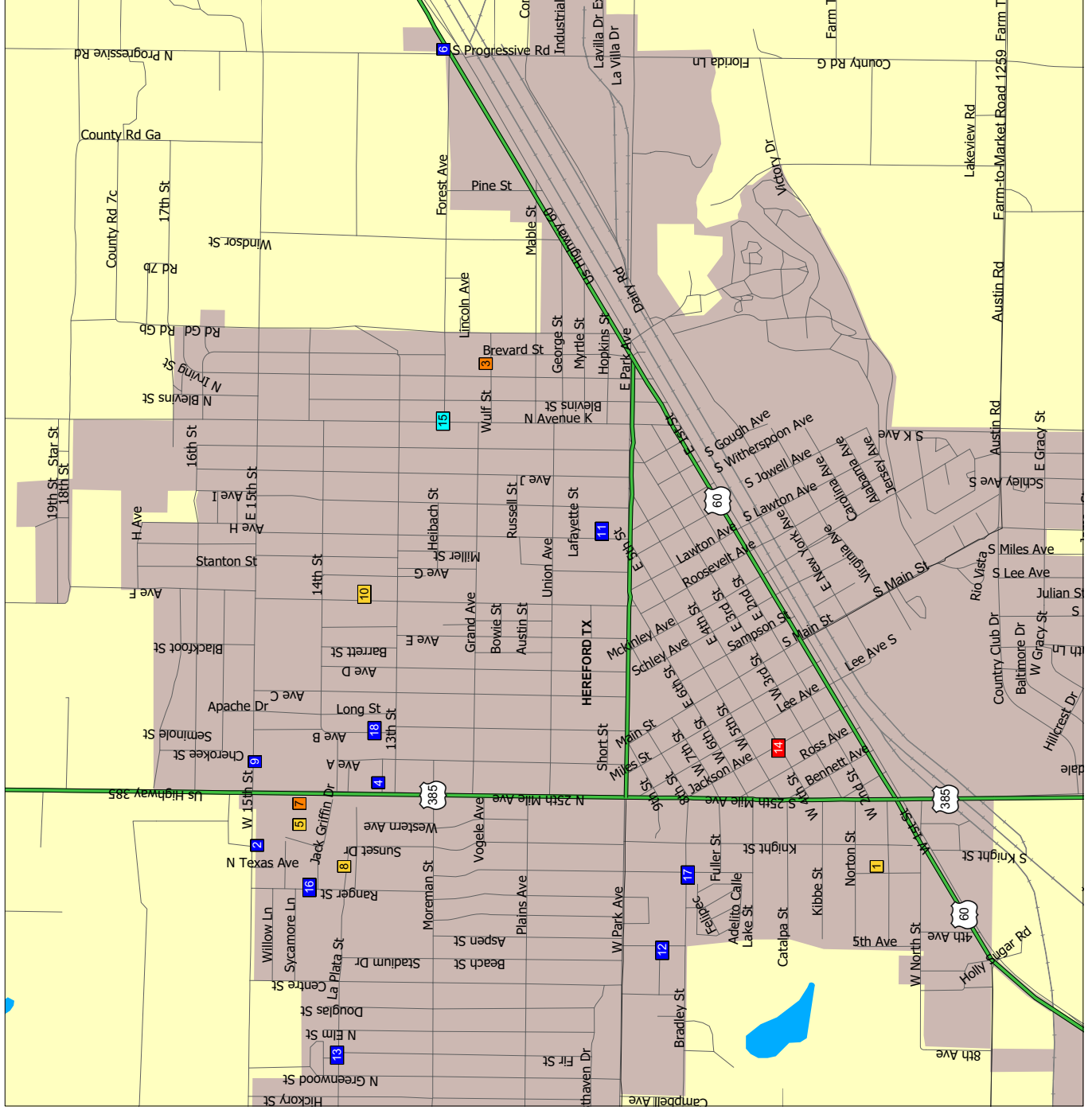
The field survey has been organized by the type of project surveyed. Properties have been color coded to reflect the project type. Projects have been designated as market-rate, Tax Credit, government-subsidized, or a combination of the three project types. The field survey is organized as follows:

- A color-coded map indicating each property surveyed and the project type followed by a list of properties surveyed.
- Properties surveyed by name, address, telephone number, project type, year built or renovated (if applicable), number of floors, total units, occupancy rate, quality rating, rent incentives, and Tax Credit designation. Housing Choice Vouchers and Rental Assistance are also noted here. Note that projects are organized by project type.
- Distribution of non-subsidized and subsidized units and vacancies in properties surveyed.
- Listings for unit and project amenities, parking options, optional charges, utilities (including responsibility), and appliances.
- Collected rent by unit type and bedrooms.
- Unit size by unit type and bedrooms.
- Calculations of rent per square foot (all utilities are adjusted to reflect similar utility responsibility). Data is summarized by unit type.
- An analysis of units, vacancies, and median rent. Where applicable, non-subsidized units are distributed separately.
- An analysis of units added to the area by project construction date and, when applicable, by year of renovation.
- Aggregate data and distributions for all non-subsidized properties are provided for appliances, unit amenities and project amenities.

- A rent distribution is provided for all market-rate and non-subsidized Tax Credit units by unit type. Note that rents are adjusted to reflect common utility responsibility.
- Aggregation of projects by utility responsibility (market-rate and non-subsidized Tax Credit only).
- A utility allowance worksheet.

Note that other than the property listing following the map, data is organized by project types. Market-rate properties (blue designation) are first followed by variations of market-rate and Tax Credit properties. Non-government subsidized Tax Credit properties are red and government-subsidized properties are yellow. See the color codes at the bottom of each page for specific project types.

Deaf Smith County, TX: Apartment Locations



- Interstate Highways
 - US Highways
 - State Highways
 - Govt. Sub.
 - Market Rate
 - Market Rate/Tax Credit
 - Tax Credit
 - Tax Credit/Govt. Sub.
- Miles
 0 .2 .4 .6
 1:22,920

MAP IDENTIFICATION LIST - DEAF SMITH COUNTY, TEXAS

MAP ID	PROJECT NAME	PROJECT TYPE	YEAR BUILT	TOTAL UNITS	VACANT	OCCUPANCY RATE
1	Amistad	GSS	1991	50	0	100%
2	Arbor Glen	MRR	1986	24	1	96%
3	Bluewater Garden	TGS	1972	131	0	100%
4	Boardwalk	MRR	1962	30	12	60%
5	Countryside Village	GSS	1990	28	4	86%
6	Forrest Apts.	MRR	1955	16	0	100%
7	Hereford Senior Community	TGS	1995	28	0	100%
8	La Plata Manor	GSS	1985	28	1	96%
9	Masters Apts.	MRR	1978	20	0	100%
10	Paloma Lane	GSS	1972	44	0	100%
11	California Apts.	MRR	1960	37	0	100%
12	Thunderbird	MRR	1958	16	0	100%
13	Town Square	MRR	1974	17	0	100%
14	Hereford Central Place	TAX	2007	32	1	97%
15	Tierra Blanca	MRT	2007	76	4	95%
16	Royal Copper House	MRR	1980	0	0	U/C
17	Buena Vista Apts.	MRR	1960	41	0	100%
18	Sugarland Quads	MRR	1965	16	0	100%

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE
MRR	10	217	13	94.0%
MRT	1	76	4	94.7%
TAX	1	32	1	96.9%
TGS	2	159	0	100.0%
GSS	4	150	5	96.7%

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

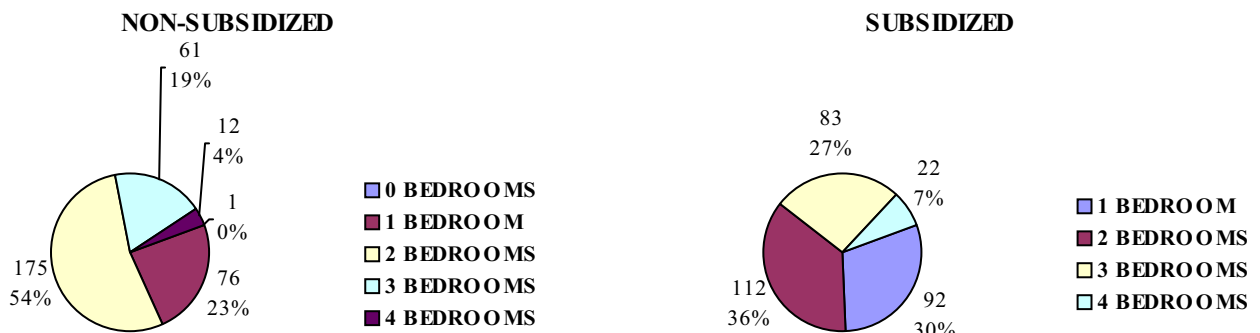
Surveyed - July 2008

VWB
vogtwilliams bowen
RESEARCH

DISTRIBUTION OF UNITS - DEAF SMITH COUNTY, TEXAS

MARKET-RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
0	1	1	0.5%	0	0.0%	\$411
1	1	57	25.9%	7	12.3%	\$530
2	1	109	49.5%	6	5.5%	\$630
2	1.5	16	7.3%	0	0.0%	\$555
2	2	3	1.4%	0	0.0%	\$610
3	1	6	2.7%	0	0.0%	\$460
3	2	16	7.3%	0	0.0%	\$828
4	2	12	5.5%	0	0.0%	\$914
TOTAL		220	100.0%	13	5.9%	
24 UNITS UNDER CONSTRUCTION						
TAX CREDIT, NON-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	19	18.1%	0	0.0%	\$482
2	2	47	44.8%	0	0.0%	\$578
3	2	39	37.1%	5	12.8%	\$668
TOTAL		105	100.0%	5	4.8%	
GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	
1	1	92	29.8%	5	5.4%	N.A.
2	1	112	36.2%	0	0.0%	N.A.
3	1	20	6.5%	0	0.0%	N.A.
3	1.5	63	20.4%	0	0.0%	N.A.
4	1.5	16	5.2%	0	0.0%	N.A.
4	2	6	1.9%	0	0.0%	N.A.
TOTAL		309	100.0%	5	1.6%	
GRAND TOTAL		634	-	23	3.6%	






