

**AGENDA FOR THE KERRVILLE CITY COUNCIL MEETING**

**TUESDAY, OCTOBER 08, 2019, 6:00 P.M.**

**KERRVILLE CITY HALL, COUNCIL CHAMBERS**

**701 MAIN STREET, KERRVILLE, TEXAS**



**KERRVILLE CITY COUNCIL AGENDA  
REGULAR COUNCIL MEETING  
OCTOBER 08, 2019, 6:00 PM  
CITY HALL COUNCIL CHAMBERS  
701 MAIN STREET, KERRVILLE, TEXAS**



*The facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this event. Please contact the City Secretary's Office at 830-257-8000 for further information.*

*Citizens may speak to the City Council during the Visitors/Citizens Forum or on posted agenda items. Prior to speaking, each speaker must fill out the speaker request form and submit it to the City Secretary. The speaker request form must be submitted before the item is called or read into record. Each speaker is limited to four minutes.*

**CALL TO ORDER:**

*Mayor Bill Blackburn*

**INVOCATION:**

*Offered by Councilmember Judy Eychner*

**PLEDGE OF ALLEGIANCE TO THE FLAG:**

*Led by Councilmember Eychner*

**1 ANNOUNCEMENTS OF COMMUNITY INTEREST:**

*Announcement of items of community interest, including expressions of thanks, congratulations, or condolences; information regarding holiday schedules; honorary recognitions of city officials, employees, or other citizens; reminders about upcoming events sponsored by the city or other entity that is scheduled to be attended by city officials or employees; and announcements involving imminent threats to the public health and safety of the city. No action will be taken.*

**2 VISITORS/CITIZENS FORUM:**

*Any citizen with business not scheduled on the agenda may speak to the City Council. Prior to speaking, each speaker must fill out the speaker request form and give it to the City Secretary. The speaker request form must be submitted to the City Secretary before the item is called or read into record. City Council may not discuss or take any action on an item but may place the issue on a future agenda. Each speaker is limited to four minutes.*

**3 PRESENTATIONS:**

3.A. Proclamation: 100th Anniversary of the Women's Right to Vote, and the 100th Anniversary of the Texas League of Women Voters.

Attachments:

[20191008\\_Proclamation\\_100 Anniversary Womens Right to Vote.pdf](#)

3.B. Proclamation: Fire Prevention Week October 07, 2019 - October 11, 2019.

Attachments:

[20191008\\_Proclamation\\_Fire Prevention Week.pdf](#)

**4 CONSENT AGENDA:**

*These items are considered routine and can be approved in one motion unless a Councilmember asks for separate consideration of an item. It is recommended that the City Council approve the following items which will grant the Mayor or City Manager the authority to take all actions necessary for each approval:*

4.A. First Amendment to the Chapter 380 Economic Development Agreement between the City of Kerrville, Texas, and Kerrville's 4th on the River, Inc. related to the Arcadia Theater.

Attachments:

[20191008\\_Contract\\_2019-35 1st Amendment -Kerrville Fourth on River\\_HOT Funds-Arcadia.pdf](#)

4.B. Minutes for the City Council workshop held September 24, 2019.

Attachments:

[20191008\\_Minutes\\_Council workshop for 9-24-19.pdf](#)

4.C. Minutes for the City Council meeting held September 24, 2019.

Attachments:

[20191008\\_Minutes\\_Council meeting 6pm on 9-24-19.pdf](#)

**END OF CONSENT AGENDA**

**5 PUBLIC HEARING AND ORDINANCES, FIRST READING:**

5.A. Ordinance No. 2019-24. An Ordinance closing, abandoning, and vacating all right, title, and interest in a portion of a public right-of-way, consisting of approximately 3,148 square feet of an unimproved portion of an alley that extends between "G" Street and its intersection with "H" Street and Broadway (State Highway 27); said alley located between Water Street to the south and Broadway to the north and out of the Joseph A. Tivy's Addition, a subdivision within the City of Kerrville, Kerr County, Texas, pursuant to the plat recorded in volume P, page 16 of the plat property records of Kerr County, Texas; and located within the City of Kerrville, Texas on properties known as 1701 and 1715 Broadway; finding that said portion is not required for future use as a public street; ordering recording; providing an effective date; and providing other matters related to this subject

Attachments:

[20191008\\_Ordinance\\_2019-24 Abandoning G Street alley ROW.pdf](#)

[20191008\\_Ordinance\\_2019-24 Exhibit A.pdf](#)

**6 CONSIDERATION AND POSSIBLE ACTION:**

6.A. Resolution No. 41-2019. A Resolution adopting the Doyle Community Area Development Plan.

Attachments:

[20191008\\_Resolution\\_41-2019 Doyle Community Area Development Plan.pdf](#)

[Doyle Community ADP 100819.pdf](#)

[Doyle Framework Plan\\_100819.pdf](#)

[Doyle ADP Implementation Matrix 100819.pdf](#)

6.B. Resolution No. 42-2019. A Resolution adopting the Kerrville Housing Study and Strategic Plan 2019 for the City of Kerrville, Texas.

Attachments:

[20191008\\_Resolution\\_42-2019 Kerrville Housing Strategic Plan 2019.pdf](#)

[20191008\\_Plan\\_CDS Kerrville Housing Study and Strategic Plan.pdf](#)

**7 INFORMATION & DISCUSSION:**

7.A. Presentation regarding bond refunding opportunity.

Attachments:

[20191008\\_Presentation\\_Refunding Opportunity.pdf](#)

**8 BOARD APPOINTMENTS:**

8.A. Appointments to the Kerrville Area Youth Leadership Academy.

**9 ITEMS FOR FUTURE AGENDAS:**

*City Council may suggest items or topics for future agendas.*

**10 EXECUTIVE SESSION:**

*City Council may, as permitted by law, adjourn into executive session at any time to discuss any matter listed above including if they meet the qualifications in Sections 551.071 (consultation with attorney), 551.072 (deliberation regarding real property), 551.073 (deliberation regarding gifts), 551.074 (personnel/officers), 551.076 (deliberation regarding security devices), and 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Texas Government Code.*

**11 ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION, IF ANY:**

**ADJOURNMENT**



**TO BE CONSIDERED BY THE CITY COUNCIL  
CITY OF KERRVILLE, TEXAS**

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**SUBJECT:** Proclamation: 100th Anniversary of the Women's Right to Vote, and the 100th Anniversary of the Texas League of Women Voters.

**AGENDA DATE OF:** October 8, 2019      **DATE SUBMITTED:** Sep 24, 2019

**SUBMITTED BY:** Shelley McElhannon

**EXHIBITS:** [20191008\\_Proclamation\\_100 Anniversary Womens Right to Vote.pdf](#)

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<b>Expenditure Required:</b>	<b>Remaining Budget Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
N/A	N/A	N/A	N/A

**PAYMENT TO BE MADE TO:** N/A

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<b>Kerrville 2050 Item?</b>	No
<b>Key Priority Area</b>	N/A
<b>Guiding Principle</b>	N/A
<b>Action Item</b>	N/A

**SUMMARY STATEMENT:**

Recognize and celebrate the 100th Anniversary of Women's Right to Vote, and the 100th Anniversary of Texas League of Women Voters.

**RECOMMENDED ACTION:**

Present proclamation.

# PROCLAMATION

**WHEREAS**, after decades of public education, legislative lobbying and public demonstrations, even in the face of what would now be called torture, by women's suffrage organizations of all ages, races, and home states, Congress finally passed the 19<sup>th</sup> Amendment to the US Constitution providing that "the right to vote shall not be denied or abridged by the United States or any State on account of sex" on June 4, 1919; and

**WHEREAS**, the Texas legislature had already opened voting in Texas primary elections, although they were Whites only primaries, to women in 1918 and promptly became the 9<sup>th</sup> state legislature to ratify the proposed amendment on June 28, 1919; and

**WHEREAS**, Tennessee was the 36<sup>th</sup> and last required state to ratify, passing the legislation by just one vote on August 26, 1920; and

**WHEREAS**, the suffragist organizations then turned their attention to educating and encouraging women to vote by founding the League of Women Voters; and

**WHEREAS**, the Texas League of Women Voters was founded October 19, 1919, at the St. Anthony Hotel in San Antonio and now includes members of all genders; and

**WHEREAS**, the local League of Women Voters – Hill Country, Texas, celebrated its 40<sup>th</sup> anniversary in May of this year.

**NOW, THEREFORE**, be it resolved that the Mayor and Council of the City of Kerrville join with the League of Women Voters Hill Country, Texas, in celebrating the progress represented by these anniversaries in the continuing struggle to realize the dream of full equality for all citizens of our beloved nation and encourage the local League, now over 80 members strong, in its efforts to register voters, provide non-partisan information on the issues, and increase voter participation in every election, and call upon the citizens of Kerrville to join in recognizing and participating in this special observance.

## 100<sup>TH</sup> ANNIVERSARY OF THE WOMEN'S RIGHT TO VOTE AND OF THE TEXAS LEAGUE OF WOMEN VOTERS



IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City of Kerrville to be affixed hereto, the 8th day of October, 2019.

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Bill Blackburn, Mayor



**TO BE CONSIDERED BY THE CITY COUNCIL  
CITY OF KERRVILLE, TEXAS**

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**SUBJECT:** Proclamation: Fire Prevention Week October 07, 2019 - October 11, 2019.

**AGENDA DATE OF:** October 8, 2019      **DATE SUBMITTED:** Sep 24, 2019

**SUBMITTED BY:** Shelley McElhannon

**EXHIBITS:** [20191008\\_Proclamation\\_Fire Prevention Week.pdf](#)

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<b>Expenditure Required:</b>	<b>Remaining Budget Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
N/A	N/A	N/A	N/A

**PAYMENT TO BE MADE TO:** N/A

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<b>Kerrville 2050 Item?</b>	No
<b>Key Priority Area</b>	N/A
<b>Guiding Principle</b>	N/A
<b>Action Item</b>	N/A

**SUMMARY STATEMENT:**

Recognize and celebrate Fire Prevention Week as October 07, 2019 - October 11, 2019 in Kerrville, Texas. Fire Prevention month is the month of October 2019.

**RECOMMENDED ACTION:**

Present proclamation

# PROCLAMATION

**WHEREAS**, the City of Kerrville is committed to ensuring the safety of all those living in and visiting Kerrville, and home fires are a serious public safety concern; and

**WHEREAS**, according to the National Fire Protection Association® (NFPA®) home fires killed 2,630 people in the US in 2017, and fire departments responded to 357,000 home fires, and the majority of fire deaths (4 out of 5) occur at home; and

**WHEREAS**, residents should make a home fire escape plan and practice at least twice a year, during the day and at night and including children, and everyone in the home should know how to call 9-1-1, and in a real fire emergency residents should get low and go under the smoke to get out quickly, and never go back inside the home for people, pets, or things; and

**WHEREAS**, the 2019 Fire Prevention Week™ theme, “Not Every Hero Wears a Cape. Plan and Practice Your Escape!™” effectively serves to remind us that we need to take personal steps to increase our safety from fire.

**THEREFORE**, I Bill Blackburn, Mayor of Kerrville, do hereby proclaim October 6-12, 2019, as

## **Fire Prevention Week**

And urge all the people of Kerrville to support the many public safety activities and efforts of Kerrville fire and emergency services during Fire Prevention Week 2019.



**IN WITNESS WHEREOF**, I have hereunto set my hand and caused the Seal of the City of Kerrville to be affixed hereto, the 8th day of October, 2019.

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Bill Blackburn, Mayor



**TO BE CONSIDERED BY THE CITY COUNCIL  
CITY OF KERRVILLE, TEXAS**

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**SUBJECT:** First Amendment to the Chapter 380 Economic Development Agreement between the City of Kerrville, Texas, and Kerrville's 4th on the River, Inc. related to the Arcadia Theater.

**AGENDA DATE OF:** October 8, 2019      **DATE SUBMITTED:** Sep 30, 2019

**SUBMITTED BY:** EA Hoppe

**EXHIBITS:** [20191008\\_Contract\\_2019-35 1st Amendment -Kerrville Fourth on River\\_HOT Funds-Arcadia.pdf](#)

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<b>Expenditure Required:</b>	<b>Remaining Budget Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
N/A	N/A	N/A	N/A

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**PAYMENT TO BE MADE TO:** N/A

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<b>Kerrville 2050 Item?</b>	Yes
<b>Key Priority Area</b>	D - Downtown Revitalization
<b>Guiding Principle</b>	D1. Create a “living room” for the community and a “front door” for visitors—a full-service destination that attracts anchor uses and increased residential and mixed-use development.
<b>Action Item</b>	D1.7 - Support the conversion of the Arcadia Theater to a live music event venue

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**SUMMARY STATEMENT:**

In mid-2019 the City entered into a Chapter 380 Agreement with the Kerrville 4th on the River, Inc. (KFOR) to incentivize the renovation of the downtown Arcadia Theater. This Agreement called for \$400,000 in HOMT Reserve funds to be distributed to KFOR, to be matched by the non-profit entity via other philanthropic fundraising. The organization has asked for a modification to the terms of the agreement to allow for two installments of \$200,000, one to be paid in October 2019 and one payment to occur in January 2020, to assist with the completion of construction documents in fall 2019. In addition, KFOR has also inquired about the potential to utilize the City-owned office space located adjacent to the theater, currently being leased by Representative Andrew Murr. The City has

negotiated the basic terms of a potential modification to the Agreement:

City will:

Enter into a lease agreement with KFOR for a period of 10 years, with two 5-year lease extension options (assumes the existing tenant is able to find a satisfactory alternate location)

Modify the current Chapter 380 Agreement to allow for two installments of the \$400,000 HOMT payment; one in October 2019 and one in January 2020

KFOR will:

Enter into a lease agreement with KFOR for a period of 10 years, with two 5-year lease extension options

Basic lease terms:

Annual Rent: \$1

KFOR will maintain the public restroom facilities on a daily basis, utilizing their own supply materials, and make sure they are in good working order and available to the public on the same hours and dates as currently available

All utilities for the leased space and restrooms will be paid by KFOR

Any maintenance of the building, HVAC, or infrastructure will be the responsibility of KFOR

A “cross access agreement” will be provided by KFOR for the area between the Arcadia property and the adjacent property to the east (old Bank of America building) to allow for access to the Arcadia balcony area and potentially the side access door of the Arcadia theater

Seek approval from the City for all remodel or renovation of the building

The City currently receives \$350 per month for the lease of the office space. Outsourcing the maintenance of the public restroom facility will reduce City expense for this labor and supply materials by an estimated \$8,000 annually.

**RECOMMENDED ACTION:**

Authorize the City Manager to finalize and execute the Amendment.

# D R A F T 10/2/19

## FIRST AMENDMENT TO THE CHAPTER 380 ECONOMIC DEVELOPMENT AGREEMENT BETWEEN THE CITY OF KERRVILLE, TEXAS, AND KERRVILLE'S 4<sup>TH</sup> ON THE RIVER, INC.

This *First Amendment to the Chapter 380 Economic Development Agreement between the City of Kerrville, Texas, and Kerrville's 4<sup>th</sup> on the River* ("1<sup>st</sup> Amendment") is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2019, by and between the **City of Kerrville, Texas, and Kerrville's 4<sup>th</sup> on the River, Inc.** ("KFOR") (City and KFOR each being a "Party," and collectively "the Parties") for the purposes and considerations stated below.

### WITNESSETH:

**WHEREAS**, on June 25, 2019, City and KFOR entered into that certain agreement titled ***Chapter 380 Agreement between the City of Kerrville, Texas, and Kerrville's 4<sup>th</sup> on the River, Inc.*** (the "Grant Agreement"); and

**WHEREAS**, pursuant to the Grant Agreement, KFOR agreed to be responsible for the design, engineering, and construction of improvements, as the Grant Agreement defined that term, to the Arcadia Theater; and

**WHEREAS**, subject to KFOR's performance of its obligations under the Grant Agreement and other terms, City agreed to pay KFOR \$400,000.00, referred to as the "Grant" by the Grant Agreement; and

**WHEREAS**, KFOR has asked the City to amend the Grant Agreement, whereby City will split the Grant into two, equal payments of \$200,000.00; and

**WHEREAS**, in addition, the Parties will agree to enter into both a lease agreement and easement agreement, to be drafted and approved at a later date by the Parties and containing the general terms described below; and

**WHEREAS**, City finds that it is in the public interest to amend the Grant Agreement as provided herein;

**NOW THEREFORE**, for and in consideration of the recitals set forth above and the promises made herein, City and KFOR agree as follows:

1. Article 3 of the Grant Agreement is amended by adding a new Section 3.06 with the addition indicated by underlined text as follows:

**3.06 Access Easement.** KFOR will grant City a cross-access easement between the Arcadia, including its balcony area, to authorize City and its designees to access the Arcadia and its balcony area from adjacent properties

and/or a future river trial, subject to certain terms. The Parties will enter into this easement agreement following the approval of this 1<sup>st</sup> Amendment.”

2. Article 4, Section 4.01 of the Grant Agreement is amended with additions indicated by underlined text and deletions indicated by ~~strikeout~~ text as follows:

## **“ARTICLE 4** **Grant/Lease**

### **4.01 Payment of Grant & Lease of Office Space.**

(a) Subject to KFOR’s performance of its obligations as required by this Agreement, and subject to the provisions of this section, City shall pay KFOR a ~~one-time~~ grant in the amount of Four Hundred Thousand and No/100 Dollars (\$400,000.00) (the “Grant”) from HOT Revenues. ~~The City shall pay the Grant in two, equal payments of \$200,000.00, with the first payment occurring on or before October 15, 2019; and the second payment occurring on or before January 15, 2020. City will make such payments to KFOR following pay KFOR on or before thirty (30) days following the date that City receives delivery of a request for payment of said amount accompanied by (i) appropriate evidence, in City’s sole opinion, that KFOR possesses or controls enough funds, which, when combined with the Grant and the EIC Grant, is enough to pay for construction of the Improvements along with an appropriate amount of additional funding, not less than 10% of the overall cost of the Improvements, to cover any contingencies; (ii) appropriate evidence of the date of Commencement of Work; (iii) documentation that KFOR has incurred, or contractually obligated itself to incur, not less than \$2.0 Million related to the Project; (iv) execution by KFOR and delivery to City of the Note and Deed of Trust; and (v) recording of the Deed of Trust in the Official Public Records of Kerr County, Texas. City is obligated to make the Grant solely from HOT Revenue, and City is not obligated to make such payment from any other funds or revenues of City. KFOR shall only use the Grant for Qualified Expenditures.~~

(b) City shall lease the office space it owns at 714 Water Street, Kerrville, Tx, to KFOR. The Parties will enter into a lease following the approval of this 1<sup>st</sup> Amendment, which will include the following terms among others: the lease term will be 10 years, with an option given to KFOR to extend the lease for up to two, 5-

year terms following notice to City; the annual rent shall be \$1.00; KFOR will maintain, using its own supplies, the public restrooms in good working order and keep them open to the public during the days and times that currently apply; KFOR will be responsible for the payment of all utility costs; KFOR will maintain the office space, including HVAC, in good working order.”

3. Except as amended herein, the provisions of the Grant Agreement remain in full force and effect.

**IN WITNESS WHEREOF**, the parties hereto have executed this Amendment in the year and as of the date indicated.

**City of Kerrville, Texas**

**Kerrville's 4<sup>th</sup> on the River, Inc.**

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Mark L. McDaniel, City Manager

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Benjamin Modisett, President

ATTEST:

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Shelley McElhannon, City Secretary

APPROVED AS TO FORM:

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Michael C. Hayes, City Attorney



**TO BE CONSIDERED BY THE CITY COUNCIL  
CITY OF KERRVILLE, TEXAS**

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**SUBJECT:** Minutes for the City Council workshop held September 24, 2019.

**AGENDA DATE OF:** October 8, 2019      **DATE SUBMITTED:** Aug 01, 2019

**SUBMITTED BY:** Shelley McElhannon

**EXHIBITS:** [20191008\\_Minutes\\_Council workshop for 9-24-19.pdf](#)

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<b>Expenditure Required:</b>	<b>Remaining Budget Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
\$0	\$0	\$0	N/A

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**PAYMENT TO BE MADE TO:** N/A

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<b>Kerrville 2050 Item?</b>	No
<b>Key Priority Area</b>	N/A
<b>Guiding Principle</b>	N/A
<b>Action Item</b>	N/A

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**SUMMARY STATEMENT:**

Minutes for the City Council workshop held on September 24, 2019 at 4:00 p.m.

**RECOMMENDED ACTION:**

Approve minutes as presented.

CITY COUNCIL MINUTES  
WORKSHOP, COUNCIL CHAMBERS

KERRVILLE, TEXAS  
SEPTEMBER 24, 2019 4:00 PM

**1. CALL TO ORDER**

On September 24, 2019, at 4:01 p.m., the Kerrville City Council Workshop was called to order by Mayor Bill Blackburn in Council Chambers at 701 Main Street.

**COUNCILMEMBERS PRESENT:**

Bill Blackburn	Mayor
Judy Eychner	Mayor Pro Tem
Kim Clarkson	Councilmember Place 2
Delayne Sigerman	Councilmember Place 4

**COUNCILMEMBER ABSENT:**

Gary Cochrane	Councilmember Place 1
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**CITY STAFF PRESENT:**

Mark McDaniel,	City Manager
E.A. Hoppe	Deputy City Manager
Mike Hayes	City Attorney
Shelley McElhannon	City Secretary
Guillermo Garcia	Executive Director for Innovation
Sherry Mosier	Manager of Strategic Initiatives
Drew Paxton	Planning Director

**VISITORS PRESENT:**

Walt Koenig, Chamber of Commerce President
Gil Salinas, Kerrville Economic Development Corporation
Mike Wittler, CEO and General Manager Kerrville Public Utility Board

**2. CONSIDERATION AND POSSIBLE ACTION**

2.A. Kerrville Economic Development Corporation presentation of the Fiscal Year 2020 budget.

Gil Salinas, Kerrville Economic Development Corporation, presented the Kerrville Economic Improvement Corporation proposed budget for Fiscal Year 2020, reviewed and highlighted the business plan and performance metrics, and responded to questions.

**3. CONSIDERATION AND POSSIBLE ACTION:**

3.A. Annual Kerrville Economic Improvement Corporation budget for Fiscal Year 2020.

E.A. Hoppe presented the item and responded to questions from the Council.

Councilmember Delayne Sigerman moved to approve the Annual Kerrville Economic Improvement Corporation budget for Fiscal Year 2020. Councilmember Judy Eychner seconded, and the motion passed 4-0.

3.B. City of Kerrville Funding Agreement with Kerr Economic Development Corporation.

E.A. Hoppe presented the item.

Councilmember Eychner moved to approve the Funding Agreement with Kerr Economic Development Corporation for an amount up to \$50,000.00 for Fiscal Year 2020. Councilmember Sigerman seconded, and the motion passed 4-0.

3.C. Economic Development Grant Agreement between the City of Kerrville, Texas Economic Improvement Corporation and the Kerr Economic Development Corporation for an amount up to \$250,000.00 for Fiscal Year 2020, Fiscal Year 2021, and Fiscal Year 2022 upon annual review.

E.A. Hoppe presented the item.

Councilmember Sigerman moved to approve the Economic Development Grant Agreement. Councilmember Eychner seconded, and the motion passed 4-0.

3.D. Administrative Services Contract between the City of Kerrville, Texas and the City of Kerrville, Texas Economic Improvement Corporation in the amount of \$185,000.00.

E.A. Hoppe presented the item.

Councilmember Kim Clarkson moved to approve the Administrative Services Contract between the City of Kerrville, Texas, and the City of Kerrville, Texas Economic Improvement Corporation in the amount of \$185,000.00. Councilmember Eychner seconded, and the motion passed 4-0.

**4. RECESS**

The workshop was recessed by the Mayor at 4:55 p.m.

**5. RECONVENE**

The workshop was reconvened by the Mayor in the upstairs large conference room at 5:12 p.m. Councilmember Gary Cochrane arrived, was recognized, and was present during the remaining Council workshop.

**6. INFORMATION AND DISCUSSION**

6.A. Progress Report Regarding Development Services Improvements.

Guillermo Garcia presented the report, and responded to questions from the Council.

**7. ADJOURNMENT**

The meeting was adjourned at 5:46 p.m.

APPROVED:

ATTEST:

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Bill Blackburn, Mayor

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Shelley McElhannon, City Secretary

APPROVED: \_\_\_\_\_



**TO BE CONSIDERED BY THE CITY COUNCIL  
CITY OF KERRVILLE, TEXAS**

---

**SUBJECT:** Minutes for the City Council meeting held September 24, 2019.

**AGENDA DATE OF:** October 8, 2019      **DATE SUBMITTED:** Aug 01, 2019

**SUBMITTED BY:** Shelley McElhannon

**EXHIBITS:** [20191008\\_Minutes\\_Council meeting 6pm on 9-24-19.pdf](#)

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<b>Expenditure Required:</b>	<b>Remaining Budget Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
\$0	\$0	\$0	N/A

**PAYMENT TO BE MADE TO:** N/A

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<b>Kerrville 2050 Item?</b>	No
<b>Key Priority Area</b>	N/A
<b>Guiding Principle</b>	N/A
<b>Action Item</b>	N/A

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**SUMMARY STATEMENT:**

Minutes for the City Council meeting held on September 24, 2019 at 6:00 p.m.

**RECOMMENDED ACTION:**

Approve minutes as presented.

CITY COUNCIL MINUTES  
REGULAR MEETING

KERRVILLE, TEXAS  
SEPTEMBER 24, 2019

On September 24, 2019, at 6:01 p.m. the meeting was called to order by Mayor Bill Blackburn in the City Hall Council Chambers at 701 Main Street. The invocation was offered by Councilmember Kim Clarkson, followed by the Pledge of Allegiance led by Councilmember Clarkson.

COUNCILMEMBERS PRESENT:

Bill Blackburn	Mayor
Judy Eychner	Mayor Pro Tem
Gary Cochrane	Councilmember
Kim Clarkson	Councilmember
Delayne Sigerman	Councilmember

COUNCILMEMBER ABSENT: None

CITY EXECUTIVE STAFF PRESENT:

Mark McDaniel	City Manager
E.A. Hoppe	Deputy City Manager
Mike Hayes	City Attorney
Shelley McElhannon	City Secretary
Stuart Cunyus	Public Information Officer
Amy Dozier	Director of Finance
Guillermo Garcia	Executive Director of Innovation
David Knight	Chief of Police
Eric Maloney	Deputy Fire Chief
Kim Meismer	Executive Director of General Operations
Sherry Mosier	Manager of Strategic Initiatives
Drew Paxton	Executive Director of Development Services
Dannie Smith	Fire Chief

VISITORS PRESENT: On file in City Secretary's Office for required retention period.

**1. ANNOUNCEMENTS OF COMMUNITY INTEREST:**

Items of Interest to the Community were presented by Stuart Cunyus.

**2. VISITORS FORUM:**

The following persons spoke:

- George Baroody
- Bruce Stracke

**3. PRESENTATIONS:**

3A. Mayor Blackburn presented a Proclamation observing September 2019 as Recovery Month in the City. The Proclamation was received by Recovery Community Coalition members Leighann Fitzpatrick, Chief Dannie Smith, Dale Trees, and Kendall Young.

**4. CONSENT AGENDA:**

Councilmember Judy Eychner moved to approve the items on the consent agenda as presented. Councilmember Gary Cochrane seconded, and the motion passed 5-0.

4A. Resolution No. 33-2019. A Resolution repealing specified resolution which address various aspects of the City's development process but which are no longer necessary or applicable based upon the adoption of a new zoning code by City Council.

4B. Resolution No. 38-2019. Adoption of the 2019-20223 Airport Strategic Plan.

4C. Resolution No. 39-2019. A Resolution approving the budget for Kerr Emergency 9-1-1 Network for Fiscal Year 2020.

4D. Renew Geographic Information System Enterprise License Agreement with Environmental Systems Research Institute, Inc.

4E. Minutes for the City Council workshop held September 10, 2019.

4F. Minutes for the City Council meeting held September 10, 2019.

4G. Minutes for the Kerrville-Kerr County Joint workshop held September 16, 2019.

**END OF CONSENT AGENDA:**

**5. ORDINANCE(S), SECOND READING:**

5A. Ordinance No. 2019-23. Second reading. An Ordinance approving and adopting the City of Kerrville, Texas, Sign Code, a comprehensive rewrite of the City's sign regulations in accordance and aligned with the Kerrville Comprehensive Plan (Kerrville 2050); said rewrite to be known as the "City of Kerrville, Texas Sign Code" and found within a new Chapter 92 of the City's Code of Ordinances, which will repeal and replace Article II of Chapter 6 of the City's Code of Ordinances; adopting revised regulations concerning the installation and maintenance of signs within the City of Kerrville, Texas, and within the extraterritorial jurisdiction of the City; containing a cumulative clause; containing a savings and severability clause; providing for penalties not to exceed \$2,000.00; ordering publication; providing an effective date; and providing other matters related to the subject.

Drew Paxton presented the item, highlighted changes, and responded to questions. Discussion ensued among Council.

The following persons spoke:

- Martin Stringer
- Kim Arvidsson
- Sylvia Fritz Dobbs
- Harold Buell
- Cory Traub
- Bruce Barton
- George Baroody
- Linda Stone
- Pablo Brinkman
- Andy Sanchez

Two citizens signed up to speak about Item 5A after the item had been read into record and after Mr. Paxton's presentation of Item 5A. Since neither citizen registered to speak in advance, they were not recognized and called forward.

Mayor Blackburn moved to approve Ordinance No. 2019-23 with amendments, and Councilmember Eychner seconded. After discussion, both Mayor Blackburn and Councilmember Eychner withdrew the motion and second.

After Council comments and discussion, the following motions were made and some actions were taken.

Councilmember Eychner moved to amend Ordinance No. 2019-23 to change to read “*shall not exceed a light intensity or brightness level of 500 nits at night and 7,000 nits during the day*”. Councilmember Delayne Sigerman seconded and the motion passed 5-0.

Councilmember Cochrane moved to amend Ordinance No. 2019-23, Section 92 – 9 – 5 “E” to read “*shall be supplied with underground electric service*”. Councilmember Clarkson seconded and the motion passed 5-0.

Councilmember Clarkson moved to amend Ordinance No. 2019-23, Section 92 – 9 – 5 “I” Electronic Displays to read “*shall operate in a way that the message remains static for 5 seconds*”. Councilmember Cochrane seconded and the motion failed 2-3 with Councilmember Clarkson and Councilmember Cochrane voting in favor, and Mayor Blackburn, Councilmember Eychner, and Councilmember Sigerman voting against.

Councilmember Clarkson moved to amend Ordinance No. 2019-23, Section 92 – 9 – 7 # 9 to add G Street, between Sidney Baker South and Memorial Boulevard, to the list of free standing signs page 34 “free standing signs”. Councilmember Cochrane seconded, and the motion passed 4-1, with Mayor Blackburn, Councilmember Cochrane, Councilmember Clarkson, and Councilmember Sigerman voting in favor, and Councilmember Eychner voting against.

Councilmember Eychner moved to amend Ordinance No. 2019-23, Page 33 item 1 to read “*shall operate in a way that the message remains static for a minimum of 6 seconds*”. Councilmember Sigerman seconded and the motion passed 5-0.

Mayor Blackburn moved to adopt the entire Ordinance 2019-23 as presented with the above approved amendments. Councilmember Cochrane seconded and the motion passed 5-0.

5B. Ordinance No. 2019-21. Second reading. An Ordinance adopting the annual budget for the City of Kerrville, Texas, Fiscal Year 2020; providing appropriations for each City department and fund; containing a cumulative clause; and containing a savings and severability clause.

Councilmember Cochrane moved as follows: “I move to approve Ordinance 2019-21 to adopt the City’s budget for Fiscal Year 2020 on second reading.” Ms. Eychner seconded. Through a record vote, the voting results were as follows:

Mayor Blackburn YES

Mayor Pro Tem Eychner YES

Councilmember Cochrane YES

Councilmember Clarkson YES

Councilmember Sigerman YES

Councilmember Eychner moved as follows: "I make a motion that we vote to ratify a budget that will require raising more revenue from property taxes than the previous fiscal year". Councilmember Sigerman seconded, and the motion passed 5-0.

5C. Ordinance No. 2019-20. Second reading. An Ordinance levying an ad valorem tax for the use and the support of the Municipal Government for the City of Kerrville, Texas, for Fiscal Year 2020; providing for apportioning each levy for specific purposes; and providing when taxes shall become due and when same shall become delinquent if not paid.

Amy Dozier presented item.

Councilmember Eychner moved as follows: "I make a motion that Ordinance 2019-20 be adopted and that the property tax rate be increased by the adoption of a tax rate of \$0.5400, which is effectively a 3.4% percent increase in the tax rate." Councilmember Sigerman seconded. Through a record vote, the voting results were as follows:

Mayor Blackburn YES

Mayor Pro Tem Eychner YES

Councilmember Cochrane YES

Councilmember Clarkson YES

Councilmember Sigerman YES

5D. Ordinance No. 2019-22. Second reading. An Ordinance creating a "Planned Development District" for agricultural, commercial, mixed-use, office, open space, residential, and wireless telecommunication facilities on tracts of land making up an approximate 264.22 acres, as defined herein, and within the City of Kerrville, Kerr County, Texas; and more generally located southeast of the intersection of Farm-to-Market Road 783 (Harper Highway) and Interstate 10 and adjacent to and north of Holdsworth Drive; adopting a concept plan and conditions related to the development of said district; repealing Ordinance Nos. 2004-15 and 2017-19, which established the previous zoning of the property, containing a cumulative clause; containing a savings and severability clause; establishing a penalty or fine not to exceed \$2,000 for each day of violation of any provision hereof; ordering publication; and providing other matters relating to the subject.

Drew Paxton presented the item and responded to questions, and real estate consultant Bruce Stracke responded to questions.

The following persons spoke:

- George Baroody

Councilmember Sigerman moved to approve Ordinance No. 2019-22 for the Planned Development District. Councilmember Cochrane seconded, and the motion passed 5-0.

## **6. CONSIDERATION AND POSSIBLE ACTION:**

6A. Resolution No. 37-2019. A Resolution amending the City of Kerrville Fee Schedule by revising fees charged for various services and uses provided or offered by the City.

Amy Dozier presented the resolution and highlighted revisions. Ms. Dozier and Eric Maloney responded to questions.

Councilmember Cochrane moved to approve Resolution No. 37-2019. Councilmember Sigerman seconded, and the motion passed 5-0.

6B. Resolution No. 40-2019. A Resolution nominating a candidate(s) to Kerr Central Appraisal District Board of Directors for the 2020-2021 term. (This item is eligible for Executive Session, Section 551.074: Personnel Matters.)

Councilmember Sigerman moved to approve Resolution No. 40-2019 and nominate Judy Eychner as a candidate to the Kerr Central Appraisal District Board of Directors. Councilmember Cochrane seconded, and the motion passed 4-0, with Mayor Blackburn, Councilmember Cochrane, Councilmember Clarkson, and Councilmember Sigerman voting in favor, and Councilmember Eychner abstaining from the vote.

**7. INFORMATION AND DISCUSSION:**

7A. Financial update for the month ended August 31, 2019.

Amy Dozier presented information.

**8. BOARD APPOINTMENTS:**

8A. Appointments to the Main Street Advisory Board.

Councilmember Eychner moved to appoint the following seven individuals to the Main Street Advisory Board: Edward Hamilton, Mary Elaine Jones, J. Clint Morris, Anne Overby, Lyndia Rector, Melissa Southern, and Mike Wellborn. Councilmember Clarkson seconded, and the motion passed 5-0.

**9. ITEMS FOR FUTURE AGENDAS:**

None

**10. EXECUTIVE SESSION:**

None

**11. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION, IF ANY:**

None

**ADJOURNMENT**

The meeting was adjourned at 8:26 p.m.

APPROVED:

ATTEST:

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Bill Blackburn, Mayor

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Shelley McElhannon, City Secretary

APPROVED BY COUNCIL: \_\_\_\_\_



**TO BE CONSIDERED BY THE CITY COUNCIL  
CITY OF KERRVILLE, TEXAS**

---

**SUBJECT:** Ordinance No. 2019-24. An Ordinance closing, abandoning, and vacating all right, title, and interest in a portion of a public right-of-way, consisting of approximately 3,148 square feet of an unimproved portion of an alley that extends between "G" Street and its intersection with "H" Street and Broadway (State Highway 27); said alley located between Water Street to the south and Broadway to the north and out of the Joseph A. Tivy's Addition, a subdivision within the City of Kerrville, Kerr County, Texas, pursuant to the plat recorded in volume P, page 16 of the plat property records of Kerr County, Texas; and located within the City of Kerrville, Texas on properties known as 1701 and 1715 Broadway; finding that said portion is not required for future use as a public street; ordering recording; providing an effective date; and providing other matters related to this subject

**AGENDA DATE OF:** October 8, 2019      **DATE SUBMITTED:** Sep 30, 2019

**SUBMITTED BY:** EA Hoppe

**EXHIBITS:** [20191008\\_Ordinance\\_2019-24 Abandoning G Street alley ROW.pdf](#)  
[20191008\\_Ordinance\\_2019-24 Exhibit A.pdf](#)

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<b>Expenditure Required:</b>	<b>Remaining Budget Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
N/A	N/A	N/A	N/A

**PAYMENT TO BE MADE TO:** N/A

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<b>Kerrville 2050 Item?</b>	No
<b>Key Priority Area</b>	N/A
<b>Guiding Principle</b>	N/A
<b>Action Item</b>	N/A

**SUMMARY STATEMENT:**

This unimproved alleyway was dedicated to the City via a late 19th century plat to the City. It currently serves no public City purpose and essentially functions as a parking lot and private driveway for the businesses that are located on either side of it. The alleyway does have an Atmos gas line located underground in this location, and that gas line easement

will remain. The owners of the adjacent property have asked that the ROW designation be removed so that "cut-through" will be less likely to utilize the alley to travel east from G Street to Broadway to make an eastbound turning movement. Due to the sharp angle of the alleyway in relation to Broadway, the abandonment of the alleyway will reduce the traffic safety hazard created from the approach angle of the alleyway in relation to Broadway.

**RECOMMENDED ACTION:**

Authorize the City Manager to finalize and execute the abandonment documentation.

**CITY OF KERRVILLE, TEXAS**  
**ORDINANCE NO. 2019-24**

**AN ORDINANCE CLOSING, ABANDONING, AND VACATING ALL RIGHT, TITLE, AND INTEREST IN A PORTION OF A PUBLIC RIGHT-OF-WAY, CONSISTING OF APPROXIMATELY 3,148 SQUARE FEET OF AN UNIMPROVED PORTION OF AN ALLEY THAT EXTENDS BETWEEN "G" STREET AND ITS INTERSECTION WITH "H" STREET AND BROADWAY (STATE HIGHWAY 27); SAID ALLEY LOCATED BETWEEN WATER STREET TO THE SOUTH AND BROADWAY TO THE NORTH AND OUT OF THE JOSEPH A. TIVY'S ADDITION, A SUBDIVISION WITHIN THE CITY OF KERRVILLE, KERR COUNTY, TEXAS, PURSUANT TO THE PLAT RECORDED IN VOLUME P, PAGE 16 OF THE PLAT RECORDS OF KERR COUNTY, TEXAS; AND, LOCATED WITHIN THE CITY OF KERRVILLE, TEXAS ON PROPERTIES KNOWN AS 1701 AND 1715 BROADWAY; FINDING THAT SAID PORTION IS NOT REQUIRED FOR FUTURE USE AS A PUBLIC STREET; ORDERING RECORDING; PROVIDING AN EFFECTIVE DATE; AND PROVIDING OTHER MATTERS RELATED TO THIS SUBJECT**

**WHEREAS**, "G" Street and "H" Street are located between and intersect with both Water Street to the south and Broadway (State Highway 27) to the north; and

**WHEREAS**, an unimproved portion of a public right-of-way exists between "G" Street and "H" Street ("Right-of-Way Segment"), which though neither improved nor marked in any way, limits development on the properties that it crosses; and

**WHEREAS**, the Right-of-Way Segment, intended as an alley, has not been and is no longer required for public use as the City has no plans to improve or maintain it as a public right-of-way; and

**WHEREAS**, the property owners who own property on both sides of this Right-of-Way Segment and have plans for the continued use and potentially, the additional development of that property ("Owners"), have asked the City to abandon and vacate such segment; and

**WHEREAS**, as the Right-of-Way Segment which is requested to be abandoned and vacated is unimproved, will not be needed as a future public right-of-way, would require the expenditure of funds to improve, and even if improved, may pose a safety hazard as to its use and entry onto Broadway, City staff recommends that the City formally close, abandon, and vacate the Right-of-Way Segment, subject to terms of this Ordinance; and

**WHEREAS**, the City of Kerrville, Texas, is a home-rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5 of the of the Texas Constitution and Chapter 9 of the Texas Local Government Code; and

**WHEREAS**, Texas Transportation Code Section 311.007 authorizes any such city to abandon, vacate, or close any street or alley; and

**WHEREAS**, City Council held a public hearing beginning at approximately 6:00 p.m. on October 8, 2019, as advertised, to consider public comments regarding the issue of closure, abandonment, and vacation of the Right-of-Way Segment; and

**WHEREAS**, pursuant to the actions contemplated to be taken below and in order to avoid any future cost to the public required with respect to the future improvement and maintenance of the Right-of-Way Segment, the City Council of the City of Kerrville, Texas, acting pursuant to state law and to facilitate the development of property, avoid unnecessary costs and safety issues with respect to improving the Right-of-Way Segment, finds it to be in the public interest and advisable to close, abandon, and vacate the Right-of-Way Segment, subject to the limitations and conditions which follow;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KERRVILLE, KERR COUNTY, TEXAS:**

**SECTION ONE.** The facts and matters set forth in the preamble to this Ordinance are hereby found to be true and correct.

**SECTION TWO.** Subject to the limitations and conditions below, City Council finds that the following right-of-way (“Right-of-Way Segment”) is no longer essential to the safe and efficient flow of traffic. As an exercise of its discretion, City Council hereby closes, abandons, and vacates in favor of the abutting property owners, as appropriate, all of the City’s right, title, and interest of the public in and to the Right-of-Way Segment, which is identified as follows:

**That portion of an unimproved public right-of-way as it continues southeast from its intersection with “G” Street to its intersection with both “H” Street and Broadway, and being pictured in Exhibit A, attached hereto and incorporated herein by reference.**

**SECTION THREE.** The Right-of-Way Segment exists by virtue of a subdivision plat recorded at Volume P and beginning on Page 16, of the Plat Records of Kerr County, Texas.

**SECTION FOUR.** The properties abutting the Right-of-Way Segment are:

**1701 Broadway, Kerrville, TX 78028  
1715 Broadway, Kerrville, TX 78028**

The listing above is made solely to facilitate indexing this Ordinance in the Real Property Records of Kerr County, Texas. If the listing is inaccurate or not comprehensive, it does not affect the validity of this Ordinance or the closure, abandonment, and vacation of the Right-of-Way Segment.

**SECTION FIVE.** The Right-of-Way Segment exists by easement (plat). The rights closed, abandoned, and vacated by the City pursuant to this Ordinance now unburden the underlying fee ownership of the Right-of-Way Segment by the adjacent lot owners. For purposes of future conveyance and to better reflect their ownership generally, owners of the adjacent properties should replat. No such replat impairs the rights retained by City below, unless in the

course of replatting, the owner(s), at its own expense, otherwise provides for those rights according to platting rules of general applicability.

**SECTION SIX.** All presently existing water and wastewater lines and facilities, electric transmission and distribution lines and facilities, gas lines and facilities, communication lines and facilities, or any other public utility lines and facilities, if any, may remain in place despite this Ordinance and may continue to be used, repaired, enlarged, and maintained in the ordinary course of business. Any person wanting removal of an existing utility line or facility must negotiate separately with the pertinent utility. Any person building on the Right-of-Way Segment without first reaching an agreement with a utility having a line(s) or facility(s) within the segment does so at its own risk. Upon the effective date of this Ordinance, no utility may add additional utility lines or facilities within the Right-of-Way Segment based on a claim that the Right-of-Way Segment is a public (street or alley) right-of-way. This closure does not give up any right arising other than from the plat or other instrument creating the public alley right-of-way. Neither does this Ordinance create new easement rights.

**SECTION SEVEN.** The City Secretary is authorized and directed to prepare a certified copy of this Ordinance and furnish the same to abutting property owners, and in addition, record this closure, abandonment, and vacation Ordinance in the Real Property Records of Kerr County, Texas of all the right, title, or interest of the City in and to said right-of-way described in Volume P, Page 16 and specified in Section Two, but only to that interest that City Council may lawfully close, abandon, and vacate, and subject to the limitations and conditions of this Ordinance.

**SECTION EIGHT.** The City Manager or designee is authorized and directed to execute and deliver any document(s) and to take any action(s) necessary to complete the closure, abandonment, and vacation.

**SECTION NINE.** This Ordinance shall become effective immediately after its second reading and final passage.

**PASSED AND APPROVED ON FIRST READING, this the \_\_\_\_\_ day of \_\_\_\_\_, A.D., 2019.**

**PASSED AND APPROVED ON SECOND AND FINAL READING, this the \_\_\_\_\_ day of \_\_\_\_\_, A.D., 2019.**

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Bill Blackburn, Mayor

APPROVED AS TO FORM:



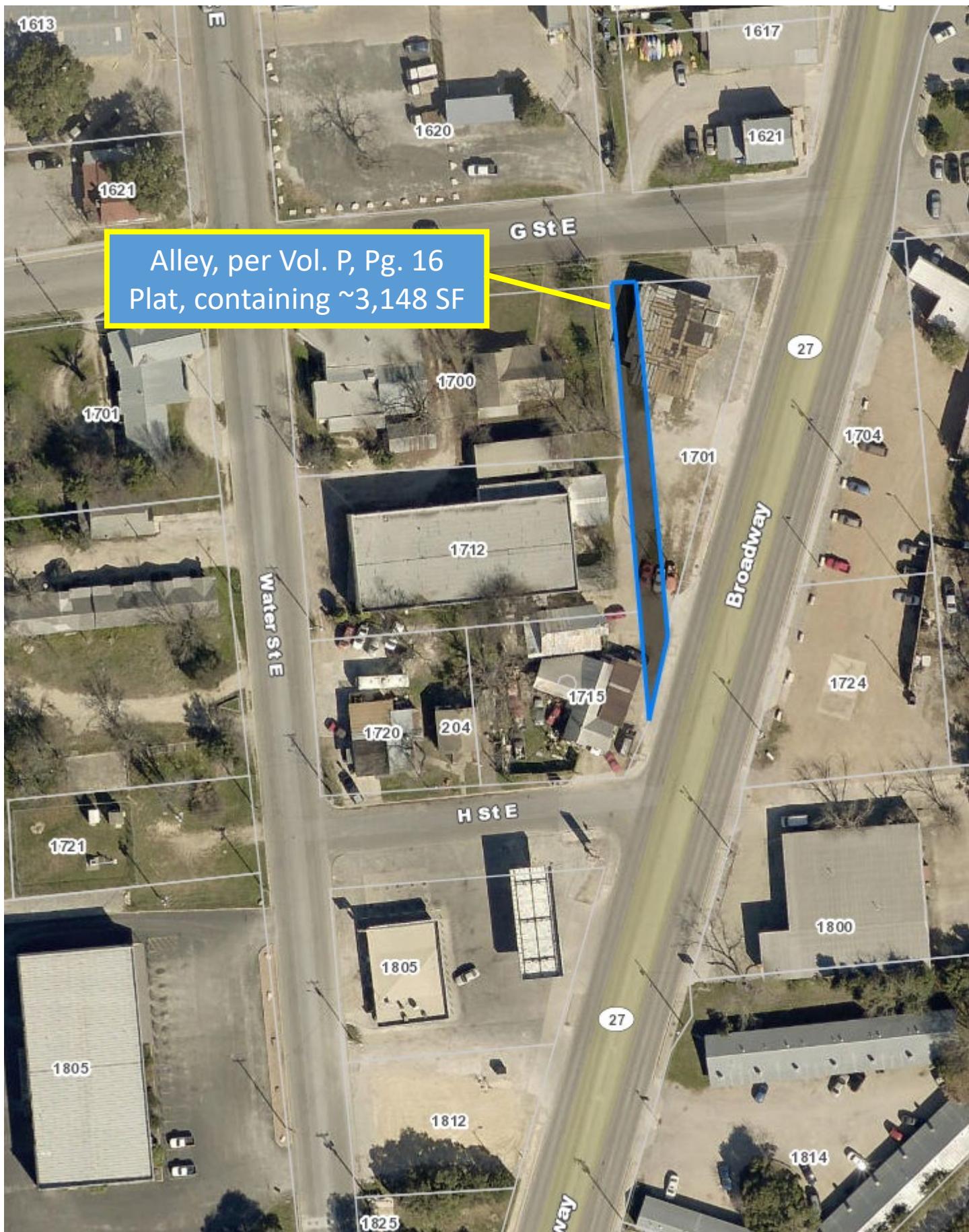
Michael C. Hayes, City Attorney

ATTEST:

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Shelley McElhannon, City Secretary

## EXHIBIT A





**TO BE CONSIDERED BY THE CITY COUNCIL  
CITY OF KERRVILLE, TEXAS**

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**SUBJECT:** Resolution No. 41-2019. A Resolution adopting the Doyle Community Area Development Plan.

**AGENDA DATE OF:** October 8, 2019      **DATE SUBMITTED:** Sep 27, 2019

**SUBMITTED BY:** Drew Paxton

**EXHIBITS:** [20191008\\_Resolution\\_41-2019 Doyle Community Area Development Plan.pdf](#)  
[Doyle Community ADP 100819.pdf](#)  
[Doyle Framework Plan\\_100819.pdf](#)  
[Doyle ADP Implementation Matrix 100819.pdf](#)

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<b>Expenditure Required:</b>	<b>Remaining Budget Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
\$0	\$0	N/A	N/A

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**PAYMENT TO BE MADE TO:** N/A

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<b>Kerrville 2050 Item?</b>	Yes
<b>Key Priority Area</b>	C - Community / Neighborhood Character and Place Making
<b>Guiding Principle</b>	C6. Celebrate and honor the character of each neighborhood and its culture. Revitalize neighborhoods and create gathering places within them while avoiding the displacement of citizens and their cultures.
<b>Action Item</b>	C6.7 - Create neighborhood area plans appropriate to the uniqueness of particular parts of the city

---

**SUMMARY STATEMENT:**

The purpose of the Doyle Community Area Development Plan is to explore the vision of area stakeholders for the future of their neighborhood at a higher level of detail than the Kerrville 2050 Plan allowed and to identify a strategy for achieving that vision.

The plan was developed to:

- Preserve the existing character of the Doyle community
- Encourage investment in the area in order to stabilize the Doyle neighborhood and prevent deterioration and loss of property value

- Identify stakeholder priorities in terms of infrastructure, neighborhood character, community building, housing and the economy, and other issues
- Provide for infill development/redevelopment that is consistent with the existing community character
- Avoid placing unnecessary burdens on owners wishing to make improvements to their properties within the existing character and context of the Doyle Community

Stakeholder Interviews were conducted on May 30 and August 1, 2019, and Open Houses were conducted on May 30, August 1, and September 26, 2019 to solicit input on issues, priorities, and preliminary concepts.

The final plan consists of two components:

Three Framework Plans:

- Streets and Drainage
- Connectivity
- Neighborhood Character

An accompanying Implementation Plan which presents a strategy for achieving the plan and indicates:

- Guiding Principles
- Action Items
- Timing (Underway, Short-Term, Mid-Term, Long-Term)
- Relative Public Sector Cost
- Responsible Parties

**RECOMMENDED ACTION:**

Approve Resolution No. 41-2019 adopting the plan.

**CITY OF KERRVILLE, TEXAS  
RESOLUTION NO. 41-2019**

**A RESOLUTION ADOPTING THE DOYLE COMMUNITY  
AREA DEVELOPMENT PLAN**

**WHEREAS**, in June 2018, City Council adopted a new comprehensive plan for the City, such plan titled “*Kerrville 2050*”; and

**WHEREAS**, *Kerrville 2050*, among other subject matters, considered and adopted guiding principles and strategies toward emphasizing and enhancing community and neighborhood character and “placemaking” (see Chapter 7, *Kerrville 2050*); and

**WHEREAS**, Chapter 7 of *Kerrville 2050* includes an action item to create neighborhood plans as appropriate for various neighborhoods within the City; and

**WHEREAS**, toward this end and over the past year, City Council, City staff, and consultants have worked with the Doyle Neighborhood to create a neighborhood plan; and

**WHEREAS**, the *Doyle Community Area Development Plan* (the “Plan”) developed through a process that involved residents, City staff, and the City’s consultants; and

**WHEREAS**, the City gained input and insight as to the area and interests through a neighborhood kick off meeting, stakeholder interviews, and three open house meetings within the Doyle Neighborhood in an effort to gain input and feedback from the residents and others interested in this neighborhood; and

**WHEREAS**, the Plan highlights the uniqueness of this neighborhood, recognizes the diverse culture and history, and establishes strategies toward helping to maintain and revitalize the neighborhood, all in accordance with the desires of the neighborhood and its residents; and

**WHEREAS**, the Plan also includes a implementation matrix for action items to address the needs of the Doyle community now and into the future; and

**WHEREAS**, action items range from projects that are short or long-term, City-driven or neighborhood-driven, and range from additional park amenities to infrastructure improvements; and

**WHEREAS**, City Council finds it to be in the public interest to adopt the *Doyle Community Area Development Plan* as presented;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY  
OF KERRVILLE, KERR COUNTY, TEXAS:**

The City Council of the City of Kerrville, Texas, adopts the document titled the *Doyle Community Area Development Plan* as attached as **Exhibit A**, which includes the matrix for action items.

**PASSED AND APPROVED ON this the \_\_\_\_\_ day of \_\_\_\_\_, A.D., 2019.**

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Bill Blackburn, Mayor

ATTEST:

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Shelley McElhannon, City Secretary

APPROVED AS TO FORM:



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Michael C. Hayes, City Attorney

# Doyle Community Area Development Plan Final City Council Briefing

*October 8, 2019*







# Presentation Overview

- Plan Overview
- Demographics
- Stakeholder Input – Interviews, Open Houses
- Framework Plans
- Implementation Plan
- Questions





# What is an Area Development Plan?

- Establishes the **stakeholders' vision or goals** for a particular part of a community and a coordinated approach to achieving the vision that is lead and/or supported by stakeholders
- Focuses in **more detail** than possible during a citywide comprehensive planning process
- Identifies area needs and gets stakeholders **involved and engaged**
- Serves as the basis for **creation of city programs, incentives, and/or special districts** that are important to achieving the vision for the specific area (not the whole city)
- Helps stakeholders **focus on a common goal** and work together to implement their desired improvements for the neighborhood



# Kerrville 2050 Comprehensive Plan

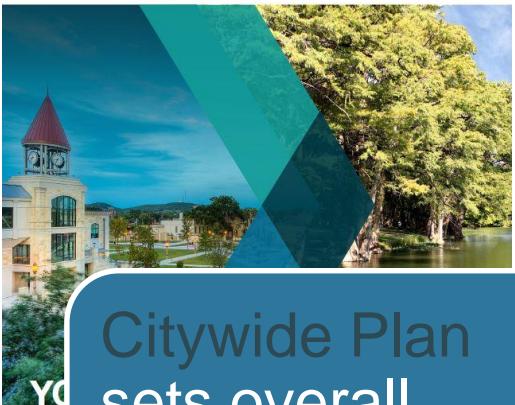
- **COMMUNITY AND NEIGHBORHOOD CHARACTER**
  - **GUIDING PRINCIPLE 6:** Celebrate and honor the character of each neighborhood and its culture; revitalize neighborhoods and create gathering places within them while avoiding the displacement of citizens and their cultures
    - **ACTION ITEM 6.7:** Create neighborhood area plans appropriate to the uniqueness of particular parts of the City

# How does this plan relate to Kerrville 2050?



## Comprehensive Plan

June 26, 2018



### Citywide Plan sets overall community direction

- Vision
- Guiding Principles
- Development Pattern
- Action Steps

### Doyle Community Area Development Plan Final City Council Briefing

October 8, 2019



### Area Plan applies direction to specific areas

- Area Vision or Identity
- Policy Direction
- Capital Improvements
- Action Priorities

the impacted site does not have any I-35 deficiencies or depicting all proposed changes to bring their I-35 deficiencies into compliance with the Lewisville City Code, as amended. The requirements for an I-35 modified plan are as provided in subsection 6.77(f).

- (2) Within 60 days after the city provides written notice to the owners of a major impact site of the need for compliance, the owners shall submit an engineering site plan to the city depicting all proposed changes to bring their entire property into full compliance with the Lewisville City Code, as amended. The requirements for an engineering site plan are as provided in subsection 6.73(e) of the Lewisville City Code.
- (3) If an I-35 modified site plan or engineering site plan requires variances to bring the impacted site into compliance, such variances may be approved by the city council or the board of adjustment, depending on the type of variance sought. The city manager, or her designee shall also be authorized to approve the following reductions and minor changes for I-35 deficiencies without further city council approval:
  - a. A reduction of parking that is less than or equal to 15 percent of required parking calculated using the standards in place on the date of the most current engineering site plan approval or latest building expansion;
  - b. A reduction of landscaping engineering;
  - c. Minor changes to developer noncompliance size increases with the city of nonconforming the on-site capacity; changes widened to requirements;

(e) I-35 modified site pl

### Implementation priorities and tools guided by area plan

- Public Investment
- Private Investment
- Facility Design
- Community Involvement



# Project Goals

- Preserve existing neighborhood character
- Encourage investment to stabilize the neighborhood, prevent deterioration and loss of property value
- Identify stakeholder priorities
- Provide for infill development/redevelopment that is consistent with the existing community character
- Avoid placing unnecessary burdens on owners wishing to make improvements to their properties

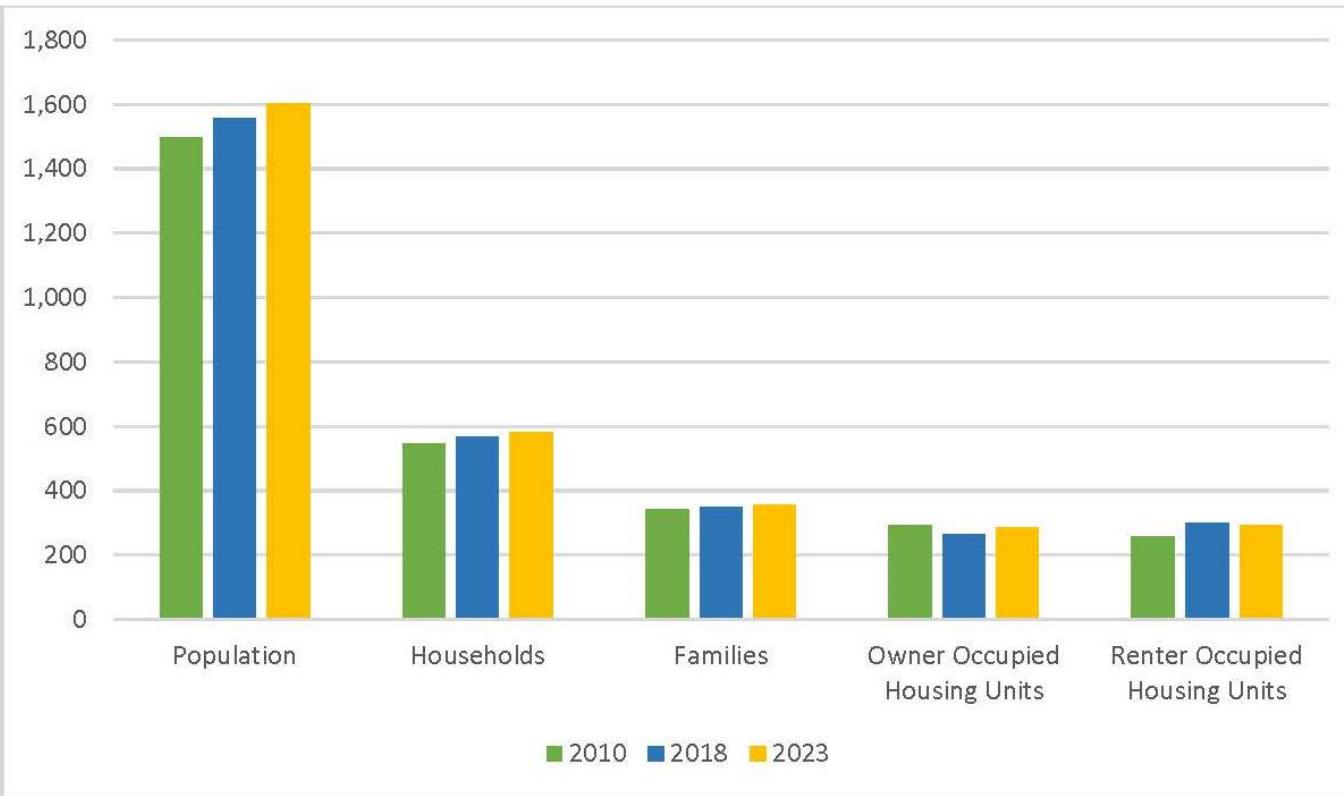


# Planning Process

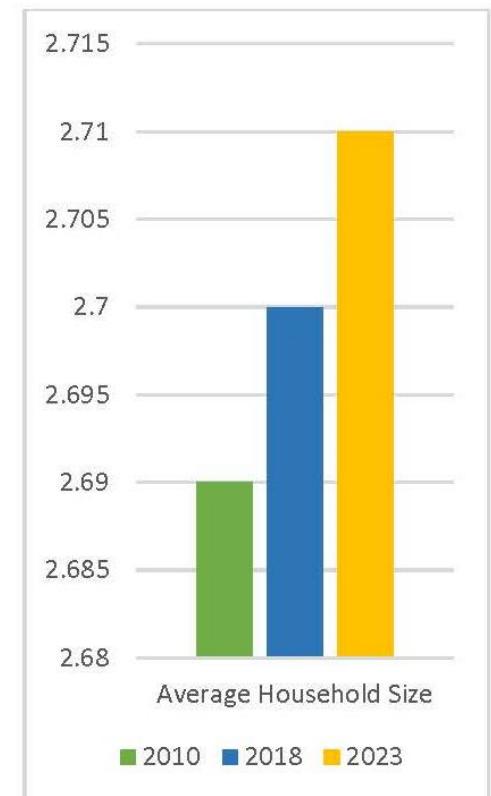
- May 2019
  - Stakeholder Interviews
  - Community Open House 1
- August 2019
  - Stakeholder Interviews
  - Community Open House 1
- September 2019
  - Community Open House 3
- October 2019
  - City Council Presentation and Adoption of Doyle Community Area Development Plan

# Demographics

# Demographic Summary



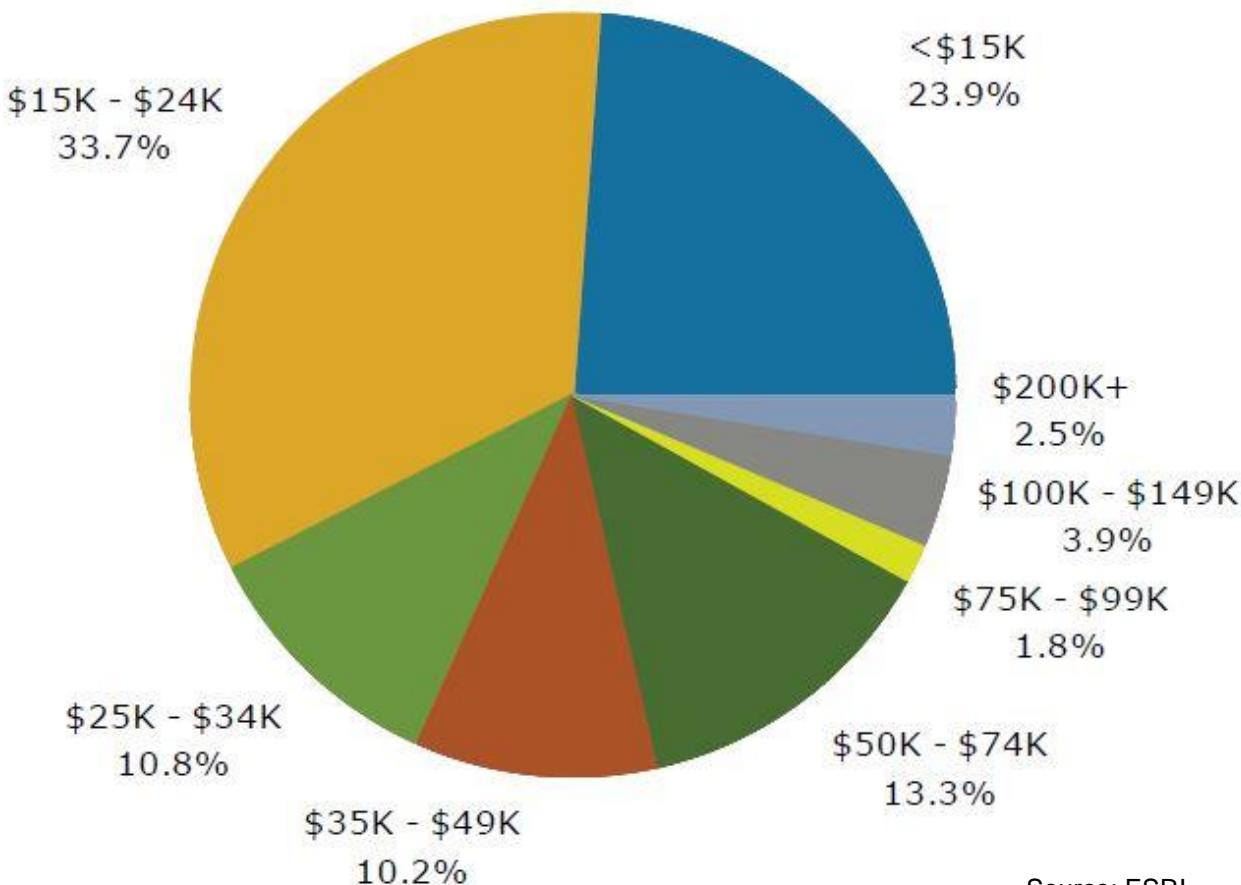
Source: ESRI



Source: ESRI

# Income

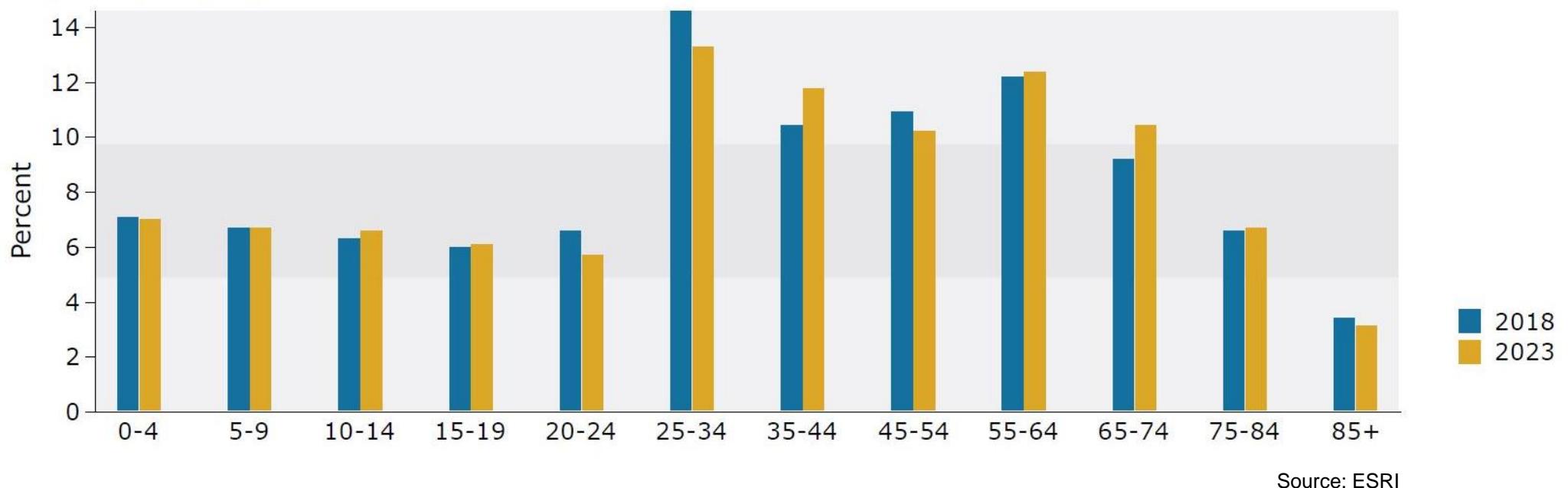
## 2018 Household Income



Source: ESRI

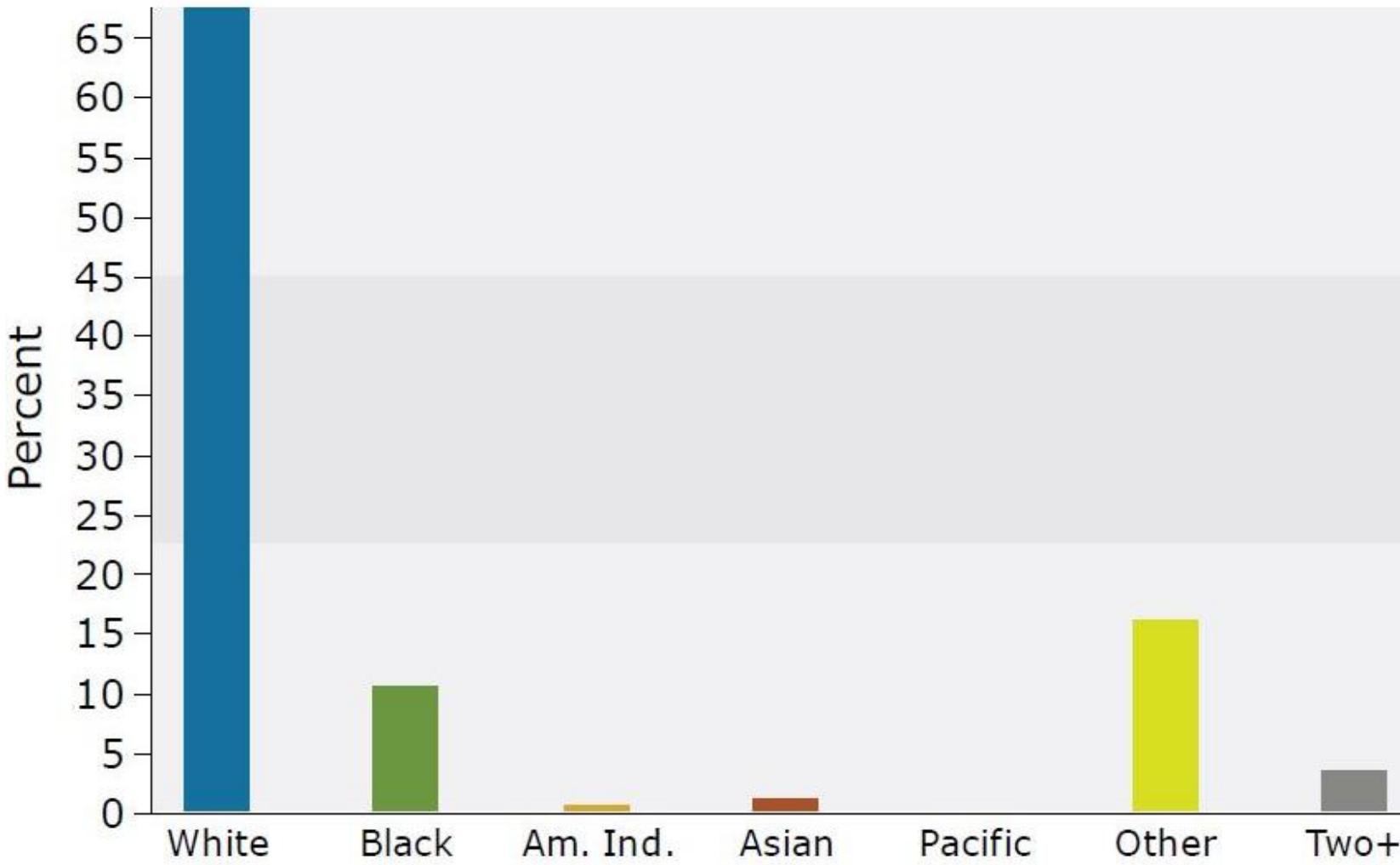
# Age

- Median Age - 37.1 (2010), 37.4 (2018), 38.7 (2023)
- Population by Age Category:



Source: ESRI

# Race/Ethnicity (2018)



2018 Percent Hispanic Origin: 57.2%

Source: ESRI





# Stakeholder Input – Interviews

- Purpose:
  - To gain insight from persons with special knowledge and insight on the study area/study topic
- Process
  - Interviews Conducted on May 30 and August 1, 2019
    - 7 interview sessions
    - 15 individuals interviewed
      - Residents
      - Representatives of Doyle area institutions



# Stakeholder Input – Open Houses

- Purpose:
  - To advise the community of the study process
  - To gather input about issues and priorities
  - To present concepts for review and input
- Open Houses:
  - Conducted on May 30, August 1, and September 26, 2019



# Open House 1 Station Topics

- Kerrville 2050
- Facilities and Infrastructure Issues
- Priorities for the Future
  - Infrastructure
  - Services
  - Financial
  - Amenities
  - Development
  - Capacity Building
- General Comments





# Open House 2 Station Topics

- Project Background
- Carver Park
- Doyle Community Center
- BUILD Health Initiative
- Priorities
  - Infrastructure
  - Neighborhood Character
  - Community Building
  - Housing and the Economy
- Framework Plans
  - Streets and Sidewalks
  - Stormwater/Drainage Improvements
  - Connectivity
- Additional Comments





# Open House 3 Station Topics

- Framework Plans
  - Streets and Drainage
  - Connectivity (sidewalks and trails)
  - Neighborhood Character  
(neighborhood identity, open space, potential infill housing)
- Implementation Plan
- General Comments





# Stakeholder Input (Summary)

- Poor infrastructure is the number one concern of community members
- Operations at the City Yard are incompatible with the rest of the neighborhood
- Carver Park should be improved and maintained to the same standard as other parks in Kerrville
- Doyle Community Center building and grounds need improvement
- The neighborhood wants to maintain the overall character of the Doyle area



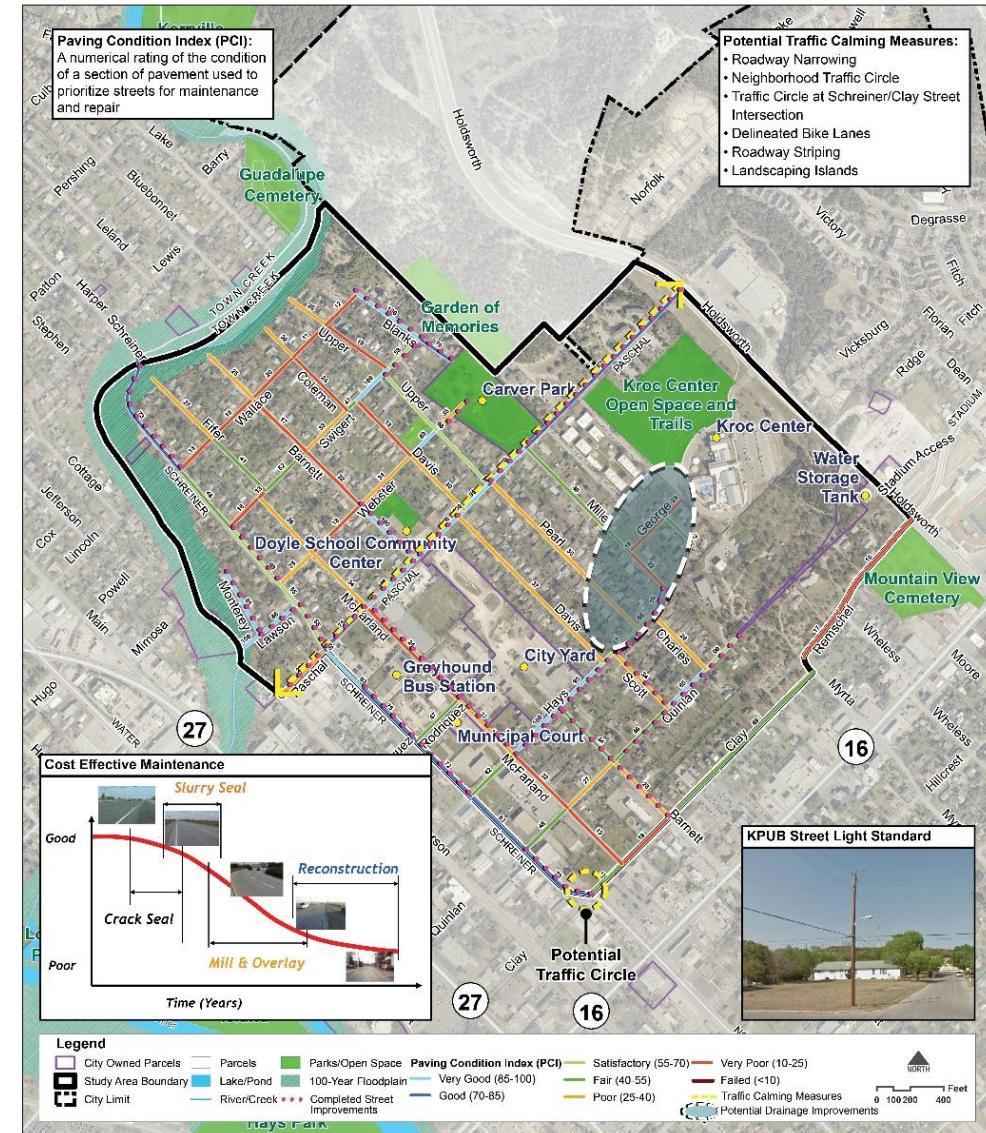
# Stakeholder Input (Summary)

- There is a desire for more inclusion and greater participation from community members, particularly from younger people, newer residents
- Lack of maintenance on some properties is affecting other properties nearby
- Some community members need assistance maintaining their property due to age, disability, and/or limited resources
- More housing options are needed (a better variety of housing types and affordable housing)
- Local—“mom and pop”—businesses would be preferable in the Doyle area as opposed to national or regional chains