DISTRIBUTION OF UNITS BY BEDROOM










Surveyed - July 2008



SURVEY OF PROPERTIES - DEAF SMITH COUNTY, TEXAS






1 Amistad			
	Address 301 S. Texas Ave. Hereford, TX 79045	Contact Angie Phone (806) 364-5082 (Contact in person)	Total Units 50 Vacancies 0 Occupied 100.0%
	Year Built 1991 Project Type Government-subsidized Comments Government-subsidized, RD 514 & 516; Phase I built 1991; Phase II built 2000; Phase II units are higher rent		Floors 1,2 Quality Rating B- Waiting List 4-5 households
2 Arbor Glen			
	Address 301 W. 15th Ave. Hereford, TX 79045	Contact Jackie Phone (806) 364-1255 (Contact in person)	Total Units 24 Vacancies 1 Occupied 95.8%
	Year Built 1986 Project Type Market-rate Comments		Floors 1,2 Quality Rating B- Waiting List None
3 Bluewater Garden			
	Address 612 Irving St. Hereford, TX 79045	Contact Debra Phone (806) 364-6661 (Contact in person)	Total Units 131 Vacancies 0 Occupied 100.0%
	Year Built 1972 Renovated 2004 Project Type Tax Credit & Government-subsidized Comments Government-subsidized, HUD Section 8 & Tax Credit @ 60% AMHI; One 3-br unit for manager not included in unit total		Floors 2 Quality Rating B- Waiting List 37 households
4 Boardwalk			
	Address 423 25 Mile Ave. Hereford, TX 79045	Contact Rebecca Phone (806) 570-9612 (Contact in person)	Total Units 30 Vacancies 12 Occupied 60.0%
	Year Built 1962 Renovated 2007 Project Type Market-rate Comments Reopened Fall 2007, still in lease-up following renovations		Floors 2 Quality Rating D+ Waiting List None
5 Countryside Village			
	Address 400 Jack Griffin Dr. Hereford, TX 79045	Contact Jackie Phone (806) 364-1255 (Contact in person)	Total Units 28 Vacancies 4 Occupied 85.7%
	Year Built 1990 Project Type Government-subsidized Comments Government-subsidized, RD 515; 100% senior (62+) & disabled; Accepts HCV		Floors 1 Quality Rating B Waiting List None








	Market-rate
	Market-rate/Tax Credit
	Market-rate/Government-subsidized
	Market-rate/Tax Credit/Government-subsidized
	Tax Credit
	Tax Credit/Government-subsidized
	Government-subsidized

Surveyed - July 2008

VWB
vogtwilliamsbowen
RESEARCH

SURVEY OF PROPERTIES - DEAF SMITH COUNTY, TEXAS

6 Forrest Apts.			
	Address 1400 Forrest Ave. Hereford, TX 79045	Contact Oralia Phone (806) 346-0363 (Contact in person)	Total Units 16 Vacancies 0 Occupied 100.0%
	Year Built 1955 Project Type Market-rate Comments No HCV; Rents are on a per week basis; Migrant worker rents per week: 1-br/\$100, 2-br/\$110, & 3-br/\$130		Floors 1 Quality Rating D Waiting List None
7 Hereford Senior Community			
	Address 401 Jack Griffin Ave. Hereford, TX 79045	Contact Emma Phone (903) 756-5554 (Contact in person)	Total Units 28 Vacancies 0 Occupied 100.0%
	Year Built 1995 Project Type Tax Credit & Government-subsidized Comments Government-subsidized, RD 515 & Tax Credit @ 60% AMHI; Has RA (22 units); 100% senior (62+) & disabled		Floors 1 Quality Rating B Waiting List 2 households
8 La Plata Manor			
	Address 425 Ranger Dr. Hereford, TX 79045	Contact Marie Phone (806) 364-2222 (Contact in person)	Total Units 28 Vacancies 1 Occupied 96.4%
	Year Built 1985 Project Type Government-subsidized Comments Government-subsidized, RD 515; Has RA (28 units); 100% senior (62+) & disabled		Floors 1,2 Quality Rating B- Waiting List None
9 Masters Apts.			
	Address 122 E. 15th St. Hereford, TX 79045	Contact Beverly Phone (806) 364-0739 (Contact in person)	Total Units 20 Vacancies 0 Occupied 100.0%
	Year Built 1978 Project Type Market-rate Comments No HCV		Floors 2 Quality Rating B- Waiting List None
10 Paloma Lane			
	Address 446 Ave. F Hereford, TX 79045	Contact Marie Phone (806) 364-2222 (Contact in person)	Total Units 44 Vacancies 0 Occupied 100.0%
	Year Built 1972 Project Type Government-subsidized Comments Government-subsidized, RD 515; Has RA (20 units); Phase I built 1978, Phase II built 1982		Floors 1 Quality Rating B- Waiting List 2 households








	Market-rate
	Market-rate/Tax Credit
	Market-rate/Government-subsidized
	Market-rate/Tax Credit/Government-subsidized
	Tax Credit
	Tax Credit/Government-subsidized
	Government-subsidized

Surveyed - July 2008

VWB
vogtwilliamsbowen
RESEARCH

SURVEY OF PROPERTIES - DEAF SMITH COUNTY, TEXAS


11 California Apts.			
	Address 112 Ave. H Hereford, TX 79045	Contact Orlando	Total Units 37
	Year Built 1960	Phone (806) 433-4889 (Contact in person)	Vacancies 0
	Project Type Market-rate		Occupied 100.0%
	Comments		Floors 1,2
			Quality Rating C- Waiting List 5 weeks
12 Thunderbird			
	Address 722 Thunderbird St. Hereford, TX 79045	Contact Name not given	Total Units 16
	Year Built 1958	Phone (806) 364-8421 (Contact in person)	Vacancies 0
	Project Type Market-rate		Occupied 100.0%
	Comments		Floors 2
			Quality Rating C Waiting List None
13 Town Square			
	Address 424 Fir St. Hereford, TX 79045	Contact Beverly	Total Units 17
	Year Built 1974	Phone (806) 364-0739 (Contact in person)	Vacancies 0
	Project Type Market-rate		Occupied 100.0%
	Comments		Floors 2
			Quality Rating B Waiting List None
14 Hereford Central Place			
	Address 402 W. 4th St. Hereford, TX 79045	Contact Jackie	Total Units 32
	Year Built 2007	Phone (806) 364-1415 (Contact in person)	Vacancies 1
	Project Type Tax Credit		Occupied 96.9%
	Comments Tax Credit @ 60% AMHI; Has RA (21 units); Square footage estimated		Floors 2
			Quality Rating B+ Waiting List None
15 Tierra Blanca			
	Address 700 Ave. K Hereford, TX 79045	Contact Liza	Total Units 76
	Year Built 2007	Phone (806) 363-2775 (Contact in person)	Vacancies 4
	Project Type Market-rate & Tax Credit		Occupied 94.7%
	Comments Tax Credit @ 30% & 60% AMHI (73 units); Market- rate (3 units); Has RA (50 units)		Floors 2
			Quality Rating B+ Waiting List 2-br: 6 H.H.

	Market-rate
	Market-rate/Tax Credit
	Market-rate/Government-subsidized
	Market-rate/Tax Credit/Government-subsidized
	Tax Credit
	Tax Credit/Government-subsidized
	Government-subsidized

Surveyed - July 2008

VWV
vogtwilliamsbowen
RESEARCH

SURVEY OF PROPERTIES - DEAF SMITH COUNTY, TEXAS

16 Royal Copper House				
	<p>Address 430 Ranger Dr. Hereford, TX 79045</p> <p>Year Built 1980 Renovated 2008</p> <p>Project Type Market-rate</p> <p>Comments All 22 units under construction, expected completion 11/2008; Year built estimated; 100% senior (55+); Have not started pre-leasing, but building a wait list</p>	<p>Contact Eddie</p> <p>Phone (806) 364-8386 (Contact in person)</p>	<p>Total Units 0</p> <p>Vacancies 0</p> <p>Occupied 0</p> <p>Floors 1</p> <p>Quality Rating B</p> <p>Waiting List 7 households</p>	
	<th colspan="2">17 Buena Vista Apts.</th>			17 Buena Vista Apts.
	<p>Address 303 Bradley St. Hereford, TX 79045</p> <p>Year Built 1960</p> <p>Project Type Market-rate</p> <p>Comments Accepts HCV (4); Square footage & unit mix estimated; Two units under construction due to renovations; Floor coverings are tile</p>	<p>Contact Amanda</p> <p>Phone (806) 364-8500 (Contact in person)</p>	<p>Total Units 41</p> <p>Vacancies 0</p> <p>Occupied 100.0%</p> <p>Floors 1</p> <p>Quality Rating D</p> <p>Waiting List None</p>	
	<th colspan="2">18 Sugarland Quads</th>			18 Sugarland Quads
	<p>Address 428-440 Ave. B Hereford, TX 79045</p> <p>Year Built 1965</p> <p>Project Type Market-rate</p> <p>Comments Higher rent units have new carpet; Year built & square footage estimated</p>	<p>Contact Mel</p> <p>Phone (806) 364-4370 (Contact in person)</p>	<p>Total Units 16</p> <p>Vacancies 0</p> <p>Occupied 100.0%</p> <p>Floors 1</p> <p>Quality Rating C</p> <p>Waiting List None</p>	

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Surveyed - July 2008



COLLECTED RENTS - DEAF SMITH COUNTY, TEXAS

MAP ID	GARDEN UNITS					TOWNHOUSE UNITS			
	STUDIO	1-BR	2-BR	3-BR	4+ BR	1-BR	2-BR	3-BR	4+ BR
2		\$475	\$525				\$550		
4		\$495	\$650						
6		\$433	\$477	\$563					
9			\$625					\$750	
11		\$550	\$650	\$800					
12			\$495						
13	\$350		\$550						\$750
16									
17		\$230	\$300	\$325	\$375				
18			\$475 to \$490						
15		\$175 to \$550	\$205 to \$600	\$232 to \$650					
14		\$415	\$492	\$564					