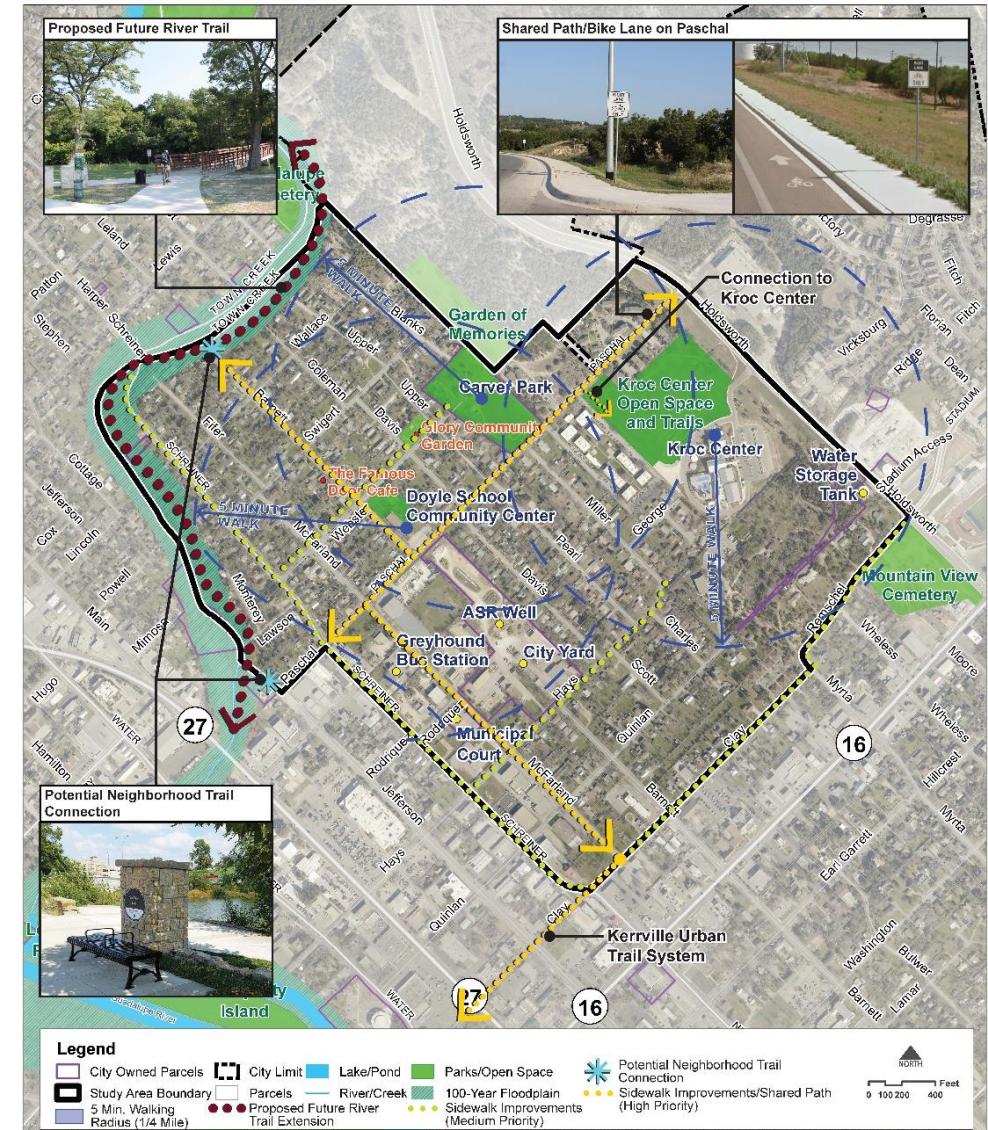
# Framework Plan – Streets & Drainage

- Highlights:
  - Completed street improvements
  - Streets ranked by Paving Condition Index (PCI)
  - Locations for potential traffic calming measures
  - Area for potential drainage improvements



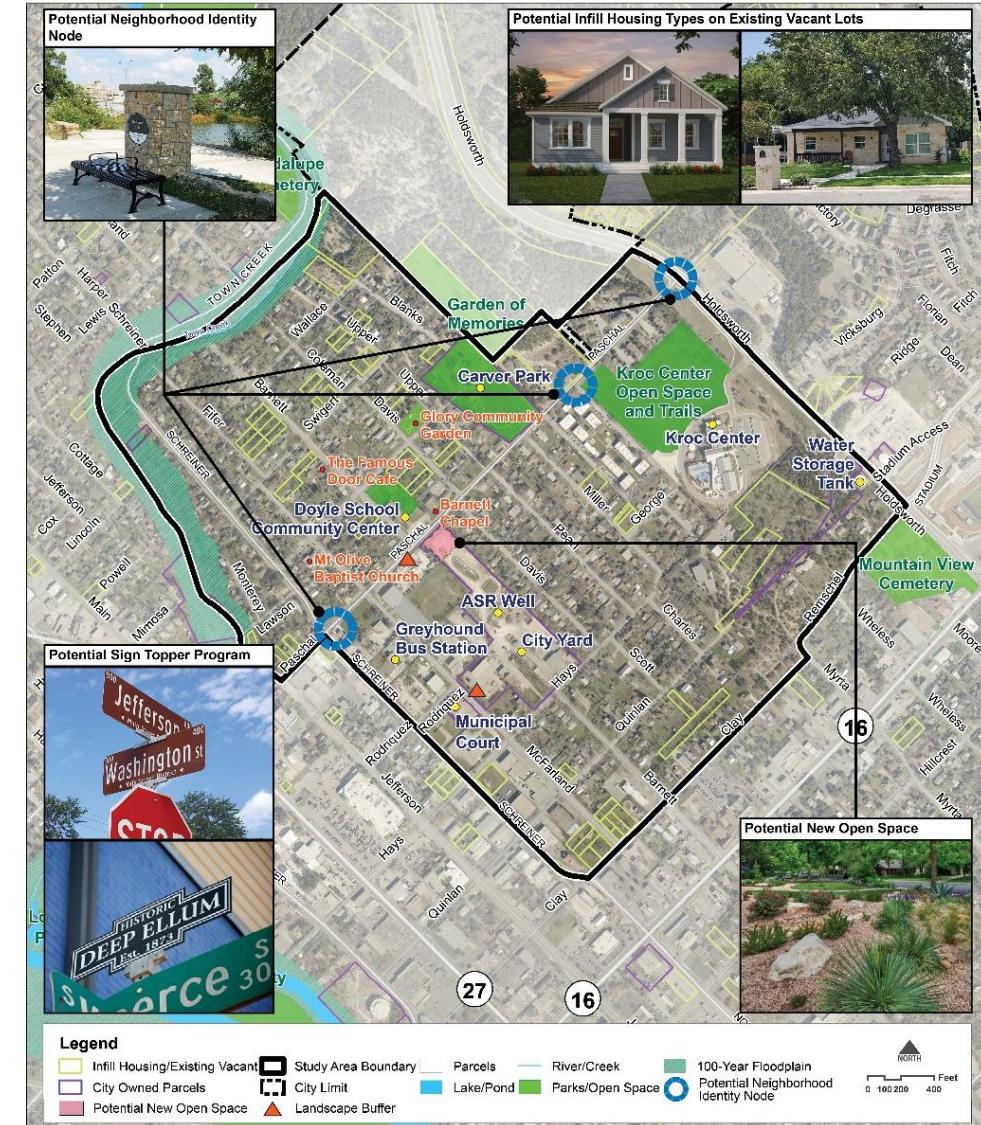
# Framework Plan – Connectivity

- **Highlights:**
  - Potential sidewalks/shared paths
  - Potential bike lane
  - Potential connections to future River Trail



# Framework Plan – Neighborhood Character

- Highlights:
  - Potential neighborhood identity nodes
  - Potential new open space and landscape buffers at City Yard
  - Potential infill housing locations



# Carver Park

- Potential Enhancements to be Evaluated:
  - Additional security lighting
  - Additional parking
  - Splash playground upgrades
  - Extended splash playground hours
  - Restroom improvements
  - Basketball pavilion improvements
  - Theodore Martin commemorative feature
  - Ballfield fence
  - Entry feature signage
  - Pest/Insect treatment program



# Implementation Plan



# Implementation Plan Overview

- Based on:
  - Stakeholder Interviews
    - May 30 and August 1, 2019
  - Open House 1, Open House 2, Open House 3
    - May 30, August 1, and September 26, 2019
  - Kerrville 2050 Comprehensive Plan



**Comprehensive Plan**

June 26, 2018





# Refinement of Issues

- Issues identified by the community were refined and organized into seven categories for purposes of the Implementation Plan:
  - Infrastructure
    - Streets
    - Sidewalks and Trails
    - Streetlights
    - Stormwater/Drainage
  - Services



# Refinement of Issues

- Neighborhood Character
  - History/Sense of Place
  - Property Maintenance
- Parks and Open Space
- Doyle Community Center
- Community Building/Community Relations
- Housing and Economics
  - Housing
  - Economics



# Implementation Matrix Excerpt

	GUIDING PRINCIPLE	ACTION ITEM	TIMING	RELATIVE PUBLIC SECTOR COST	RESPONSIBLE PARTIES
KERRVILLE 2050					
C6	Celebrate and honor the character of each neighborhood and its culture; revitalize neighborhoods and create gathering places within them while avoiding the displacement of citizens and their cultures				
C6.7		Create neighborhood area plans appropriate to the uniqueness of particular parts of the City	U	\$\$ per area plan	City with consultant help
INFRASTRUCTURE					
I	STREETS				
I1	Evaluate existing conditions on Paschal Street, including speeds, pedestrian issues, and enforcement, and create a plan for improved safety				
I1.1		Seek to reduce through truck traffic (dual axle) and commercial buses on Paschal Street	S	\$	City, TXDOT, Greyhound Bus Co.



# Timing, Public Sector Cost

TIMING		RELATIVE PUBLIC SECTOR COST	
<b>U</b>	Underway	\$	A project or action which can be completed at a <b>relatively low cost</b> usually because a <b>large part of the work will be done by the City using Staff resources</b>
<b>S</b>	Short-term; 0-5 years	\$\$	Projects or actions such as planning, engineering or urban design studies costing <b>up to approximately \$150,000</b>
<b>M</b>	Mid-term; 6-10 years	\$\$\$	Projects or actions such as land acquisition or construction which may involve costs <b>between \$150,000 and \$1 million</b>
<b>L</b>	Long-term; more than 10 years	\$\$\$\$	Major projects or actions with approximate costs of <b>more than \$1 million</b>

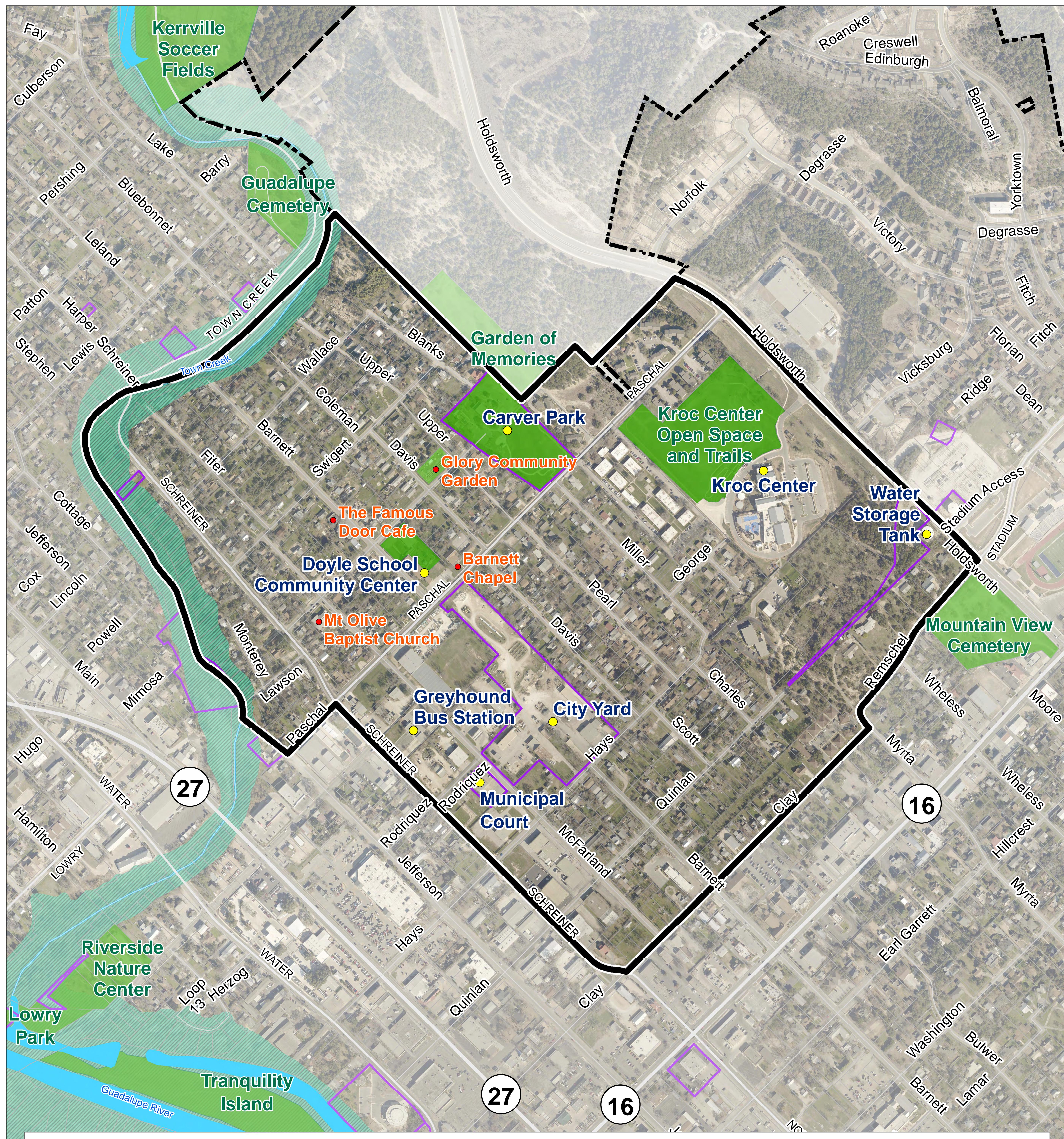


# Doyle Community Area Development Plan Final City Council Briefing

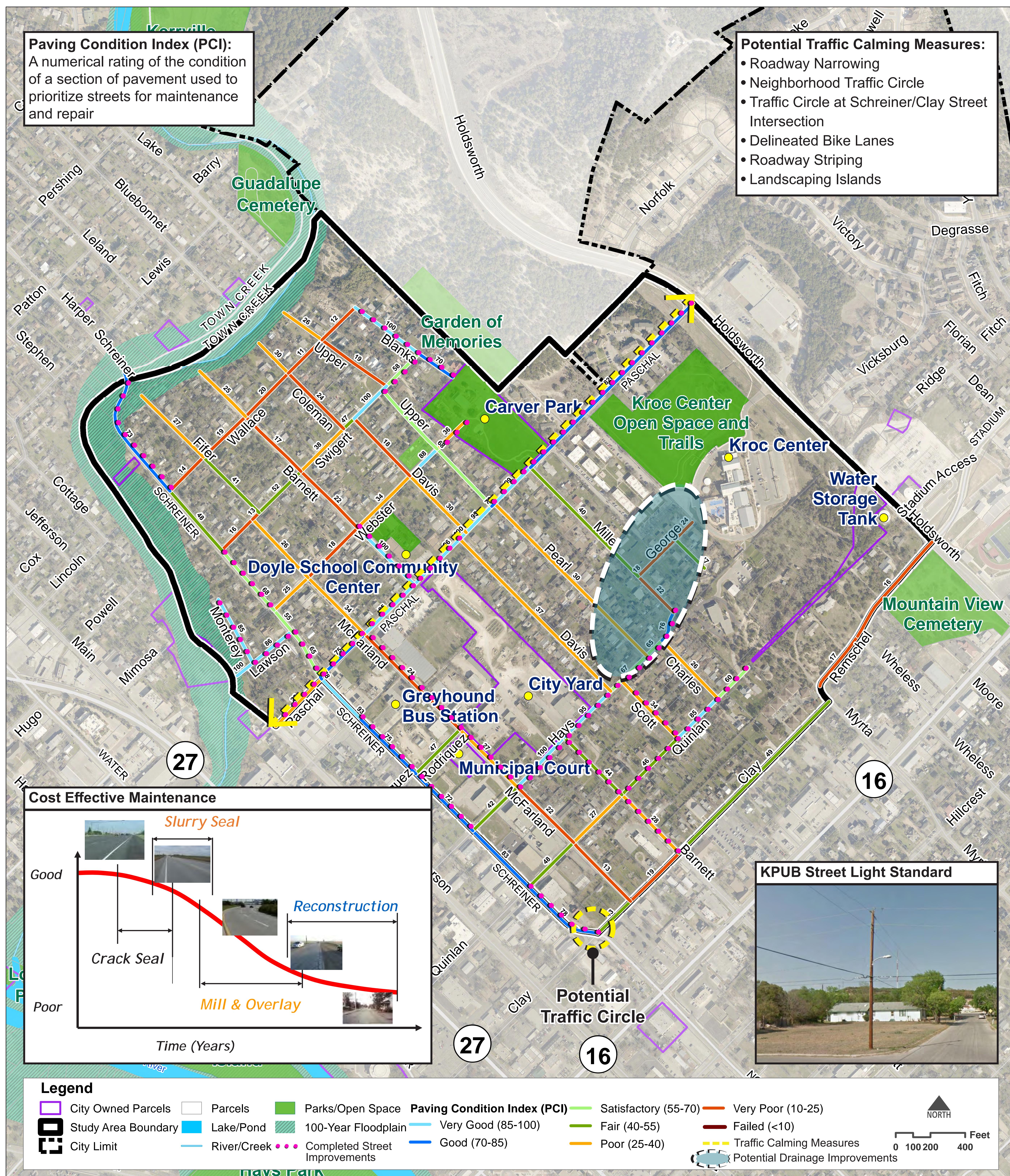
*October 8, 2019*



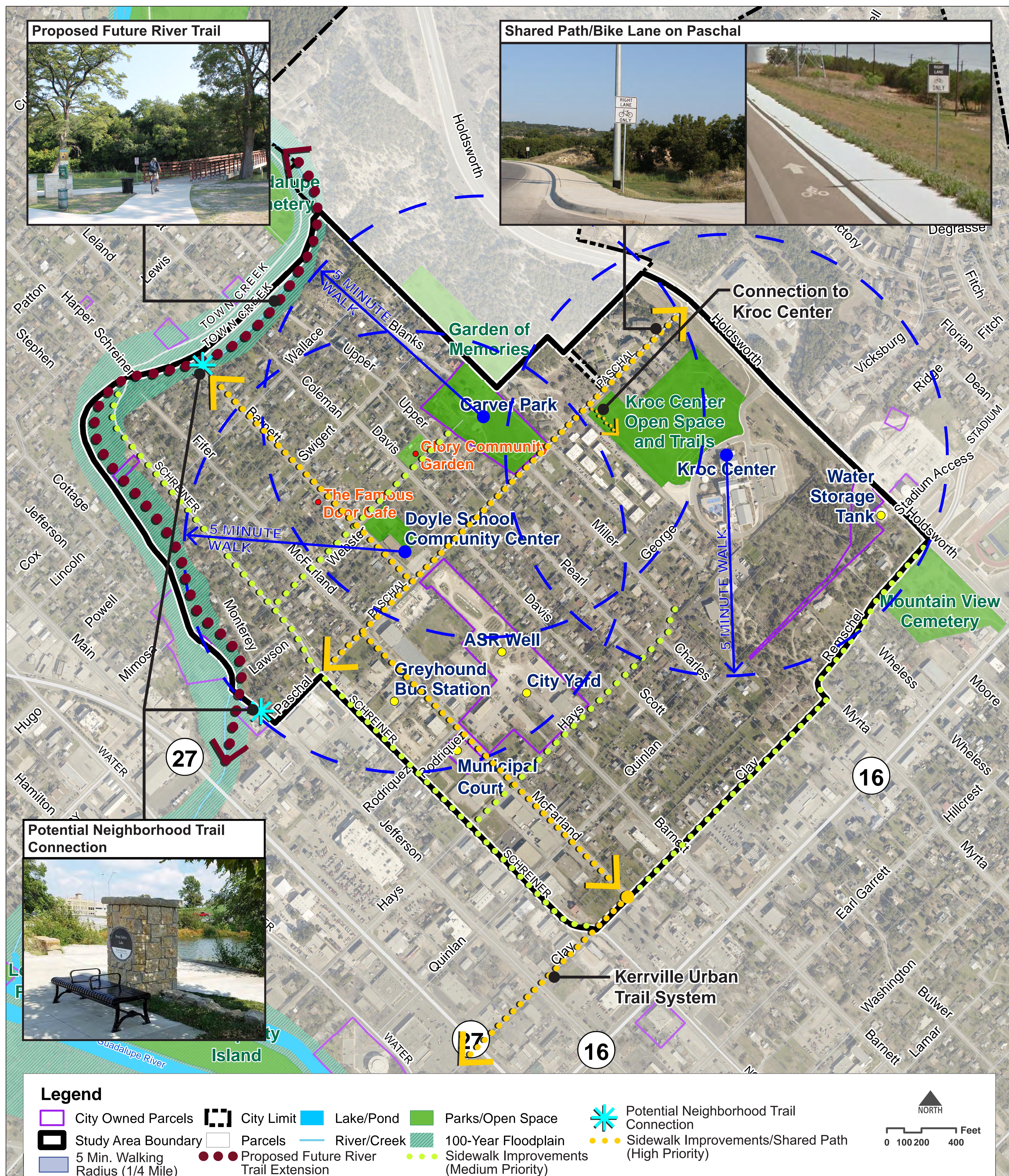
# Framework Plan - Overview Base Map



# Framework Plan - Streets & Drainage



# Framework Plan - Connectivity



# Framework Plan - Neighborhood Character



	GUIDING PRINCIPLE	ACTION ITEM	TIMING	RELATIVE PUBLIC SECTOR COST	RESPONSIBLE PARTIES
<b>KERRVILLE 2050</b>					
C6	<b>Celebrate and honor the character of each neighborhood and its culture; revitalize neighborhoods and create gathering places within them while avoiding the displacement of citizens and their cultures</b>				
C6.7		Create neighborhood area plans appropriate to the uniqueness of particular parts of the City	U	\$\$ per area plan	City with consultant help
I	<b>INFRASTRUCTURE</b>				
	<b>STREETS</b>				
I1	<b>Evaluate existing conditions on Paschal Street, including speeds, pedestrian issues, and enforcement, and create a plan for improved safety</b>				
I1.1		Seek to reduce through truck traffic (dual axle) and commercial buses on Paschal Street	S	\$	City, TXDOT, Greyhound Bus Co.

	GUIDING PRINCIPLE	ACTION ITEM	TIMING	RELATIVE PUBLIC SECTOR COST	RESPONSIBLE PARTIES
I1.2		Consider installing “No Parking” signs on Paschal Street as appropriate	S	\$	City
I1.3		Provide greater enforcement of the speed limit on Paschal	S	\$	City
I1.4		Consider installing permanent radar speed indicator signs on Paschal	S	\$	City
I1.5		Evaluate pedestrian improvements, such as crosswalks, signage (“Pedestrian Crossing” or similar), traffic calming improvements, or other traffic control devices to improve pedestrian safety on Paschal Street	S	\$\$	City
I2	<b>Prioritize the maintenance and repair of streets within the Doyle area</b>				
I2.1		Utilize the 2019 Paving Management Plan to develop a program of street repair within the Doyle area	S	\$\$\$	City
I2.2		Evaluate the possibility of widening Upper Street	M	\$\$\$	City
	<b>SIDEWALKS &amp; TRAILS</b>				

	GUIDING PRINCIPLE	ACTION ITEM	TIMING	RELATIVE PUBLIC SECTOR COST	RESPONSIBLE PARTIES
I3	<b>Develop sidewalks and trails along key corridors within the Doyle community</b>				
I3.1		Make designated routes within the Doyle area more <u>bicycle-friendly</u> by identifying opportunities for bike lanes or multi-use trails or pathways, installing signage to identify bike routes, adding bike racks, and beautifying key cycling corridors within the area	M	\$\$	City, possibly with KUTS
I3.2		Implement sidewalk improvements, focusing first on the highest priority sidewalks and trails identified in the Connectivity Framework Plan	S-L	\$\$\$	City
I3.3		Make streets within the Doyle area more walkable by improving accessibility ramps and beautification elements along key pedestrian corridors	S-L	\$\$\$	City
I3.4		Install River Trail connections to the neighborhood when a spur/extension along Town Creek is designed and funded	L	\$\$\$\$	City

	GUIDING PRINCIPLE	ACTION ITEM	TIMING	RELATIVE PUBLIC SECTOR COST	RESPONSIBLE PARTIES
I3.5		Improve neighborhood pedestrian connections to the existing Paschal sidewalk	S	\$\$\$	City
I3.6		Develop a better pedestrian connection/entrance to the Kroc Center as indicated on the Connectivity Framework Plan	S	\$\$	City with Kroc Center
I3.7		Encourage the completion of the Kerrville Urban Trail System (KUTS) segment along Clay Street from Water Street to McFarland Street	M	\$\$\$\$	City with KUTS
I3.8		Add bike racks at destinations and gathering places in the Doyle neighborhood, such as Carver Park, the Doyle Community Center, etc.	S	\$\$	City with KUTS, Doyle Community Center, etc.
	<b>STREETLIGHTS</b>				
I4	<b>Improve the lighting along residential streets and commercial corridors in the Doyle area</b>				
I4.1		Work with KPUB to develop a strategy for street light improvements in the Doyle area	S	\$\$	City with KPUB
	<b>STORMWATER / DRAINAGE</b>				

	GUIDING PRINCIPLE	ACTION ITEM	TIMING	RELATIVE PUBLIC SECTOR COST	RESPONSIBLE PARTIES
I5	<b>Develop and maintain a long-range plan for stormwater/drainage management for the Doyle area, addressing and prioritizing infrastructure needs and identifying funding sources</b>				
I5.1		Implement the drainage improvements necessary to address flooding problems in the Doyle area as identified in the 2019 Stormwater Master Plan	M	\$\$\$\$	City
I5.2		Longer term, update the 2019 Stormwater Master Plan to determine the next most critical drainage improvements	L	\$\$	City with consultant help
I5.3		Design, fund, and construct the next most critical improvements	L	\$\$\$\$	City with consultant help
I5.4		Explore a variety of options, including debt financing and/or city-wide drainage fees, to address drainage infrastructure concerns	L	\$\$	City with consultant help
	SERVICES				

	GUIDING PRINCIPLE	ACTION ITEM	TIMING	RELATIVE PUBLIC SECTOR COST	RESPONSIBLE PARTIES
I6	<b>Identify opportunities for improvements to basic services</b>				
I6.1		If grant funding is awarded, look for appropriate ways to support the cross-sector BUILD Health Challenge, which will focus on improved health and wellness outcomes for Doyle area residents	S	\$\$	BUILD Health organization, Doyle Center, City, etc.
I6.2		Support transportation options (such as Kerr Konnect) and other services for the homebound (such as Meals on Wheels)	S	\$-\$	City with partner agencies
I6.3		Consult with local internet service providers to assess speed and connectivity of service connections for residences and businesses in the Doyle area	S	\$	City with internet providers
I6.4		Conduct block walks with Fire Department personnel to install free smoke alarms for residents	S	\$\$	City

	GUIDING PRINCIPLE	ACTION ITEM	TIMING	RELATIVE PUBLIC SECTOR COST	RESPONSIBLE PARTIES
I6.5		Extend a variety of City services to the neighborhood via utilization of a new Library outreach vehicle	S	\$\$	City
I6.6		Coordinate with the area businesses and residents to establish and promote Crime Watch programs for the Doyle neighborhood	S	\$	City
<b>NEIGHBORHOOD CHARACTER</b>					
	<b>HISTORY/SENSE OF PLACE</b>				
NC1	Promote a sense of pride in the culture and history of the Doyle community				
NC1.1		Develop a history and self-guided tour of the Doyle community, collecting pictures of people and events, identifying and marking significant locations, and documenting changes in the neighborhood throughout its history for distribution at the library, in schools, online, at the Convention and Visitors Bureau and the Chamber of Commerce, and at other appropriate locations	S	\$\$	City with Doyle Center, neighborhood representatives

	GUIDING PRINCIPLE	ACTION ITEM	TIMING	RELATIVE PUBLIC SECTOR COST	RESPONSIBLE PARTIES
NC1.2		Coordinate and hold heritage events that celebrate the culture of the Doyle neighborhood	S	\$-\$\$	City with Doyle Center, neighborhood representatives
NC1.3		Include the Doyle neighborhood in a feature series in the media on Kerrville neighborhoods, their individual cultures, and activities	S	\$	City with local media
NC1.4		Develop and implement design elements for the Doyle area that create a sense of place, which may include street sign toppers, plaques at key historical locations, streetscape elements, and identity nodes at important intersections and along key corridors to promote community pride	S	\$\$-\$\$\$	City with consultant help
NC1.5		Identify funding and construct the traffic circle at the Schreiner/Clay Street intersection	M	\$\$\$\$	City with consultant help

	GUIDING PRINCIPLE	ACTION ITEM	TIMING	RELATIVE PUBLIC SECTOR COST	RESPONSIBLE PARTIES
NC1.6		Identify funding, then design and construct neighborhood identity node features as indicated on the Neighborhood Character Framework Plan	M	\$\$\$	City with consultant help
NC1.7		Develop a gateway feature on both sides of Paschal at the Holdsworth intersection	M	\$\$\$	City with consultant help
	<b>PROPERTY MAINTENANCE</b>				
NC2	<b>Maintain and enhance the appearance of the Doyle neighborhood</b>				
NC2.1		Develop an information program to educate Doyle residents and property owners about bulky item pick-up, yard waste pick-up, and property maintenance responsibilities	S	\$	City
NC2.2		Abate property maintenance violations and increase proactive code enforcement, focusing first on attempting voluntary compliance	S	\$\$	City

	GUIDING PRINCIPLE	ACTION ITEM	TIMING	RELATIVE PUBLIC SECTOR COST	RESPONSIBLE PARTIES
NC3	<b>Work with Kerrville churches, civic clubs, Schreiner University, and other organizations to develop a volunteer program to assist elderly and disabled Doyle residents with property maintenance</b>				
NC3.1		Develop a program that coordinates the resources of the City and its partner agencies and organizations to host a Doyle area clean-up day, focusing on properties with code compliance issues and owners who are unable to maintain their property due to age, limited resources, or disability	S	\$\$	City with churches, civic clubs, and other local organizations
NC3.2		Approach local business to take part in the clean-up day by donating time, materials, or allowing/encouraging employee participation	S	\$	City with Chamber of Commerce and local businesses

	GUIDING PRINCIPLE	ACTION ITEM	TIMING	RELATIVE PUBLIC SECTOR COST	RESPONSIBLE PARTIES
NC4	<b>Utilize the City's proposed Neighborhood Engagement Team (NET) approach as a tool for identifying code enforcement issues and coordinating volunteer efforts aimed at achieving neighborhood improvements</b>				
NC4.1		Appoint the NET, then assign a member to serve as a point of contact between the City and designated Doyle community leadership	S	\$\$	City
NC4.2		Develop a strategy to address the impacts of vacant and abandoned homes on surrounding property and the image of the neighborhood	M	\$\$	City with consultant help
NC4.3		Take a lead role in coordinating and participating in a Doyle area clean-up day and similar neighborhood improvement efforts	S	\$\$	City with churches, civic clubs, and other local organizations
<b>PARKS/OPEN SPACE</b>					
P01	<b>Focus on investments and enhancements in Carver Park</b>				

	GUIDING PRINCIPLE	ACTION ITEM	TIMING	RELATIVE PUBLIC SECTOR COST	RESPONSIBLE PARTIES
PO1.1		Evaluate Carver Park and the surrounding area to determine if additional security lighting is needed	S	\$\$	City with KPUB
PO1.2		Continue regular police patrol of Carver Park	S	\$	City
PO1.3		Evaluate opportunities for additional parking for Carver Park patrons	S	\$\$	City
PO1.4		Evaluate possible enhancements to the water play features and equipment within the splash playground	S	\$\$	City
PO1.5		Evaluate the possibility of extending the hours at the splash playground	S	\$	City
PO1.6		Improve the restroom facilities at Carver Park	M	\$\$-\$ \$\$	City
PO1.7		Add picnic tables, benches and shade structures or trees, especially near the barbecue pits and near the splash playground	U	\$\$	City
PO1.8		Provide regular pest/insect control treatment at Carver Park	S	\$\$	City

	GUIDING PRINCIPLE	ACTION ITEM	TIMING	RELATIVE PUBLIC SECTOR COST	RESPONSIBLE PARTIES
PO1.9		Evaluate the possibility of improving the basketball pavilion/court	U	\$	City
PO1.10		Consider designating a specific feature within Carver Park to honor Theodore Martin, long-time Kerrville resident and teacher in the Doyle Community School, including the installation of a marker with biographical information on Mr. Martin	S	\$\$	City
PO1.11		Consider the possibility of adding a fence around the ball field	M	\$\$	City
PO1.12		Reassign the address of the Garden of Memories Cemetery to Blanks Street to minimize confusion regarding routing and access	S	\$	City with cemetery owner
PO1.13		Encourage the Garden of Memories Cemetery owner to install pedestrian access improvements for better access	S	\$	City with cemetery owner

	GUIDING PRINCIPLE	ACTION ITEM	TIMING	RELATIVE PUBLIC SECTOR COST	RESPONSIBLE PARTIES
PO1.14		Using historical photos, data, and interviews of long-term residents, explore the possibility of adding a sign at the park that is reminiscent of the history of Carver Park	M	\$\$-\$\$\$\$	City with Doyle residents
PO2	<b>Develop a plan for buffering the frontage of the City Yard property along Paschal to minimize the impact of this facility on surrounding properties</b>				
PO2.1		Convert a portion of the City Yard property fronting on Paschal Street to landscaped open space	S	\$\$-\$\$\$\$	City
PO2.2		Screen the view of the City Yard along Paschal Street to mitigate dust and noise associated with operations at the facility	S	\$\$-\$\$\$\$	City
PO2.3		Evaluate possible enhanced screening along the common property line between the City Yard and homes on Davis Street backing to it	S	\$\$\$	City

	GUIDING PRINCIPLE	ACTION ITEM	TIMING	RELATIVE PUBLIC SECTOR COST	RESPONSIBLE PARTIES
PO3	<b>Seek to enhance the recreational and leisure opportunities afforded by the Salvation Army Kroc Center to the Doyle neighborhood</b>				
PO3.1		Partner with the Kroc Center and Doyle Center for scholarships or fee reductions for use of the pool and other facilities	S	\$-\$\$	Doyle Center and Kroc Center
<b>DOYLE COMMUNITY CENTER</b>					
DC1	<b>Collaborate with the Doyle Community Center as appropriate on facility upgrades, programs, partnerships with outside organizations, and plans for the future</b>				
DC1.1		Evaluate the lighting in the vicinity of the Doyle Community Center to determine if additional security lights should be installed	S	\$\$	City, Doyle Center, KPUB

	GUIDING PRINCIPLE	ACTION ITEM	TIMING	RELATIVE PUBLIC SECTOR COST	RESPONSIBLE PARTIES
DC1.2		Revisit the application for a 4B grant from the City for improvements to the Doyle Community Center building and grounds, and determine its eligibility for receiving funds or referrals to other programs or foundations	S	\$\$\$	City with Doyle Center
DC1.3		Work with the Doyle Center Board to connect to foundations outside the City organization to secure funding for building and grounds improvements	S	\$	City with Doyle Center Board, Foundations, other individuals and non-profits
DC1.4		If grant is awarded, grow the potential partnership with the BUILD Health Initiative to bring services and information to Doyle community members	S	\$	BUILD Health organization with Doyle Center
<b>COMMUNITY BUILDING/COMMUNITY RELATIONS</b>					
CB1	<b>Promote the use of inclusive processes to capture the voices of Doyle citizens</b>				
CB1.1		Continue to recruit members of the Doyle neighborhood to make application to serve on City boards and commissions	U	\$	City

	GUIDING PRINCIPLE	ACTION ITEM	TIMING	RELATIVE PUBLIC SECTOR COST	RESPONSIBLE PARTIES
CB1.2		Encourage a representative of the Doyle community to take part in a sponsored leadership series or citizen academy to learn more about City government and operations	S	\$\$	City, Doyle Center, Doyle residents
CB1.3		Encourage residents of the Doyle community to participate in the City's annual Citizens Police Academy to foster strong police-community relations	S	\$	City, Doyle Center, Doyle residents
CB2	<b>Support activities and events that connect the residents of the Doyle community and encourage neighbors to interact with each other</b>				
CB2.1		Facilitate neighborhood events to bring people together, create personal connections, and nurture a sense of belonging in the Doyle community	S	\$-\$\$	City with Doyle Center and Doyle residents

	GUIDING PRINCIPLE	ACTION ITEM	TIMING	RELATIVE PUBLIC SECTOR COST	RESPONSIBLE PARTIES
CB2.2		Help promote the Community Garden as an asset that builds intergenerational connections and nourishes community members of all ages and backgrounds, both physically and spiritually	S	\$-\$\$\$	City, Barnett Chapel
CB2.3		Promote weekend events and gatherings aimed at creating deeper personal connections between neighbors and a sense of belonging in the neighborhood	M	\$	City, Doyle Center, Doyle residents, etc.
CB2.4		Create and promote more youth recreational events, such as classes, programs and sports leagues	S	\$\$	City, sports leagues, Doyle Center, Kroc Center
CB2.5		Develop more free and low-cost events and activities for families	S	\$\$	City, Doyle Center, Kroc Center
CB2.6		Promote activities, including recreational options, for seniors	S	\$\$	City, Doyle Center, Kroc Center
HE	<b>HOUSING AND ECONOMICS</b>				
	<b>HOUSING</b>				

	GUIDING PRINCIPLE	ACTION ITEM	TIMING	RELATIVE PUBLIC SECTOR COST	RESPONSIBLE PARTIES
HE1	<b>Seek to attract housing options—particularly affordable options—appropriate in the context of the Doyle neighborhood to provide choices for people with a variety of ages, incomes, abilities, lifestyles, etc.</b>				
HE1.1		Maintain the predominant single-family character of the housing in the Doyle Community	S-L	\$-\$\$	City, developers/builders
HE1.2		Explore options identified in the City's new Housing Study and Strategic Plan to provide incentives for the development of workforce/attainable housing or other appropriate infill housing products	M	\$-\$\$\$	City
HE2	<b>Encourage reinvestment in existing housing</b>				
HE2.1		Research potential funding mechanisms identified in the City's new Housing Study and Strategic Plan for existing home rehabilitation and renovation	S	\$\$	City

	GUIDING PRINCIPLE	ACTION ITEM	TIMING	RELATIVE PUBLIC SECTOR COST	RESPONSIBLE PARTIES
HE2.2		Develop a program of recognition for residential property owners who make significant improvements to their property	S	\$-\$	City
HE2.3		Explore the possibility of establishing a Neighborhood Empowerment Reinvestment Zone (NERZ) aimed at stabilizing residential properties in the Doyle area	U	\$\$	City, with outside legal counsel help
HE2.4		As part of a possible NERZ, consider property tax deferrals or abatements for properties within the area	S	\$\$-\$	City
HE2.5		As part of a possible NERZ, consider fee reductions or waivers for residential property owners who make improvements to structures	S	\$\$	City
	<b>ECONOMICS</b>				
HE3	<b>Provide support for existing and new businesses in the Doyle area</b>				
HE3.1		Connect Doyle area business owners with the Chamber of Commerce Small Business Program	S	\$	City, Doyle Center, Chamber of Commerce

	GUIDING PRINCIPLE	ACTION ITEM	TIMING	RELATIVE PUBLIC SECTOR COST	RESPONSIBLE PARTIES
HE3.2		Partner with other entities to provide classes for persons interested in learning or improving upon job-related skills	S	\$\$	Schreiner University, Alamo Colleges, Chamber of Commerce
HE3.3		Research potential funding mechanisms for existing commercial rehabilitation and renovation	M	\$-\$	City
HE3.4		Develop a program of recognition for businesses or commercial property owners who make significant improvements to their property	S	\$	City, Chamber of Commerce

TIMING		RELATIVE PUBLIC SECTOR COST		
<b>U</b>	Underway	\$	A project or action which can be completed at a <b>relatively low cost</b> usually because a <b>large part of the work will be done by the City using Staff resources</b>	
<b>S</b>	Short-term; 0-5 years	\$\$	Projects or actions such as planning, engineering or urban design studies costing <b>up to approximately \$150,000</b>	
<b>M</b>	Mid-term; 6-10 years	\$\$\$	Projects or actions such as land acquisition or construction which may involve costs <b>between \$150,000 and \$1 million</b>	
<b>L</b>	Long-term; more than 10 years	\$\$\$\$	Major projects or actions with approximate costs of <b>more than \$1 million</b>	



**TO BE CONSIDERED BY THE CITY COUNCIL  
CITY OF KERRVILLE, TEXAS**

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**SUBJECT:** Resolution No. 42-2019. A Resolution adopting the Kerrville Housing Study and Strategic Plan 2019 for the City of Kerrville, Texas.