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Surveyed - July 2008



PRICE PER SQUARE FOOT - DEAF SMITH COUNTY, TEXAS

STUDIO UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
13	Town Square	1	432	\$411	\$0.95
ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
2	Arbor Glen	1	700	\$517	\$0.74
4	Boardwalk	1	525	\$537	\$1.02
6	Forrest Apts.	1	550	\$439	\$0.80
11	California Apts.	1	550	\$530	\$0.96
17	Buena Vista Apts.	1	550	\$318	\$0.58
15	Tierra Blanca	1	748	\$237 to \$612	\$0.32 to \$0.82
14	Hereford Central Place	1	600	\$477	\$0.80
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
2	Arbor Glen	1	900	\$585	\$0.65
		2	1000	\$610	\$0.61
4	Boardwalk	1	650	\$710	\$1.09
6	Forrest Apts.	1	725	\$493	\$0.68
9	Masters Apts.	1	750	\$686	\$0.91
11	California Apts.	1	700	\$630	\$0.90
12	Thunderbird	1.5	1100	\$555	\$0.50
13	Town Square	1	950	\$667	\$0.70
16	Royal Copper House	1	850	\$730	\$0.86
17	Buena Vista Apts.	1	700	\$416	\$0.59
18	Sugarland Quads	1	800	\$556 to \$571	\$0.70 to \$0.71
15	Tierra Blanca	2	949	\$285 to \$680	\$0.30 to \$0.72
14	Hereford Central Place	2	850	\$572	\$0.67
THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
6	Forrest Apts.	2	900	\$582	\$0.65
9	Masters Apts.	2	852	\$828	\$0.97
11	California Apts.	2	850	\$780	\$0.92
17	Buena Vista Apts.	1	900	\$460	\$0.51
15	Tierra Blanca	2	1182	\$328 to \$746	\$0.28 to \$0.63
14	Hereford Central Place	2	975	\$660	\$0.68
FOUR+ BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
13	Town Square	2	2200	\$914	\$0.42

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Surveyed - July 2008



PRICE PER SQUARE FOOT - DEAF SMITH COUNTY, TEXAS

FOUR+ BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
17	Buena Vista Apts.	2	1100	\$547	\$0.50

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Surveyed - July 2008



**AVERAGE GROSS RENT PER SQUARE FOOT - DEAF SMITH COUNTY,
TEXAS**

MARKET-RATE			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.83	\$0.76	\$0.62
TOWNHOUSE	\$0.00	\$0.61	\$0.97

TAX CREDIT (NON-SUBSIDIZED)			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.62	\$0.61	\$0.58
TOWNHOUSE	\$0.00	\$0.00	\$0.00

COMBINED			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.78	\$0.72	\$0.59
TOWNHOUSE	\$0.00	\$0.61	\$0.97

Surveyed - July 2008



TAX CREDIT UNITS - DEAF SMITH COUNTY, TEXAS

ONE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
15	Tierra Blanca	3	748	1	30%	\$175
7	Hereford Senior Community	28	680	1	60%	\$362 - \$467
14	Hereford Central Place	4	600	1	60%	\$415
15	Tierra Blanca	12	748	1	60%	\$420
3	Bluewater Garden	12	640	1	60%	\$475
TWO-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
15	Tierra Blanca	3	949	2	30%	\$205
14	Hereford Central Place	16	850	2	60%	\$492
15	Tierra Blanca	28	949	2	60%	\$498
3	Bluewater Garden	40	800	1	60%	\$634
THREE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
15	Tierra Blanca	3	1182	2	30%	\$232
14	Hereford Central Place	12	975	2	60%	\$564
15	Tierra Blanca	24	1182	2	60%	\$572
3	Bluewater Garden	63	965	1.5	60%	\$701
FOUR-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
3	Bluewater Garden	16	1065	1.5	60%	\$762

Surveyed - July 2008



QUALITY RATING - DEAF SMITH COUNTY, TEXAS

MARKET-RATE PROJECTS AND UNITS

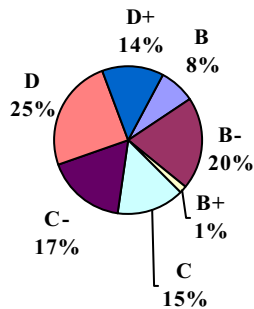
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
B+	1	3	0.0%		\$612	\$680	\$746	
B	1	17	0.0%	\$411		\$667		\$914
B-	2	44	2.3%		\$517	\$610	\$828	
C	2	32	0.0%			\$555		
C-	1	37	0.0%		\$530	\$630	\$780	
D+	1	30	40.0%		\$537	\$710		
D	2	57	0.0%		\$318	\$416	\$460	\$547

TAX CREDIT (NON-SUBSIDIZED) PROJECTS AND UNITS

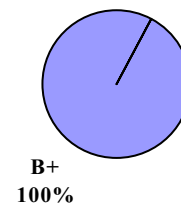
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
B+	2	105	4.8%		\$482	\$578	\$668	

DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS



TAX CREDIT UNITS



Surveyed - July 2008



YEAR BUILT - DEAF SMITH COUNTY, TEXAS *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1960	2	32	0	0.0%	32	9.8%
1960 to 1969	4	124	12	9.7%	156	38.2%
1970 to 1979	2	37	0	0.0%	193	11.4%
1980 to 1989	2	24	1	4.2%	217	7.4%
1990 to 1994	0	0	0	0.0%	217	0.0%
1995 to 1999	0	0	0	0.0%	217	0.0%
2000 to 2001	0	0	0	0.0%	217	0.0%
2002	0	0	0	0.0%	217	0.0%
2003	0	0	0	0.0%	217	0.0%
2004	0	0	0	0.0%	217	0.0%
2005	0	0	0	0.0%	217	0.0%
2006	0	0	0	0.0%	217	0.0%
2007	2	108	5	4.6%	325	33.2%
2008**	0	0	0	0.0%	325	0.0%
TOTAL	12	325	18	5.5%	325	100.0 %

YEAR RENOVATED - DEAF SMITH COUNTY, TEXAS *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1960	0	0	0	0.0%	0	0.0%
1960 to 1969	0	0	0	0.0%	0	0.0%
1970 to 1979	0	0	0	0.0%	0	0.0%
1980 to 1989	0	0	0	0.0%	0	0.0%
1990 to 1994	0	0	0	0.0%	0	0.0%
1995 to 1999	0	0	0	0.0%	0	0.0%
2000 to 2001	0	0	0	0.0%	0	0.0%
2002	0	0	0	0.0%	0	0.0%
2003	0	0	0	0.0%	0	0.0%
2004	0	0	0	0.0%	0	0.0%
2005	0	0	0	0.0%	0	0.0%
2006	0	0	0	0.0%	0	0.0%
2007	1	30	12	40.0%	30	100.0%
2008**	0	0	0	0.0%	30	0.0%
TOTAL	1	30	12	40.0%	30	100.0 %

* Only Market-Rate and Tax Credit projects. Does not include government-subsidized projects.

Surveyed - July 2008

** As of July 2008

Note: The upper table (Year Built) includes all of the units included in the lower table.

APPLIANCES AND UNIT AMENITIES - DEAF SMITH COUNTY, TEXAS

APPLIANCES			
APPLIANCE	PROJECTS	PERCENT	UNITS*
RANGE	12	100.0%	325
REFRIGERATOR	11	91.7%	305
ICEMAKER	0	0.0%	
DISHWASHER	6	50.0%	185
DISPOSAL	6	50.0%	185
MICROWAVE	1	8.3%	76
UNIT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS*
AC - CENTRAL	9	75.0%	231
AC - WINDOW	2	16.7%	53
FLOOR COVERING	12	100.0%	325
WASHER/DRYER	1	8.3%	0
WASHER/DRYER HOOK-UP	6	50.0%	169
PATIO/DECK/BALCONY	5	41.7%	145
CEILING FAN	4	33.3%	132
FIREPLACE	2	16.7%	37
BASEMENT	0	0.0%	
INTERCOM SYSTEM	0	0.0%	
SECURITY SYSTEM	0	0.0%	
WINDOW TREATMENTS	10	83.3%	254
FURNISHED UNITS	0	0.0%	
E-CALL BUTTON	0	0.0%	

* - Does not include units where appliances/amenities are optional; Only includes market-rate or non-government subsidized Tax Credit.

Surveyed - July 2008

PROJECT AMENITIES - DEAF SMITH COUNTY, TEXAS

PROJECT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS
POOL	0	0.0%	
ON-SITE MANAGEMENT	5	41.7%	216
LAUNDRY	4	33.3%	165
CLUB HOUSE	2	16.7%	108
MEETING ROOM	0	0.0%	
FITNESS CENTER	1	8.3%	76
JACUZZI/SAUNA	0	0.0%	
PLAYGROUND	2	16.7%	108
TENNIS COURT	0	0.0%	
SPORTS COURT	0	0.0%	
STORAGE	0	0.0%	
LAKE	0	0.0%	
ELEVATOR	0	0.0%	
SECURITY GATE	0	0.0%	
BUSINESS CENTER	1	8.3%	76
CAR WASH AREA	0	0.0%	
PICNIC AREA	0	0.0%	
CONCIERGE SERVICE	0	0.0%	
SOCIAL SERVICE PACKAGE	0	0.0%	

Surveyed - July 2008



DISTRIBUTION OF UTILITIES - DEAF SMITH COUNTY, TEXAS

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
HEAT			
LANDLORD			
GAS	4	234	36.9%
TENANT			
ELECTRIC	9	275	43.4%
GAS	5	125	19.7%
			100.0%
COOKING FUEL			
LANDLORD			
GAS	4	234	36.9%
TENANT			
ELECTRIC	9	275	43.4%
GAS	5	125	19.7%
			100.0%
HOT WATER			
LANDLORD			
GAS	4	234	36.9%
TENANT			
ELECTRIC	9	275	43.4%
GAS	5	125	19.7%
			100.0%
ELECTRIC			
LANDLORD	4	234	36.9%
TENANT	14	400	63.1%
			100.0%
WATER			
LANDLORD	15	560	88.3%
TENANT	3	74	11.7%
			100.0%
SEWER			
LANDLORD	15	560	88.3%
TENANT	3	74	11.7%
TRASH PICK-UP			
LANDLORD	15	560	88.3%
TENANT	3	74	11.7%
			100.0%