**AGENDA DATE OF:** October 8, 2019      **DATE SUBMITTED:** Oct 01, 2019

**SUBMITTED BY:** Sherry Mosier

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**EXHIBITS:** [20191008\\_Resolution\\_42-2019 Kerrville Housing Strategic Plan 2019.pdf](#)  
[20191008\\_Plan\\_CDS Kerrville Housing Study and Strategic Plan.pdf](#)

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<b>Expenditure Required:</b>	<b>Remaining Budget Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
0	0	0	0

**PAYMENT TO BE MADE TO:** N/A

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<b>Kerrville 2050 Item?</b>	Yes
<b>Key Priority Area</b>	H - Housing
<b>Guiding Principle</b>	H1. Provide a diverse range of housing options to meet the needs and desires of all age groups, income levels, and lifestyles
<b>Action Item</b>	H1.1 - Develop a citywide strategic housing plan (market supply and demand, "delivery system" capacity, development economics, incentives and tools) with an emphasis on affordable/workforce housing

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**SUMMARY STATEMENT:**

In June 2018, City Council adopted a new comprehensive plan for the City, known as "Kerrville 2050" which considers and adopted guiding principles and strategies toward emphasizing and enhancing different aspects of housing within the City. Chapter 6, specifically Action Item H1.1 advises the City to "Develop a citywide strategic housing plan (market supply and demand, "delivery system" capacity, development economics, incentives and tools) with an emphasis on affordable/workforce housing."

In addition, Chapter 5, specifically Action Item E2.4 advises the City to "Hire City staff to support the City's role in economic development, Downtown revitalization and housing." The Manager for Strategic Initiatives hired January 22, 2019.

From February 2019 to April 2019, the Manager for Strategic Initiatives pursued referrals from other Texas cities and various colleagues to locate industry experts that routinely perform housing studies and prepare strategic plans for such issues. One such company came highly recommended and Community Development Strategies (CDS) was asked to submit a proposal for consideration.

During this same timeframe, the Mayor formed the Mayor's Workforce Housing Taskforce (the "Taskforce") in order to guide and oversee ongoing efforts to address workforce housing in Kerrville. The Taskforce's main role was to provide leadership and accountability to the data, information, and processes applied in the report. The Taskforce consists of 23 members inclusive of various industry stakeholders, the Mayor, City Council, and appropriate City Staff.

CDS was invited to interview with the Taskforce at its first meeting on April 10, 2019. Following the interview and discussion amongst the participants, the Taskforce made a recommendation for the City to pursue the engagement of CDS to perform a housing study and develop a strategic plan specific to the City of Kerrville. Subsequent to contract negotiations, CDS was engaged on May 28, 2019.

CDS compiled data as to building permits, utility connections, maps, zoning and subdivision regulations, and other information.

The City, in conjunction with CDS, conducted an anonymous employee housing survey to gain insight into the housing needs of employees working within the City. The survey was sent out through the local employers of which 759 respondents started the survey, and 650 completed it to the end.

CDS conducted its first research visit the week of June 17, 2019 to tour the community, interview various stakeholders (i.e. local employers, developers, builders, real estate professionals, etc.), the Mayor, City Council, and City Staff.

On June 16, 2019, the Taskforce held its second meeting where CDS presented their perspective on the market data collected to that point and provided a status of community interviews.

CDS conducted its second research visit the week of July 15, 2019 to continue interviews with various stakeholders (i.e. local employers, rental housing owners, property management companies, etc.).

On July 24, 2019, the Taskforce held its third meeting where City Staff presented a report from CDS of additional findings to date.

Over the next month, CDS formulated the Preliminary Draft of the Kerrville Housing Study and Strategic Plan 2019.

On August 28, 2019, the Taskforce held its fourth meeting where CDS presented the Preliminary Draft of the Kerrville Housing Study and Strategic Plan 2019 and copies were provided to the participants for review until the next meeting.

On September 18, 2019, the Taskforce held its fifth meeting to discuss and formulate their combined comments to the Preliminary Draft Housing Study and Strategic Plan 2019 to be presented to CDS for finalization and presentation to City Council.

The proposed final draft of the “Kerrville Housing and Strategic Plan 2019” is included in your agenda packet for your consideration and possible adoption.

**RECOMMENDED ACTION:**

Approve Resolution No. 42-2019 adopting the Kerrville Housing Study and Strategic Plan 2019.

**CITY OF KERRVILLE, TEXAS  
RESOLUTION NO. 42-2019**

**A RESOLUTION ADOPTING THE KERRVILLE HOUSING  
STUDY AND STRATEGIC PLAN 2019 FOR THE CITY OF  
KERRVILLE, TEXAS**

**WHEREAS**, in June 2018, City Council adopted a new comprehensive plan for the City, such plan titled “*Kerrville 2050*”; and

**WHEREAS**, *Kerrville 2050*, among other subject matters, considered and adopted guiding principles and strategies toward emphasizing and enhancing different aspects of housing within the City (see Chapter 6, *Kerrville 2050*); and

**WHEREAS**, Chapter 6 of *Kerrville 2050* includes an action item to develop a Citywide strategic housing plan, to include market supply and demand, “delivery system” capacity, development economics, incentives, and tools, with an emphasis on affordable/workforce housing; and

**WHEREAS**, the Mayor formed the Mayor’s Workforce Housing Taskforce (the “Taskforce”) in order to guide and oversee ongoing efforts to address affordable/workforce housing within the City; and

**WHEREAS**, the Taskforce consists of 23 members inclusive of various industry stakeholders, the Mayor, City Council, and City staff; and

**WHEREAS**, the Taskforce’s main role was to provide leadership and accountability to the data, information, and processes considered as part of its findings; and

**WHEREAS**, a *Kerrville Housing Study and Strategic Plan 2019* (the “Plan”) developed through a process involving the Taskforce, City staff, and the City’s consultants, who are industry experts that routinely perform housing studies and prepare strategic plans for such issues; and

**WHEREAS**, the City’s consultants compiled data as to building permits, utility connections, maps, zoning and subdivision regulations, and other information; toured the community; and interviewed various stakeholders, such as employers, developers, builders, real estate professionals, owners of rental properties, property management companies, City Council, and City staff; and

**WHEREAS**, in addition, the City, in conjunction with its consultants, conducted an employee housing survey as a means of gaining insight into the housing types for employees working within the City; and

**WHEREAS**, the Taskforce reviewed the data and strategies presented by the consultants, and recommends adoption of the Plan; and

**WHEREAS**, City Council finds it to be in the public interest to adopt the *Kerrville Housing Study and Strategic Plan 2019* as presented;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KERRVILLE, KERR COUNTY, TEXAS:**

The City Council of the City of Kerrville, Texas, adopts the document titled the *Kerrville Housing Study and Strategic Plan 2019* as attached as **Exhibit A**.

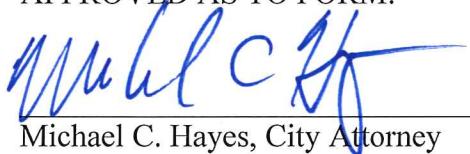
**PASSED AND APPROVED ON this the \_\_\_\_\_ day of \_\_\_\_\_, A.D., 2019.**

\_\_\_\_\_  
Bill Blackburn, Mayor

ATTEST:

\_\_\_\_\_  
Shelley McElhannon, City Secretary

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Michael C. Hayes, City Attorney

# KERRVILLE HOUSING STUDY AND STRATEGIC PLAN 2019



# KERRVILLE HOUSING STUDY AND STRATEGIC PLAN

## 2019

Prepared for:

**City of Kerrville**

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August 2019

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## EXECUTIVE SUMMARY

Since 2010 Kerrville population grew by an estimated 1,690 net new residents. Households grew by 801 net new households. Population estimates for 2019 show 25,012 current residents. Employment estimates from 2018 showed 18,383 employed in Kerr County. Nearly 400 net new jobs were added in the County from 2017 to 2018 and a total of 1,411 net new jobs were created in the County since 2011.

A 2015 estimate showed that nearly 66% of Kerrville workers resided outside of the City limits.

Overall the Kerrville housing market has a housing shortage that coupled with job and population growth have created appreciation of housing prices, especially existing single family homes.

This high demand due largely to supply shortage and in part to job and population growth was identified in all housing markets in Kerrville – multifamily, single family rentals and single family for-sale homes – which has increased prices (especially existing for-sale homes) and competition for housing (especially in the single family and multifamily rental market) that has begun to weigh on local businesses and prospective worker households.

Multifamily rents require monthly incomes to be three times the rent and Kerrville is a low to moderate wage employment hub meaning multifamily rents can only be raised by a small amount (\$25-\$50 a month), on average every year to two years.

Estimates from 2017 showed there were 60% (5,894) owner-occupied households and 40% (3,919) renter-occupied households in Kerrville.

Data from 2017 ACS shows housing cost burdened renters across all household income cohorts accounted for 28% (1,627) of all households in Kerrville.

The 2017 median household income for Kerrville was \$44,113, meaning that half of households in the City earn less and 55% of households earn less than \$50,000 annually.

Approximately 42% (1,627) of all renter occupied households were paying 30% or more on housing costs and 22% (1,343) of all owner-occupied units in the City were paying 30% or more on housing costs.

Estimates showed that only 6% or 304 out of all owner-occupied households, 3% of all households in the City are under 35. This represents a large opportunity to increase share of younger owner-households. There were 1,254 renter-occupied households, 13% of all households and 21% of owner-households.

Residents age 65 and over account for nearly 30% (6,938) of the 2019 Kerrville estimated population of 24,037. The largest age cohort in Kerrville in 2019 was the 65 to 74 cohort with 14% (3,434) of the population followed by age 55 to 64 representing an estimated 13% (3,055) of total population.

The household estimates from 2017 ACS data for Kerrville showed 65 years and older households accounted for 42% (4,122) of all households in the City. Also, 2017 estimates revealed that 65 years and over householders accounted for 55% (3,245) of all owner-occupied households and 22% (877) of all renter-occupied households in the City.

This data shows that 65 and older residents play a significant role in the Kerrville housing market accounting for an estimated 55% share of single family home ownership

Total current housing demand estimates of current pent up demand from the Kerrville workforce could be up to 3,046 units.

The mix of household types (renter or owner) for those living greater than 50 miles cannot be ascertained but a conservative estimate applying 50% would mean 519 renter households and 519 owner households for a total demand of 1,271 rental units and 1,775 for-sale units.

Based on 315 new jobs planned in Kerrville over the next 24 months and a ratio from the past 4 years of regional household growth as a percent of jobs added in the three MSA's, future housing for Kerrville could range from 151, 134 or 91 net new worker households.

A separate 1:1 new worker household to new jobs ratio would create local worker household demand for 315 local worker households.

There are several local active single family builders and housing developments in Kerrville with a grand total of nearly 720 single family lots in varying points in the development pipeline.

There are a total of 240 total multifamily rental units currently underway in two separate developments and are estimated to command rents in the \$1,000 and greater price range.

As of August 2019, the median list price in Kerrville was \$297,500 and the average list price is \$338,856, well greater than the maximum affordable price of \$200,000 to \$180,000 and below affordable for the 2018 County average weekly wage of \$942 (\$48,984 annually) and the 2017 median household income for the City of \$44,113.

The City's economy is largely based on health care and social assistance, retail trade, accommodation and food services and educational services. However, as of 2015 an estimated 66% of local workers lived outside the City. Many employers have faced difficulty hiring new workers across all industries and pay grades. Employers and newly hired employees shared in interviews that if they had not known a local resident with knowledge and connections, they would probably not have found housing (rental or for-sale) in Kerrville. Some employers, especially healthcare, are worried that retiree households that have been moving increasingly to Kerrville of the past several years may not view the City as desirable if housing shortages for local workers creates even more difficulty for them to hire and retain works sufficient to satisfy the growing demand.

Certain future job growth will exacerbate the gap between supply and demand for rental and for-sale housing at all price ranges but will impact those in the lowest and moderate pay jobs the greatest as they will be forced to seek housing outside of the City if new supply attainable to their incomes is not created.

## Economic Analysis

As of July 2019, there were an estimated 5,380 employees working at the largest 15 businesses in the City. These 15 employers alone represent 29.3% of Kerr County's 2018 employment of 18,383 workers.

Unemployment for Kerr County was 3.2% in 2018 while the U.S. and Texas was 3.5%. This means that additional job growth will likely require either new worker households living in the City or new workers commuting into the City for work.

The five largest industry sectors by employment in Kerr County are Health Care and Social Assistance (4,169), Retail Trade (2,907), Accommodation and Food Services (2,282), Educational Services (1,730) and Construction (1,504). Combined, these five industries employ 12,592 workers which account for 68% of all jobs in the County.

In the last three years 779 employees were added in the five largest numbers of employees in Manufacturing (250), Construction (168), Real Estate and Rental and Leasing (128), Educational Services (120) and Administrative and Support and Waste Management and Remediation Services (113).

Health Care and Social Assist, Retail Trade and Accommodation and Food Services are the only industries with 10% or more share of employment in 2018.

Ten of the twenty-one industries in Kerr County pay an average weekly wage more than \$1,000 per week and the average weekly wage for all industries combined is \$942. Five of the largest employment industry sectors that pay below the average weekly wage employ 8,184 workers, 45% of all workers in the County.

Overall 49% (8,919) of Kerr County workers make less than the average weekly wage.

According to LEHD 2015 data out of 12,140 Kerrville workers 66% (8,065) lived outside the city limits with 3,463 greater than 50 miles. As of 2015 employment data shows Kerrville employs about 70% of workers in Kerr County.

The County added 235 net new jobs in 2017 and 398 net new jobs in 2018 for a total job growth in the previous 2 years in the County of 633 net new jobs. Given the same growth in the next two years this would create a net new job growth of 633 new jobs by 2021. In addition, CDS field research and interviews with the City and several of the largest employers in Kerrville revealed that definitive job creation over the next 24 months will be in the range of 315 net new jobs.

The employers and anticipated job growth are presumed to originate from the expansion of 200 to 215 net new positions at Kerrville State Hospital over the next 24 months, an estimated 50 net new jobs from a new business, Hobby Lobby and finally an estimated 50 net new jobs from the expansion of the existing H.E.B. grocery store.

## Demographic Analysis

Current estimated population in Kerrville is 25,012 and increased by 7.6% (1,690 new residents) from 2010 to 2019 and is estimated to increase by another 4.1% (975 new residents) from 2019 to 2024.

Kerrville captured a 60% share of the estimated total population growth in Kerr County since 2010.

Currently the median age of Kerrville is 46.51.

These are the main age groups for Kerrville in order of share of total City population: under age 21 – 24% (5,670), age 55 and over – 42% (9,993) and age 65 and over – 29% (6,938)

Hispanic or Latino make up nearly 30% of the population in Kerrville.

The estimated average household size for Kerrville is 2.2.

Family households account for 62% and non-family households account for 38% of all households in the City with 2-person (3,840) and 1-person (3,453) making up the most prevalent household sizes.

According to 2019 estimates 75% of households in both study areas have no children younger than 18 years old in their household while 25% did. Female householders make up about a third of households with no children.

Kerrville has an estimated 8% (839) of total households below poverty with 6% (570) below poverty with children.

Educational attainment of the population age 25 and older is highly concentrated with High School Graduate (or GED) and Some College, no degree.

Kerrville ISD enrollment in the 2017-2018 school year was 5,019 and only grew by 93 students from 2016-2017 enrollment.

Kerr County experienced a 7% reduction in average household income and an 8% reduction in median household income from 2010 to 2019. Kerrville experienced a 5% reduction in average household income and a 0.1% reduction in median household income.

The number of households in upper middle class and affluent income ranges from \$75,000 to \$499,999 increased substantially from 2010 to 2019.

Estimated 2019 median household income for Kerrville was \$46,215 and average household income was \$64,012. The greatest household income cohort for Kerrville in 2019 was the \$35,000 to \$49,999 bracket with 1,843 households, 18% of all households in the City.

The 2017 estimated median household income for Kerrville was \$44,113.

Estimated projections for 2024 show the City adding 455 net new households as well as increase of median household income to \$47,457 and average household income to 66,256, a positive sign for the community.

Kerrville has about 9,730 residents age 16+ working with just more than 30% working in Office Administration and Support (1,341), Management (935), and Sales/Related (924) occupations.

## Housing Market Trends

In Kerrville 66% of housing units are estimated to be owner-occupied with the remaining 34% renters.

The largest share by year built of the existing housing was constructed in the 1980's (21%). An estimated 1,892 (28%) owner-occupied homes in Kerrville are valued below \$100,000. This stock of homes represents in some cases blighted or perhaps unlivable structures that could be the focus of continued blight abatement and neighborhood revitalization efforts.

Household analysis was derived from 2017 ACS data, the most recent U.S. Census Bureau data available.

There were 9,813 households in Kerrville as of 2017 and about 48% of Kerr County households were located within Kerrville.

There were 60% (5,894) owner-occupied households and 40% (3,919) renter-occupied households in Kerrville.

Only 877 (22%) of renter households were householders 65 years and over. Householders 65 years and younger have much higher levels of renter householders and cost burdened renter households.

Estimates showed that only 6% or 304 out of all owner-occupied householders are under 35. This represents a large opportunity to increase share of younger owner-households.

The 2017 median household income for Kerrville was \$44,113, meaning that half of households in the City earn less and 55% of households earn less than \$50,000 annually.

In Kerrville 27% (2,653) of households earning less than \$50,000 per year are considered cost-burdened with housing expenses exceeding 30% of gross income.

Approximately 42% (1,627) of all renter occupied households were paying 30% or more on housing costs and 22% (1,343) of all owner-occupied units in the City were paying 30% or more on housing costs. This shows that renters are the most housing cost burdened group in the City. About 18% of Kerrville renter households spent 50% or more of their income on housing, something only 9% of home owners did.

## Housing Market Trends – Multifamily Rentals

Multifamily units account for 22% of the housing stock in Kerrville. This equates to an estimated 2,323 multifamily rental units out of a 2019 estimated 11,403 total housing units in Kerrville. About 67% (1,546) of all units are conventional, 22% (484) age restricted and 12% (293) income restricted.

Occupancy in market rate units was very high at an overall average of 96% with almost all current vacancies due to tenant move out upgrades and maintenance. Many property managers at almost every property during field interviews cited some of the longest tenured apartment residents as being 5, 10 and even 20 years in the same rental unit.

CDS estimates the current average multifamily rent is \$742.

There were 183 multifamily units built in the past two years which were luxury units (which have an average of \$1,000 rent minimum per month). This makes preservation of older existing market rate units extremely crucial.

There have been 1,546 multifamily units built in Kerrville since 1980. The lack of new supply and the fact that much of the recent supply are either income restricted such as Paseo de Paz or highly amenitized luxury units such as Sidney Baker and Country Club Apartments, which rent 1-bedroom units for \$1,050 and \$865, respectively.

Although there appears to be a significant stock of attached single family (townhomes, patio homes, duplexes and some triplexes and fourplexes) product, serving the for-sale and rental market there seems to have not been any new supply of these housing types in the last decade or more.

Data from 2017 ACS shows housing cost burdened renters across all household income cohorts accounted for 28% (1,627) of all households in Kerrville. Also, 752 renter-occupied households in Kerrville with household incomes of \$50,000 and less were paying 30% or more of household income to housing. These estimates are now several years old and are likely higher at the release of this report.

There are currently two separate multifamily projects underway in Kerrville.

One new project is the 120-unit luxury apartment complex located on Thompson Drive which will likely command rents in the \$885 to \$1,500 per month.

The second project which is currently under construction at 2601 Singing Winds Dr. this will also be a luxury style apartment complex with 120 units that will likely also command rents in the \$885 to \$1,500 per month range.

Rental demand is currently very high, the 240 total multifamily rental units currently underway will provide needed rental units however they will only be affordable to the highest paid workers and household income in the City and are not very likely to satisfy the bulk of moderate pay current and future local worker demand.

Many Kerrville employers interviewed for this study mentioned that the lack of housing choices, rental and for-sale, made retention and hiring of workers very difficult.

## Housing Market Trends – Single family Rentals

Landlords receive multiple calls per day for listed and unlisted properties. They also receive heavy internet, craigslist and Facebook traffic for rental inquiries indicating that demand is very strong. Occupancy of single family rentals was near 100% in interviews with landlords and property managers. Demand for single family rentals has been very strong over the last 18-24 months.

Currently the maximum time a unit stays vacant is around 2 weeks and that is usually due to unit maintenance and upgrades. The inventory of single family rentals has not increased, and demand has risen. Single family home investment has picked up significantly in the last several years and most are professional investors, not reluctant owner renters.

The smallest and oldest units tend to be smaller 2 bed 1 bath homes in the 900-sf. range and rent for \$900 to \$1,050 per month. Renovated single family units and duplexes are renting for around \$1,050 to \$1,200 per month. Due to a large shortage of desirable for-sale homes priced \$180,000 and below, this too has increased single family renter demand, especially those with children or family members. Units with 3 bedrooms are in very low supply and are priced \$1,200-\$1,250 with some higher end units renting in the \$1,500 to \$2,000 range with the median price around \$1,400. Three-bedroom two bath units get the greatest demand.

This market did indicate that some level of accountability between landlords and the City would be helpful as some owners and landlords have tenants living in very unsafe and unacceptable conditions and refuse to repair or upgrade. The flip side is that typically this means increasing rates which could displace residents. Very few of the rental houses are listed on the MLS and most are only advertised on specific internet sites. This makes it difficult for landlords to determine rental rates in a conventional manner of comparison.

An interesting aspect unique to Kerrville's housing market is the presence and demand for rental units by those recently graduating into sober living. There are many local and regional businesses oriented to rehabilitation and recovery patients. Many of them are younger or with past credit history, job and perhaps criminal history preventing them from attaining housing in multifamily properties due to requirements. Therefore, they turn to the less formal single family housing rental market for housing. However, the no more than 3 unrelated residents ordinance has caused many challenges along with the shortage of housing overall that has made single family rentals a very desired and lucrative housing product for tenants and landlords/property owners. In addition, this population has a strong drive and, in many cases, a mandatory requirement for employment. This benefits local businesses, especially those in the recreation and entertainment, retail and accommodation and food services sectors by providing an eager workforce. But, the housing shortage and in particular the tight single family rental market, are beginning to make it very difficult for this population to secure housing in Kerrville. This also provides an opportunity for the City to add younger households and perhaps encourage a new generation of Kerrville residents to put down roots and create new families and households.

## Housing Market Trends – Single family For-Sale Homes

Two years ago, in 2017 more homes were sold in Kerrville than in any year from 2008 to 2018. Home sales began to pick up following the Great Recession in 2012 and increased each year, with a slight dip in 2016, a peak in 2017 and another slight dip in 2018. Overall home sales volumes have increased by 36% since 2008.

In 2018 the overall average was 85 days on the market with a total of 395 sales, an average of 33 sold per month. According to the data 135 homes are currently listed for sale putting months of inventory as of August 2019 at 6.1 months of supply based on 266 home sales in the last 6 months, an average of 22 sales per month.

The single family residential housing market in the Kerrville area currently appears to be a buyers' market, however, the findings of this study reveal that many Kerrville home buyers, especially those employed within the City, face some difficulty finding housing that fits their household budget and needs.

The majority of home sales in Kerrville have shifted greatly in price from 58% (169) of sales in 2008 in the \$100,000 - \$199,999 price range to just 37% (147) of all sales in 2018, a decrease of 13% since 2008.

The increase in higher priced home sales can be seen to start in 2012 and 2013 with the beginning of the growth in the share of homes sold in the \$200,000 - \$299,999 and \$300,000 to \$399,999.

Since 2011 home sales volume in the \$200,000 - \$299,999 price range increased from 34 to 154 in 2018, an increase of 354%.

Additionally, home sales volume in the \$300,000 - \$399,999 price range increased from 11 to 58 in 2018, an increase of 427%.

This indicates decreasing supply of homes priced below \$200,000. These lower price categories represent "entry level" prices for first-time buyers at or below Kerrville's median household income (\$44,113 as of the 2017 American Community Survey).

Real estate agents mentioned that many of these homes in this price range are unlivable or require more desired or necessary upgrades than first time home buyers can afford and are being purchased (many times in all cash transactions) by investors as flips or rentals.

The share of homes \$200,000 - \$299,999 price ranges has shifted from barely 20% of all sales in 2008 to almost 40% of all sales in 2018 while the share of homes \$300,000 - \$399,999 increased from 6% of sales in 2008 to 15% in 2018.

Although the total volume of existing home sales grew last year to the highest point in the past decade (an increase of 36%), the total volume of homes sold less than \$200,000 has decreased from 204 (70% of all sales in 2008) to 158 (40% of all sales in 2018). At the same time population has grown by 1,690 since 2010 and jobs have increased by 1,107 since 2009.

As of the 2017 American Community Survey the median household income for the City was \$44,113. The correlated affordable price for that annual income is \$180,000 and less. This price point is found in the consistently shrinking \$100,000 - \$199,999 price band, however, \$180,000 represents the absolute most someone making the 2017 median income can afford.

The median sold price in Kerrville has increased each year since 2013, an increase of 42% in the past 6 years.

In 2018 the median sold price was \$219,150. Homes prices of \$180,000 was the maximum affordable home price for the median household income in Kerrville and half of all households made less than the 2017 median of \$44,113.

Home prices greater than \$180,000 are not attainable to about half of the households in Kerrville as of 2017 and many local workers making the 2018 average weekly wage for the County of \$942, which translates to an annual income of \$48,984, which then translates to a maximum affordable home price of \$200,000.

As of August 2019, the median list price in Kerrville was \$297,500 and the average list price is \$338,856, well greater than the maximum affordable price of \$200,000 to \$180,000 and below affordable for the 2018 County average weekly wage of \$942 (\$48,984 annually) and the 2017 median household income for the City of \$44,113.

Only 10% (13) of current sale listings are in the \$100,000 to \$199,000 price band. This means that if the 13 available homes for sale in this price band do not fit a household's needs or budget (many existing homes in Kerrville require anywhere from \$5,000 to \$60,000 in upgrades) then the potential buyer will likely seek housing elsewhere or seek rental housing in the very full (in the upper 90% occupancy citywide) multifamily or single family rental market. This scenario provides a glimpse of perhaps part of the reason 66% of Kerrville workers reside outside of the City.

MLS data shows that 701 homes in Kerrville were sold in the past two years in the three most affordable price bands. There were an estimated 555 owner-occupied households in Kerrville that were housing cost burdened (30% or more household income spent on housing) in incomes \$74,999 and below.

Since 2008 there were 572 single family permits issued, an average of 52 per year in that span.

Previous MLS sales data shows that since 2008 Kerrville had a total of 3,884 sales, an average of 353 single family detached home sales per year and about 30 home sales per month.

There are several local active single family builders and housing developments in Kerrville with a grand total of nearly 720 single family lots in varying points in the development pipeline.

Lot costs and infrastructure are the top two cost related barriers in Kerrville facing home builders seeking to serve the \$150,000 to \$200,000 price range.

Lot costs have steadily risen over the past five years as the average lot price has gone up from \$10,000 to in some cases no \$40,000 and up for one infill lot.

Average infrastructure costs quoted from several different local builders in Kerrville was in the \$500 to \$600 dollars per foot range.

Builders with a focus on trying to create new infill single family development appear to require financial assistance on infrastructure and lot costs in order to feasibly price new infill single family homes for sale in the \$150,000 to \$200,000 range.

## Housing Demand Analysis

Residents age 65 and over account for nearly 30% (6,938) of the 2019 Kerrville estimated population of 24,037. The largest age cohort in Kerrville in 2019 was the 65 to 74 cohort with 14% (3,434) of the population followed by age 55 to 64 representing an estimated 13% (3,055) of total population.

The household estimates from 2017 ACS data for Kerrville showed 65 years and older households accounted for 42% (4,122) of all households in the City. Also, 2017 estimates revealed that 65 years and over householders accounted for 55% (3,245) of all owner-occupied households and 22% (877) of all renter-occupied households in the City. Of renter-occupied householders 65 and over 11% (430) were housing cost burdened and 12% (733) of owner-occupied householders 65 and over were housing cost burdened.

This data shows that 65 and older residents play a significant role in the Kerrville housing market accounting for an estimated 55% share of single family home ownership. Furthermore, the data shows that 65 and over householders have low levels of housing cost burden with a total of 1,163 65 and over householders, an estimated 12% of total households in 2017.

The amount and share of homes this constitutes could not be ascertained given the scope of this report. Nevertheless, local real estate agents as well as single family rental property managers and landlords all cited that the presence of vacation / second home purchasers do exist and seems to be growing. Also, the presence of professional single family rental investors has been increasing rapidly over the past three years in Kerrville.

With the evident existing and growing popularity of Kerrville and nearby Fredericksburg as a vacation and tourist hot spot, single family whole or partial homes used for vacation rentals likely will only increase unless there are short-term rental ordinances to permit, track and regulate the presence and share that whole home and partial home rentals play in the market.

Total current housing demand estimates of current pent up demand from the Kerrville workforce could be up to 3,046 units. This derives from past data but provides the best look at existing demand from the local workforce.

The data points used to derive this figure was based on a conservative one third (1,038) of the 2015 estimate of Kerrville workers living greater than 50 miles from the City, 2017 ACS estimates in Table 60, Table 75 and Table 76 of 752 cost burdened renter households, 555 cost burdened owner households and 701 homes sold in Kerrville in the past two years in the two most affordable price ranges (\$0 - \$99,999 and \$100,000 - \$199,999).

This equates to 3,046 total units. The mix of household types (renter or owner) for those living greater than 50 miles cannot be ascertained but a conservative estimate applying 50% would mean 519 renter households and 519 owner households for a total demand of 1,271 rental units and 1,775 for-sale units.

Data estimates showed that 3,463 Kerrville workers as of 2015 lived greater than 50 miles from the City. If only one third of those workers living greater than 50 miles was due to housing supply and/or price challenges that would be a total of 1,038 local worker housing demand.

Based on 315 new jobs planned in Kerrville over the next 24 months and a ratio from the past 4 years of regional household growth as a percent of jobs added in the three MSA's, future housing for Kerrville could range from 151, 134 or 91 net new worker households.

A separate 1:1 ratio would create local worker household demand for 315 local worker households.

According to CDS estimates based on a conservative assumed 50% capture rate of 519 workers 2015 LEHD worker commute distance of 50 miles or greater, plus 2017 ACS estimates of 752 cost burdened renter households equates to current worker household demand of 1,271 rental units.

According to CDS estimates based on a conservative assumed 50% capture rate of 519 workers 2015 LEHD worker commute distance of 50 miles or greater, plus 2017 ACS estimates of 555 cost burdened owner households, plus 701 homes sold in the past two years \$200,000 and below equates to current worker household demand of 1,775 rental units.

New, conventional market rate multifamily construction cannot be built cheaply enough in any market to serve maximum affordable rental prices of \$450. CDS research in various smaller markets in Texas in addition to interviews with local Kerrville multifamily developers the lowest cost for new market rate multifamily rental units hovers in the range of \$1.15 to \$1.26 per square foot.

This means that demand from net new jobs paying the lowest wages must be satisfied with non-market-based supply. This could take the form of new LIHTC rental unit supply, increased supply of new Accessory Dwelling Units (ADUs).

Next 24 months net new worker household creation demand and maximum rent/for-sale prices:

- 73 rental units at maximum affordable rent of \$450 per month
- 171 rental units at maximum affordable rent of \$750 per month
- 29 single family homes or rental units at maximum affordable price of \$175,000 or \$1,050 per month
- 26 single family homes at maximum affordable price of \$225,000 or \$1,350 per month
- 7 single family homes at maximum affordable price of \$285,000
- 10 single family homes at maximum affordable price of \$350,000+

## Housing Strategic Plan

Based upon review of the Kerrville housing market, analysis of additional housing needs, and the development environment that enables or discourages housing supply creation, CDS recommends the following Housing Strategic Plan actions.

### **1. Increase Stock of Moderately Priced Rental Units with Moderate-Density Infill Development**

Allow and encourage moderate-density “missing middle” housing and accessory units that can be constructed more quickly and cheaply than larger apartment complexes.

### **2. Increase the supply of single family for-sale homes on infill lots**

Encourage the construction of entry-level for-sale homes on infill lots in already-developed areas with existing infrastructure; generally prioritize areas with immediate access to existing infrastructure over sites requiring new extensions or added capacities.

### **3. Preserve Existing Low-Income and Moderately-Priced Rental Housing through Rehab Programs and Opportunity Investment**

Develop a rehab incentive program for multifamily and single family rental housing that includes a long term affordability component. Work with local and regional philanthropic organizations and community-minded investors to form partnership entities for strategic investments in rental housing preservation.

### **4. Support Additional Low-Income Rental Housing Development through the Federal LIHTC Program and a Public Facilities Corporation**

- Issue a clear statement from City government and respected organizations that quality LIHTC projects are welcomed.
- Create a PFC to acquire sites and partner with multifamily developers to create tax-exempt mixed-income housing

### **5. Create an Official Incentive Policy for Workforce Housing Development**

Create a defined City policy for financially assisting developers with public infrastructure costs in return for housing developments that priced to local workers earning 120% of median income and below and meet reasonable quality design standards.

### **6. Utilize Land Owned by Public Agencies, Institutions, and Philanthropic Organizations for Workforce Housing Development and Preservation**

- Work with the public agencies and nonprofit organizations (including educational institutions and philanthropic organizations) who own the properties to devote them to housing development for low to middle income workforce households.
- Put measures in place to assure long term affordability of the new housing created on these sites.

### **7. Initiate an effort to accommodate specialized renter populations**

- Examine development and land use regulations to ensure rehab / recovery graduates can be provided safe and livable “sober houses”

- Enlist the participation of philanthropic and nonprofit groups to assist in provision and servicing of “sober houses” and transitioning of graduates to standard rental housing

## **8. Examine other regulatory elements that affect development costs**

Examine proposed development code to see if restrictive, cost-raising requirements can be changed to lower costs or otherwise mitigated as part of an incentive policy for attainable workforce housing.

## **9. Create a Cooperative Housing Navigation and Financial Education Program**

Through a set of broad-based community partnerships, create a nonprofit Housing Navigation and Financial Education Program to help workers find appropriate and attainable housing and to prepare first-time buyers for home purchase and ownership

## CDS COMPANY BIO

CDS Community Development Strategies (CDS) is a leading national consulting firm headquartered in Houston, Texas, providing economic analysis, public planning, and market research services to clients in a wide variety of industries. CDS was formed in 1971 and is staffed with seasoned professionals who have training and experience in economic development, demographic research, urban planning, statistical analysis, market evaluation, and all aspects of real estate development.

Since 1971, CDS has remained at the forefront of the industry by doing three things:

1. Staying actively involved in numerous professional and trade associations.
2. Providing clear, unbiased, and up-to-date solutions by employing the most appropriate and cost-effective research methods.
3. Utilizing solution-oriented analysis teams to focus on each project assignment adapted to your needs.



## INTRODUCTION / PURPOSE OF PLAN

This study was undertaken on behalf of the City of Kerrville as a result of the Kerrville 2050 Comprehensive Plan to complete an updated housing study and housing strategic plan.



This study contains the most recent research, findings, analysis, and suggestions for improvements related to the housing market in the City of Kerrville. The focus of this study centers on the following questions:

- Examination of the housing needs of the local workforce and provide general projection of current and future worker household demand for both for-sale and rental housing units based on incomes of local industry workers, housing cost burden and homeowner and renter shares of total households
- Assessment of active and planned housing developments
- Analysis of existing housing supply characteristics – single family and rental
- Estimates of demand for conventional single family housing
- Estimates of demand for multifamily units
- Diagnose reasons for supply shortages
- Conclude on overall opportunities for developing single family and multifamily housing in the Kerrville market area
- Conclude on housing unit amount and price ranges and rental rates needed for specific income ranges of Kerrville current and future residents and workers
- Create a Strategic Plan for the City to reasonably address housing market problems and deficiencies

This study required a considerable amount of participation from local business, stakeholder and government staff, for which CDS is grateful.

As an outcome of the Kerrville 2050 Comprehensive Plan, adopted in June of 2018, Mayor Bill Blackburn's team formed the Mayor's Workforce Housing Taskforce in order to guide and oversee ongoing efforts to address workforce housing in Kerrville.

The taskforce's main role in regard to this housing study was to provide leadership and accountability to the data, information and processes applied in this report.

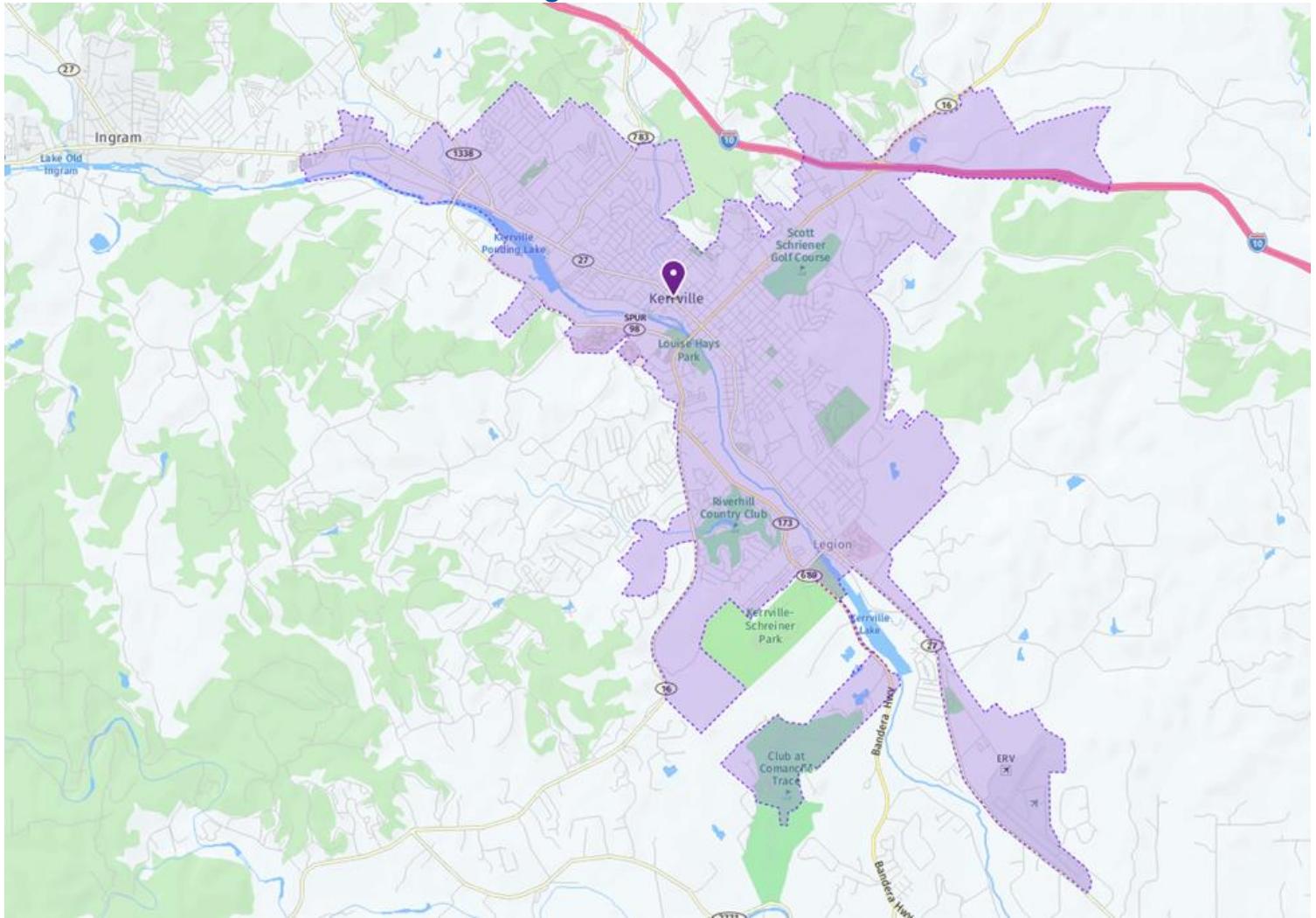
Mayor's Workforce Housing Taskforce	
Name	Position/Business
Mayor Bill Blackburn	Mayor of Kerrville
Gary Cochrane	City Council, Place 1
Kim Clarkson	City Council, Place 2
Judy Eychner	City Council, Place 3
Delayne Sigerman	City Council, Place 4
Rob Kelly	Kerr County Judge
Billie Morgan	Keller Williams
George Hager	Ghagerhomes/Hager Construction Co.
Grant Griffin	Contractor
Mike Wellborn	Wellborne Engineering
Philip Stacy	Habitat for Humanity
Gil Salinas	KEDC
Bruce Stracke	Brinkman Commercial
Stephen Fine	Former Mayor and Councilperson
Granger MacDonald	MacDonald Companies
Toni Manchester	Century 21 The Hills Realty
Valerie Chambers	Century 21 The Hills Realty
Kenneth Early	Texas Hill Country Bank/EIC Chairman
Wynn Kilgore	Board Director of Habitat for Humanity
Mark McDaniel	City Manager
E.A. Hoppe	Deputy City Manager
Drew Paxton	Planning Director
Sherry Mosier	Manager for Strategic Initiatives

Source: City of Kerrville

## STUDY AREA DESCRIPTION

This study examines the City of Kerrville, Texas and to a lesser extent Kerr County. Nestled on the banks of the Guadalupe River, Kerrville is a vibrant community that is the capital of the Texas Hill Country. It is the county seat of Kerr County.

**Figure 1: Kerrville, Texas**



Kerrville is located in eastern Kerr County. It is 65 miles northwest of San Antonio and 52 miles southeast of Junction. Texas State Highway 16 (Sidney Baker Street) is the main road through the center of Kerrville. Highway 16 leads northeast 24 miles to Fredericksburg and southwest the same distance to Medina. Texas State Highway 173 leads south 25 miles to Bandera, while State Highway 27 leads west 6 miles to Ingram and east 18 miles to Comfort.

According to the United States Census Bureau, Kerrville has a total area of 20.7 square miles. Approximately 20 square miles of it are land and 2.00% are covered by water. The Guadalupe River runs through the city, with the downtown area sitting on the northeast side. The following information and tables display population and household counts for 2000 and 2010, in addition to estimated counts for 2019 and 2024 for the City of Kerrville and Kerr County.

## DEMOGRAPHIC AND ECONOMIC ANALYSIS

Understanding the demographic trends for an area is an important element in assessing the market demand for new housing. Past, present and future demographic figures were collected and estimated by utilizing data from the following sources: U.S. Census Bureau, American Community Survey, PCensus for ArcView (hereafter referred to as "PCensus"), Bureau of Labor Statistics, Texas Workforce Commission Labor Market Information, Quarterly Census of Employment and Wages (QCEW), City of Kerrville, Kerrville Chamber of Commerce, City of Kerrville Planning and Development, Kerrville Association of Realtors and primary research completed by CDS Market Research.

Thanks goes out to City of Kerrville and all local businesses and other entities instrumental in completing this report.

## Population and Households

Table 2 provides population and household counts for 2000 and 2010, as well as estimates for 2019 and projections for 2024.

**Table 2: Population and Households, 2000 to 2024**

Population	2000 Census	2010 Census	2019 PCensus	2024 Projection	Change 2010 to 2019	% Change 2010 to 2019	Change 2019 to 2024	% Change 2019 to 2024
<b>City of Kerrville</b>	20,336	22,347	24,037	25,012	<b>1,690</b>	<b>7.6%</b>	<b>975</b>	<b>4.1%</b>
<b>Kerr County</b>	43,653	49,625	52,432	54,844	<b>2,807</b>	<b>5.7%</b>	<b>2,412</b>	<b>4.6%</b>
Households	2000 Census	2010 Census	2019 PCensus	2024 Projection	Change 2010 to 2019	% Change 2010 to 2019	Change 2019 to 2024	% Change 2019 to 2024
<b>City of Kerrville</b>	8,597	9,379	10,180	10,635	<b>801</b>	<b>8.5%</b>	<b>455</b>	<b>4.5%</b>
<b>Kerr County</b>	17,813	20,550	21,865	22,932	<b>1,315</b>	<b>6.4%</b>	<b>1,067</b>	<b>4.9%</b>

Sources: U.S. Census Bureau, 2000, 2010, Nielsen/Claritas 2019, 2024 Estimates – PCensus for ArcView (hereafter referred to as PCensus)

- Population increased moderately in the City and County over the past 19 years.
- Current estimated population in Kerrville is 25,012 and increased by 7.56% (1,690 new residents) from 2010 to 2019 and is estimated to increase by another 4.06% (975 new residents) from 2019 to 2024.
- Current estimated population in Kerr County increased by 5.66% (2,807 new residents) from 2010 to 2019 and is estimated to increase by another 4.6% (2,412 new residents) from 2019 to 2024.
- Kerrville captured a 60% share of the estimated total population growth in Kerr County since 2010.

## Age Distribution

Table 3 contains the breakdown of the population by age in Kerrville and Kerr County for 2019.

The total population as well as cohorts of 16 and over, 18 and over, 21 and over and 65 and older have been identified along with their respective percentages of total population in 2019.

- Currently the median age of Kerrville is 46.51, and similarly 47.87 for the County
- The population is fairly older
- These are the main age groups for Kerrville in order of share of total City population:
  - under age 21 – 24% (5,670)
  - age 55 and over – 42% (9,993)
  - age 65 and over – 29% (6,938)
- Age 15 to 17 cohort has the least share of population at 3.6% (871).
- Age 65 to 74 cohort has the greatest share of population at 14.2% (3,434).

**Table 3: Population by Age, 2019**

Age	Kerrville		Kerr County	
	Count	Share	Count	Share
<b>Total</b>	<b>24,037</b>	<b>100%</b>	<b>52,432</b>	<b>100%</b>
Age 0 to 4	1,247	5%	2,723	5%
Age 5 to 9	1,214	5%	2,718	5%
Age 10 to 14	1,249	5%	2,824	5%
Age 15 to 17	871	4%	1,851	4%
Age 18 to 20	1,089	5%	1,992	4%
Age 21 to 24	1,242	5%	2,466	5%
Age 25 to 34	2,444	10%	5,266	10%
Age 35 to 44	2,302	10%	4,810	9%
Age 45 to 54	2,386	10%	5,459	10%
Age 55 to 64	3,055	13%	7,426	14%
Age 65 to 74	3,434	14%	8,162	16%
Age 75 to 84	2,299	10%	4,750	9%
Age 85 and over	1,205	5%	1,985	4%
Age 16 and over	20,042	83%	43,564	83%
Age 18 and over	19,456	81%	42,316	81%
Age 21 and over	18,367	76%	40,324	77%
Age 65 and over	6,938	29%	14,897	28%
<b>Median Age</b>	<b>46.51</b>		<b>47.87</b>	

Source: PCensus 2019

## Race and Ethnicity

Table 4 below shows the estimated 2019 ethnic makeup of Kerrville and Kerr County.

- Most of the population in both areas have a mostly White population.
- Hispanic or Latino make up nearly 30% of the population in Kerrville and Kerr County.

**Table 4: Ethnic Makeup, 2019**

Ethnicity	Kerrville		Kerr County	
	Count	Share	Count	Share
<b>Total Population</b>	<b>24,037</b>	<b>100%</b>	<b>52,432</b>	<b>100%</b>
White Alone	20,693	86%	44,998	86%
Black or African American Alone	613	3%	938	2%
American Indian and Alaska Native Alone	175	1%	448	1%
Asian Alone	287	1%	529	1%
Native Hawaiian and Other Pacific Islander Alone	15	0%	43	0%
Some Other Race Alone	1,564	7%	4,175	8%
Two or More Races	690	3%	1,301	2%
<b>Not Hispanic or Latino</b>	<b>16,929</b>	<b>70%</b>	<b>37,876</b>	<b>72%</b>
<b>Hispanic or Latino</b>	<b>7,108</b>	<b>30%</b>	<b>14,556</b>	<b>28%</b>

Source: PCensus 2019

## Household Size and Type

Table 5 shows 2019 household size and estimated average household size for Kerrville and Kerr County.

- The estimated average household size for the study areas are:
  - Kerrville – 2.2
  - Kerr County – 2.3
- Family households are the predominate household type of both areas accounting for 62% and 66% of households in each.
- Each area has a similar share of nonfamily households at 34% and 38%.
- The most prevalent household sizes in Kerrville are:
  - 2-person households with a 38% share of total households at 3,840 households
  - 1-person households with a 34% share of total households at 3,453 households
  - 3-person households with a 12% share of total households at 1,271 households

**Table 5: Household Size and Type, 2019**

Household Size	Kerrville		Kerr County	
	Count	Share	Count	Share
<b>Total:</b>	<b>10,180</b>	<b>100%</b>	<b>21,865</b>	<b>100%</b>
1-person household	3,453	34%	6,533	30%
2-person household	3,840	38%	8,778	40%
3-person household	1,271	12%	2,809	13%
4-person household	916	9%	2,000	9%
5-person household	409	4%	1,031	5%
6-person household	184	2%	463	2%
7-or-more person household	107	1%	251	1%
<b>Family Households</b>	<b>6,312</b>	<b>62%</b>	<b>14,434</b>	<b>66%</b>
<b>Nonfamily Households</b>	<b>3,868</b>	<b>38%</b>	<b>7,431</b>	<b>34%</b>

Source: PCensus 2019

Table 6 shows households by presence of children, householder and presence of marriage in Kerrville and Kerr County.

- According to the data 75% of households in both study areas have no children younger than 18 years old in their household while 25% did.
- Kerrville has 25% share of households with one or more people under 18 years, in comparison to the 2017 United States share of 31% households with one or more people under 18 years.
- Of households with one or more people younger than 18, the majority are married-couple families followed by other family, female householder households in each study area.
- Of households with no people younger than 18, 42% are married-couple families.
- Female householders make up about a third of households with no children in both areas.

**Table 6: Household Type, 2019**

Households by Type	Kerrville		Kerr County	
	Count	Share	Count	Share
<b>Total Households</b>	<b>10,180</b>	<b>100%</b>	<b>21,865</b>	<b>100%</b>
With 1 or more People under Age 18	2,564	25%	5,567	25%
With No People under Age 18	7,616	75%	16,298	75%
<b>Households with 1 or more People under Age 18</b>	<b>2,564</b>	<b>100%</b>	<b>5,567</b>	<b>100%</b>
Married-Couple Family	1,531	60%	3,639	65%
Other Family, Male Householder	233	9%	440	8%
Other Family, Female Householder	780	30%	1,444	26%
Nonfamily, Male Householder	14	1%	30	1%
Nonfamily, Female Householder	6	0%	14	0%
<b>Households with No People under Age 18</b>	<b>7,616</b>	<b>100%</b>	<b>16,298</b>	<b>100%</b>
Married-Couple Family	3,188	42%	7,791	48%
Other Family, Male Householder	166	2%	330	2%
Other Family, Female Householder	417	5%	797	5%
Nonfamily, Male Householder	1,473	19%	3,112	19%
Nonfamily, Female Householder	2,372	31%	4,268	26%
<b>Family HH Type by Presence of Own Children</b>	<b>6,312</b>	<b>100%</b>	<b>14,434</b>	<b>100%</b>
Married-Couple Family, own children	1,394	22%	3,283	23%
Married-Couple Family, no own children	3,323	53%	8,143	56%
Male Householder, own children	197	3%	356	2%
Male Householder, no own children	199	3%	409	3%
Female Householder, own children	633	10%	1,162	8%
Female Householder, no own children	566	9%	1,081	7%

Source: PCensus 2019

Table 7 shows past, current and future data for family households. Also, the table shows families by poverty status in Kerrville and Kerr County.

- Kerrville has an estimated 8% (839) of total households below poverty with 6% (570) below poverty with children.
- Families above poverty are approximately 87% of all families in each area, keeping in mind that data are estimates from 2019 and are likely higher at release of this report.

**Table 7: Family Households and Poverty, 2019**

Family Households	Kerrville		Kerr County	
	Count	Share	Count	Share
2024 Projection	6,603	-	15,153	-
<b>2019 Estimate</b>	<b>6,312</b>	-	<b>14,434</b>	-
2010 Census	5,784	-	13,549	-
2000 Census	5,562	-	12,300	-
Growth 2019-2024	4.61%	-	4.98%	-
Growth 2010-2019	9.13%	-	6.53%	-
Growth 2000-2010	3.99%	-	10.15%	-
<b>2019 Families by Poverty Status</b>	<b>6,312</b>	<b>100%</b>	<b>14,434</b>	<b>100%</b>
At or Above Poverty	5,473	87%	12,486	87%
At or Above Poverty with Children	2,075	33%	4,326	30%
Below Poverty	839	13%	1,948	14%
Below Poverty with Children	570	9%	1,294	9%

Source: PCensus 2019

## **Educational Attainment**

Table 8 below provides 2010 and 2019 educational attainment data, which shows the highest level of education attained by the 25 years and older population and change from 2010 to 2019 in Kerrville.

Overall the City has seen a decrease in share of population Less than 9<sup>th</sup> grade, with increases in Bachelor's and Master's Degree, a positive sign for educational attainment.

**Table 8: Kerrville Educational Attainment, 2010 to 2019**

Educational Attainment	2010		2019		2010-2019
	Count	Share	Count	Share	% Change
<b>Pop Age 25+</b>	<b>16,363</b>	<b>100%</b>	<b>17,125</b>	<b>100%</b>	-
Less than 9th grade	1,354	8%	975	6%	-3%
Some High School, no diploma	1,081	7%	1,358	8%	1%
High School Graduate (or GED)	4,603	28%	4,578	27%	-1%
Some College, no degree	4,412	27%	4,540	27%	0%
Associate Degree	816	5%	977	6%	1%
Bachelor's Degree	2,542	16%	2,875	17%	1%
Master's Degree	1,083	7%	1,266	7%	1%
Professional School Degree	345	2%	343	2%	0%
Doctorate Degree	127	1%	213	1%	0%

Sources: Nielson 2010, PCensus 2019

**School District Enrollment**

Table 9 below shows enrollment in Kerrville Independent School District from 2012 to 2018.

**Table 9: Kerrville K-12 School Enrollment, 2012 to 2018**

Kerrville ISD Enrollment	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
<b>Totals by Year</b>	4,926	4,991	5,029	5,023	4,989	5,019

Source: Texas Education Agency

- Current enrollment count for Kerrville ISD was 5,019.
- Enrollment has increased by 93 students since the 2016-2017 school year.

## Household Income

Table 10 below shows 2010 breakdown of household incomes by income brackets in Kerrville and Kerr County. The 2010 average and median household income shown at the bottom of the table for the City and the County have been converted to current 2019 dollars.

Average household income estimates for 2010 and 2019 is significantly higher than the median household income. This tends to reflect a higher concentration of household incomes close to or below the median income, and a smaller number of much higher incomes which increases the average household income greater than the median.

- In 2010 the most common income bracket in Kerrville was \$35,000 to \$49,999 with 18% (1,802) of total households.
- The 2010 median household income for Kerrville when converted to 2019 dollars was \$46,241.
- Approximately 63% of households in the City had household incomes less than \$50,000.

**Table 10: Household Income, 2010**

Household Income	Kerrville		Kerr County	
	Count	Share	Count	Share
<b>Total Households</b>	<b>9,785</b>	<b>100%</b>	<b>20,175</b>	<b>100%</b>
< \$15,000	1,653	17%	2,840	14%
\$15,000 to \$24,999	1,349	14%	2,530	13%
\$25,000 to \$34,999	1,375	14%	2,661	13%
\$35,000 to \$49,999	1,802	18%	3,512	17%
\$50,000 to \$74,999	1,509	15%	3,826	19%
\$75,000 to \$99,999	821	8%	1,998	10%
\$100,000 to \$124,999	535	5%	1,140	6%
\$125,000 to \$149,999	181	2%	473	2%
\$150,000 to \$199,999	250	3%	573	3%
\$200,000 to \$499,999	241	2%	501	2%
\$500,000+	69	1%	121	1%
<b>Average Household Income*</b>	<b>\$67,229</b>	-	<b>\$71,098</b>	-
<b>Median Household Income*</b>	<b>\$46,241</b>	-	<b>\$51,527</b>	-

Sources: Nielson 2010, PCensus 2019, \*2010 average and median incomes adjusted for inflation to 2019 dollars

Table 11 shows household income in both study areas for 2019. Once again it should be noted that average household income in 2019 is significantly higher than the median household income which shows higher concentrations of household incomes close to or below the median income, and a smaller number of much higher incomes which increases the average household income greater than the median.

**Table 11: Household Income, 2019**

Household Income	Kerrville		Kerr County	
	Count	Share	Count	Share
<b>Total Households</b>	<b>10,180</b>	<b>100%</b>	<b>21,865</b>	<b>100%</b>
< \$15,000	1,219	12%	2,416	11%
\$15,000 to \$24,999	1,250	12%	2,864	13%
\$25,000 to \$34,999	1,243	12%	2,675	12%
\$35,000 to \$49,999	1,843	18%	3,585	16%
\$50,000 to \$74,999	1,803	18%	3,964	18%
\$75,000 to \$99,999	1,183	12%	2,635	12%
\$100,000 to \$124,999	590	6%	1,382	6%
\$125,000 to \$149,999	322	3%	725	3%
\$150,000 to \$199,999	377	4%	799	4%
\$200,000 to \$249,999	158	2%	334	2%
\$250,000 to \$499,999	152	1%	354	2%
\$500,000+	40	0%	132	1%
<b>Average Household Income</b>	<b>\$64,012</b>	<b>-</b>	<b>\$66,295</b>	<b>-</b>
<b>Median Household Income</b>	<b>\$46,215</b>	<b>-</b>	<b>\$47,458</b>	<b>-</b>

Sources: PCensus 2019

- Approximately 55% of households in Kerrville make less than \$50,000.
- The greatest household income cohort for Kerrville is the \$35,000 to \$49,999 bracket with 1,843 households, 18% of all households in the City.

Table 12 shows households by income, average household and median household income absolute change and percentage point change in shares for each study area for 2010 to 2019.

**Table 12: Household Income Change, 2010 to 2019**

Household Income	Kerrville		Kerr County	
	Count	% Change	Count	% Change
<b>Total Households</b>	<b>395</b>	<b>0%</b>	<b>1,690</b>	<b>0%</b>
< \$15,000	-434	-5%	-424	-3%
\$15,000 to \$24,999	-99	-2%	334	1%
\$25,000 to \$34,999	-132	-2%	14	-1%
\$35,000 to \$49,999	41	0%	73	-1%
\$50,000 to \$74,999	294	2%	138	-1%
\$75,000 to \$99,999	362	3%	637	2%
\$100,000 to \$124,999	55	0%	242	1%
\$125,000 to \$149,999	141	1%	252	1%
\$150,000 to \$199,999	127	1%	226	1%
\$200,000 to \$499,999	69	1%	187	1%
\$500,000+	-29	0%	11	0%
<b>Average Household Income</b>	<b>-\$3,217</b>	<b>-</b>	<b>-\$4,803</b>	<b>-</b>
<b>Median Household Income</b>	<b>-\$26</b>	<b>-</b>	<b>-\$4,069</b>	<b>-</b>

Sources: Nielsen 2010 and PCensus 2019

- Both study areas saw decreases in average and median household income from 2010 to 2019 when adjusted for inflation.
- Estimates show Kerrville experienced a decrease in lower to moderate household incomes in the less than \$15,000, \$15,000 to \$24,999 and \$25,000 to \$34,999 ranges while the County experienced an increase in households in these income ranges.
- Kerr County experienced a 7% reduction in average household income and an 8% reduction in median household income from 2010 to 2019. Kerrville experienced a 5% reduction in average household income and a 0.1% reduction in median household income.
- The number of households in upper middle class and affluent income ranges from \$75,000 to \$499,999 increased substantially from 2010 to 2019.
- The correlating maximum monthly rent and for-sale home price affordable to the 2019 median household income in Kerrville of \$46,215 is \$1,155 maximum monthly rent and \$190,000 maximum home price (see Table 76 and Table 59 for incomes and wages associated with maximum affordable rental unit and for-sale home prices).
- As households are added to the City keen attention should be kept on wages and household income of future job and household growth data in order to track the demand and supply of new housing units affordable attainable to the most common incomes for new households.

Table 13 shows households by income, average household and median household income projections for 2024.

**Table 13: Household Income, 2024**

Household Income	Kerrville		Kerr County	
	Count	Share	Count	Share
<b>Total Households</b>	<b>10,635</b>	<b>100%</b>	<b>22,932</b>	<b>100%</b>
< \$15,000	1,222	11%	2,461	11%
\$15,000 to \$24,999	1,298	12%	2,936	13%
\$25,000 to \$34,999	1,218	11%	2,752	12%
\$35,000 to \$49,999	1,902	18%	3,750	16%
\$50,000 to \$74,999	1,919	18%	4,138	18%
\$75,000 to \$99,999	1,234	12%	2,766	12%
\$100,000 to \$124,999	671	6%	1,526	7%
\$125,000 to \$149,999	361	3%	814	4%
\$150,000 to \$199,999	402	4%	862	4%
\$200,000 to \$249,999	184	2%	382	2%
\$250,000 to \$499,999	171	2%	391	2%
\$500,000+	53	1%	154	1%
<b>Average Household Income</b>	<b>\$66,256</b>	<b>-</b>	<b>\$67,970</b>	<b>-</b>
<b>Median Household Income</b>	<b>\$47,457</b>	<b>-</b>	<b>\$48,268</b>	<b>-</b>

Sources: PCensus 2019

- Estimated projections for 2024 show the City adding 455 households as well as increase of median and average household incomes, a positive sign for the community.
- Projections to 2024 show average household income increasing to \$66,256, 3.5% growth.
- Median household income projections for 2024 show 2.6% growth from 2019 estimates to \$47,457.
- It is important to keep in mind that the majority of higher income households in most cases are older in age, as one might expect, and in Kerrville many times they are retired or receiving residual income and not locally employed.
- The 2024 income projection does not expect the distribution of income levels to alter much from 2019 estimates. This trend could be altered depending on the wages and income levels of new jobs and worker households created in the City from 2019 to 2024.

Table 14 displays the employers that provide the economic foundation of Kerrville. As of July 2019, there were an estimated 5,380 employees working at the largest 15 businesses in the City. The employers in the table below alone represent 29.3% of Kerr County 2018 employment of 18,383 workers.

**Table 14: Major Kerrville Employers**

Company	Employees	Industry
Peterson Regional Hospital	1,000	Hospitals and Clinics
James Avery Craftsman	700	Advanced Manufacturing
Kerrville ISD	680	Public School System
Kerrville State Hospital	605	Hospitals and Clinics
Kerrville Veterans Administration Hospital	420	Hospitals and Clinics
H.E.B. Food & Drug Stores	353	Department Stores
City of Kerrville	304	Municipal Government
Kerr County	299	County Government
Schreiner University	277	University
Wal-Mart	250	Department Stores
Lowe's	130	Department Stores
Mooney International	112	Advanced Manufacturing/Aviation
FoxTank	108	Industrial Manufacturing
Home Depot	92	Department Stores
Hobby Lobby	50	Department Stores
<b>Total</b>	<b>5,380</b>	

Source: Kerrville Economic Development and CDS Community Development Strategies, July 2019

## **Occupation of Residents**

Table 15 displays employment by occupation for residents age 16 and older in Kerrville and Kerr County for 2019. This data describes the work of residents, which does not represent Kerrville workers since estimates show more than half of Kerrville workers do not reside in the City. In Kerrville almost 60% of residents are employed in White Collar occupations.

- Kerrville has about 9,730 residents age 16+ working.
- The top occupations for residents of Kerrville are:
  - Office Administration and Support (1,341), Management (935), and Sales/Related (924)
  - These occupations account for 33% of the 9,730 employed residents in Kerrville.
- The top occupations for residents of Kerr County are:
  - Office Administration, Sales/Related, and Management

**Table 15: Occupation of Residents, 2019**

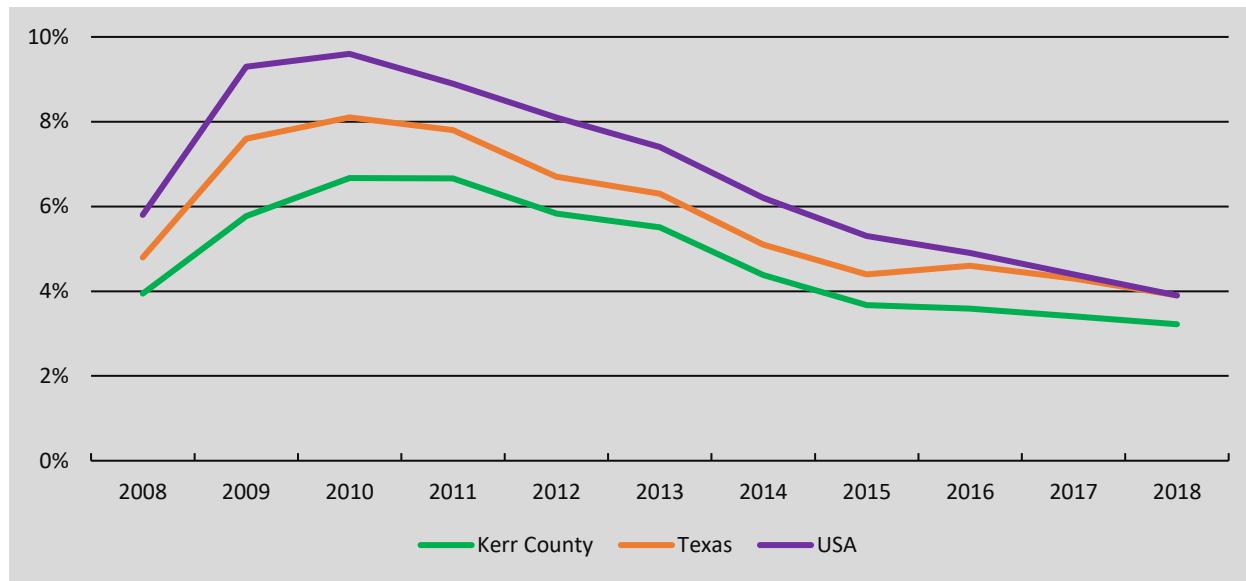
Occupation	Kerrville		Kerr County	
	County	Share	Count	Share
<b>Civ. Employed Pop 16+ by Occupation</b>	<b>9,730</b>	<b>100%</b>	<b>21,521</b>	<b>100%</b>
Architect/Engineer	210	2%	314	1%
Arts/Entertainment/Sports	263	3%	476	2%
Building Grounds Maintenance	666	7%	1439	7%
Business/Financial Operations	231	2%	527	2%
Community/Social Services	279	3%	485	2%
Computer/Mathematical	148	2%	257	1%
Construction/Extraction	628	6%	1848	9%
Education/Training/Library	584	6%	1108	5%
Farming/Fishing/Forestry	34	0%	131	1%
Food Prep/Serving	650	7%	1451	7%
Healthcare Practitioner/Technician	475	5%	1,050	5%
Healthcare Support	133	1%	499	2%
Maintenance Repair	407	4%	807	4%
Legal	127	1%	221	1%
Life/Physical/Social Science	78	1%	135	1%
Management	935	10%	2,116	10%
Office/Admin. Support	1,341	14%	2,959	14%
Production	387	4%	952	4%
Protective Service	200	2%	548	3%
Sales/Related	924	10%	2,165	10%
Personal Care/Service	558	6%	972	5%
Transportation/Moving	472	5%	1,061	5%
<b>2019 Est. Pop 16+ by Occupation Classification</b>				
Blue Collar	1,894	19%	4,668	22%
White Collar	5,595	58%	11,813	55%
Service & Farm	2,241	23%	5,040	23%

Sources: PCensus 2019

## Unemployment Rates

Kerrville and Kerr County have outperformed the State and United States in unemployment rates since 2008. Unemployment for Kerr County was 3.2% in 2018 while the U.S. and Texas was 3.5%.

**Figure 16: United States, Texas and Kerr County Unemployment Rates, 2008-2018**



Source: Texas Workforce Commission Tracer2. Not Seasonally Adjusted

## Kerr County Employment Data

The following section contains employment data for Kerr County from the Texas Workforce Commission's Quarterly Census of Employment and Wages (QCEW). CDS examined 10 years of data from the QCEW, yearly averages from 2008 through the Second Quarter of 2019, for employment, establishments, and average weekly wages. Reliable workforce and economic data are not available at the City level therefore data for these uses was sourced at the County level. All of Kerrville is contained within Kerr County and is the largest city in the county.

The data presented in this section of the report is divided by industry using the North American Industry Classification System (NAICS) Code. It is also sorted order of largest to smallest unless otherwise noted. This data involves jobs located within Kerr County, not the employment of Kerr County residents.

Many County residents do stay in the County for their employment but many travel elsewhere. It should also be noted that QCEW data covers payroll employment and does not monitor personal individual employment. Also, many do travel into the County to work. The three tables on the following pages contain the raw data taken from the QCEW analyzed later in the section.

**Table 17: Employment by Industry – Yearly Average – Kerr County**

In Order of 2018 Largest to Smallest

Industry Code	Industry	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
62	Health Care and Social Assistance	4,303	4,284	4,076	4,033	4,115	4,125	4,190	4,146	4,207	4,169
44-45	Retail Trade	2,789	2,859	2,957	3,073	3,086	3,113	3,296	3,022	2,915	2,907
72	Accommodation and Food Services	1,835	1,879	1,861	1,953	1,938	2,118	2,176	2,185	2,217	2,282
61	Educational Services	1,736	1,717	1,675	1,673	1,682	1,693	1,634	1,610	1,660	1,730
23	Construction	1,046	1,044	955	1,101	1,144	1,167	1,159	1,336	1,482	1,504
31-33	Manufacturing	785	778	738	748	856	1,042	1,099	1,089	1,154	1,339
81	Other Services (except Public Administration)	758	765	751	764	755	657	678	717	651	639
56	Administrative and Support and Waste Management and Remediation Services	612	572	535	572	568	508	523	513	577	626
92	Public Administration	630	606	584	588	588	569	575	581	587	578
54	Professional, Scientific, and Technical Services	563	526	534	570	559	575	572	608	604	551
52	Finance and Insurance	531	526	495	468	476	482	488	447	431	438
53	Real Estate and Rental and Leasing	316	295	364	363	262	256	259	186	192	314
51	Information	273	261	245	231	228	250	246	264	270	265
71	Arts, Entertainment, and Recreation	301	378	372	399	226	228	210	211	235	259
48-49	Transportation and Warehousing	234	240	229	234	227	252	235	241	257	238
42	Wholesale Trade	267	255	281	275	248	237	252	264	211	202
11	Agriculture, Forestry, Fishing and Hunting	100	106	110	114	103	146	152	165	159	146
22	Utilities	119	116	118	118	119	121	122	110	110	106
55	Management of Companies and Enterprises	57	63	71	74	64	59	53	47	49	55
21	Mining, Quarrying, and Oil and Gas Extraction	21	21	21	48	36	25	4	4	8	19
99	Unclassified								4	9	16
	<b>Total, All Industries</b>	<b>17,276</b>	<b>17,291</b>	<b>16,972</b>	<b>17,399</b>	<b>17,280</b>	<b>17,623</b>	<b>17,923</b>	<b>17,750</b>	<b>17,985</b>	<b>18,383</b>

Source: Texas Workforce Commission Quarterly Census of Employment and Wages (QCEW)

**Table 18: Establishments by Industry – Yearly Average – Kerr County**

In Order of 2018 Largest to Smallest

Industry Code	Industry	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
44-45	Retail Trade	197	211	202	206	203	201	207	200	194	198
62	Health Care and Social Assistance	182	176	168	170	178	174	190	198	188	186
23	Construction	185	178	172	171	168	164	172	174	177	181
54	Professional, Scientific, and Technical Services	135	138	135	133	139	134	132	137	135	141
72	Accommodation and Food Services	117	124	120	121	121	126	131	130	132	137
81	Other Services (except Public Administration)	159	168	164	154	149	140	140	138	138	137
52	Finance and Insurance	76	77	75	74	74	76	79	73	76	82
56	Administrative and Support and Waste Management and Remediation Services	78	74	69	69	63	76	74	77	77	81
53	Real Estate and Rental and Leasing	77	63	63	65	65	63	66	64	66	70
42	Wholesale Trade	60	60	65	65	51	56	58	56	55	55
31-33	Manufacturing	49	45	44	44	47	50	48	45	47	51
11	Agriculture, Forestry, Fishing and Hunting	31	30	30	29	28	32	37	38	40	40
92	Public Administration	39	39	38	37	35	32	33	32	32	32
48-49	Transportation and Warehousing	23	22	23	26	28	39	36	33	31	30
71	Arts, Entertainment, and Recreation	26	29	28	27	23	23	23	22	25	23
51	Information	21	22	21	17	15	16	15	19	19	21
61	Educational Services	16	17	19	17	16	19	18	14	13	14
21	Mining, Quarrying, and Oil and Gas Extraction	6	6	5	9	7	8	6	6	6	11
99	Unclassified								5	11	9
55	Management of Companies and Enterprises	8	7	8	8	9	9	6	6	8	8
22	Utilities	8	8	8	8	8	8	8	7	7	6
10	<b>Total, All Industries</b>	<b>1,493</b>	<b>1,494</b>	<b>1,457</b>	<b>1,450</b>	<b>1,427</b>	<b>1,446</b>	<b>1,479</b>	<b>1,474</b>	<b>1,477</b>	<b>1,513</b>

Source: Texas Workforce Commission Quarterly Census of Employment and Wages (QCEW)

**Table 19: Average Weekly Wages by Industry – Kerr County**

In Order of 2018 Largest to Smallest

Industry Code	Industry	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
54	Professional, Scientific, and Technical Services	\$1,242	\$1,231	\$1,282	\$1,268	\$1,292	\$1,396	\$1,442	\$1,311	\$1,346	\$1,347
22	Utilities	\$1,503	\$1,305	\$1,210	\$1,205	\$1,236	\$1,207	\$1,278	\$1,251	\$1,237	\$1,298
52	Finance and Insurance	\$942	\$1,024	\$1,049	\$1,082	\$1,105	\$1,099	\$1,099	\$1,167	\$1,209	\$1,257
92	Public Administration	\$882	\$918	\$943	\$953	\$945	\$993	\$1,061	\$1,027	\$1,056	\$1,103
51	Information	\$961	\$993	\$895	\$1,011	\$949	\$1,034	\$947	\$949	\$1,014	\$1,085
42	Wholesale Trade	\$1,090	\$866	\$890	\$962	\$1,001	\$993	\$1,119	\$914	\$1,043	\$1,067
21	Mining, Quarrying, and Oil and Gas Extraction	\$1,772	\$1,965	\$1,886	\$1,429	\$1,348	\$1,694	\$714	\$768	\$628	\$1,051
55	Management of Companies and Enterprises	\$818	\$839	\$798	\$898	\$912	\$959	\$1,078	\$827	\$1,046	\$1,048
62	Health Care and Social Assistance	\$848	\$873	\$800	\$802	\$843	\$876	\$935	\$987	\$1,002	\$1,047
31-33	Manufacturing	\$801	\$859	\$807	\$874	\$791	\$807	\$983	\$1,021	\$1,079	\$1,030
23	Construction	\$720	\$719	\$762	\$795	\$789	\$893	\$923	\$913	\$926	\$993
48-49	Transportation and Warehousing	\$862	\$832	\$807	\$857	\$862	\$928	\$985	\$905	\$895	\$958
56	Administrative and Support and Waste Management and Remediation Services	\$838	\$856	\$894	\$1,116	\$1,002	\$930	\$1,014	\$1,114	\$919	\$937
53	Real Estate and Rental and Leasing	\$533	\$560	\$556	\$591	\$771	\$741	\$691	\$804	\$716	\$900
99	Unclassified								\$905	\$1,755	\$892
11	Agriculture, Forestry, Fishing and Hunting	\$469	\$507	\$520	\$556	\$590	\$685	\$749	\$662	\$726	\$704
71	Arts, Entertainment, and Recreation	\$698	\$804	\$853	\$753	\$639	\$665	\$741	\$825	\$834	\$682
81	Other Services (except Public Administration)	\$491	\$545	\$530	\$540	\$561	\$531	\$574	\$581	\$644	\$661
61	Educational Services	\$607	\$615	\$611	\$615	\$621	\$631	\$659	\$686	\$685	\$653
44-45	Retail Trade	\$504	\$506	\$512	\$528	\$544	\$576	\$600	\$606	\$583	\$619
72	Accommodation and Food Services	\$338	\$338	\$334	\$342	\$350	\$408	\$421	\$463	\$445	\$454
10	<b>Average, All Industries</b>	<b>\$846</b>	<b>\$858</b>	<b>\$847</b>	<b>\$859</b>	<b>\$858</b>	<b>\$902</b>	<b>\$901</b>	<b>\$890</b>	<b>\$942</b>	<b>\$942</b>

Source: Texas Workforce Commission Quarterly Census of Employment and Wages (QCEW)

## Industry Sectors

The five largest industry sectors by employment in Kerr County are:

- Health Care and Social Assistance, Retail Trade, Accommodation and Food Services, Educational Services and Construction.