Surveyed - July 2008



UTILITY ALLOWANCE - DEAF SMITH COUNTY, TX

BR	UNIT TYPE	HEATING				HOT WATER		COOKING		ELEC	WATER	SEWER	TRASH	CABLE
		GAS	ELEC	STEAM	OTHER	GAS	ELEC	GAS	ELEC					
0	GARDEN	\$20	\$22		\$0	\$7	\$10	\$3	\$2	\$12	\$6	\$6	\$7	\$20
1	GARDEN	\$33	\$29		\$0	\$13	\$13	\$5	\$2	\$18	\$8	\$8	\$10	\$20
1	TOWNHOUSE	\$33	\$29		\$0	\$13	\$13	\$5	\$2	\$18	\$8	\$8	\$10	\$20
2	GARDEN	\$38	\$38		\$0	\$15	\$17	\$6	\$3	\$22	\$11	\$11	\$14	\$20
2	TOWNHOUSE	\$38	\$38		\$0	\$15	\$17	\$6	\$3	\$22	\$11	\$11	\$14	\$20
3	GARDEN	\$46	\$45		\$0	\$18	\$21	\$7	\$3	\$27	\$12	\$12	\$15	\$20
3	TOWNHOUSE	\$46	\$45		\$0	\$18	\$21	\$7	\$3	\$27	\$12	\$12	\$15	\$20
4	GARDEN	\$52	\$58		\$0	\$20	\$26	\$8	\$4	\$34	\$15	\$15	\$20	\$20
4	TOWNHOUSE	\$52	\$58		\$0	\$20	\$26	\$8	\$4	\$34	\$15	\$15	\$20	\$20

Surveyed - July 2008



VII. FIELD SURVEY OF CONVENTIONAL RENTALS

CASTRO, TEXAS

The following section is a field survey of conventional rental properties. These properties were identified through a variety of sources including area apartment guides, yellow page listings, government agencies, the Chamber of Commerce, and our own field inspection. The intent of this field survey is to evaluate the overall strength of the existing rental market, identify trends that impact future development, and identify those properties that would be considered most comparable to the subject site.

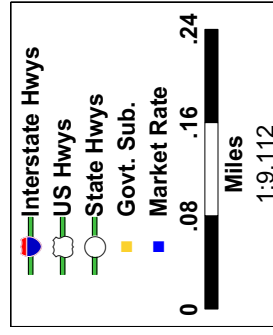
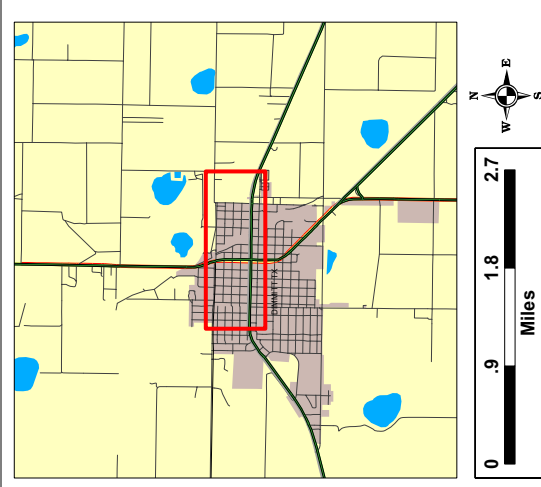
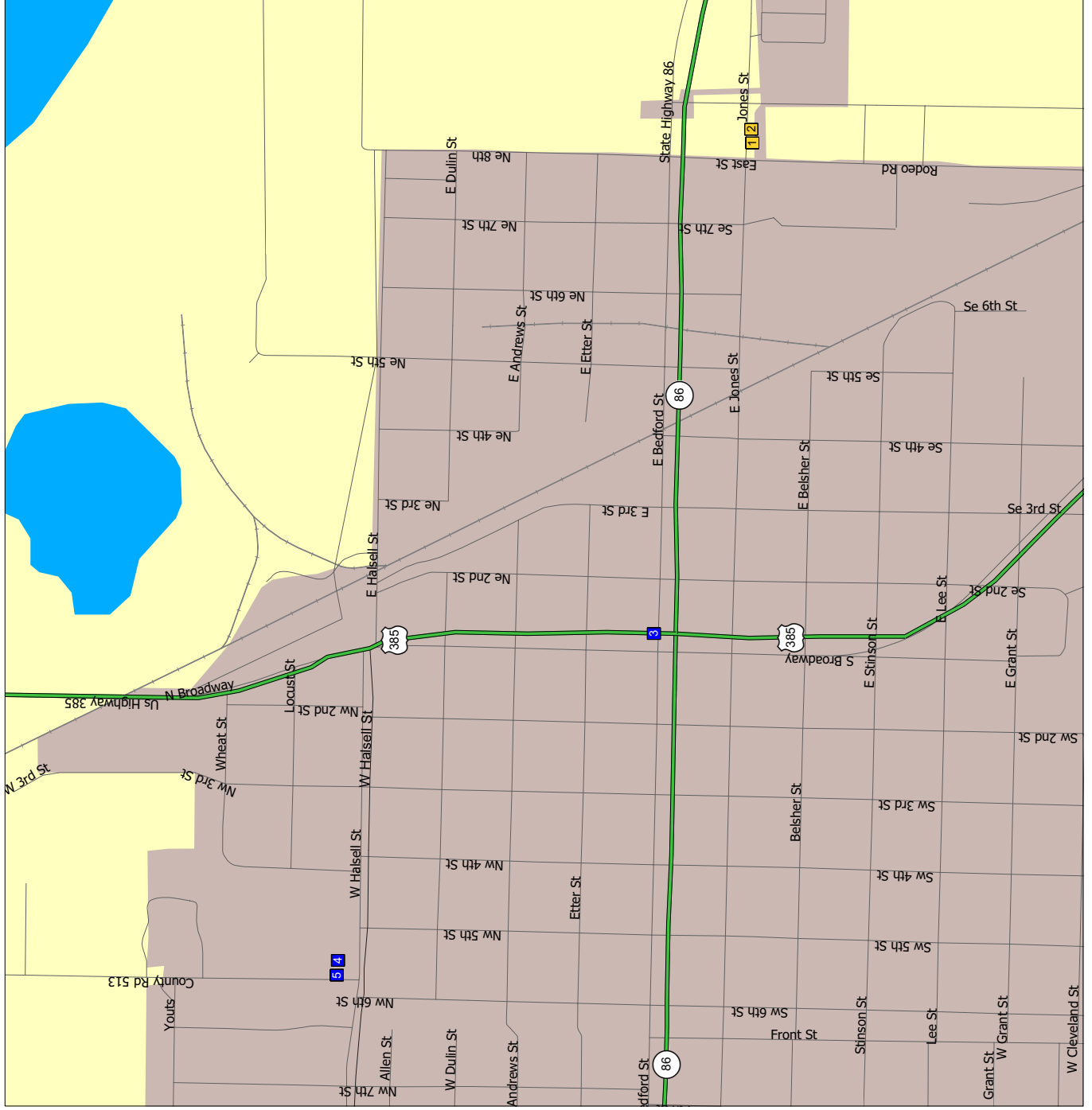
The field survey has been organized by the type of project surveyed. Properties have been color coded to reflect the project type. Projects have been designated as market-rate, Tax Credit, government-subsidized, or a combination of the three project types. The field survey is organized as follows:

- A color-coded map indicating each property surveyed and the project type followed by a list of properties surveyed.
- Properties surveyed by name, address, telephone number, project type, year built or renovated (if applicable), number of floors, total units, occupancy rate, quality rating, rent incentives, and Tax Credit designation. Housing Choice Vouchers and Rental Assistance are also noted here. Note that projects are organized by project type.
- Distribution of non-subsidized and subsidized units and vacancies in properties surveyed.
- Listings for unit and project amenities, parking options, optional charges, utilities (including responsibility), and appliances.
- Collected rent by unit type and bedrooms.
- Unit size by unit type and bedrooms.
- Calculations of rent per square foot (all utilities are adjusted to reflect similar utility responsibility). Data is summarized by unit type.
- An analysis of units, vacancies, and median rent. Where applicable, non-subsidized units are distributed separately.
- An analysis of units added to the area by project construction date and, when applicable, by year of renovation.
- Aggregate data and distributions for all non-subsidized properties are provided for appliances, unit amenities and project amenities.

- A rent distribution is provided for all market-rate and non-subsidized Tax Credit units by unit type. Note that rents are adjusted to reflect common utility responsibility.
- Aggregation of projects by utility responsibility (market-rate and non-subsidized Tax Credit only).
- A utility allowance worksheet.

Note that other than the property listing following the map, data is organized by project types. Market-rate properties (blue designation) are first followed by variations of market-rate and Tax Credit properties. Non-government subsidized Tax Credit properties are red and government-subsidized properties are yellow. See the color codes at the bottom of each page for specific project types.

Castro County, TX: Apartment Locations



MAP IDENTIFICATION LIST - CASTRO, TEXAS

MAP ID	PROJECT NAME	PROJECT TYPE	YEAR BUILT	TOTAL UNITS	VACANT	OCCUPANCY RATE
1	Azteca Apts. Phase I	GSS	1962	28	0	100%
2	Azteca Apts. Phase II	GSS	2007	32	0	100%
3	121 E. Bedford St.	MRR	1929	6	0	100%
4	Northside Apts.	MRR	1992	24	0	100%
5	Dimmitt Gardens	MRR	1988	25	0	100%

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE
MRR	3	55	0	100.0%
GSS	2	60	0	100.0%

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Surveyed - July 2008

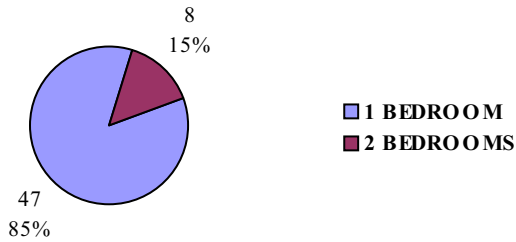


DISTRIBUTION OF UNITS - CASTRO, TEXAS

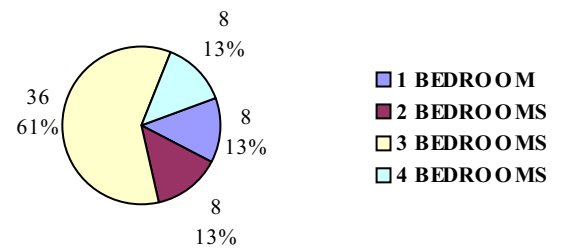
MARKET-RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	47	85.5%	0	0.0%	\$487
2	1	8	14.5%	0	0.0%	\$555
TOTAL		55	100.0%	0	0.0%	
GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	
1	1	8	13.3%	0	0.0%	N.A.
2	1	8	13.3%	0	0.0%	N.A.
3	2	36	60.0%	0	0.0%	N.A.
4	2	8	13.3%	0	0.0%	N.A.
TOTAL		60	100.0%	0	0.0%	
GRAND TOTAL		115	-	0	0.0%	