Combined, these five industries employ 12,592 workers which account for 68% of all jobs in the County.

A total of 18,383 jobs are located in Kerr County, along with 1,513 establishments.

**Table 20: Industries Ranked by 2018 Employment – Kerr County**

Rank	Industry	Employees	Share of Employment	Establishments
1	Health Care and Social Assistance	4,169	23%	198
2	Retail Trade	2,907	16%	186
3	Accommodation and Food Services	2,282	12%	181
4	Educational Services	1,730	9%	141
5	Construction	1,504	8%	137
6	Manufacturing	1,339	7%	137
7	Other Services (except Public Administration)	639	3%	82
8	Administrative and Support and Waste Management and Remediation Svcs	626	3%	81
9	Public Administration	578	3%	70
10	Professional, Scientific, and Technical Services	551	3%	55
11	Finance and Insurance	438	2%	51
12	Real Estate and Rental and Leasing	314	2%	40
13	Information	265	1%	32
14	Arts, Entertainment, and Recreation	259	1%	30
15	Transportation and Warehousing	238	1%	23
16	Wholesale Trade	202	1%	21
17	Agriculture, Forestry, Fishing and Hunting	146	1%	14
18	Utilities	106	1%	11
19	Management of Companies and Enterprises	55	0%	9
20	Mining, Quarrying, and Oil and Gas Extraction	19	0%	8
21	Unclassified	16	0%	6
<b>Total</b>	<b>Total, All Industries</b>	<b>18,383</b>	<b>100%</b>	<b>1,513</b>

Source: Texas Workforce Commission Quarterly Census of Employment and Wages (QCEW)

Industries in Kerr County over the last 10 years saw moderate employment growth rate of 6.4% (1,107) net new employees. Individually, however, growth rates vary significantly, and some industries have even shrunk their employment. The table below illustrates growth and change by industry over the periods covering the last 3, 5, and 10 years.

**Table 21: Employment Growth by Industry – Kerr County**

In Order of 2009-2018 Largest Total Growth

Industry	Total Growth			Growth Rate		
	2016-2018	2014-2018	2009-2018	2016-2018	2014-2018	2009-2018
Manufacturing	250	297	554	23.0%	28.5%	70.6%
Construction	168	337	458	12.6%	28.9%	43.8%
Accommodation and Food Services	97	164	447	4.4%	7.7%	24.4%
Retail Trade	-115	-206	118	-3.8%	-6.6%	4.2%
Agriculture, Forestry, Fishing and Hunting	-19	0	46	-11.5%	0.0%	46.0%
Unclassified	12	16	16	300.0%	n/a	n/a
Administrative and Support and Waste Management and Remediation Services	113	118	14	22.0%	23.2%	2.3%
Transportation and Warehousing	-3	-14	4	-1.2%	-5.6%	1.7%
Real Estate and Rental and Leasing	128	58	-2	68.8%	22.7%	-0.6%
Management of Companies and Enterprises	8	-4	-2	17.0%	-6.8%	-3.5%
Mining, Quarrying, and Oil and Gas Extraction	15	-6	-2	375.0%	-24.0%	-9.5%
Educational Services	120	37	-6	7.5%	2.2%	-0.3%
Information	1	15	-8	0.4%	6.0%	-2.9%
Professional, Scientific, and Technical Services	-57	-24	-12	-9.4%	-4.2%	-2.1%
Utilities	-4	-15	-13	-3.6%	-12.4%	-10.9%
Arts, Entertainment, and Recreation	48	31	-42	22.7%	13.6%	-14.0%
Public Administration	-3	9	-52	-0.5%	1.6%	-8.3%
Wholesale Trade	-62	-35	-65	-23.5%	-14.8%	-24.3%
Finance and Insurance	-9	-44	-93	-2.0%	-9.1%	-17.5%
Other Services (except Public Administration)	-78	-18	-119	-10.9%	-2.7%	-15.7%
Health Care and Social Assistance	23	44	-134	0.6%	1.1%	-3%
<b>Total, All Industries</b>	<b>633</b>	<b>760</b>	<b>1,107</b>	<b>3.6%</b>	<b>4.3%</b>	<b>6.4%</b>

Source: Texas Workforce Commission Quarterly Census of Employment and Wages (QCEW)

Since 2009 the largest numbers of employees were added in:

- Manufacturing (554), Construction (458), Accommodation and Food Services (447), Retail Trades (118) and Agriculture, Forestry, Fishing and Hunting (46).

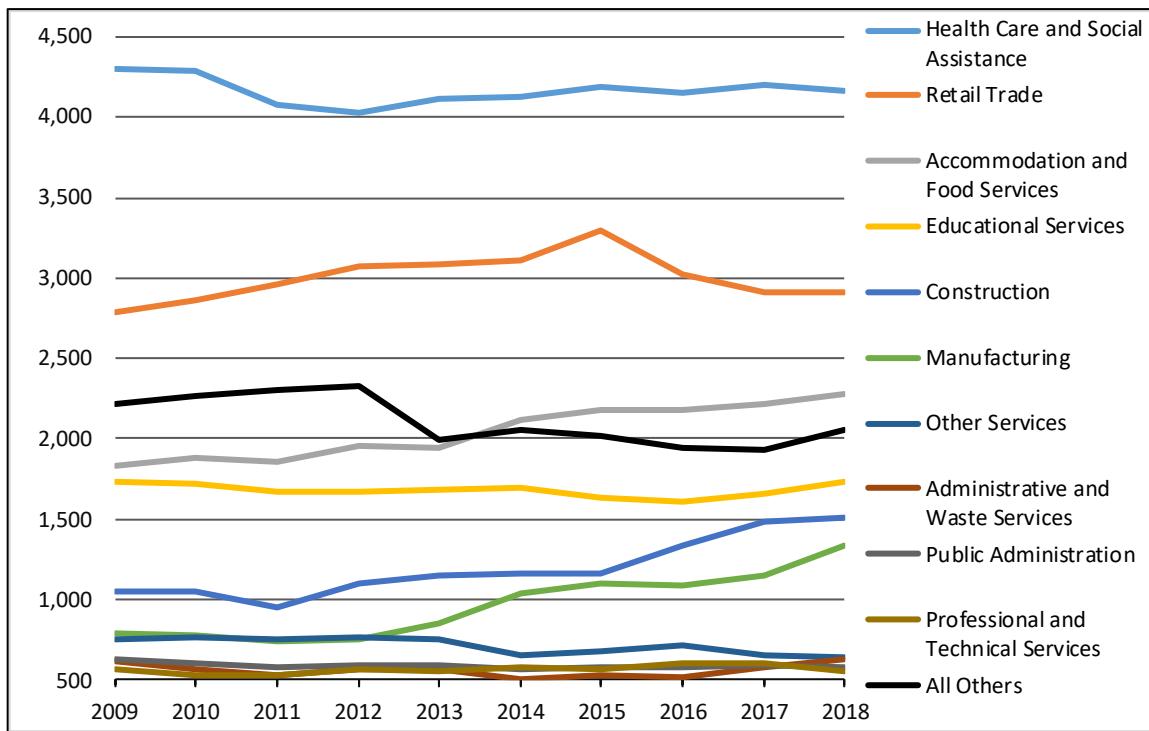
Among the top employment industries, the most impressive growth rates were found in:

- Manufacturing (71%), Construction (46%), Accommodation and Food Services (24%) and Retail Trade (4%).

In the last three years 779 employees were added in the five largest numbers of employees in the following industries – Manufacturing (250), Construction (168), Real Estate and Rental and Leasing (128), Educational Services (120) and Administrative and Support and Waste Management and Remediation Services (113).

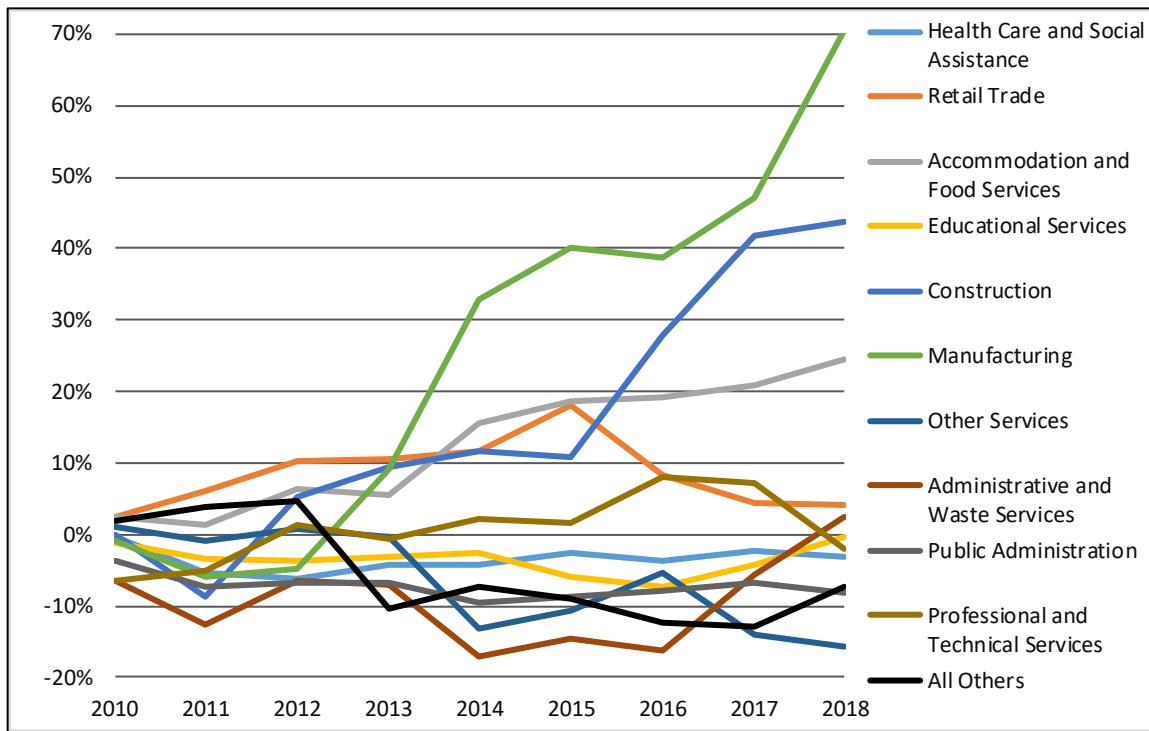
The graphs below illustrate total employment change and cumulative growth rate for the 10 largest industries in the County.

**Figure 22: Total Employment Growth in Top Ten Industries – Kerr County**



Source: Texas Workforce Commission Quarterly Census of Employment and Wages (QCEW)

**Figure 23: Cumulative Employment Growth Rate in Top Ten Industries – Kerr County**



Source: Texas Workforce Commission Quarterly Census of Employment and Wages (QCEW)

For most industries, their share of Kerr County's total employment fluctuated little over the past 10 years. Exceptions include Construction, Utilities, Accommodation and Food Services and Health Care and Social Services which have all experienced slight employment swings. Of those, only Accommodation and Food Services and Health Care and Social Services have been at least 10% of total employment since 2008.

Health Care and Social Assistance has lost 2.2 percentage points share of employment since 2009 but still represents 22.7% of employment. Educational Services has lost 0.6 percentage points share of employment since 2009 from 10% to 9.4%. Utilities' share of employment has increased by 2.1 percentage points from 6.1% to 8.1%.

Construction, Utilities and Accommodation and Food Services are the only industries that have seen positive employment gains while Health Care and Social Services, Other Services, Except Public Administration and Finance and Insurance experienced a consistent loss in share of total employment since 2009.

Health Care and Social Assist, Retail Trade and Accommodation and Food Services are the only industries with 10% or more share of employment in 2018. Educational Services was 10% of employment in 2009 but in 2018 represented 9.4%.

**Table 24: Employment by Industry Share of Total Employment – Kerr County**

In Order of 2018 Largest to Smallest

Industry	2018	2016	2014	2009	2018-2009 Change
Health Care and Social Assist	22.7%	23.4%	23.4%	24.9%	-2.2%
Retail Trade	15.8%	17.0%	17.7%	16.1%	-0.3%
Accommodation and Food Svc	12.4%	12.3%	12.0%	10.6%	1.8%
Educational Svc	9.4%	9.1%	9.6%	10.0%	-0.6%
Utilities	8.2%	7.5%	6.6%	6.1%	2.1%
Construction	7.3%	6.1%	5.9%	4.5%	2.7%
Other Svc	3.5%	4.0%	3.7%	4.4%	-0.9%
Administrative and Waste Svc	3.4%	2.9%	2.9%	3.5%	-0.1%
Public Administration	3.1%	3.3%	3.2%	3.6%	-0.5%
Professional and Technical Svc	3.0%	3.4%	3.3%	3.3%	-0.3%
Finance and Insurance	2.4%	2.5%	2.7%	3.1%	-0.7%
Real Estate, Rental, and Leasing	1.7%	1.0%	1.5%	1.8%	-0.1%
Information	1.4%	1.5%	1.4%	1.6%	-0.1%
Arts	1.4%	1.2%	1.3%	1.7%	-0.3%
Transportation and Warehousing	1.3%	1.4%	1.4%	1.4%	-0.1%
Wholesale Trade	1.1%	1.5%	1.3%	1.5%	-0.4%
Agriculture	0.8%	0.9%	0.8%	0.6%	0.2%
Manufacturing	0.6%	0.6%	0.7%	0.7%	-0.1%
Management of Companies	0.3%	0.3%	0.3%	0.3%	0.0%
Mining	0.1%	0.0%	0.1%	0.1%	0.0%
Unclassified	0.1%	0.0%	0.0%	0.0%	0.1%

Source: Texas Workforce Commission Quarterly Census of Employment and Wages (QCEW)

## **Wage Profile and Projected Growth**

Ten of the twenty-one industries in Kerr County pay an average weekly wage more than \$1,000 per week and the average weekly wage for all industries combined is \$942.

- Professional and Technical Services (\$1,347), Manufacturing (\$1,298), Finance and Insurance (\$1,257), Public Administration (\$1,103), Information (\$1,085), Wholesale Trade (\$1,067), Mining, Quarrying and Oil and Gas Extraction (\$1,051), Management of Companies (\$1,048), Health Care and Social Assistance (\$1,047), Construction (\$1,030), Utilities (\$993) and Transportation and Warehousing (\$958) all pay above the average weekly wage.
- Administrative and Waste Services (\$937), Real Estate, Rental and Leasing (\$900) Unclassified (\$892), Agriculture (\$704), Arts (\$682), Other Services (\$661), Educational Services (\$653), Retail Trade (\$619) and Accommodation and Food Services (\$454) all pay below the average weekly wage.

Multiplying these average wages by the number of employees provides an interesting perspective on the economic impact of these different industries. Health Care and Social Assistance as the largest employer provides the greatest economic impact. The next largest wage payer is Retail Trade.

**Table 25: Industries Ranked by 2018 Average Weekly Wages – Kerr County**

Rank	Industry	Wages	Employees	Establishments	Wages x Employees (in 000s)
1	Professional and Technical Svc	\$1,347	551	141	\$742
2	Manufacturing	\$1,298	106	6	\$138
3	Finance and Insurance	\$1,257	438	82	\$551
4	Public Administration	\$1,103	578	32	\$638
5	Information	\$1,085	265	21	\$288
6	Wholesale Trade	\$1,067	202	55	\$216
7	Mining	\$1,051	19	11	\$20
8	Management of Companies	\$1,048	55	8	\$58
9	Health Care and Social Assist	\$1,047	4,169	186	\$4,365
10	Construction	\$1,030	1,339	51	\$1,379
11	Utilities	\$993	1,504	181	\$1,493
12	Transportation and Warehousing	\$958	238	30	\$228
13	Administrative and Waste Svc	\$937	626	81	\$587
14	Real Estate, Rental, and Leasing	\$900	314	70	\$283
15	Unclassified	\$892	16	9	\$14
16	Agriculture	\$704	146	40	\$103
17	Arts	\$682	259	23	\$177
18	Other Svc	\$661	639	137	\$422
19	Educational Svc	\$653	1,730	14	\$1,130
20	Retail Trade	\$619	2,907	198	\$1,799
21	Accommodation and Food Svc	\$454	2,282	137	\$1,036
	<b>Total</b>	<b>\$942</b>	<b>18,383</b>	<b>1,504</b>	<b>\$17,320</b>

Source: Texas Workforce Commission Quarterly Census of Employment and Wages (QCEW)

Overall average weekly wages have increased during each period analyzed, albeit very moderately, at a total growth rate for all industries of 11.4% since 2009.

- Nine industry sectors had negative wage growth in one of the three, five- or ten-year periods shown below.
- Mining, Quarrying, and Oil and Gas Extraction, Management of Companies and Enterprises, Wholesale Trade and Information experienced the greatest percent and total increases in average weekly wages over the last three years.
- Arts, Entertainment, and Recreation, Administrative and Waste Management Services, Educational Services, Accommodation and Food Services and Unclassified all experienced decreases in total growth of average weekly wages within the past three period.
- Manufacturing, Other Services (except Public Administration), Real Estate and Rental and Leasing, Health Care and Social Assistance and Finance and Insurance had the greatest growth rates in the past five-year period.

**Table 26: Average Weekly Wage Growth by Industry – Kerr County**

In Order of 2009-2018 Total Growth Largest to Smallest

Industry	Total Growth			Growth Rate		
	2016-2018	2014-2018	2009-2018	2016-2018	2014-2018	2009-2018
Unclassified	-\$13	\$892	\$892	-1.4%	n/a	n/a
Real Estate and Rental and Leasing	\$96	\$159	\$367	11.9%	21.5%	68.9%
Finance and Insurance	\$90	\$158	\$315	7.7%	14.4%	33.4%
Construction	\$80	\$100	\$273	8.8%	11.2%	37.9%
Agriculture, Forestry, Fishing and Hunting	\$42	\$19	\$235	6.3%	2.8%	50.1%
Management of Companies and Enterprises	\$221	\$89	\$230	26.7%	9.3%	28.1%
Manufacturing	\$9	\$223	\$229	0.9%	27.6%	28.6%
Public Administration	\$76	\$110	\$221	7.4%	11.1%	25.1%
Health Care and Social Assistance	\$60	\$171	\$199	6.1%	19.5%	23.5%
Other Services (except Public Administration)	\$80	\$130	\$170	13.8%	24.5%	34.6%
Information	\$136	\$51	\$124	14.3%	4.9%	12.9%
Accommodation and Food Services	-\$9	\$46	\$116	-1.9%	11.3%	34.3%
Retail Trade	\$13	\$43	\$115	2.1%	7.5%	22.8%
Professional, Scientific, and Technical Services	\$36	-\$49	\$105	2.7%	-3.5%	8.5%
Administrative and Waste Svc	-\$177	\$7	\$99	-15.9%	0.8%	11.8%
Transportation and Warehousing	\$53	\$30	\$96	5.9%	3.2%	11.1%
Educational Services	-\$33	\$22	\$46	-4.8%	3.5%	7.6%
Arts, Entertainment, and Recreation	-\$143	\$17	-\$16	-17.3%	2.6%	-2.3%
Wholesale Trade	\$153	\$74	-\$23	16.7%	7.5%	-2.1%
Utilities	\$47	\$91	-\$205	3.8%	7.5%	-13.6%
Mining, Quarrying, and Oil and Gas Extraction	\$283	-\$643	-\$721	36.8%	-38.0%	-40.7%
<b>Total, all industries</b>	<b>\$52</b>	<b>\$40</b>	<b>\$96</b>	<b>5.9%</b>	<b>4.4%</b>	<b>11.4%</b>

Source: Texas Workforce Commission Quarterly Census of Employment and Wages (QCEW)

While average wage growth has been mixed over the past three years, total wages paid out has increased as employment has grown in Kerr County except in Wholesale Trade and Manufacturing.

- Among major industries Construction, Wholesale Trade, Manufacturing, Transportation and Warehousing, Health Care and Social Services, Educational Services and Accommodation and Food Services have seen the most impressive combination of total wage growth.
- Mining, Quarrying, and Oil and Gas Extraction, Unclassified, Real Estate and Rental and Leasing, Management of Companies and Enterprises, Construction, Utilities and Information all had greater than a 10% growth rate in total wages paid out in the past three years.
- Out of the industries in the top 10 in total wage growth over the past three-year period only Health Care and Social Assistance, Construction, Educational Services and Accommodation and Food Services employ 1,000 or more. This means that the remaining six industries which saw the greatest total wage growth in the past three years were concentrated to just 10% (1,701) of Kerr County workers. Those industries are Utilities, Real Estate and Rental and Leasing, Public Administration, Information, Finance and Insurance and Management of Companies and Enterprises.

**Table 27: Total Average Weekly Wages Paid, Growth by Industry – Kerr County**

In Order of 2008-2019 Total Growth Largest to Smallest

Industry	Total Growth (in 000s)			Growth Rate		
	2016-2018	2014-2018	2009-2018	2016-2018	2014-2018	2009-2018
Construction	\$267	\$568	\$750	24.0%	67.6%	119.3%
Utilities	\$274	\$470	\$740	22.4%	45.1%	98.3%
Health Care and Social Assistance	\$273	\$746	\$716	6.7%	20.7%	19.6%
Accommodation and Food Services	\$24	\$308	\$416	2.4%	35.7%	67.0%
Retail Trade	-\$32	\$21	\$394	-1.7%	1.2%	28.0%
Real Estate and Rental and Leasing	\$133	-\$65	\$114	89.0%	-34.0%	67.8%
Public Administration	\$41	\$64	\$82	6.8%	11.4%	14.7%
Educational Services	\$25	\$93	\$76	2.3%	8.7%	7.2%
Administrative and Waste Services	\$15	-\$39	\$74	2.6%	-8.2%	14.4%
Agriculture, Forestry, Fishing and Hunting	-\$6	\$3	\$56	-5.9%	2.8%	119.2%
Finance and Insurance	\$29	-\$5	\$50	5.5%	-0.9%	10.1%
Other Services, Except Public Administration	\$6	-\$4	\$50	1.4%	-1.2%	13.5%
Professional and Technical Services	-\$55	\$91	\$43	-6.9%	11.3%	6.1%
Transportation and Warehousing	\$10	\$34	\$26	4.5%	14.7%	13.0%
Information	\$37	\$57	\$25	14.8%	22.2%	9.6%
Unclassified	\$11	\$16	\$14	294.3%	n/a	n/a
Management of Companies and Enterprises	\$19	-\$7	\$11	48.3%	-12.6%	23.6%
Mining, Quarrying, and Oil and Gas Extraction	\$17	-\$44	-\$17	550.0%	-102.7%	-46.3%
Arts, Entertainment, and Recreation	\$3	\$52	-\$33	1.5%	34.0%	-15.9%
Manufacturing	\$0	-\$11	-\$41	0.0%	-7.5%	-23.1%
Wholesale Trade	-\$26	-\$28	-\$75	-10.7%	-12.0%	-25.9%
<b>Total, all industries</b>	<b>\$2,720</b>	<b>\$2,372</b>	<b>\$5,126</b>	<b>18.6%</b>	<b>17.8%</b>	<b>42.0%</b>

Source: Texas Workforce Commission Quarterly Census of Employment and Wages (QCEW)

When examining industries by their share of the total wages paid out in the County, two industries particularly stand out.

- Health Care and Social Assistance has contracted 4.7 percentage points over the past 10 years, while Construction and Utilities each grew by 2.8 and 2.4 points, respectively.
- Only two industries paid out 10% or greater of the County's wages, Health Care and Social Assistance and Retail Trade.
- Construction has seen a gradual increase in its share of total wages paid since 2009.

**Table 28: Total Average Weekly Wages Paid, Shares by Industry – Kerr County**

In Order of 2018 Shares Largest to Smallest

Industry	2018	2016	2014	2009	2018-2009 Change
Health Care and Social Assistance	25.2%	28.0%	27.1%	29.9%	-4.7%
Retail Trade	10.4%	12.5%	13.4%	11.5%	-1.1%
Utilities	8.6%	8.4%	7.8%	6.2%	2.4%
Construction	8.0%	7.6%	6.3%	5.2%	2.8%
Educational Services	6.5%	7.6%	8.0%	8.6%	-2.1%
Accommodation and Food Services	6.0%	6.9%	6.5%	5.1%	0.9%
Professional and Technical Services	4.3%	5.5%	6.0%	5.7%	-1.4%
Public Administration	3.7%	4.1%	4.2%	4.6%	-0.9%
Administrative and Waste Services	3.4%	3.9%	3.5%	4.2%	-0.8%
Finance and Insurance	3.2%	3.6%	4.0%	4.1%	-0.9%
Other Services, Except Public Administration	2.4%	2.9%	2.6%	3.1%	-0.6%
Information	1.7%	1.7%	1.9%	2.2%	-0.5%
Real Estate and Rental and Leasing	1.6%	1.0%	1.4%	1.4%	0.3%
Transportation and Warehousing	1.3%	1.5%	1.8%	1.7%	-0.3%
Wholesale Trade	1.2%	1.7%	1.8%	2.4%	-1.1%
Arts, Entertainment, and Recreation	1.0%	1.2%	1.1%	1.7%	-0.7%
Manufacturing	0.8%	0.9%	1.1%	1.5%	-0.7%
Agriculture, Forestry, Fishing and Hunting	0.6%	0.7%	0.7%	0.4%	0.2%
Management of Companies and Enterprises	0.3%	0.3%	0.4%	0.4%	0.0%
Mining, Quarrying, and Oil and Gas Extraction	0.1%	0.0%	0.3%	0.3%	-0.2%
Unclassified	0.1%	0.0%	0.0%	0.0%	0.1%

Source: Texas Workforce Commission Quarterly Census of Employment and Wages (QCEW)

Projecting average weekly wages into the future is a challenge, but it can be useful to examine scenarios based on recent trends. The forecast below looks three, five, and ten years ahead from 2019 using the growth rates seen in each industry from the most recent three, five, and ten-year historical periods.

Over a ten-year period, this could result in an average weekly wage increase of \$1,049, equivalent to the one seen from 2009-2018.

**Table 29: Projected Average Weekly Wage Growth by Industry – Kerr County**

In Order of Forecast Growth by 2026 Largest to Smallest

Forecast Year		2020	2023	2026	Historic Growth Rates		
Forecast Growth Historical Base	2018	2016-2018	2014-2018	2009-2018	2016-2018	2014-2018	2009-2018
Finance and Insurance	\$1,257	\$1,354	\$1,438	\$1,677	7.7%	14.4%	33.4%
Real Estate and Rental and Leasing	\$900	\$1,007	\$1,093	\$1,520	11.9%	21.5%	68.9%
Professional and Technical Services	\$1,347	\$1,384	\$1,300	\$1,461	2.7%	-3.5%	8.5%
Public Administration	\$1,103	\$1,185	\$1,225	\$1,379	7.4%	11.1%	25.1%
Utilities	\$993	\$1,080	\$1,104	\$1,370	8.8%	11.2%	37.9%
Management of Companies and Enterprises	\$1,048	\$1,328	\$1,145	\$1,343	26.7%	9.3%	28.1%
Construction	\$1,030	\$1,039	\$1,315	\$1,324	0.9%	27.6%	28.6%
Health Care and Social Assistance	\$1,047	\$1,111	\$1,251	\$1,293	6.1%	19.5%	23.5%
Information	\$1,085	\$1,240	\$1,139	\$1,225	14.3%	4.9%	12.9%
Manufacturing	\$1,298	\$1,347	\$1,396	\$1,121	3.8%	7.5%	-13.6%
Transportation and Warehousing	\$958	\$1,014	\$989	\$1,065	5.9%	3.2%	11.1%
Agriculture, Forestry, Fishing and Hunting	\$704	\$749	\$724	\$1,057	6.3%	2.8%	50.1%
Administrative and Waste Services	\$937	\$788	\$944	\$1,048	-15.9%	0.8%	11.8%
Wholesale Trade	\$1,067	\$1,246	\$1,147	\$1,044	16.7%	7.5%	-2.1%
Other Services, Except Public Administration	\$661	\$752	\$823	\$890	13.8%	24.5%	34.6%
Retail Trade	\$619	\$632	\$665	\$760	2.1%	7.5%	22.8%
Educational Services	\$653	\$622	\$676	\$702	-4.8%	3.5%	7.6%
Arts, Entertainment, and Recreation	\$682	\$564	\$699	\$666	-17.3%	2.6%	-2.3%
Mining, Quarrying, and Oil and Gas Extraction	\$1,051	\$1,438	\$652	\$623	36.8%	-38.0%	-40.7%
Accommodation and Food Services	\$454	\$445	\$505	\$610	-1.9%	11.3%	34.3%
Unclassified	\$892	\$879	n/a	n/a	-1.4%	n/a	n/a
<b>Total</b>	<b>\$942</b>	<b>\$998</b>	<b>\$984</b>	<b>\$1,049</b>	<b>5.9%</b>	<b>4.4%</b>	<b>11.4%</b>

Source: Texas Workforce Commission Quarterly Census of Employment and Wages (QCEW)

The table below shows the top ten largest industries that employ the greatest workers in Kerr County and the 2018 County average weekly wage they pay.

**Table 30: Kerr County Top Ten Industries by Employment and Average Weekly Wage, 2018**

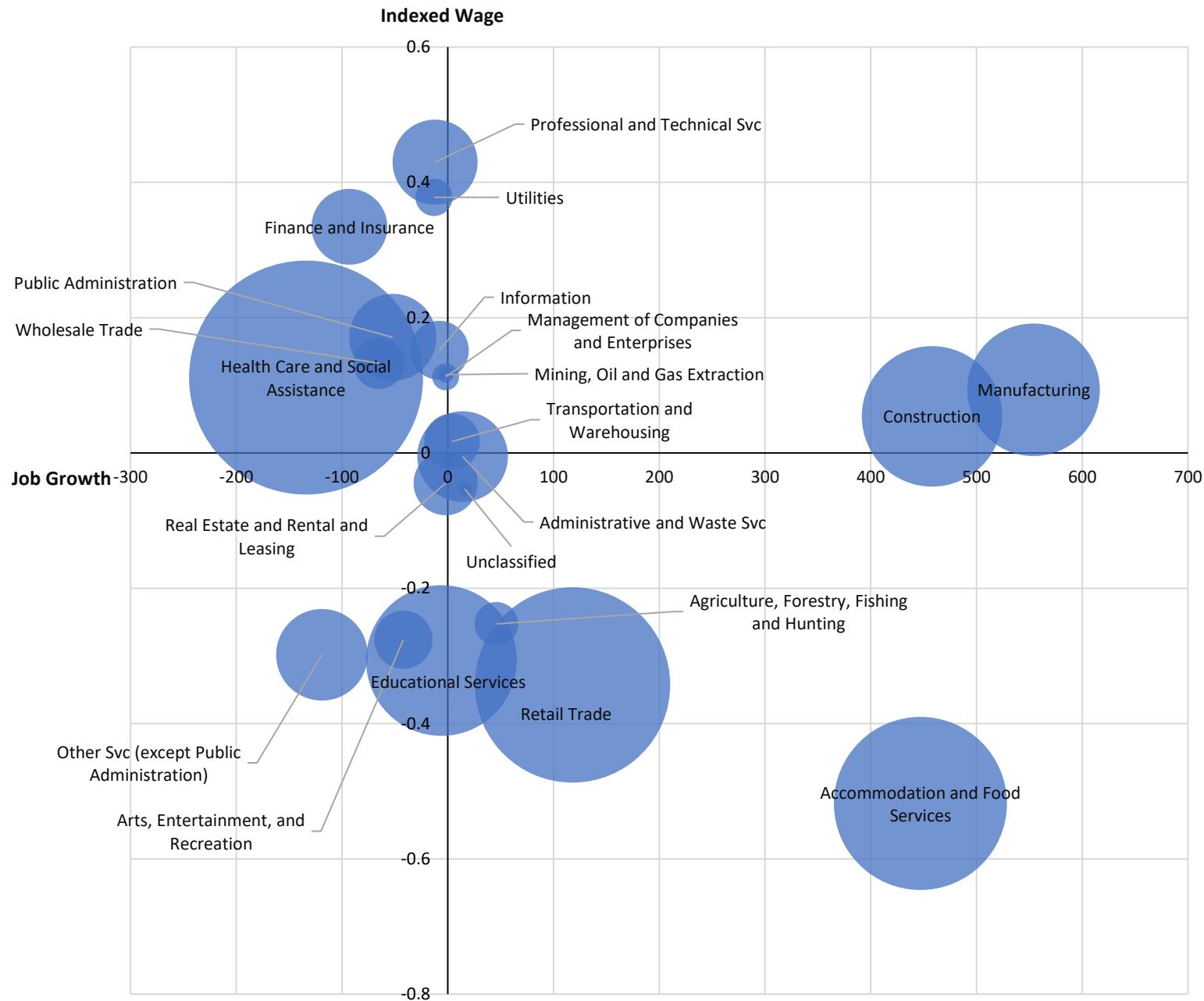
Industry	Employment	Avg. Weekly Wage
Health Care and Social Assistance	4,169	\$1,047
Retail Trade	2,907	\$619
Accommodation and Food Services	2,282	\$454
Educational Services	1,730	\$653
Construction	1,504	\$993
Manufacturing	1,339	\$1,030
Other Services, Except Public Administration	639	\$661
Administrative and Waste Services	626	\$937
Public Administration	578	\$1,103
Professional and Technical Services	551	\$1,347
<b>Total</b>	<b>16,325</b>	

Source: Texas Workforce Commission Quarterly Census of Employment and Wages (QCEW)

- The ten largest industry sectors employ 89% (16,325) of the 18,383 workers in the County.
- Five of the largest industries pay greater than the average weekly wage and five pay less than the average weekly wage.
- The five industries paying below the minimum wage employ 8,184 workers, 45% of all workers in the County.
- Overall 49% (8,919) of Kerr County workers make less than the average weekly wage.

Figure 31 below provides a concise snapshot of total job growth by industry in Kerr County from 2009 to 2018 as well as their 2018 average weekly wage which has been indexed in order to understand which industries employ the most workers and their relative wage scale. The size of each bubble represents its amount of employment.

**Figure 31: Total Employment Growth (2008-2018) and Average Weekly Wage Index (2018)**



Source: Texas Workforce Commission Quarterly Census of Employment and Wages (QCEW), CDS Community Development Strategies

In the past ten years Manufacturing, Construction and Accommodation and Food Services saw the most amount of job growth, though only Construction and Manufacturing pay greater than the 2018 average weekly wage.

Educational Services and Retail Trade do provide a stable level of employment in the County yet have lagged somewhat in employment growth and are among the lowest in average weekly wage.

Health Care and Social Assistance, the largest employer, does pay a moderate wage but has lost jobs in the past 10 years and only added an estimated 23 jobs in the past three years.

The highest paying industries in the County have not grown employment wise in the past decade and some have even experienced employment loss.

**Table 32: Kerr County Industries Paying Greater Than Average Weekly Wage, 2018**

Industry	Employees	Avg. Weekly Wage
Professional, Scientific, and Technical Services	551	\$1,347
Utilities	106	\$1,298
Finance and Insurance	438	\$1,257
Public Administration	578	\$1,103
Information	265	\$1,085
Wholesale Trade	202	\$1,067
Mining, Quarrying, and Oil and Gas Extraction	19	\$1,051
Management of Companies and Enterprises	55	\$1,048
Health Care and Social Assistance	4,169	\$1,047
Manufacturing	1,339	\$1,030
Construction	1,504	\$993
Transportation and Warehousing	238	\$958
<b>Total</b>	<b>9,464</b>	

Source: Texas Workforce Commission Quarterly Census of Employment and Wages (QCEW)

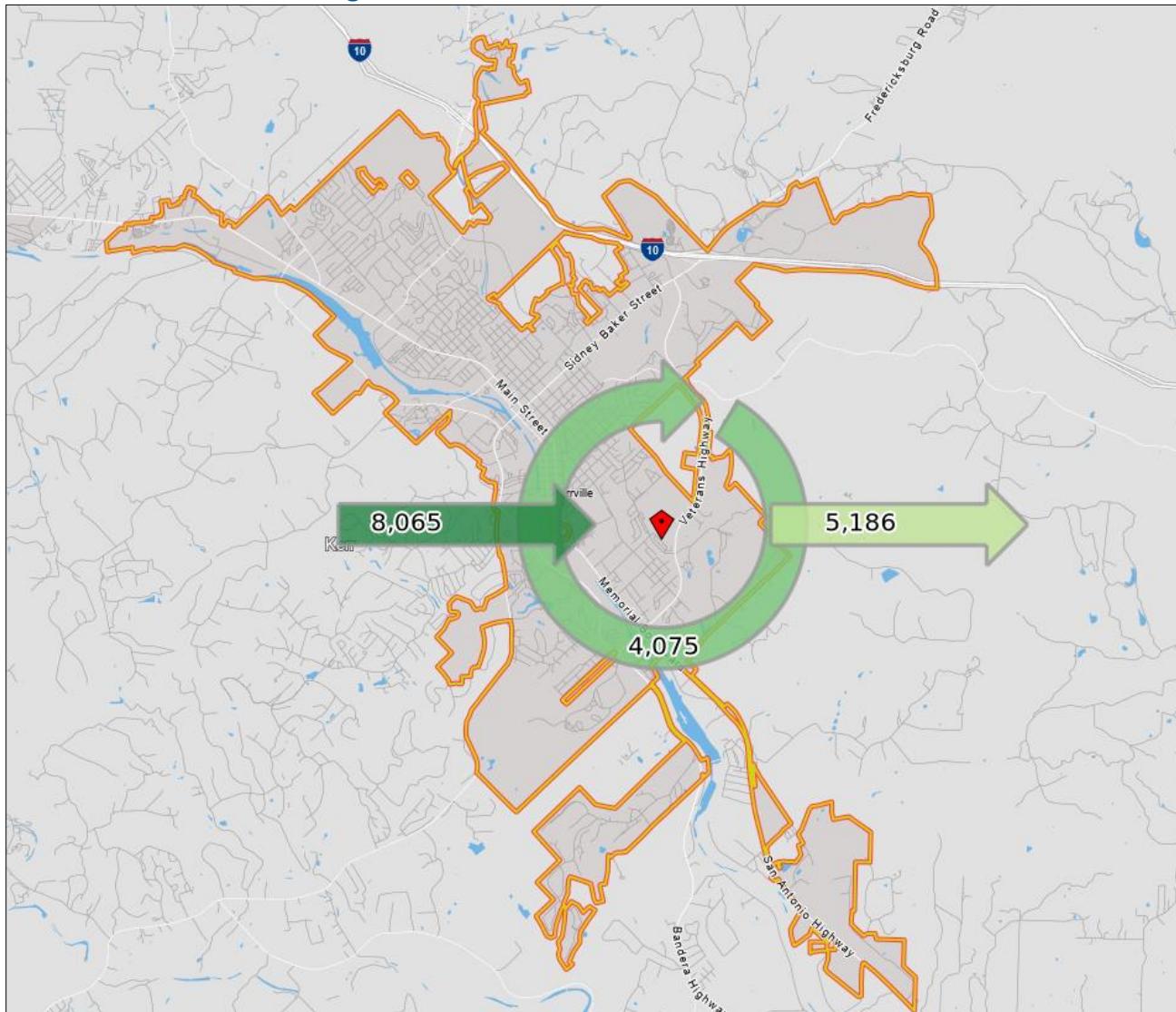
- There were twelve industry sectors employing 9,464 workers with an average weekly wage of \$942 or greater.
- This represents 51% of workers in the County meaning that 49% of workers in the County make \$942 or less per week.