DISTRIBUTION OF UNITS BY BEDROOM

NON-SUBSIDIZED







SUBSIDIZED










Surveyed - July 2008



SURVEY OF PROPERTIES - CASTRO, TEXAS

1 Azteca Apts. Phase I			
	Address 910 E. Jones St. Dimmitt, TX 79027	Contact Joe Phone (806) 647-3406 (Contact in person)	Total Units 28 Vacancies 0 Occupied 100.0%
	Year Built 1962 Renovated 2006 Project Type Government-subsidized Comments Government-subsidized, RD 514 & 516		Floors 1 Quality Rating C- Waiting List 4-8 households
2 Azteca Apts. Phase II			
	Address 910 E. Jones St. Dimmitt, TX 79027	Contact Joe Phone (806) 647-3406 (Contact in person)	Total Units 32 Vacancies 0 Occupied 100.0%
	Year Built 2007 Project Type Government-subsidized Comments Government-subsidized, RD 514 & 516		Floors 1 Quality Rating B+ Waiting List 4-8 households
3 121 E. Bedford St.			
	Address 121 E. Bedford St. Dimmitt, TX 79027	Contact Patti Phone (806) 647-1818 (Contact in person)	Total Units 6 Vacancies 0 Occupied 100.0%
	Year Built 1929 Renovated 1980 Project Type Market-rate Comments First floor retail		Floors 2 Quality Rating B Waiting List None
4 Northside Apts.			
	Address 622 NW 5th St. #48 Dimmitt, TX 79027	Contact Patti Phone (806) 647-1818 (Contact in person)	Total Units 24 Vacancies 0 Occupied 100.0%
	Year Built 1992 Project Type Market-rate Comments		Floors 1 Quality Rating B Waiting List None
5 Dimmitt Gardens			
	Address 622 NW 5th St. Dimmitt, TX 79027	Contact Stella Phone (806) 647-1963 (Contact in person)	Total Units 25 Vacancies 0 Occupied 100.0%
	Year Built 1988 Project Type Market-rate Comments Accepts HCV (~19 units)		Floors 1 Quality Rating B- Waiting List 40 households

	Market-rate
	Market-rate/Tax Credit
	Market-rate/Government-subsidized
	Market-rate/Tax Credit/Government-subsidized
	Tax Credit
	Tax Credit/Government-subsidized
	Government-subsidized

Surveyed - July 2008

VWB
vogtwilliamsbowen
RESEARCH

COLLECTED RENTS - CASTRO, TEXAS

MAP ID	GARDEN UNITS					TOWNHOUSE UNITS			
	STUDIO	1-BR	2-BR	3-BR	4+ BR	1-BR	2-BR	3-BR	4+ BR
3		\$550							
4		\$425	\$475						
5		\$425	\$475						

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Surveyed - July 2008



PRICE PER SQUARE FOOT - CASTRO, TEXAS

ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
3	121 E. Bedford St.	1	900	\$530	\$0.59
4	Northside Apts.	1	925	\$487	\$0.53
5	Dimmitt Gardens	1	600	\$487	\$0.81
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
4	Northside Apts.	1	925	\$555	\$0.60
5	Dimmitt Gardens	1	800	\$555	\$0.69

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Surveyed - July 2008

VWBR
vogtwilliams bowen
RESEARCH

AVERAGE GROSS RENT PER SQUARE FOOT - CASTRO, TEXAS

MARKET-RATE			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.66	\$0.65	\$0.00
TOWNHOUSE	\$0.00	\$0.00	\$0.00

Surveyed - July 2008



QUALITY RATING - CASTRO, TEXAS

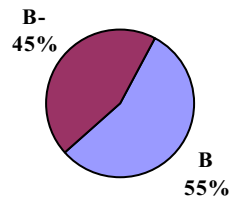
MARKET-RATE PROJECTS AND UNITS

QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
B	2	30	0.0%		\$487	\$555		
B-	1	25	0.0%		\$487	\$555		

DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS

TAX CREDIT UNITS



Surveyed - July 2008

VWB
vogtwilliams bowen
RESEARCH

YEAR BUILT - CASTRO, TEXAS *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1960	1	6	0	0.0%	6	10.9%
1960 to 1969	0	0	0	0.0%	6	0.0%
1970 to 1979	0	0	0	0.0%	6	0.0%
1980 to 1989	1	25	0	0.0%	31	45.5%
1990 to 1994	1	24	0	0.0%	55	43.6%
1995 to 1999	0	0	0	0.0%	55	0.0%
2000 to 2001	0	0	0	0.0%	55	0.0%
2002	0	0	0	0.0%	55	0.0%
2003	0	0	0	0.0%	55	0.0%
2004	0	0	0	0.0%	55	0.0%
2005	0	0	0	0.0%	55	0.0%
2006	0	0	0	0.0%	55	0.0%
2007	0	0	0	0.0%	55	0.0%
2008**	0	0	0	0.0%	55	0.0%
TOTAL	3	55	0	0.0%	55	100.0 %

YEAR RENOVATED - CASTRO, TEXAS *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1960	0	0	0	0.0%	0	0.0%
1960 to 1969	0	0	0	0.0%	0	0.0%
1970 to 1979	0	0	0	0.0%	0	0.0%
1980 to 1989	1	6	0	0.0%	6	100.0%
1990 to 1994	0	0	0	0.0%	6	0.0%
1995 to 1999	0	0	0	0.0%	6	0.0%
2000 to 2001	0	0	0	0.0%	6	0.0%
2002	0	0	0	0.0%	6	0.0%
2003	0	0	0	0.0%	6	0.0%
2004	0	0	0	0.0%	6	0.0%
2005	0	0	0	0.0%	6	0.0%
2006	0	0	0	0.0%	6	0.0%
2007	0	0	0	0.0%	6	0.0%
2008**	0	0	0	0.0%	6	0.0%
TOTAL	1	6	0	0.0%	6	100.0 %

* Only Market-Rate and Tax Credit projects. Does not include government-subsidized projects.

Surveyed - July 2008

** As of July 2008

Note: The upper table (Year Built) includes all of the units included in the lower table.



APPLIANCES AND UNIT AMENITIES - CASTRO, TEXAS

APPLIANCES			
APPLIANCE	PROJECTS	PERCENT	UNITS*
RANGE	3	100.0%	55
REFRIGERATOR	3	100.0%	55
ICEMAKER	0	0.0%	
DISHWASHER	1	33.3%	6
DISPOSAL	1	33.3%	6
MICROWAVE	0	0.0%	
UNIT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS*
AC - CENTRAL	3	100.0%	55
AC - WINDOW	0	0.0%	
FLOOR COVERING	3	100.0%	55
WASHER/DRYER	1	33.3%	6
WASHER/DRYER HOOK-UP	1	33.3%	24
PATIO/DECK/BALCONY	0	0.0%	
CEILING FAN	0	0.0%	
FIREPLACE	0	0.0%	
BASEMENT	0	0.0%	
INTERCOM SYSTEM	0	0.0%	
SECURITY SYSTEM	0	0.0%	
WINDOW TREATMENTS	1	33.3%	25
FURNISHED UNITS	0	0.0%	
E-CALL BUTTON	0	0.0%	

* - Does not include units where appliances/amenities are optional; Only includes market-rate or non-government subsidized Tax Credit.

Surveyed - July 2008



PROJECT AMENITIES - CASTRO, TEXAS

PROJECT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS
POOL	0	0.0%	
ON-SITE MANAGEMENT	2	66.7%	31
LAUNDRY	0	0.0%	
CLUB HOUSE	0	0.0%	
MEETING ROOM	0	0.0%	
FITNESS CENTER	0	0.0%	
JACUZZI/SAUNA	0	0.0%	
PLAYGROUND	0	0.0%	
TENNIS COURT	0	0.0%	
SPORTS COURT	0	0.0%	
STORAGE	0	0.0%	
LAKE	0	0.0%	
ELEVATOR	0	0.0%	
SECURITY GATE	0	0.0%	
BUSINESS CENTER	0	0.0%	
CAR WASH AREA	0	0.0%	
PICNIC AREA	0	0.0%	
CONCIERGE SERVICE	0	0.0%	
SOCIAL SERVICE PACKAGE	0	0.0%	

Surveyed - July 2008



DISTRIBUTION OF UTILITIES - CASTRO, TEXAS

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
HEAT			
LANDLORD			
ELECTRIC	1	32	27.8%
GAS	2	34	29.6%
TENANT			
ELECTRIC	2	49	42.6%
			100.0%
COOKING FUEL			
LANDLORD			
ELECTRIC	1	32	27.8%
GAS	2	34	29.6%
TENANT			
ELECTRIC	2	49	42.6%
			100.0%
HOT WATER			
LANDLORD			
ELECTRIC	1	32	27.8%
GAS	2	34	29.6%
TENANT			
ELECTRIC	2	49	42.6%
			100.0%
ELECTRIC			
LANDLORD	3	66	57.4%
TENANT	2	49	42.6%
			100.0%
WATER			
LANDLORD	5	115	100.0%
			100.0%
SEWER			
LANDLORD	5	115	100.0%
			100.0%
TRASH PICK-UP			
LANDLORD	5	115	100.0%
			100.0%

Surveyed - July 2008



UTILITY ALLOWANCE - CASTRO COUNTY, TX

BR	UNIT TYPE	HEATING				HOT WATER		COOKING		ELEC	WATER	SEWER	TRASH	CABLE
		GAS	ELEC	STEAM	OTHER	GAS	ELEC	GAS	ELEC					
0	GARDEN	\$20	\$22		\$0	\$7	\$10	\$3	\$2	\$12	\$6	\$6	\$7	\$20
1	GARDEN	\$33	\$29		\$0	\$13	\$13	\$5	\$2	\$18	\$8	\$8	\$10	\$20
1	TOWNHOUSE	\$33	\$29		\$0	\$13	\$13	\$5	\$2	\$18	\$8	\$8	\$10	\$20
2	GARDEN	\$38	\$38		\$0	\$15	\$17	\$6	\$3	\$22	\$11	\$11	\$14	\$20
2	TOWNHOUSE	\$38	\$38		\$0	\$15	\$17	\$6	\$3	\$22	\$11	\$11	\$14	\$20
3	GARDEN	\$46	\$45		\$0	\$18	\$21	\$7	\$3	\$27	\$12	\$12	\$15	\$20
3	TOWNHOUSE	\$46	\$45		\$0	\$18	\$21	\$7	\$3	\$27	\$12	\$12	\$15	\$20
4	GARDEN	\$52	\$58		\$0	\$20	\$26	\$8	\$4	\$34	\$15	\$15	\$20	\$20
4	TOWNHOUSE	\$52	\$58		\$0	\$20	\$26	\$8	\$4	\$34	\$15	\$15	\$20	\$20

Surveyed - July 2008



VIII. FIELD SURVEY OF CONVENTIONAL RENTALS

PARMER, TEXAS

The following section is a field survey of conventional rental properties. These properties were identified through a variety of sources including area apartment guides, yellow page listings, government agencies, the Chamber of Commerce, and our own field inspection. The intent of this field survey is to evaluate the overall strength of the existing rental market, identify trends that impact future development, and identify those properties that would be considered most comparable to the subject site.

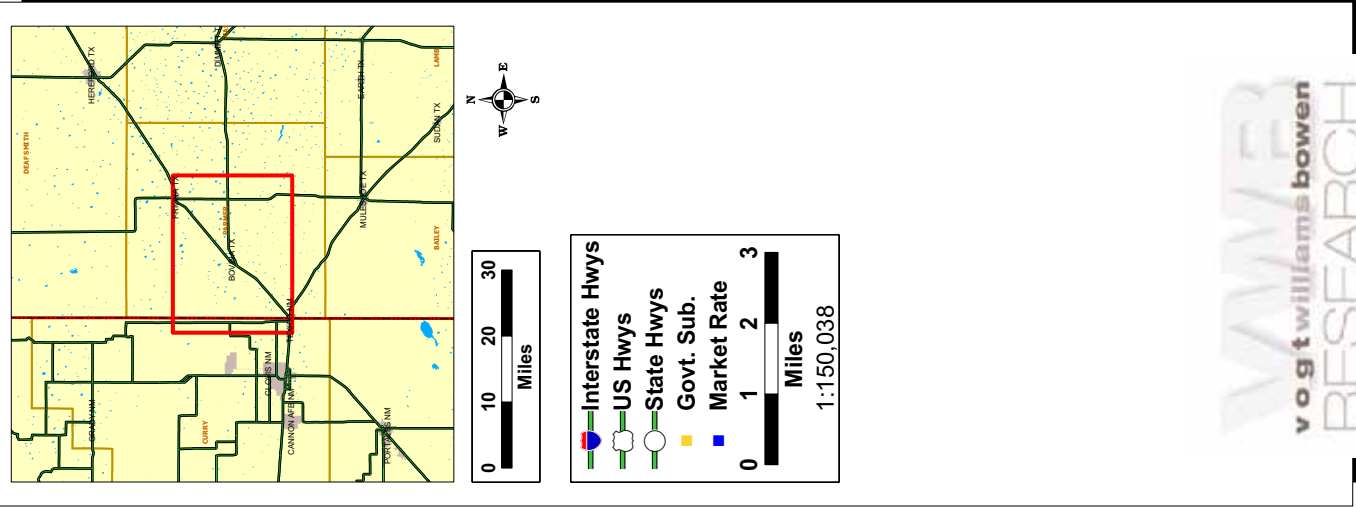
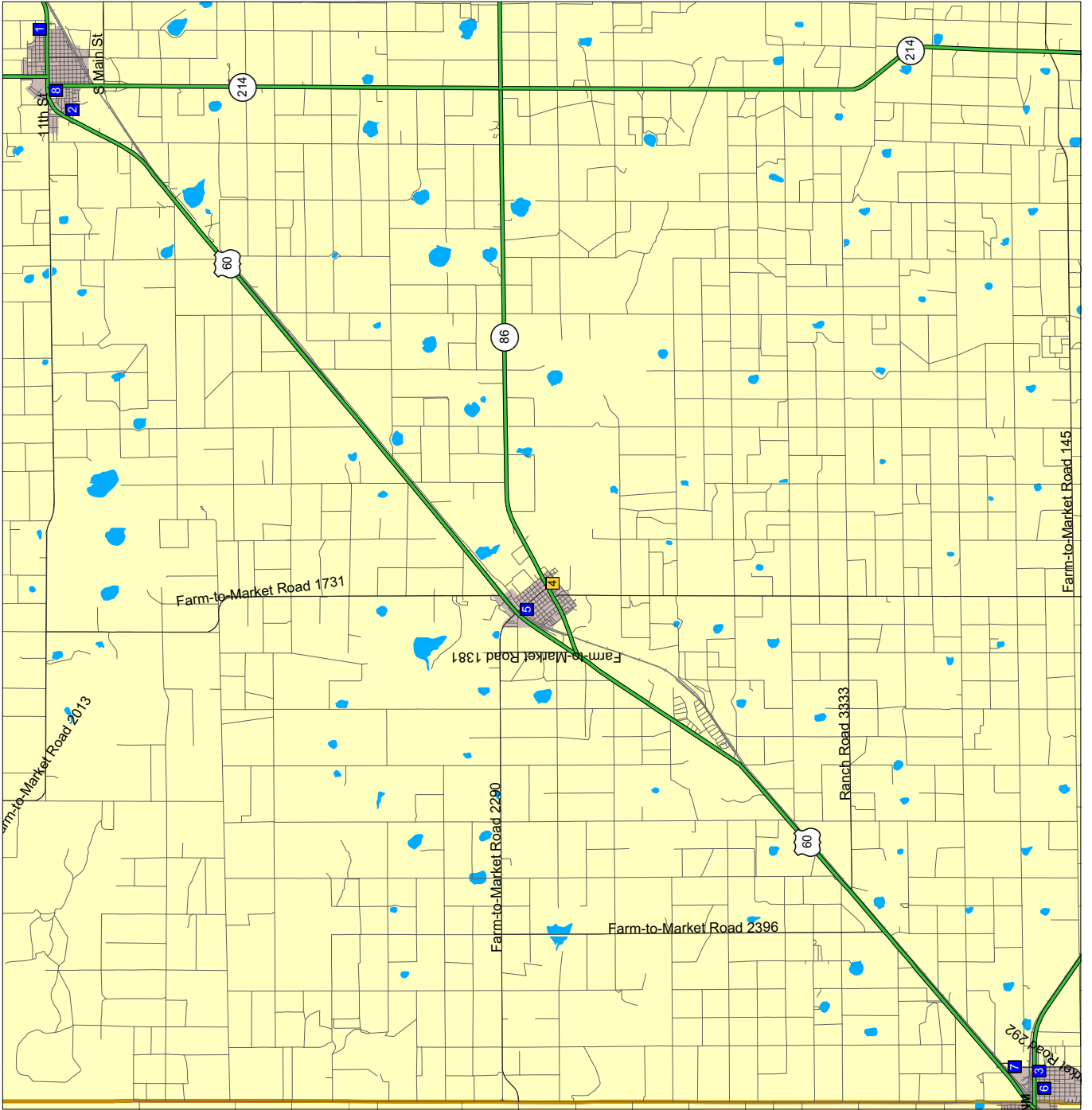
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- A color-coded map indicating each property surveyed and the project type followed by a list of properties surveyed.
- Properties surveyed by name, address, telephone number, project type, year built or renovated (if applicable), number of floors, total units, occupancy rate, quality rating, rent incentives, and Tax Credit designation. Housing Choice Vouchers and Rental Assistance are also noted here. Note that projects are organized by project type.
- Distribution of non-subsidized and subsidized units and vacancies in properties surveyed.
- Listings for unit and project amenities, parking options, optional charges, utilities (including responsibility), and appliances.
- Collected rent by unit type and bedrooms.
- Unit size by unit type and bedrooms.
- Calculations of rent per square foot (all utilities are adjusted to reflect similar utility responsibility). Data is summarized by unit type.
- An analysis of units, vacancies, and median rent. Where applicable, non-subsidized units are distributed separately.
- An analysis of units added to the area by project construction date and, when applicable, by year of renovation.
- Aggregate data and distributions for all non-subsidized properties are provided for appliances, unit amenities and project amenities.

- A rent distribution is provided for all market-rate and non-subsidized Tax Credit units by unit type. Note that rents are adjusted to reflect common utility responsibility.
- Aggregation of projects by utility responsibility (market-rate and non-subsidized Tax Credit only).
- A utility allowance worksheet.

Note that other than the property listing following the map, data is organized by project types. Market-rate properties (blue designation) are first followed by variations of market-rate and Tax Credit properties. Non-government subsidized Tax Credit properties are red and government-subsidized properties are yellow. See the color codes at the bottom of each page for specific project types.