The prevalence of job growth over the past 10 years in industries paying below the average weekly wage, such as Retail Trade and Accommodation and Food Services, creates demand for affordable housing due to the low hourly wage (\$7.25-\$15/hour) these industries generally pay. The need for affordable workforce housing in Kerrville is greatest for the workers in the largest and fastest growing employment sectors of Retail Trade, Accommodation and Food Services, Educational Services and Health Care and Social Assistance. Some businesses that were interviewed for this study cited a lack of rental and for-sale units in an acceptable condition compared to the asking price as a challenge to hiring and retaining workers in Kerrville.

### Job Inflow and Outflow

Figure 33 below shows the 2015 inflow and outflow of those employed in Kerrville. The dark green arrow indicates workers employed in Kerrville yet live outside. The lighter green round arrow represents those employed and living in Kerrville. The lightest green arrow shows the number of those living in Kerrville yet employed outside of the City.

**Figure 33: Kerrville Job Inflow/Outflow, 2015**



Source: US Census Bureau, Center for Economic Studies, Longitudinal Employer-Household Dynamics (LEHD), OnTheMap

Table 34 on the following page shows Kerrville job inflow and outflow data for 2015, the most recent year data available. Although the data is dated, the share of those living and working in Kerrville should be relatively unchanged, with any alterations to these shares likely benefitting Kerrville since 2015 as jobs and households in the City increased since then. Nevertheless, Kerrville experiences significant leakage with 66% of workers living outside the City.

**Table 34: Kerrville LEHD Inflow/Outflow Job Counts, 2015**

Kerrville Inflow/Outflow Job Counts (All Jobs)	Count	Share
<b>Employed in the Selection Area</b>	<b>12,140</b>	<b>100%</b>
Employed in the Selection Area but Living Outside	8,065	66%
Employed and Living in the Selection Area	4,075	34%
<b>Living in the Selection Area</b>	<b>9,261</b>	<b>100%</b>
Living in the Selection Area but Employed Outside	5,186	56%
Living and Employed in the Selection Area	4,075	44%

Source: US Census Bureau, Center for Economic Studies, Longitudinal Employer-Household Dynamics (LEHD), OnTheMap

The share of residents working in Kerrville yet living outside the City provide an opportunity to understand their housing and quality of life preferences and work to capture them as new City residents. There are some, such as those living on large acreage lots or ranches outside the City Limits, who show no indication of preferring to live in the City. However, those working in Kerrville yet living outside who prefer and/or benefit from living in town present an opportunity to accommodate this pent-up housing demand. Furthermore, the lack of housing relative to demand has begun to interfere with the ability of some businesses to hire and retain workers as needed.

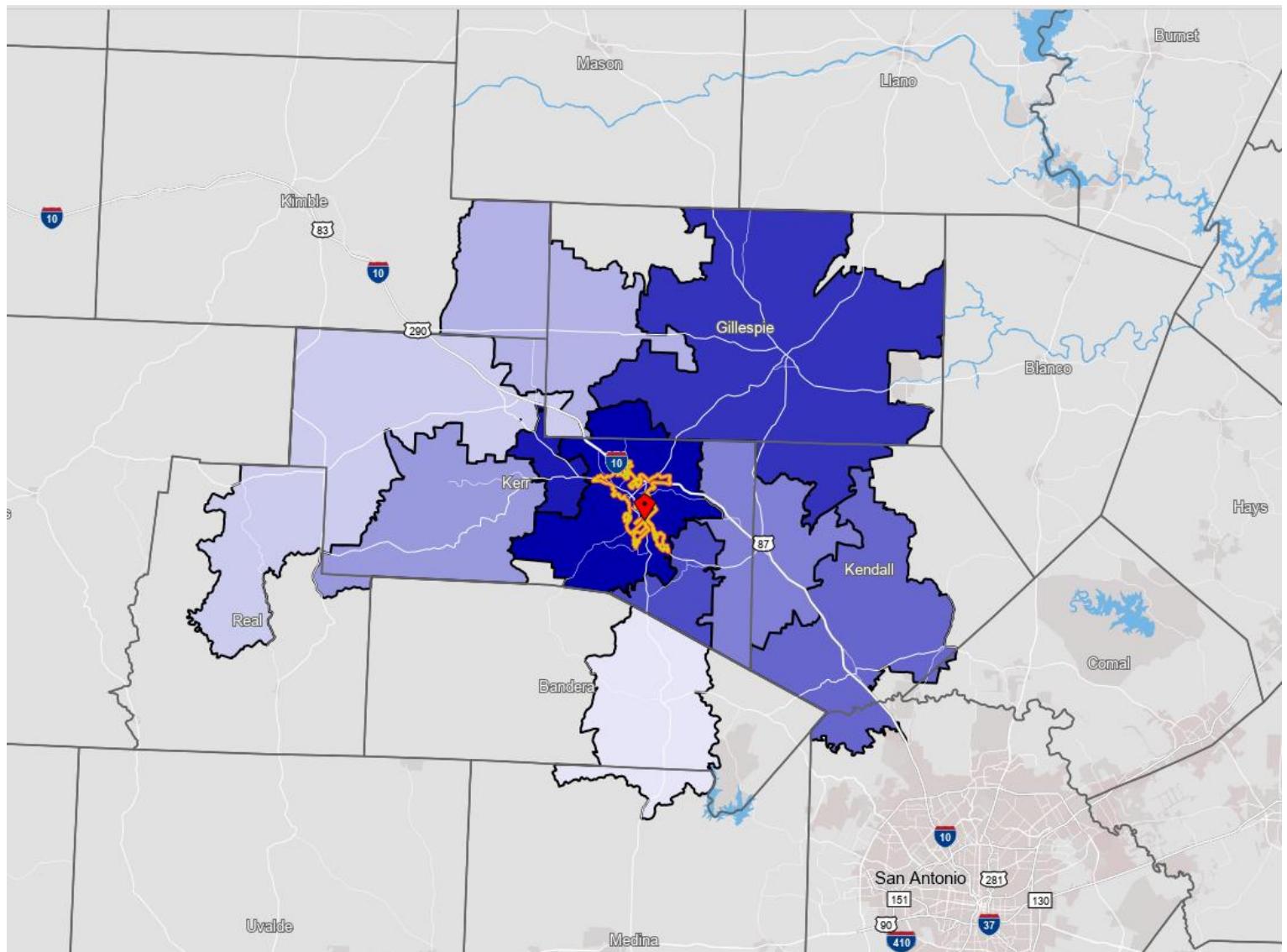
A handful employers interviewed for this study stated that some workers prefer to live in surrounding areas such as Ingram, Center Point, Comfort, Hunt, Mountain Home and Boerne. Employers shared that hourly workers as well as moderate and higher paid workers in Manufacturing, Education, Health Care and Social Services in addition to typical Retail and Food and Accommodation workers in some cases find cheaper housing outside of Kerrville. Commute times for those working in Kerrville yet living outside were cited to be tolerable with an average commute time of around 30 to 45 minutes.

Employment locations tend to be most clustered near downtown at the intersection of Main Street and Sidney Baker Blvd. (Hwy. 16) as well as Schreiner University southeast of downtown and industrial sector on the southwestern edge of the City along Memorial Blvd. (Hwy. 27). There are emerging retail, food and accommodation businesses along the river adjacent corridor of Junction Hwy. (Hwy. 27) as well as I-10 and Sidney Baker Blvd.

The amount and quality of connectivity via walking and biking paths between the employment nodes and housing nodes in the City must be seen as vital to the City's workforce, economy and quality of life. Not to mention human health, safety and welfare.

The compactness of Kerrville and areas retaining a traditional street grid represents a prime opportunity to connect workers to their homes and places of employment, recreation, entertainment and shopping through all modes possible.

**Table 35: Where Kerrville Workers Live, LEHD 2015**



Source: US Census Bureau, Center for Economic Studies, Longitudinal Employer-Household Dynamics (LEHD), OnTheMapSource: Longitudinal Employer-Household Dynamics (LEHD),

**Table 36: Distance – Work to Home, Kerrville Workforce, LEHD 2015**

Distance Work to Home	Count	Share
<b>Total All Jobs</b>	<b>12,938</b>	<b>100%</b>
Less than 10 miles	7,274	56%
10 to 24 miles	1,284	10%
25 to 50 miles	917	7%
Greater than 50 miles	3,463	27%

Source: US Census Bureau, Center for Economic Studies, Longitudinal Employer-Household Dynamics (LEHD), OnTheMapSource: Longitudinal Employer-Household Dynamics (LEHD),

**Table 37: Zip Codes Where Kerrville Workers Live, LEHD 2015**

Where Workers Live	Count	Share
All Zip Codes	<b>12,938</b>	<b>100%</b>
78028	6,608	51%
78025	543	4%
78624	386	0.03
78010	271	2%
78006	240	2%
78013	220	2%
78024	150	1%
78631	140	1%
78058	118	1%
78003	115	1%
All Other Locations	4,147	32%

Source: US Census Bureau, Center for Economic Studies, Longitudinal Employer-Household Dynamics (LEHD), OnTheMapSource: Longitudinal Employer-Household Dynamics (LEHD),

## Kerrville Workforce Analysis

Average annual employment data from QCEW for Kerr County in 2015 was 17,923. The LEHD data for Kerrville in 2015 shown in the table above shows an estimated 12,140 employed in the City. This demonstrates Kerrville's estimated share of Kerr County employment in 2015 was 68%. Therefore, for the purpose of this study CDS will assume that Kerrville establishments are home to 70% of the County's workers. An estimated 5,380 employees working at the largest 15 businesses in the City alone represent nearly 29.3% of Kerr County 2018 employment of 18,383 workers.

As previously established, the LEHD data shows 66% of Kerrville workers reside outside of the City which is a very high rate. Many interviews of employers in the City shared that workers of all pay grades in many instances have secured housing outside of Kerrville due to affordability, quality and ease of securing housing in those areas in comparison to Kerrville. In addition, many employers also shared that the lack of new rental and for-sale housing for presents an added layer of difficulty in terms of hiring and retaining workers.

This shows that new housing supply in Kerrville could help to facilitate further employment expansion of existing businesses in the City, something that would greatly benefit the County and City from the building up of the local tax base and likely increase in local sales as a result.

Five of the top ten industries in employment pay less than the average weekly wage, 41% of Kerr County employees make less than the average weekly wage and overall 49% (8,919) of Kerr County workers make less than the average weekly wage. With half of the jobs in the County as of 2018 being in industries that paid less than \$942, the average weekly wage, Kerrville must be considered a moderate wage City. This essentially puts a ceiling or cap on rental prices in the City since only those making above the average weekly wage who elect to rent have the ability to affordably pay more than \$1,225.

Health Care and Social Assistance, Retail Trade and Accommodation and Food Services are the only industries with 10% or more share of employment in 2018. Educational Services was 10% of employment in 2009 but in 2018 represented 9.4%. It must be noted that that two of the three largest employment industries in the County, \$619 (Retail 2,907 employees) and \$454 (Accommodation and Food Services 2,282 employees), pay well lower than the average weekly wage for the County.

The implication this has on housing must be emphasized and understood. First, much of the job growth in Kerrville in Health Care and Social Assistance, Retail Trade and Accommodation and Food Services has come as a result of Kerrville's popularity as a residence for retirees and top visiting spot for tourists and vacationers. Therefore, retiree households and investors seeking revenue by producing tourist housing spaces in and around the City have increasingly absorbed single family housing stock. Additionally, retirees and tourists have helped spur increased demand for healthcare, accommodation and food and retail services, which in turn creates more demand for worker households seeking rental and for-sale housing in and around Kerrville. Reports from real estate agents and multifamily operators stated multifamily rentals were almost all full around the entire region of Kerr and other nearby counties.

This has already begun to create a negative feedback loop as top healthcare, retail and food and accommodation employers in the City are troubled that these services, which have been a primary reason so many retirees moved to Kerrville, are in jeopardy since demand for those services have increased.

over the past years yet, in general and in particular housing affordable to existing and future workers has not kept pace.

### **Kerrville Employment Projections**

The County added 235 net new jobs in 2017 and 398 net new jobs in 2018 for a total job growth in the previous 2 years in the County of 633 net new jobs.

Given the same growth in the next two years this would create a net new job growth of 633 new jobs by 2021.

In addition, CDS field research and interviews with the City and several of the largest employers in Kerrville revealed that definitive job creation over the next 24 months will be in the range of 315 net new jobs.

The employers and anticipated job growth are presumed to originate from the expansion of 200 to 215 net new positions at Kerrville State Hospital over the next 24 months, an estimated 50 net new jobs from a new business, Hobby Lobby and finally an estimated 50 net new jobs from the expansion of the existing H.E.B. grocery store.

Therefore, for the purpose of this report and analysis CDS will utilize the number of 315 net new jobs, and the pay grade they are estimated to pay, created in the next 24 months in order to determine household and housing demand during the next 24 months. It must be understood that this number of net new jobs and therefore net new households and housing unit demand represents a very conservative estimate of only the net new jobs that appear certain to be created.

When including the previous two years of job growth in the County of 633, an average of 316 per year this would double the amount to 631 net new jobs over the next 24 months in Kerrville. However, in order to produce a reasonable and conservative demand calculation CDS will apply the more certain figure of 315 net new jobs.

As previously stated, many healthcare, retail trade and accommodation and food service employers fear that the lack of single family and multifamily rental units for local workers has already made retaining and hiring new workers a challenge and worry that current and future employment and business expansion may be seriously harmed.

Data from LEHD showed that as of 2015, 66% of all workers lived outside the City limits and 27% (3,463) of all workers lived 50 miles and greater. Though the scope of this report did not allow for deep analysis of worker transportation and other related household costs it must be inferred that these costs hurt worker's ability to afford housing. When workers can afford housing closer to their employment the employer and employee both benefit greatly. Transportation, healthcare and education costs are areas that can vary greatly from person to person and affect a households' portion of income spent on housing costs alone in differing ways. Local economic development will benefit in the short and long term from facilitation of increased housing supply affordable to local workers located in and around the City.

## Kerrville Housing Characteristics

The following three tables present information regarding the housing characteristics and trends in Kerrville and Kerr County for comparison purposes. The majority of this information is derived from PCensus 2019 which bases current estimates on past trends from U.S. Census Bureau and the American Community Survey, and in some cases, is self-reported data. While this can generate minor anomalies (such as are present in the data on age of housing stock or housing values), the information presented in this section still provides a valuable overview of the housing stock in the City. One important note to make is that the total housing unit number used in this section is an estimate.

Table 38 shows the type and number of housing units in Kerrville and Kerr County.

**Table 38: Housing Types, 2019**

Household Income	Kerrville		Kerr County	
	Count	%	Count	%
1 Unit Attached	439	4%	588	2%
1 Unit Detached	7,584	67%	16,828	67%
2 Units	243	2%	338	1%
3 or 4 Units	638	6%	950	4%
5 to 19 Units	964	8%	1,155	5%
20 to 49 Units	300	3%	343	1%
50 or More Units	296	3%	391	2%
Mobile Home or Trailer	937	8%	4,507	18%
Boat, RV, Van, etc.	2	0%	99	0%
<b>Total Units</b>	<b>11,403</b>	<b>100%</b>	<b>25,199</b>	<b>100%</b>
Owner Occupied Units	6,744	66%	15,896	73%
Renter Occupied Units	3,436	34%	5,969	27%
<b>Total Occupied Units</b>	<b>10,180</b>	<b>100%</b>	<b>21,865</b>	<b>100%</b>
<b>Unoccupied Units</b>	<b>1,223</b>	<b>11%</b>	<b>3,334</b>	<b>13%</b>

Sources: PCensus 2019

- In Kerrville 66% of units are estimated to be owner-occupied with the remaining 34% renters.
- Approximately 67% (7,584) of Kerrville's housing units are single family detached.
- About 84% of all single family detached housing units are owner occupied (6,744) leaving 16% (1,279) as single family rentals.
- Duplex, triplex and four-plex units account for 8% (881) of all housing units in the City, while mobile homes account for 5% (596) and attached apartments account for 8% (937).
- According to the estimates about 11% (1,223) of Kerrville's housing units are unoccupied, likely all due to blight as field research did not discover any available for-sale or rental housing developments not close or at full occupancy.

Table 39 contains the 2019 estimate of the age of the existing housing stock in Kerrville and Kerr County.

**Table 39: Age of Existing Housing Stock, 2019**

	Kerrville		Kerr County	
	Count	%	Count	%
<b>Total Housing Units</b>	<b>11,403</b>	<b>100%</b>	<b>25,199</b>	<b>100%</b>
Built 2014 or Later	572	5%	1,344	5%
Built 2010 to 2013	264	2%	605	2%
Built 2000 to 2009	1,707	15%	4,440	18%
Built 1990 to 1999	1,702	15%	4,499	18%
Built 1980 to 1989	2,447	21%	5,418	22%
Built 1970 to 1979	1,993	17%	3,766	15%
Built 1960 to 1969	1,043	9%	1,775	7%
Built 1950 to 1959	768	7%	1,356	5%
Built 1940 to 1949	376	3%	762	3%
Built 1939 or Earlier	531	5%	1,234	5%
<hr/>				
<b>Dominant Year Structure Built</b>	<b>1980 to 1989</b>		<b>1980 to 1989</b>	

Sources: PCensus 2019

- The largest share of the existing housing was constructed in the 1980's (21%).
- About 63% of Kerrville housing units were built before 1990, 37% of units were built from 1990 to present.
- Approximately 22% of Kerrville housing units were built since 2000.

## Housing Value Trends

Table 40 contains data not based on actual transaction or appraisal data but based on owners' opinion of housing unit value. In some cases, owners may tend to over or under-value homes for a variety of reasons. Nevertheless, the data can provide an estimate of the value of owner-occupied units.

- An estimated 1,892 (28%) owner-occupied homes in Kerrville are valued below \$100,000.
- This stock of homes represents in some cases blighted or perhaps unlivable structures that could be the focus of continued blight abatement and neighborhood revitalization efforts.
- Mapping and targeting these units could provide increased opportunities for housing, infrastructure and amenities improvement in core neighborhoods as well as housing renovation or rebuilding on existing lots and infrastructure which can play a vital role in providing more attractive, affordably priced for-sale and rental units.

**Table 40: Housing Value, 2019**

Housing Value Range	Kerrville		Kerr County	
	Count	Share	Count	Share
<b>2019 Est. Owner Occupied Housing Units by Value</b>	<b>6,744</b>		<b>15,896</b>	
Value Less than \$20,000	361	5%	982	6%
Value \$20,000 to \$39,999	335	5%	856	5%
Value \$40,000 to \$59,999	437	6%	1,042	7%
Value \$60,000 to \$79,999	363	5%	908	6%
Value \$80,000 to \$99,999	396	6%	1,012	6%
Value \$100,000 to \$149,999	1,051	16%	2,087	13%
Value \$150,000 to \$199,999	869	13%	2,020	13%
Value \$200,000 to \$299,999	1,669	25%	3,343	21%
Value \$300,000 to \$399,999	570	8%	1,458	9%
Value \$400,000 to \$499,999	354	5%	903	6%
Value \$500,000 to \$749,999	206	3%	752	5%
Value \$750,000 to \$999,999	48	1%	249	2%
Value \$1,000,000 to \$1,499,999	49	1%	150	1%
Value \$1,500,000 to \$1,999,999	16	0%	54	0%
Value \$2,000,000 or more	20	0%	80	1%
<b>2019 Est. Median Owner-Occupied Housing Unit Value</b>	<b>\$172,238</b>		<b>\$172,748</b>	

Source: PCensus 2019

- The greatest number of owner-occupied housing units by value are within the \$200,000 to \$299,999 cohort which accounts for 25% (1,669) of all owner-occupied housing units in Kerrville.
- The next greatest number of owner-occupied housing units by value are within the \$100,000 to \$149,999 cohort and accounts for 16% (1,051) of all owner-occupied housing units in Kerrville.
- Approximately 57% (3,812) of owner-occupied units in the City are valued at \$199,999 and less and 43% (2,932) of owner-occupied units in Kerrville are valued at \$200,000 and greater.
- The median owner-occupied housing unit value for Kerrville is \$172,238

## Estimated Housing Cost Burden

This section provides a quantitative perspective on the potential demand for affordable housing. To do this, CDS has employed a standard of housing costs not exceeding 30% of gross household income. This is a commonly used standard in the U.S., though it not always sufficient to convey the extent to which housing costs may constitute a burden to a particular household.

Transportation, healthcare and education costs are areas that can vary greatly from person to person and affect a households' portion of income spent on housing costs alone in differing ways. For these and other reasons the 30% standard may not be the most accurate but at the least it does provide an indication of the scale and specific price points needed to facilitate an increase in supply of for-sale and rental housing units in highest demand.

Because the Kerrville housing market operates in a larger market context for both demand and supply, CDS has included county-level data for most categories. Kerr County represents a reasonable approximation of the general Kerrville market since almost half of the County's households are located in Kerrville.

The data in the following tables has been sourced from U.S. Census Bureau American Community Survey 2017 5-Year Estimates, the most recent demographic data from the U.S. Census Bureau. Newly released 2018 data are anticipated to be released in September 2019 which can be applied to these tables to provide an update as well as track historical trends of households in Kerrville and Kerr County each year new data is released.

In this section, we will examine housing affordability using the common standard of 30% of household income as in the previous section.

The ability to pay less than this share of household income on housing costs indicates that residents are in housing that is affordable for their household income level.

Paying greater than 30% of household income on housing costs indicates households taking on a burdensome housing cost. This is problematic because unavoidable life events such as transportation, health, family, natural disasters or other emergencies can quickly impact households paying 30% or more on housing costs rendering them unable to afford anything but the barest of necessities and in some cases can result in homelessness, malnutrition and other types of hardships.

Interviews with one large local employer revealed that in 2019 a growing number of lower wage full-time workers were seeking food assistance to meet their household's daily food needs.

## Overall Household Income Profiles

As of 2017 about 48% of Kerr County households were located within Kerrville.

Kerr County had a higher median household income than Kerrville by \$4,585.

Median household income for owner-occupied households were \$1,581 greater in the County than the City.

The County has a higher share of home owners and lower share of renters than the City.

This may be due at least in part to the supply of rental units located primarily in Kerrville compared to rental units located in the County alone. Also, more owner households in the County could be a result of cheaper land, construction and housing costs and values in most of the County outside the City limits.

The 2017 median household income for Kerrville was \$44,113, meaning that half of households in the City earn less.

Kerrville owner-occupied households outnumbered renter-occupied households and median household income was higher among owners than renters by a large margin.

**Table 41: 2017 Household Income by Tenure**

Households	Kerrville		Kerr	
	Count	Share	Count	Share
<b>Total Households</b>	<b>9,813</b>	<b>100%</b>	<b>20,580</b>	<b>100%</b>
<b>Median Income</b>	<b>\$44,113</b>		<b>\$48,698</b>	
<b>Owner-Occupied</b>	<b>5,894</b>	<b>60%</b>	<b>14,660</b>	<b>71%</b>
Less than \$25,000	1,032	11%	2,760	13%
\$25,000 to \$49,999	1,725	18%	3,855	19%
\$50,000 to \$74,999	1,063	11%	2,720	13%
\$75,000 to \$99,999	881	9%	2,230	11%
\$100,000 to \$149,999	639	7%	1,792	9%
\$150,000 or more	554	6%	1,303	6%
<b>Median Income</b>	<b>\$53,449</b>		<b>\$55,030</b>	
<b>Renter-Occupied</b>	<b>3,919</b>	<b>40%</b>	<b>5,920</b>	<b>29%</b>
Less than \$25,000	1,309	13%	1,927	9%
\$25,000 to \$49,999	1,286	13%	1,948	9%
\$50,000 to \$74,999	755	8%	1,154	6%
\$75,000 to \$99,999	329	3%	477	2%
\$100,000 to \$149,999	153	2%	313	2%
\$150,000 or more	87	1%	101	0%
<b>Median Income</b>	<b>\$34,772</b>		<b>\$34,729</b>	

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

In both Kerr County and Kerrville, the Under 25 Years and 25-44 Years have lower incomes and number of households than the 45-64 and 65 and Over age ranges.

In Kerrville, 55% of households earn less than \$50,000 annually, while that number is 51% for the County overall.

**Table 42: 2017 Household Income by Age of Householder**

Households	Kerrville		Kerr County	
	Count	Share	Count	Share
<b>Total Households</b>	<b>9,813</b>	<b>100%</b>	<b>20,580</b>	<b>100%</b>
<b>Median Income</b>	<b>\$44,113</b>		<b>\$48,698</b>	
<b>Under 25 Years</b>	<b>403</b>	<b>4%</b>	<b>501</b>	<b>2%</b>
Less than \$25,000	77	1%	116	1%
\$25,000 to \$49,999	228	2%	287	1%
\$50,000 to \$74,999	69	1%	69	0%
\$75,000 to \$99,999	29	0%	29	0%
\$100,000 to \$149,999	0	0%	0	0%
\$150,000 or more	0	0%	0	0%
<b>25-44 Years</b>	<b>2,049</b>	<b>21%</b>	<b>4,089</b>	<b>20%</b>
Less than \$25,000	324	3%	659	3%
\$25,000 to \$49,999	813	8%	1,351	7%
\$50,000 to \$74,999	489	5%	797	4%
\$75,000 to \$99,999	165	2%	498	2%
\$100,000 to \$149,999	151	2%	559	3%
\$150,000 or more	107	1%	225	1%
<b>45-64 Years</b>	<b>3,239</b>	<b>33%</b>	<b>7,495</b>	<b>36%</b>
Less than \$25,000	833	8%	1,733	8%
\$25,000 to \$49,999	619	6%	1,604	8%
\$50,000 to \$74,999	646	7%	1,504	7%
\$75,000 to \$99,999	473	5%	1,067	5%
\$100,000 to \$149,999	313	3%	870	4%
\$150,000 or more	355	4%	717	3%
<b>65 Years and Older</b>	<b>4,122</b>	<b>42%</b>	<b>8,495</b>	<b>41%</b>
Less than \$25,000	1,107	11%	2,179	11%
\$25,000 to \$49,999	1,351	14%	2,561	12%
\$50,000 to \$74,999	614	6%	1,504	7%
\$75,000 to \$99,999	543	6%	1,113	5%
\$100,000 to \$149,999	328	3%	676	3%
\$150,000 or more	179	2%	462	2%

Kerrville has a significant share of householders 65 years and older.

Approximately 42% of Kerrville's households have a 65 year or older householder.

Households in Kerrville 65 and older making less than \$50,000 made up 25% of all households.

Households in Kerrville under 65 making less than \$50,000 made up 29% of all households.

**Table 43: 2017 Household Income by Household Type, Under 65 and 65 and Older**

	Kerrville		Kerr County	
	Count	Share	Count	Share
<b>Under 65 Years</b>	<b>5,691</b>	<b>58%</b>	<b>12,085</b>	<b>59%</b>
Less than \$25,000	1,234	13%	2,508	12%
\$25,000 to \$49,999	1,660	17%	3,242	16%
\$50,000 to \$74,999	1,204	12%	2,370	12%
\$75,000 to \$99,999	667	7%	1,594	8%
\$100,000 to \$149,999	464	5%	1,429	7%
\$150,000 or more	462	5%	942	5%
<b>65 Years and Older</b>	<b>4,122</b>	<b>42%</b>	<b>8,495</b>	<b>41%</b>
Less than \$25,000	1,107	11%	2,179	11%
\$25,000 to \$49,999	1,351	14%	2,561	12%
\$50,000 to \$74,999	614	6%	1,504	7%
\$75,000 to \$99,999	543	6%	1,113	5%
\$100,000 to \$149,999	328	3%	676	3%
\$150,000 or more	179	2%	462	2%

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

Family households made up 60% of all households in the City.

Family households had significantly higher incomes, even greater than the overall median household income, than non-family households in the County and City. This was likely due in large part to the ability of family households to pool incomes.

The presence of non-family households with multiple unrelated residents occupying one housing unit cannot be accounted for by Census data.

However, local interviews, field research and employee housing surveys revealed that overcrowding of rental units in order to cover housing costs is a common practice in some multifamily complexes as well as in private residences of friends and family members, especially for certain workers and clients of local businesses in the health and social services, retail and food and accommodation industry sectors.

Non-family households in Kerrville had the lowest median household incomes in both areas which was below the overall median household income.

**Table 44: 2017 Household Income by Household Type**

Households	Kerrville		Kerr County	
	Count	Share	Count	Share
<b>Total Households</b>	<b>9,813</b>	<b>100%</b>	<b>20,580</b>	<b>100%</b>
<b>Median Income</b>	<b>\$44,113</b>		<b>\$48,698</b>	
<b>Family Households</b>	<b>5,873</b>	<b>60%</b>	<b>13,712</b>	<b>67%</b>
Less than \$25,000	671	7%	1,799	9%
\$25,000 to \$49,999	1,713	17%	3,607	18%
\$50,000 to \$74,999	1,230	13%	2,762	13%
\$75,000 to \$99,999	938	10%	2,257	11%
\$100,000 to \$149,999	753	8%	1,979	10%
\$150,000 or more	568	6%	1,308	6%
<b>Median Income</b>	<b>\$56,128</b>		<b>\$59,631</b>	
<b>Non-Family Households</b>	<b>3,940</b>	<b>40%</b>	<b>6,868</b>	<b>33%</b>
Less than \$25,000	1,670	17%	2,888	14%
\$25,000 to \$49,999	1,298	13%	2,196	11%
\$50,000 to \$74,999	588	6%	1,112	5%
\$75,000 to \$99,999	568	6%	985	5%
\$100,000 to \$149,999	39	0%	126	1%
\$150,000 or more	73	1%	96	0%
<b>Median Income</b>	<b>\$31,947</b>		<b>\$31,410</b>	

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

## Housing Cost-Burdened Households

As one would expect, lower-income households paid a high percentage of their income for housing at higher rates than higher-income households.

Roughly 28% (2,738) of owners out of all households, 46% of all owner-occupied households earned less than \$50,000 and 11% (1,111) of all households, 19% of all owner-occupied households, making \$50,000 and less paid 30% or greater of their income in housing costs in Kerrville.

**Table 45: 2017 Housing Costs as a Percentage of Household Income – Owner-Occupied Housing by Income**

Owner-Occupied	Kerrville			Kerr County		
	Count	Share of Total	Share of Owner-Occupied	Count	Share of Total	Share of Owner-Occupied
<b>Total Housing Units</b>	<b>9,813</b>	<b>100%</b>	-	<b>20,580</b>	<b>100%</b>	-
<b>Owner-Occupied housing units</b>	<b>5,894</b>	<b>60%</b>	<b>100%</b>	<b>14,660</b>	<b>71%</b>	<b>100%</b>
<b>Less than \$20,000</b>	<b>815</b>	<b>8%</b>	<b>14%</b>	<b>1,870</b>	<b>9%</b>	<b>13%</b>
Less than 20 percent	47	0%	1%	266	1%	2%
20 to 29 percent	92	1%	2%	275	1%	2%
30 percent or more	676	7%	11%	1,329	6%	9%
<b>\$20,000 to \$34,999</b>	<b>909</b>	<b>9%</b>	<b>15%</b>	<b>2,252</b>	<b>11%</b>	<b>15%</b>
Less than 20 percent	417	4%	7%	1,092	5%	7%
20 to 29 percent	197	2%	3%	510	2%	3%
30 percent or more	295	3%	5%	650	3%	4%
<b>\$35,000 to \$49,999</b>	<b>1,014</b>	<b>10%</b>	<b>17%</b>	<b>2,368</b>	<b>12%</b>	<b>16%</b>
Less than 20 percent	666	7%	11%	1,454	7%	10%
20 to 29 percent	208	2%	4%	590	3%	4%
30 percent or more	140	1%	2%	324	2%	2%
<b>\$50,000 to \$74,999</b>	<b>1,063</b>	<b>11%</b>	<b>18%</b>	<b>2,720</b>	<b>13%</b>	<b>19%</b>
Less than 20 percent	750	8%	13%	1,817	9%	12%
20 to 29 percent	193	2%	3%	548	3%	4%
30 percent or more	120	1%	2%	355	2%	2%
<b>\$75,000 or more</b>	<b>2,074</b>	<b>21%</b>	<b>35%</b>	<b>5,325</b>	<b>26%</b>	<b>36%</b>
Less than 20 percent	1,669	17%	28%	4,466	22%	30%
20 to 29 percent	293	3%	5%	660	3%	5%
30 percent or more	112	1%	2%	199	1%	1%
Zero or negative income	19	0%	0%	125	1%	1%

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

This dropped considerably as incomes increase from there, with very few home owners making more than \$75,000 paying greater than 30% of their income for housing.

Particularly owner-occupied households at \$35,000 and below should be the primary target market if crafting policy or interventions to address affordability and housing cost burden for existing and future home owners in Kerrville. There were 971 households in Kerrville \$35,000 and less who paid 30% or more on housing, 16% of all owner-occupied households and 10% of total households in the City.

In Kerrville 1,343 home owner-occupied units were housing cost burdened and 2,857 in Kerr County were housing cost burdened which represented 14% of total housing units in each study area and 23% of all owner-occupied households in Kerrville and 19% of all owner-occupied households in Kerr County.

As with home owners, low income renters tend to be considerably more cost-burdened than higher-income renters.

However, the burden is even more pronounced for renters at all but the highest incomes.

An estimated 16% of total households, 41% of rental households in Kerrville are housing cost burdened. About 25% (2,440) of renters out of total households, 62% of all renter-occupied households earned \$50,000 or less and 15% (1,542) of renters out of total households, 39% of all renter-occupied households, making \$50,000 and less paid 30% or greater of their income in housing costs in Kerrville.

**Table 46: 2017 Housing Costs as a Percentage Of Household Income – Renter-Occupied Housing by Income**

Renter-Occupied	Kerrville			Kerr County		
	Count	Share of Total	Share of Renter-Occupied	Count	Share of Total	Share of Renter-Occupied
<b>Total Housing Units</b>	<b>9,813</b>	<b>100%</b>		<b>20,580</b>	<b>100%</b>	
<b>Renter-Occupied housing units</b>	<b>3,919</b>	<b>40%</b>	<b>100%</b>	<b>5,920</b>	<b>29%</b>	<b>100%</b>
<b>Less than \$20,000</b>	<b>957</b>	<b>10%</b>	<b>24%</b>	<b>1,248</b>	<b>6%</b>	<b>21%</b>
Less than 20 percent	46	0%	1%	46	0%	1%
20 to 29 percent	36	0%	1%	40	0%	1%
30 percent or more	875	9%	22%	1,162	6%	20%
<b>\$20,000 to \$34,999</b>	<b>911</b>	<b>9%</b>	<b>23%</b>	<b>1,368</b>	<b>7%</b>	<b>23%</b>
Less than 20 percent	13	0%	0%	89	0%	2%
20 to 29 percent	277	3%	7%	394	2%	7%
30 percent or more	621	6%	16%	885	4%	15%
<b>\$35,000 to \$49,999</b>	<b>572</b>	<b>6%</b>	<b>15%</b>	<b>830</b>	<b>4%</b>	<b>14%</b>
Less than 20 percent	133	1%	3%	220	1%	4%
20 to 29 percent	393	4%	10%	497	2%	8%
30 percent or more	46	0%	1%	113	1%	2%
<b>\$50,000 to \$74,999</b>	<b>689</b>	<b>7%</b>	<b>18%</b>	<b>883</b>	<b>4%</b>	<b>15%</b>
Less than 20 percent	293	3%	7%	387	2%	7%
20 to 29 percent	311	3%	8%	394	2%	7%
30 percent or more	85	1%	2%	102	0%	2%
<b>\$75,000 or more</b>	<b>441</b>	<b>4%</b>	<b>11%</b>	<b>686</b>	<b>3%</b>	<b>12%</b>
Less than 20 percent	361	4%	9%	588	3%	10%
20 to 29 percent	80	1%	2%	98	0%	2%
30 percent or more	0	0%	0%	0	0%	0%
Zero or negative income	44	0%	1%	46	0%	1%
No cash rent	305	3%	8%	859	4%	15%

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

Note that 15% (1,496) of renters out of total households, 38% of renters out of all renter households in Kerrville making less than \$35,000 pay 30% or greater of their income in housing costs.

For home owners those figures were 10% of total households and 16% of all owner households in the lowest two income brackets in the City and County. As this data is divided into income brackets, this suggests that renting is generally more expensive than owning in Kerrville.

Renter households age 35 to 64 had the largest shares of their income for housing in Kerrville, even greater than older households that tend to be lower income and have a very high concentration of renters.

This may be for a variety of reasons, including the lower absolute number of renters aged 65 and older compared to those 35 to 64, and perhaps more expensive properties and a need for some older renters to be in a property that provides some level of assistance beyond that typically found in a rented housing unit.

Overall 42% of all renters in Kerrville (1,627) were housing cost burdened and 23% of all owners (1,343) were housing cost burdened.

In total there were 2,970 housing cost burdened households which translates to 30% of all households in the City being cost burdened.

**Table 47: 2017 Housing Costs As A Percentage of Household Income – Kerrville Only by Age**

Kerrville	Renter-Occupied		Owner-Occupied	
	Count	Share	Count	Share
<b>Total</b>	<b>3,919</b>	<b>100%</b>	<b>5,894</b>	<b>100%</b>
<b>Householder 15 to 24 years</b>	<b>366</b>	<b>9%</b>	<b>37</b>	<b>1%</b>
Less than 20.0 percent	114	3%	0	0%
20.0 to 24.9 percent	80	2%	23	0%
25.0 to 29.9 percent	46	1%	0	0%
30.0 to 34.9 percent	67	2%	0	0%
35.0 percent or more	59	2%	14	0%
Not computed	0	0%	0	0%
<b>Householder 25 to 34 years</b>	<b>888</b>	<b>23%</b>	<b>267</b>	<b>5%</b>
Less than 20.0 percent	179	5%	157	3%
20.0 to 24.9 percent	59	2%	65	1%
25.0 to 29.9 percent	218	6%	12	0%
30.0 to 34.9 percent	131	3%	0	0%
35.0 percent or more	223	6%	33	1%
Not computed	78	2%	0	0%
<b>Householder 35 to 64 years</b>	<b>1,788</b>	<b>46%</b>	<b>2,345</b>	<b>40%</b>
Less than 20.0 percent	418	11%	1,303	22%
20.0 to 24.9 percent	253	6%	217	4%
25.0 to 29.9 percent	178	5%	243	4%
30.0 to 34.9 percent	59	2%	108	2%
35.0 percent or more	658	17%	455	8%
Not computed	222	6%	19	0%
<b>Householder 65 years and over</b>	<b>877</b>	<b>22%</b>	<b>3,245</b>	<b>55%</b>
Less than 20.0 percent	135	3%	2,089	35%
20.0 to 24.9 percent	101	3%	209	4%
25.0 to 29.9 percent	162	4%	214	4%
30.0 to 34.9 percent	61	2%	138	2%
35.0 percent or more	369	9%	595	10%
Not computed	49	1%	0	0%

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

Overall householders younger than 65 made up 58% (5,691) of all households while householders 65 and older made up 42% (4,122) of all households in Kerrville.