Parmer County, TX: Apartment Locations



MAP IDENTIFICATION LIST - PARMER, TEXAS

MAP ID	PROJECT NAME	PROJECT TYPE	YEAR BUILT	TOTAL UNITS	VACANT	OCCUPANCY RATE
1	Cottonwood Twnhms.	MRR	1960	60	5	92%
2	1502 W. 5th St.	MRR	1970	10	0	100%
3	6th St./Ave. B S	MRR	1980	6	3	50%
4	Eastridge Manor	GSS	1978	11	0	100%
5	4th St. /Ave. A	MRR	1950	10	0	100%
6	Heritage Square Garden Homes	MRR	1990	8	0	100%
7	Farwell Gardens	MRR	1965	8	0	100%
8	902-912 W. 9th St.	MRR	1960	24	0	100%

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE
MRR	7	126	8	93.7%
GSS	1	11	0	100.0%

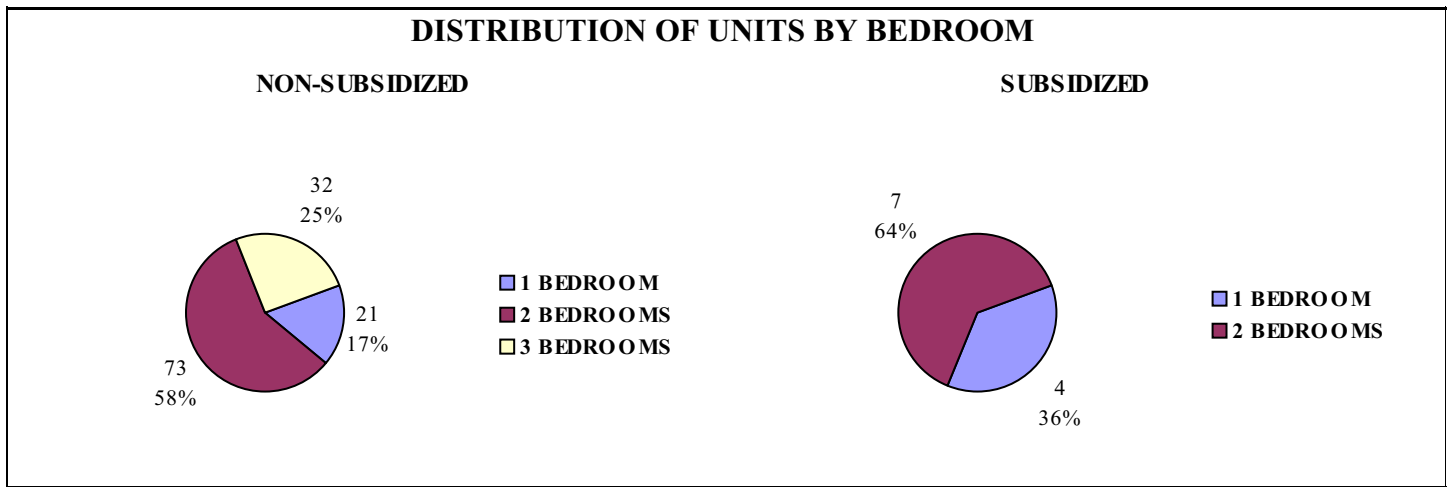
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Surveyed - July 2008



DISTRIBUTION OF UNITS - PARMER, TEXAS






MARKET-RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	21	16.7%	4	19.0%	\$449
2	1	73	57.9%	1	1.4%	\$481
3	1.5	32	25.4%	3	9.4%	\$538
TOTAL		126	100.0%	8	6.3%	
6 UNITS UNDER CONSTRUCTION						
GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	
1	1	4	36.4%	0	0.0%	N.A.
2	1	7	63.6%	0	0.0%	N.A.
TOTAL		11	100.0%	0	0.0%	
GRAND TOTAL		137	-	8	5.8%	



Surveyed - July 2008



SURVEY OF PROPERTIES - PARMER, TEXAS

1 Cottonwood Twnhms.			
	Address 1300 Walnut Ave. Friona, TX 79035 Year Built 1960 Renovated 1998 Project Type Market-rate Comments Has RA (12 units); Landlord pays gas in 1-br units; ~50% farmworkers, not designated; Property for-sale; Playground planned	Contact Betty Phone (806) 250-5288 (Contact in person)	Total Units 60 Vacancies 5 Occupied 91.7% Floors 2 Quality Rating B- Waiting List None
2 1502 W. 5th St.			
	Address 1502 W. 5th St. Friona, TX 79035 Year Built 1970 Project Type Market-rate Comments Year built estimated	Contact Holly Phone (806) 250-2745 (Contact in person)	Total Units 10 Vacancies 0 Occupied 100.0% Floors 1,2 Quality Rating C+ Waiting List None
3 6th St./Ave. B S			
	Address 6th St./Ave. B S Farwell, TX 79325 Year Built 1980 Renovated 2008 Project Type Market-rate Comments Six units under construction; Year built estimated	Contact Virgil Phone (575) 714-2199 (Contact in person)	Total Units 6 Vacancies 3 Occupied 50.0% Floors 1 Quality Rating B Waiting List None
4 Eastridge Manor			
	Address Ave. K/S. 3rd St. Bovina, TX 79009 Year Built 1978 Project Type Government-subsidized Comments Government-subsidized, RD 515; 1 unit under construction; Has RA (6 units); 1-br square footage estimated; 1-br units all electric	Contact Lorraine Phone (806) 251-1116 (Contact in person)	Total Units 11 Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B- Waiting List 2-br: 5 H.H.
5 4th St. /Ave. A			
	Address 4th St. /Ave. A Bovina, TX 79009 Year Built 1950 Project Type Market-rate Comments Year built & square footage estimated	Contact Nancy Phone (806) 251-1442 (Contact in person)	Total Units 10 Vacancies 0 Occupied 100.0% Floors 1 Quality Rating D Waiting List None








■ Market-rate
■ Market-rate/Tax Credit
■ Market-rate/Government-subsidized
■ Market-rate/Tax Credit/Government-subsidized
■ Tax Credit
■ Tax Credit/Government-subsidized
■ Government-subsidized

Surveyed - July 2008



SURVEY OF PROPERTIES - PARMER, TEXAS

6 Heritage Square Garden Homes				
	Address 305 5th St. Farwell, TX 19325 Year Built 1990 Project Type Market-rate Comments Year built estimated; 100% senior (62+)	Contact Lavonn Phone (806) 481-9027 (Contact in person)	Total Units 8 Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B+ Waiting List None	
	7 Farwell Gardens			
		Address 635 FM 292 Farwell, TX 79325 Year Built 1965 Project Type Market-rate Comments Year built & square footage estimated	Contact Laverna Phone (806) 481-5251 (Contact in person)	Total Units 8 Vacancies 0 Occupied 100.0% Floors 1 Quality Rating C+ Waiting List None
		8 902-912 W. 9th St.		
		Address 902-912 W. 9th St. Friona, TX 79035 Year Built 1960 Project Type Market-rate Comments Year built & square footage estimated	Contact Holly Phone (806) 250-2745 (Contact in person)	Total Units 24 Vacancies 0 Occupied 100.0% Floors 1 Quality Rating C- Waiting List None

	Market-rate
	Market-rate/Tax Credit
	Market-rate/Government-subsidized
	Market-rate/Tax Credit/Government-subsidized
	Tax Credit
	Tax Credit/Government-subsidized
	Government-subsidized

Surveyed - July 2008



COLLECTED RENTS - PARMER, TEXAS

MAP ID	GARDEN UNITS					TOWNHOUSE UNITS			
	STUDIO	1-BR	2-BR	3-BR	4+ BR	1-BR	2-BR	3-BR	4+ BR
1		\$380					\$400	\$440	
2			\$500						
3		\$475							
5		\$200	\$250						
6			\$575						
7		\$375	\$425						
8			\$400						

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

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PRICE PER SQUARE FOOT - PARMER, TEXAS

ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
1	Cottonwood Twnhms.	1	549	\$449	\$0.82
3	6th St./Ave. B S	1	448	\$537	\$1.20
5	4th St. /Ave. A	1	500	\$295	\$0.59
7	Farwell Gardens	1	650	\$444	\$0.68
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
1	Cottonwood Twnhms.	1	944	\$481	\$0.51
2	1502 W. 5th St.	1	550	\$580	\$1.05
3	6th St./Ave. B S	1	670	\$605	\$0.90
5	4th St. /Ave. A	1	700	\$367	\$0.52
6	Heritage Square Garden Homes	1	800	\$655	\$0.82
7	Farwell Gardens	1	800	\$506	\$0.63
8	902-912 W. 9th St.	1	650	\$480	\$0.74
THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
1	Cottonwood Twnhms.	1.5	1121	\$538	\$0.48

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

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AVERAGE GROSS RENT PER SQUARE FOOT - PARMER, TEXAS

MARKET-RATE			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.87	\$0.77	\$0.00
TOWNHOUSE	\$0.00	\$0.51	\$0.48

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QUALITY RATING - PARMER, TEXAS

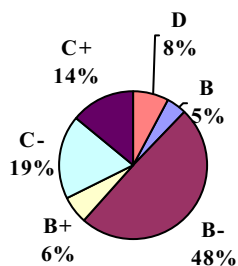
MARKET-RATE PROJECTS AND UNITS

QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
B+	1	8	0.0%			\$655		
B	1	6	50.0%		\$537			
B-	1	60	8.3%		\$449	\$481	\$538	
C+	2	18	0.0%		\$444	\$580		
C-	1	24	0.0%			\$480		
D	1	10	0.0%		\$295	\$367		

DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS

TAX CREDIT UNITS



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YEAR BUILT - PARMER, TEXAS *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1960	1	10	0	0.0%	10	7.9%
1960 to 1969	3	92	5	5.4%	102	73.0%
1970 to 1979	1	10	0	0.0%	112	7.9%
1980 to 1989	1	6	3	50.0%	118	4.8%
1990 to 1994	1	8	0	0.0%	126	6.3%
1995 to 1999	0	0	0	0.0%	126	0.0%
2000 to 2001	0	0	0	0.0%	126	0.0%
2002	0	0	0	0.0%	126	0.0%
2003	0	0	0	0.0%	126	0.0%
2004	0	0	0	0.0%	126	0.0%
2005	0	0	0	0.0%	126	0.0%
2006	0	0	0	0.0%	126	0.0%
2007	0	0	0	0.0%	126	0.0%
2008**	0	0	0	0.0%	126	0.0%
TOTAL	7	126	8	6.3%	126	100.0 %

YEAR RENOVATED - PARMER, TEXAS *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1960	0	0	0	0.0%	0	0.0%
1960 to 1969	0	0	0	0.0%	0	0.0%
1970 to 1979	0	0	0	0.0%	0	0.0%
1980 to 1989	0	0	0	0.0%	0	0.0%
1990 to 1994	0	0	0	0.0%	0	0.0%
1995 to 1999	1	60	5	8.3%	60	90.9%
2000 to 2001	0	0	0	0.0%	60	0.0%
2002	0	0	0	0.0%	60	0.0%
2003	0	0	0	0.0%	60	0.0%
2004	0	0	0	0.0%	60	0.0%
2005	0	0	0	0.0%	60	0.0%
2006	0	0	0	0.0%	60	0.0%
2007	0	0	0	0.0%	60	0.0%
2008**	1	6	3	50.0%	66	9.1%
TOTAL	2	66	8	12.1%	66	100.0 %

* Only Market-Rate and Tax Credit projects. Does not include government-subsidized projects.

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** As of July 2008

Note: The upper table (Year Built) includes all of the units included in the lower table.

APPLIANCES AND UNIT AMENITIES - PARMER, TEXAS

APPLIANCES			
APPLIANCE	PROJECTS	PERCENT	UNITS*
RANGE	6	85.7%	116
REFRIGERATOR	6	85.7%	116
ICEMAKER	0	0.0%	
DISHWASHER	1	14.3%	24
DISPOSAL	0	0.0%	
MICROWAVE	0	0.0%	
UNIT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS*
AC - CENTRAL	4	57.1%	98
AC - WINDOW	0	0.0%	
FLOOR COVERING	7	100.0%	126
WASHER/DRYER	0	0.0%	
WASHER/DRYER HOOK-UP	3	42.9%	40
PATIO/DECK/BALCONY	1	14.3%	8
CEILING FAN	0	0.0%	
FIREPLACE	0	0.0%	
BASEMENT	0	0.0%	
INTERCOM SYSTEM	0	0.0%	
SECURITY SYSTEM	0	0.0%	
WINDOW TREATMENTS	4	57.1%	98
FURNISHED UNITS	0	0.0%	
E-CALL BUTTON	0	0.0%	

* - Does not include units where appliances/amenities are optional; Only includes market-rate or non-government subsidized Tax Credit.

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PROJECT AMENITIES - PARMER, TEXAS

PROJECT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS
POOL	0	0.0%	
ON-SITE MANAGEMENT	2	28.6%	66
LAUNDRY	1	14.3%	60
CLUB HOUSE	0	0.0%	
MEETING ROOM	0	0.0%	
FITNESS CENTER	0	0.0%	
JACUZZI/SAUNA	0	0.0%	
PLAYGROUND	0	0.0%	
TENNIS COURT	0	0.0%	
SPORTS COURT	1	14.3%	60
STORAGE	0	0.0%	
LAKE	0	0.0%	
ELEVATOR	0	0.0%	
SECURITY GATE	0	0.0%	
BUSINESS CENTER	0	0.0%	
CAR WASH AREA	0	0.0%	
PICNIC AREA	0	0.0%	
CONCIERGE SERVICE	0	0.0%	
SOCIAL SERVICE PACKAGE	0	0.0%	

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DISTRIBUTION OF UTILITIES - PARMER, TEXAS

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
HEAT			
TENANT			
ELECTRIC	4	48	35.0%
GAS	4	89	65.0%
			100.0%
COOKING FUEL			
TENANT			
ELECTRIC	5	59	43.1%
GAS	3	78	56.9%
			100.0%
HOT WATER			
TENANT			
ELECTRIC	4	48	35.0%
GAS	4	89	65.0%
			100.0%
ELECTRIC			
TENANT	8	137	100.0%
			100.0%
WATER			
LANDLORD	6	116	84.7%
TENANT	2	21	15.3%
			100.0%
SEWER			
LANDLORD	6	116	84.7%
TENANT	2	21	15.3%
TRASH PICK-UP			
LANDLORD	7	127	92.7%
TENANT	1	10	7.3%
			100.0%

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UTILITY ALLOWANCE - PARMER COUNTY, TX

BR	UNIT TYPE	HEATING				HOT WATER		COOKING		ELEC	WATER	SEWER	TRASH	CABLE
		GAS	ELEC	STEAM	OTHER	GAS	ELEC	GAS	ELEC					
0	GARDEN	\$20	\$22		\$0	\$7	\$10	\$3	\$2	\$12	\$6	\$6	\$7	\$20
1	GARDEN	\$33	\$29		\$0	\$13	\$13	\$5	\$2	\$18	\$8	\$8	\$10	\$20
1	TOWNHOUSE	\$33	\$29		\$0	\$13	\$13	\$5	\$2	\$18	\$8	\$8	\$10	\$20
2	GARDEN	\$38	\$38		\$0	\$15	\$17	\$6	\$3	\$22	\$11	\$11	\$14	\$20
2	TOWNHOUSE	\$38	\$38		\$0	\$15	\$17	\$6	\$3	\$22	\$11	\$11	\$14	\$20
3	GARDEN	\$46	\$45		\$0	\$18	\$21	\$7	\$3	\$27	\$12	\$12	\$15	\$20
3	TOWNHOUSE	\$46	\$45		\$0	\$18	\$21	\$7	\$3	\$27	\$12	\$12	\$15	\$20
4	GARDEN	\$52	\$58		\$0	\$20	\$26	\$8	\$4	\$34	\$15	\$15	\$20	\$20
4	TOWNHOUSE	\$52	\$58		\$0	\$20	\$26	\$8	\$4	\$34	\$15	\$15	\$20	\$20

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IX. QUALIFICATIONS

A. THE COMPANY

VWB Research is a real estate research firm established to provide accurate and insightful market forecasts for a broad range client base. The three principals of the firm, Robert Vogt, Tim Williams, and Patrick Bowen, have a combined 45 years of real estate market feasibility experience throughout the United States.

Serving real estate developers, syndicators, lenders, state housing finance agencies, and the U.S. Department of Housing and Urban Development (HUD), the firm provides market feasibility studies for affordable housing, market-rate apartments, condominiums, senior housing, student housing, and single-family developments.

B. THE STAFF

Robert Vogt has conducted and reviewed over 5,000 market analyses over the past 26 years for market-rate and Low-Income Housing Tax Credit apartments, as well as studies for single-family, golf course/residential, office, retail and elderly housing throughout the United States. Mr. Vogt is a founding member and the immediate past chairman of the National Council of Affordable Housing Market Analysts, a group formed to bring standards and professional practices to market feasibility. He is a frequent speaker at many real estate and state housing conferences. Mr. Vogt has a bachelor's degree in Finance, Real Estate, and Urban Land Economics from The Ohio State University.

Tim Williams has over 20 years of sales and marketing experience and over 10 years in the real estate market feasibility industry. He is a frequent speaker at state housing conferences and an active member of the National Council of State Housing Agencies and the National Housing and Rehabilitation Association. Mr. Williams has a bachelor's degree in English from Hobart and William Smith College.

Patrick Bowen has prepared and supervised market feasibility studies for all types of real estate products, including affordable family and senior housing, multifamily market-rate housing, and student housing, for more than 10 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.

Brian Gault has conducted fieldwork and analyzed real estate markets for eight years in more than 40 states. In this time, Mr. Gault has conducted a broad range of studies, including Low-Income Housing Tax Credit, luxury market-rate apartments, comprehensive community housing assessment, HOPE VI redevelopment, student housing analysis, condominium communities, and mixed-use developments. Mr. Gault has his bachelor's degree in Public Relations from the E.W. Scripps School of Journalism, Ohio University.

Nancy Patzer has over a decade of experience as a writer and researcher. Ms. Patzer's experience includes securing grant financing for a variety of communities and organizations and providing planning direction and motivation through research for organizations such as Community Research Partners/United Way of Central Ohio and the City of Columbus. As a project director for VWB Research, Ms. Patzer has conducted field research and provided insightful analysis in over 200 U.S. markets in the areas of housing, community and economic development, and senior residential care, among others. She holds a bachelor's degree in Journalism from the E.W. Scripps School of Journalism, Ohio University.

Andrew W. Mazak has over five years of experience in the real estate market research field. He has personally written more than 400 market feasibility studies in numerous markets throughout the United States, Canada, and Puerto Rico. These studies include the analysis of Low-Income Housing Tax Credit apartments, market-rate apartments, government-subsidized apartments, as well as student housing developments, condominium communities, and senior-restricted developments. Mr. Mazak attended Capital University in Columbus, Ohio, where he graduated with a bachelor's degree in Business Management and Marketing.

Nathan Young has four years of experience in the real estate profession. He has conducted field research and written market studies in more than 100 rural and urban markets throughout the United States. Mr. Young's real estate experience includes analysis of apartment (subsidized, Tax Credit, and market-rate), senior housing (i.e. nursing homes, assisted-living, etc.), student housing, condominium, retail, office, and self-storage facilities. Mr. Young has a bachelor's degree in Engineering (Civil) from The Ohio State University.

Jim Beery has more than 20 years experience in the real estate market feasibility profession. He has written market studies for a variety of development projects, including multifamily apartments (market-rate, affordable housing, and government-subsidized), residential condominiums, hotels, office developments, retail centers, recreational facilities, commercial developments, single-family developments, and assisted-living properties for older adults. Other consulting assignments include numerous community

redevelopment and commercial revitalization projects. Mr. Beery has a bachelor's degree in Business Administration (Finance major) from The Ohio State University.

David S. Currier has conducted on-site market evaluations in more than 90 markets in 25 states, Canada, and the U.S. Virgin Islands. Mr. Currier has analyzed apartments (subsidized, Tax Credit, and upscale market-rate), senior housing (i.e. nursing homes, assisted-living, etc.), student housing, condominium, retail, office, and marinas. Mr. Currier has a bachelor's degree in Economics from the University of Colorado.

Walt Whitmyre has directed 165 real estate development projects in 15 different states. During his 30 years as a real estate professional, Mr. Whitmyre has been heavily involved in nearly every aspect of the industry. From concept design to construction, Mr. Whitmyre has been responsible for real estate developments totaling \$400,000,000 and has acquired valuable insights from the perspectives of both developer and development team member. Mr. Whitmyre's expertise includes development team management, market feasibility studies, site due diligence, design evaluation, project budgeting, and jurisdictional entitlements. Mr. Whitmyre holds a bachelor's degree in Environmental Design/Architecture from the University of Colorado.

Rick Stein has over 15 years experience as a software developer and systems analyst. He has served as a consultant on a wide variety of information technology and urban planning projects throughout the region. He manages the Geographic Information Systems department at VWB, which is responsible for all mapping, demographic evaluation, and application development. Mr. Stein has earned a Bachelor of Science in Business Administration (specializing in Management Information Systems) from Bowling Green State University and a Master of City and Regional Planning from The Ohio State University. He is an active member of the American Planning Association and the Ohio Planning Conference.

Christi Kramer is the Marketing Coordinator at VWB 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 1,000 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.

June Davis is an administrative assistant with 19 years experience in market feasibility. Ms. Davis has overseen production on over 1,000 market studies for projects throughout the United States.

Field Staff – VWB Research maintains a field staff of professionals experienced at collecting critical on-site real estate data. Each member has been fully trained to evaluate site attributes, area competitors, market trends, economic characteristics, and a wide range of issues impacting the viability of real estate development.