Among renter-occupied households 78% (3,042) were 65 years and younger and 22% (877) were 65 years and over.

Among owner-occupied households 45% (2,649) were 65 years and younger and 55% (3,245) were 65 years and over.

**Table 48: 2017 Housing Costs As A Percentage of Household Income – Kerrville Only by Under 65 and 65 and Older**

Kerrville	Renter-Occupied		Owner-Occupied	
	Count	Share	Count	Share
<b>Total</b>	<b>3,919</b>	<b>100%</b>	<b>5,894</b>	<b>100%</b>
<b>Householder 65 years and younger</b>	<b>3,042</b>	<b>78%</b>	<b>2,649</b>	<b>45%</b>
Less than 20.0 percent	711	18%	1,460	25%
20.0 to 24.9 percent	392	10%	305	5%
25.0 to 29.9 percent	442	11%	255	4%
30.0 to 34.9 percent	257	7%	108	2%
35.0 percent or more	940	24%	502	9%
Not computed	300	8%	19	0%
<b>Householder 65 years and over</b>	<b>877</b>	<b>22%</b>	<b>3,245</b>	<b>55%</b>
Less than 20.0 percent	135	3%	2,089	35%
20.0 to 24.9 percent	101	3%	209	4%
25.0 to 29.9 percent	162	4%	214	4%
30.0 to 34.9 percent	61	2%	138	2%
35.0 percent or more	369	9%	595	10%
Not computed	49	1%	0	0%

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

(2,649) were 65 years and younger and 55% (3,245) were 65 years and over.

The greatest rates of housing cost burden (households paying 30% or more) can be found in the renter-occupied 65 years and younger households, which made up 31% (1,197) of renter-occupied households.

The lowest rates of housing cost burden can be found in the renter-occupied 65 years and over households, which made up 11% (430) of renter-occupied households.

## Owners

About 14% of home owners with a mortgage in Kerrville and 16% in Kerr County pay 30% or greater of their income on housing costs.

In Kerrville 9% of housing units without a mortgage and Kerr County 8% without a mortgage pay 30% or more on housing.

For those without a mortgage, housing costs exceed 30% at lower rates as what is typically the largest cost for owned housing is no longer a concern.

Approximately 15% of home owners with a mortgage pay less than 20% of their income in housing costs.

For those without a mortgage, 45% pay less than 20% of their income in housing costs.

This data shows that longtime residents of the City and County have been able to pay off their home and enjoy a comfortable level of affordability while owners with a mortgage, presumably those that are more recent

owners, are facing high margins of income dedicated to housing cost than longtime owners which may lend to the increasing price of new homes in Kerrville and Kerr County.

**Table 49: 2017 Monthly Owner Costs as a Percentage Of Household Income**

	Kerrville		Kerr County	
	Count	Share	Count	Share
<b>Total</b>	<b>5,894</b>	<b>100%</b>	<b>14,660</b>	<b>100%</b>
<b>Housing units with a mortgage</b>	<b>2,387</b>	<b>40%</b>	<b>6,074</b>	<b>41%</b>
Less than 10.0 percent	210	4%	494	3%
10.0 to 14.9 percent	159	3%	853	6%
15.0 to 19.9 percent	543	9%	1,392	9%
20.0 to 24.9 percent	324	5%	1,030	7%
25.0 to 29.9 percent	305	5%	606	4%
30.0 to 34.9 percent	190	3%	290	2%
35.0 to 39.9 percent	161	3%	449	3%
40.0 to 49.9 percent	132	2%	233	2%
50.0 percent or more	355	6%	719	5%
Not computed	8	0%	8	0%
<b>30.0 percent or more</b>	<b>838</b>	<b>14%</b>	<b>1,691</b>	<b>12%</b>
<b>Housing units without a mortgage</b>	<b>3,507</b>	<b>60%</b>	<b>8,586</b>	<b>59%</b>
Less than 10.0 percent	1,634	28%	3,838	26%
10.0 to 14.9 percent	648	11%	1,494	10%
15.0 to 19.9 percent	355	6%	1,024	7%
20.0 to 24.9 percent	190	3%	654	4%
25.0 to 29.9 percent	164	3%	293	2%
30.0 to 34.9 percent	56	1%	220	2%
35.0 to 39.9 percent	94	2%	241	2%
40.0 to 49.9 percent	195	3%	316	2%
50.0 percent or more	160	3%	389	3%
Not computed	11	0%	117	1%
<b>30.0 percent or more</b>	<b>505</b>	<b>9%</b>	<b>1,166</b>	<b>8%</b>

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

Of all owner-occupied units in Kerrville 23% (1,343) are housing cost burdened.

The share of home owners who pay 30% or greater of their income on housing is concentrated heavily to 35 to 64 years and 65 years and over householder groups.

The estimates show that only 6% or 304 total owner-occupied householders are under 35.

This shows that for these age groups for-sale housing appears to be extremely difficult to attain. This may be due to lack of supply of acceptable home quality and/or price, ability to qualify for home financing, employment and wage gaps or lack of attractiveness or opportunities enticing to this age cohort.

As one would expect, the share of home

**Table 50: 2017 Monthly Owner Costs Greater Than 30% Percent of Household Income by Age**

Owner-Occupied	Kerrville	
	Count	Share
<b>Total</b>	<b>5,894</b>	<b>100%</b>
<b>Total In Age Range</b>	<b>5,894</b>	<b>100%</b>
Householder 15 to 24 years	37	1%
Householder 25 to 34 years	267	5%
Householder 35 to 64 years	2,345	40%
Householder 65 years and over	3,245	55%
<b>30% or more of Income</b>	<b>1,343</b>	<b>23%</b>
Householder 15 to 24 years	14	0%
Householder 25 to 34 years	33	1%
Householder 35 to 64 years	563	10%
Householder 65 years and over	733	12%

owners paying 30% or more of income for housing falls as household incomes increase.

Of those making less than \$35,000 that pay 30% or more of their income on housing, 93%, 75% and 32% respectively, of households in each of those individual income brackets are housing cost burdened.

**Census data utilized here and throughout this report is now several years old and it must be understood that housing cost burden and demand for affordable housing is likely much greater than shown in this report.**

**Table 51: 2017 Monthly Owner Costs Greater Than 30% Percent of Household Income by Income**

Owner-Occupied	Kerrville	
	Count	Share
<b>Total</b>	<b>5,894</b>	<b>100%</b>
<b>Total In Income Range</b>	<b>5,894</b>	<b>100%</b>
Less than \$10,000	280	5%
\$10,000 to \$19,999	554	9%
\$20,000 to \$34,999	909	15%
\$35,000 to \$49,999	1,014	17%
\$50,000 to \$74,999	1,063	18%
\$75,000 to \$99,999	881	15%
\$100,000 or more	1,193	20%
<b>30% or more of Income</b>	<b>1,343</b>	<b>23%</b>
Less than \$10,000	261	93%
\$10,000 to \$19,999	415	75%
\$20,000 to \$34,999	295	32%
\$35,000 to \$49,999	140	14%
\$50,000 to \$74,999	120	11%
\$75,000 to \$99,999	91	10%
\$100,000 or more	21	2%

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

## Renters

Compared to home owners, renters pay greater than 30% of their income on housing costs at a significantly higher rate.

About 18% of Kerrville renter households spent 50% or more of their income on housing, something only 9% of home owners do.

The median gross rent as a share of income for Kerrville was 28.7%.

**Table 52: 2017 Gross Rent as a Percentage Of Household Income**

Renter-Occupied	Kerrville		Kerr County	
	Count	Share	Count	Share
<b>Total</b>	<b>3,919</b>	<b>100%</b>	<b>5,920</b>	<b>100%</b>
Less than 10.0 percent	165	4%	331	6%
10.0 to 14.9 percent	154	4%	295	5%
15.0 to 19.9 percent	527	13%	704	12%
20.0 to 24.9 percent	493	13%	626	11%
25.0 to 29.9 percent	604	15%	797	13%
30.0 to 34.9 percent	318	8%	513	9%
35.0 to 39.9 percent	294	8%	451	8%
40.0 to 49.9 percent	304	8%	397	7%
50.0 percent or more	711	18%	901	15%
Not computed	349	9%	905	15%
<b>30.0 percent or more</b>	<b>1,627</b>	<b>42%</b>	<b>3,167</b>	<b>53%</b>
<b>Median gross rent as a percentage of household income</b>	<b>28.7%</b>		<b>28.5%</b>	

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

The share of renters paying greater than 30% of their income on housing costs increases by age showing that affordable rental housing was a struggle for the two oldest age groups.

The 35 to 64-year householder cohort has the largest share of renter households paying 30% or more on housing at 18%.

Much like with home owners, as incomes rise the share of renters paying greater than 30% of their income in rent decreases.

Also, as with home owners, renter households making \$50,000 or more pay greater than 30% of their income toward housing costs at significantly lower rates than those with lower incomes.

The rate of housing cost burden for renter

**Table 53: 2017 Monthly Renter Costs Greater Than 30% Percent of Household Income by Age**

Renter-Occupied	Kerrville	
	Count	Share
<b>Total</b>	<b>3,919</b>	<b>100%</b>
<b>Total In Age Range</b>	<b>3,919</b>	<b>100%</b>
Householder 15 to 24 years	366	9%
Householder 25 to 34 years	888	23%
Householder 35 to 64 years	1,788	46%
Householder 65 years and over	877	22%
<b>30% or more of Income</b>	<b>1,627</b>	<b>42%</b>
Householder 15 to 24 years	126	3%
Householder 25 to 34 years	354	9%
Householder 35 to 64 years	717	18%
Householder 65 years and over	430	11%

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

**Table 54: 2017 Monthly Renter Costs Greater Than 30% Percent of Household Income by Income**

Renter-Occupied	Kerrville	
	County	Share
<b>Total</b>	<b>3,919</b>	<b>100%</b>
<b>Total In Income Range</b>	<b>3,919</b>	<b>100%</b>
Less than \$10,000	256	7%
\$10,000 to \$19,999	757	19%
\$20,000 to \$34,999	968	25%
\$35,000 to \$49,999	614	16%
\$50,000 to \$74,999	755	19%
\$75,000 to \$99,999	329	8%
\$100,000 or more	240	6%
<b>30% or more of Income</b>	<b>1,627</b>	<b>42%</b>
Less than \$10,000	212	5%
\$10,000 to \$19,999	663	17%
\$20,000 to \$34,999	621	16%
\$35,000 to \$49,999	46	1%
\$50,000 to \$74,999	85	2%
\$75,000 to \$99,999	0	0%
\$100,000 or more	0	0%

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

households in the \$35,000 to \$49,999 income bracket appeared to be surprisingly low with only 1% (46) households.

Census data utilized here and throughout this report is now several years old and it must be understood that housing cost burden and demand for affordable housing is likely much greater than shown in this report.

## Key Points of Housing Cost Burden Analysis

1. There were 9,813 households in Kerrville as of 2017 and about 48% of Kerr County households were located within Kerrville.
2. There were 60% (5,894) owner-occupied households and 40% (3,919) renter-occupied households in Kerrville.
3. Householders 65 years and younger have much higher levels of renter householders and cost burdened renter households.
4. Only 877 (22%) of renter households were householders 65 years and over.
5. The 2017 median household income for Kerrville was \$44,113, meaning that half of households in the City earn less and 55% of households earn less than \$50,000 annually.
6. Median household income for owner-occupied households was \$53,449 and \$34,772 for renter-occupied households.
7. In Kerrville 27% (2,653) of households earning less than \$50,000 per year are considered cost-burdened with housing expenses exceeding 30% of gross income.
8. The cost burden is particularly severe for renters in the low to moderate income ranges. The vast majority of these renter households exceed the 30% share of housing cost - to - gross income ratio.
9. The prevalence of housing cost burden applies to households headed by all adult age ranges, including both those headed by young adults and middle-aged residents that should be in the "prime earning years."
10. In the City 42% (1,627) of all renter occupied households were paying 30% or more on housing costs and 22% (1,343) of all owner-occupied units in the City were paying 30% or more on housing costs. This shows that renters are the most housing cost burdened group in the City.
11. About 14% of home owners with a mortgage in Kerrville pay 30% or greater of their income on housing costs and 8% without a mortgage pay 30% or more on housing.
12. The share of home owners who pay 30% or greater of their income on housing is concentrated heavily to 35 to 64 years and 65 years and over householder groups. The estimates show that only 6% or 304 owner-occupied householders are under 35.
13. About 18% of Kerrville renter households spent 50% or more of their income on housing, something only 9% of home owners did.

## KERRVILLE HOUSING SUPPLY ASSESSMENT

### Existing Home Market – Multifamily, Rental Units

Multifamily units account for 22% of the housing stock in Kerrville. This equates to an estimated 2,323 multifamily rental units out of a 2019 estimated 11,403 total housing units in Kerrville.

These properties vary greatly in age, size and price yet have experienced price increases about every two years, depending on the property, by \$25-\$50 the five years to a current average of \$784.

Though multifamily rents on average are reasonably affordable to the median household income and average weekly wage, the supply of units at those price ranges are limited and the 183 multifamily units built in the past two years were luxury units (which have an average of \$1,000 rent minimum per month). This makes preservation of existing market rate units extremely crucial.

This means that existing multifamily units in price ranges affordable to local worker households rarely become vacant and when they do typically only stay unoccupied for a matter of days before they are rented to the next tenant.

This section examines the latest market trends for multifamily units in Kerrville, looking specifically at local data gathered by the Chamber and CDS, new apartment construction and permit activity, and local market issues associated with increasing supply of rental units.

**Table 55: Multifamily Property Composition, 2019**

Property Type	% of Market	# of Units	Occupancy	Avg. SF	Avg. Rent
Conventional	67%	1,546	96%	917	\$784
Affordable	13%	293	-	-	-
Senior Living	21%	484	-	-	-
<b>Totals</b>		<b>2,323</b>	<b>94%</b>	<b>915</b>	<b>\$784</b>

Source: CDS Community Development Strategies, L. Duff Enterprises, Kerrville Chamber of Commerce

Table 55 above provides establishes multifamily property types that make up the Kerrville multifamily apartment rental market. Overall there are 45 properties containing a total of 2,323 units.

Approximately 66% of all apartment units in the City are in conventional, or market rate units, meaning they receive no public subsidy or associated tenant income restrictions. About 12% (293) of the units are affordable. Field research uncovered that nearly 100% occupancy exists in affordable and market rate properties. The most recent affordable complex, Paseo de Paz, was constructed in 2010 and is at 100% occupancy. The most recent market rate complex, Sidney Baker Apartments, built in 2018 is at 100% occupancy. The only reasons for any occupancy that was sited to CDS during field research was a result of changes in employment, purchasing a home and upgrading or downgrading based on rent and desired unit condition. Almost every complex stated that when tenants move out the unit typically sees maintenance and necessary upgrades. Nearly every complex cited some tenured tenants for up to 10 or even 20 years in the same rental unit.

### Existing Multifamily Market Rate Units Supply and Inventory

Table 56 provides a sample of existing market rate multifamily apartment units in Kerrville. The most expensive rents range in the \$1,200 to \$1,600 range for the newest units and the lowest in the \$600 to \$700 range. Occupancy across the City is very high which exacerbates pressure on rents. However, property owners and managers appear very cognizant of the wages and household incomes (since they examine this personal data for every applicant) of Kerrville worker households and therefore abide by rental rates they know can be covered by a factor of three times their monthly income. Consequently, local wages and household incomes effectively cap how high apartment units can command even with a short supply and high demand for rental units.

**Table 56: Existing Market Rate Apartment Complexes in Kerrville**

Property Name	Units	Ave. Unit Size	Year Built	Ave. Rent	Ave. Rent/SF	Occupancy
1313 E Main St	8	-	-	-	-	100%
Broadway Place Apartments	16	-	-	\$656	-	100%
Chimney Forest Apartments	49	833	1984	\$658	\$0.79	93%
Colonial Oaks	80	903	?	\$825	\$0.91	-
Country Club	62	1,045	2011	\$1,068	\$1.02	-
Hunt Street Apartments	-	-	-	-	-	-
Hunter's Ridge I & II	70	-	1985	\$742	-	100%
Jefferson	4	-	-	\$595	-	-
Kerr Plaza	54	-	-	\$815	-	-
La Casa Apartments	134	745	1978	\$637	\$0.85	95%
Lakeside Apartments	105	878	?	\$839	\$0.96	-
Lazy River	48	-	n/a	\$660	-	-
Lime Creek	124	865	1986	\$754	\$0.87	95%
Lonestar Lodge	19	-	n/a	\$685	-	100%
Midtown	20	656	-	\$598	\$0.91	95%
Northridge Village Duplexes	56	825	1970	\$710	\$0.86	100%
Oakdale	81	872	1971	\$643	\$0.74	94%
Park Hill	54	700	1984	\$625	\$0.89	100%
Park Lane	32	858	1976	\$717	\$0.84	100%
Patio	24	882	1960	\$641	\$0.73	95%
Rio Verde	80	1,223	-	\$1,180	\$0.96	-
Rit Jons	6	1,300	-	\$975	\$0.75	-
River Hills	88	987	1995	\$1,126	\$1.14	98%
River Oaks	71	929	1975	\$677	\$0.73	90%
Sidney Baker Apartments	60	1,127	2017	\$1,283	\$1.14	98%
Singing Wind Apartments	80	-	-	\$687	?	94%
The Cliffs	-	-	-	-	-	-
The Oaks (4 buildings?)	-	-	-	-	-	-
The Summit Apartments	30	843	1983	\$703	\$0.83	100%
Tivy	10	950	1986	\$670	\$0.71	100%
Winwood Club	81	-	-	\$788	-	-
<b>31</b>	<b>1,546</b>	<b>917</b>	<b>1984</b>	<b>\$784</b>	<b>\$0.88</b>	<b>96%</b>

Source: CDS Community Development Strategies

## **Existing Multifamily Assisted Units**

Market rate housing refers to multifamily housing that was constructed or purchased with 100% private dollars and does not have a ceiling on allowable tenant incomes. Affordable housing is a term which includes several types of housing such as income restricted housing, rent subsidized housing, supportive housing, public housing, and others.

Like regular market rate housing, most of the affordable housing that is developed today is privately built and owned, either by non-profit organizations or private businesses and corporations. These organizations use a combination of private funding and public subsidies, often in the form of tax credits and/or special loans, to construct new apartments that are affordable for low- and moderate-income families. These apartments are typically regulated by state and/or Federal agencies.

There are about 293 assisted units in thirteen complexes in the City. The table below shows the number of units and occupancy of these units. As previously mentioned, Paseo de Paz, a 76-unit income restricted multifamily property was recently completed in 2010.

Additionally, there are seven assisted age 55 restricted projects totaling 484 units. They have minimal turnover and managers cited high demand.

**Table 57: Assisted and Age Restricted Apartment Complexes**

Property Name	Total Units	Year Built	Occupancy
<b>General</b>			
Brookhollow	48	-	100%
Freedom Path	49	-	88%
Heritage Oaks	79	2006	95%
Main Street	20	-	-
Park Peterson	21	1984	100%
Paseo de Paz Apartments	76	2010	100%
<b>Total/Avg.</b>	<b>293</b>		
<b>Age Restricted</b>			
Brookdale Guadalupe River	181	-	-
Garden Apartments at Clearwater	80	2008	100%
Kerrville Housing LTD	48	-	-
Kerrville Oaks	35	-	-
The Hills Retirement	68	-	-
The Meadows	72	2006	100%
<b>Total/Avg.</b>	<b>484</b>		

Source: CDS Community Development Strategies

### ***Single family Detached Rental Units***

Rents in single family rentals have climbed in the last several years as investors and a lack of market rate multifamily rental units have put a premium on single family rental units, especially those located in desirable neighborhoods. Many landlords and property managers stated that they believe if new single family for-sale and rental along with multifamily units were built then prices for existing single family rentals would likely decrease as investors would not be able to garner as high of prices as new units would provide more appeal and likely be around the same price range of \$1,200 a month, the average price cited to CDS during research.

All smaller 20 unit and less apartments are fully leased since they provide the best value, therefore the next best value for some renters is a single family home which keeps demand strong. Landlords receive multiple calls per day for listed and unlisted properties. They also receive heavy internet, craigslist and Facebook traffic for rental inquiries indicating that demand is very strong. Occupancy of single family rentals was near 100% in interviews with landlords and property managers. Demand for single family rentals has been very strong over the last 18-24 months.

Currently the maximum time a unit stays vacant is around 2 weeks and that is usually due to unit maintenance and upgrades. The inventory of single family rentals has not increased, and demand has risen. Single family home investment has picked up significantly in the last several years and most are professional investors, not reluctant owner renters.

The smallest and oldest units tend to be smaller 2 bed 1 bath homes in the 900-sf. range and rent for \$900 to \$1,050 per month. Renovated single family units and duplexes are renting for around \$1,050 to \$1,200 per month. Due to a large shortage of desirable for-sale homes priced \$180,000 and below, this too has increased single family renter demand, especially those with children or family members. Units with 3 bedrooms are in very low supply and are priced \$1,200-\$1,250 with some higher end units renting in the \$1,500 to \$2,000 range with the median price around \$1,400. Three-bedroom two bath units get the greatest demand.

This market did indicate that some level of accountability between landlords and the City would be helpful as some owners and landlords have tenants living in very unsafe and unacceptable conditions and refuse to repair or upgrade. The flip side is that typically this means increasing rates which could displace residents. Very few of the rental houses are listed on the MLS and most are only advertised on specific internet sites. This makes it difficult for landlords to determine rental rates in a conventional manner of comparison.

**Table 58: Kerrville House Leasing Price Range**

Bed/Bath	Price Range \$
<b>Oldest Houses/Minimal Rehabilitation*</b>	
2/1	\$900 - \$1,050
3/1	\$975-\$1,050
<b>Rehabilitated Houses**</b>	
2/2	\$1,050-\$1,200
3/2	\$1,300-\$1,500
<b>Larger, Newer Houses</b>	
4/2	\$1,400-\$1600

\*1940s, 1950s & 1960s, some units accepting HUD housing vouchers with minimal maintenance, many absentee owners, often no central air and heating    \*\*Usually local landlords

## Kerrville Affordable Multifamily Demand

Estimating the magnitude of affordable housing demand requires the establishment of standards for affordable rent levels and home purchase prices. This is relatively straightforward for rental housing, as household income levels can be directly translated into affordable monthly rents at a maximum of 30% of gross income. It should be noted that considerations such as security deposits, incarceration records, credit scores, family size, willingness to share with roommates, and other household expenses (medical payments, car-related expenses, student loan payments, etc.) are obviously important in determining the affordability levels for individual households but are beyond the basic analysis provided in this report as summarized in the table below.

**Table 59: Affordable Rent Calculation**

Annual income	\$15,000	\$20,000	\$25,000	\$30,000	\$35,000	\$40,000	\$45,000	\$50,000	\$55,000	\$60,000	\$65,000	\$70,000	\$75,000
Hourly wage rate	\$7.21	\$9.62	\$12.02	\$14.42	\$16.83	\$19.23	\$21.63	\$24.04	\$26.44	\$28.85	\$31.25	\$33.65	\$36.06
Weekly wage	\$288	\$385	\$481	\$577	\$673	\$769	\$865	\$962	\$1,058	\$1,154	\$1,250	\$1,346	\$1,442
Monthly income	\$1,250	\$1,667	\$2,083	\$2,500	\$2,917	\$3,333	\$3,750	\$4,167	\$4,583	\$5,000	\$5,417	\$5,833	\$6,250
<b>Max. rent</b>	<b>\$375</b>	<b>\$500</b>	<b>\$625</b>	<b>\$750</b>	<b>\$875</b>	<b>\$1,000</b>	<b>\$1,125</b>	<b>\$1,250</b>	<b>\$1,375</b>	<b>\$1,500</b>	<b>\$1,625</b>	<b>\$1,750</b>	<b>\$1,875</b>

Notes: Hourly wage rate based on 2,080 hours/yr.

The most relevant estimate of affordable rental housing need in Kerrville is from the 2017 American Community Survey data as related in an earlier section of this report. Approximately 62% (2,440) of renter-occupied households (25% of all households) in Kerrville made \$50,000 or below.

That data also showed high levels, 1,627 (42% of renter households) of housing cost burden (30% or more of income on housing) for renter households earning \$35,000 and below of annual income, which includes professional as well as low-skill, low-rank positions in industries such as Retail, Health Care and Social Assistance, Education and Accommodation and Food Services along with large shares of lower skill or lower ranking employees across the remaining range of industries not listed. Housing cost burdened renter households account for 28% (1,627) of all households in Kerrville.

Based on the Affordable Rent Calculation table above, a summary of the total cost-burdened renter households as of 2017, and the maximum rent they should pay to avoid being cost-burdened, is as follows:

**Table 60: Estimated Kerrville Affordable Rental Housing Need by Income Range, 2017**

Income Range	# Cost-Burdened Households	Monthly Rent Range Needed
Less than \$20,000	621	Under \$500
\$20,000 to \$34,999	46	\$500 to \$875
\$35,000 to \$49,999	85	\$875 to \$1,250
<b>Total</b>	<b>752</b>	

Source: US Census Bureau American Community Survey 2013-2017 5-Year Estimates

These estimates may be understated or insufficient because:

- Some households may have other expenses (notably children, healthcare, education and transportation) which lowers the range of rent needed to have a truly manageable household budget; their needed monthly rent range is much lower than what is reported in the table.
- Some renter households are not classified as cost-burdened because they are “doubling up” with other renters in a situation more crowded than they would prefer, but necessary to avoid being cost-burdened. This is taking place at reportedly high levels amongst lowest wage-earning workers in Retail and Food and Accommodation Services.
- These figures are based on the 2017 5-Year ACS. Given job and population growth in the City and County, the current numbers for 2019 are likely higher than those shown in the table.

The Department of Housing and Urban Development, and Texas Department of Housing and Community Affairs sets regulations that apply to income restricted housing funded through various state and federal programs such as 4%, and 9% tax credits, Tax-Exempt Bonds, HOME/TCAP RF, NSP, State Housing Trust Fund, and National Housing Trust Fund.

A subsidized housing development utilizing these funding programs in Kerr County would be limited to the TDHCA's 2019 Area Median Family Income of \$57,700. This means that a family in Kerr County would require a family income of \$57,700 or less in order to qualify for housing using these standards.

The 2019 estimated median household income for Kerrville from PCensus is \$46,215. The 2013-2017 ACS 5-Year household data referenced by CDS throughout this report refers to household incomes with respect to housing prices and housing cost burden in Kerrville. The estimated ACS 2017 median household income for Kerrville owner-occupied households was \$53,449 and \$34,772 for renter-occupied households. The median household income overall in Kerrville was \$44,113 and was used to estimate Kerrville housing cost burden in this report.

The table below shows the family income limits by number of household members as well as the correlating percent of the Area Median Family Income. Any household with a family income greater than the incomes shown in the table would not be allowed to qualify for housing under these State or HUD funded housing programs.

**Table 61: Texas Department of Housing and Community Affairs Income Limits  
(As of 8/6/2019)**

AMFI %	Number of Household Members							
	1	2	3	4	5	6	7	8
20	\$8,220	\$9,400	\$10,580	\$11,740	\$12,680	\$13,620	\$14,560	\$15,500
30	\$12,330	\$14,100	\$15,870	\$17,610	\$19,020	\$20,430	\$21,840	\$23,250
40	\$16,440	\$18,800	\$21,160	\$23,480	\$25,360	\$27,240	\$29,120	\$31,000
50	\$20,550	\$23,500	\$26,450	\$29,350	\$31,700	\$34,050	\$36,400	\$38,750
60	\$24,660	\$28,200	\$31,740	\$35,220	\$38,040	\$40,860	\$43,680	\$46,500
70	\$28,770	\$32,900	\$37,030	\$41,090	\$44,380	\$47,670	\$50,960	\$54,250
80	\$32,880	\$37,600	\$42,320	\$46,960	\$50,720	\$54,480	\$58,240	\$62,000
120	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Source: Texas Department of Housing and Community Affairs Rent and Income Limits (As of 8/6/2019)

In addition, the table below provides the rental unit limits on housing financing through State or HUD programs that can be charged for a unit based on the Area Median Family Income for Kerr County as of August 2019.

**Table 62: Texas Department of Housing and Community Affairs Rent Limits (As of 8/6/2019)**

AMFI %	Number of Household Members					
	0	1	2	3	4	5
20	\$205	\$220	\$264	\$305	\$317	\$375
30	\$308	\$330	\$396	\$457	\$510	\$563
40	\$411	\$440	\$529	\$610	\$681	\$751
50	\$513	\$550	\$661	\$763	\$851	\$939
60	\$616	\$660	\$793	\$915	\$1,021	\$1,127
65						
70	\$719	\$770	\$925	\$1,068	\$1,109	\$1,315
80	\$822	\$881	\$1,058	\$1,221	\$1,362	\$1,503

Source: Texas Department of Housing and Community Affairs Rent and Income Limits (As of 8/6/2019)

### Multifamily Building Permits

There have been an estimated 1,451 total multifamily units built in Kerrville since 1980 as population, households and jobs have increased in that time.

**Table 63: Kerr County 5 or More Unit Building Permits 1980 – 2018**

Date	Number of Dwelling Units	Percent Change	Average Value (\$ per Dwelling Unit)	Percent Change
1980	6		\$50,000	
1981	48	700.00%	\$18,500	-63.00%
1982	8	-83.30%	\$26,200	41.60%
1983	171	2037.50%	\$56,700	116.40%
1984	273	59.60%	\$30,100	-46.90%
1985	66	-75.80%	\$24,200	-19.60%
1986	172	160.60%	\$20,300	-16.10%
1987	0	-100.00%	\$0	-100.00%
1988	36	0.00%	\$19,100	0.00%
1989	0	-100.00%	\$0	-100.00%
1990	0	0.00%	\$0	0.00%
1991	0	0.00%	\$0	0.00%
1992	0	0.00%	\$0	0.00%
1993	0	0.00%	\$0	0.00%
1994	88	0.00%	\$36,400	0.00%
1995	0	-100.00%	\$0	-100.00%
1996	0	0.00%	\$0	0.00%
1997	0	0.00%	\$0	0.00%
1998	0	0.00%	\$0	0.00%
1999	0	0.00%	\$0	0.00%
2000	8	0.00%	\$31,200	0.00%
2001	5	-37.50%	\$31,200	0.00%
2002	0	-100.00%	\$0	-100.00%
2003	0	0.00%	\$0	0.00%
2004	0	0.00%	\$0	0.00%
2005	0	0.00%	\$0	0.00%
2006	151	0.00%	\$0	0.00%
2007	0	0.00%	\$0	0.00%
2008	80	0.00%	\$0	0.00%
2009	0	0.00%	\$0	0.00%
2010	76	0.00%	\$0	0.00%
2011	62	158.00%	\$0	0.00%
2012	0	-100.00%	\$0	0.00%
2013	0	0.00%	\$0	0.00%
2014	18	0.00%	\$27,800	0.00%
2015	0	-100.00%	\$0	-100.00%
2016	0	0.00%	\$0	0.00%
2017	96	0.00%	\$162,200	0.00%
2018	87	-0.094	\$162,200	0
<b>Total</b>	<b>1,451</b>	-	-	-

Source: The Real Estate Center at Texas A&M University, CDS Community Development Strategies

The City lacks sufficient multifamily rental unit supply to meet current and future local worker demand. This has produced very high occupancy of existing moderate rent as well as new higher rent luxury units. Therefore, local workers, especially those making the lowest wages, and businesses face difficulty finding housing that meets budget and household needs. Many prospective employees are surprised at the lack of housing options and local businesses face difficulty hiring new workers and retaining existing ones.

In the past decade there have been 339 new multifamily building permits issued.

In that same span of time more than 1,100 net new jobs were created in Kerr County. On top of that, since 2010 the City added an estimated 1,690 net new residents and 801 net new households.

**Table 64: Kerr County 5 or More Unit Building Permits, 2008 – 2018**

Date	Number of Dwelling Units	Percent Change	Average Value (\$) per Dwelling Unit	Percent Change
2008	0	0%	\$0	0%
2009	76	0%	\$0	0%
2010	62	0%	\$0	0%
2011	0	0%	\$0	0%
2012	0	0%	\$0	0%
2013	18	0%	\$0	0%
2014	0	0%	\$27,800	0%
2015	0	-100%	\$0	-100%
2016	96	0%	\$0	0%
2017	87	0%	\$162,200	0%
2018	0	-9%	\$162,200	0%
<b>Total</b>	<b>339</b>			

Source: The Real Estate Center at Texas A&M University, CDS Community Development Strategies

Recent supply in the past decade has included Paseo de Paz, an income restricted 76-unit property, Sidney Baker Apartments, a 60-unit luxury complex and Country Club Apartments, a 62-unit luxury complex.

This shows that new multifamily supply in the past decade has served the highest and lowest paid worker households in Kerrville while new supply for the moderate to middle income worker households has not increased and all multifamily and single family rental units have been near 100% occupancy.

Table 65 below shows 2 to 4-unit building permits for Kerr County since 2008. As established Kerrville dominates the County with regards to multifamily building permits, however, interviews with local Kerrville developers revealed that current zoning, building ordinances and fire codes in addition to infrastructure in the City have essentially made the creation of new 2 to 4-unit properties illegal in existing single family zones.

Although there appears to be a significant stock of attached single family (townhomes, patio homes, duplexes and some triplexes and fourplexes) product, there seems to not have been any new supply of these housing types in the last decade or more.

**Table 65: Kerr County 2 to 4 Unit Residential Building Permits, 2008 – 2018**

Date	Number of Dwelling Units	Percent Change	Average Value (\$) per Dwelling Unit	Percent Change
2008	0	0%	\$0	0%
2009	0	0%	\$0	0%
2010	0	0%	\$0	0%
2011	0	0%	\$0	0%
2012	0	0%	\$0	0%
2013	0	0%	\$0	0%
2014	8	0%	\$103,800	0%
2015	0	-100%	\$0	-100%
2016	0	0%	\$0	0%
2017	0	0%	\$0	0%
2018	0	0%	\$0	0%
<b>Total</b>	<b>8</b>			

Source: The Real Estate Center at Texas A&M University

These housing types allow for more units per lot than traditional detached single family home products. If City regulations were eased to allow such construction then more single family type units (although not traditional large lot, single family home) could be supplied to meet demand.

Additionally, these housing types require much smaller lots (28 foot to 35-foot lots), tighter or no lot lines, and in some designs no garages, which coupled with more basic, entry level finishes and materials can lower the construction cost of new units to a point that is attainable to local worker households and those making at and slightly below the median household income.

These housing unit types can provide additional for-sale and rental units that can also serve to support first time and moderate-income home buyers by providing rental income that can go to subsidizing the mortgage while also providing new, presumably low and moderate priced new rental units as well.

Furthermore, existing duplex, triplex and fourplex units are nearly a challenge to preserve because most of them now lie within strict single family zones and are therefore nonconforming uses. When one of these units are purchased, if they require significant repair and upgrades, zoning and permitting may not allow for the reactivation of these units, especially within single family zones where they are non-conforming uses.

Also, based on permit data there have been only eight 2 to 4-unit building permits that have been issued in the past decade. This is further evidence that past regulations presented a barrier for the creation of this type of housing that has historically provided crucial "missing middle" housing opportunities that usually serve as prime workforce housing stock.

These housing types are typically what makes up the "missing middle" housing that are usually the primary housing types for local workforce, especially police, fire, ems, teachers, healthcare, city staff. Missing Middle housing can be defined as a spectrum of multi-unit housing types such as duplexes, fourplexes, bungalow courts, and mansion apartments that are not bigger than a large house. The important distinction is that these housing types are allowed to be located within existing walkable, traditional core neighborhoods embedded within primarily single family home neighborhoods. Allowing and creating these diverse housing types provide greater choices and generate critical mass that can support transit and locally serving commercial amenities. Existing examples can be found in Kerrville's pre-war building stocks, but these existing housing types have become dated in many cases and new supply has been scarce (hence the "missing"). In many cases this has been due to restrictive zoning, building and fire codes which make the new construction of these housing types in existing single family neighborhoods illegal. The City has recently modified their zoning codes and regulations. The most aggressive approach, as mentioned several times, would allow these housing types to be located within single family zones.

**Table 66: Example of Missing Middle Housing Types**



Source: Opticos Design

The following pages will provide examples of missing-middle housing types that have been successfully developed and absorbed in other cities and states outside of Texas. The intention is not for Kerrville to make exact copies of these housing types, but to provide examples of the basic housing types that could be considered for adaptation in the Kerrville housing market that can provide for more units at lower prices than housing types currently being facilitated in Kerrville

The picture to the right shows an example of row housing that can presumably be constructed at lower costs because of less

land and more  
efficient  
infrastructure  
opportunities and  
then serve as lower  
priced new single  
family for-sale or  
rental stock.

However, many  
single family zoning  
regulations make this  
sort of housing type,  
even though very  
attractive and  
desirable to new  
homebuyers, illegal  
to build in almost all  
single family  
residential zone.





The pictures below show more examples of gentle density that allow for more units and residents per acre as well as flexibility to be more moderately priced and act as either for-sale or rental units.



If regulations allow it, mansions can be subdivided and converted from one housing unit to, in the case of the picture above, six separate housing units. Again, this could be a pattern for the kind of gentle density that detached single family home neighborhoods and the City should embrace.



The picture to the left is an example of a previous 2,500 sf. lot which was turned into four 1,700 sf. condos (3bed/2bath) and each has one front street parking spot.

This particular property is off the grid, using passivhaus standards of energy efficiency which creates a design that requires very little energy for space heating or cooling. Products like this would be suited for downtown, near downtown, core neighborhoods (especially on the edge of commercial and residential zones), hill/cliff development and river front development.



Modular multifamily construction, seen in the picture above, can be a more affordable construction technique which could allow for the construction of new multifamily units at a more affordable market rate price range.

Existing Kerrville examples of missing middle housing will be shown in the following pictures.



Above is Broadway place apartments. Although some may consider this un-appealing the full occupancy of this property and lower price point provide important market rate rental units at affordable rates and prove its importance in the Kerrville workforce housing market.



The above picture shows an existing fourplex rental unit in Kerrville located on Peterson Drive. These units serve as crucial market rate workforce housing affordable to local worker household incomes and wages and must be preserved and if feasible created in new infill or a component of greenfield development.

Preservation, revitalization and new infill construction of this type of existing rental property at current rental rates must be a top priority for the City in order to ensure sufficient supply of workforce housing rental units.



The eight-unit rental property above located on Main Street provides a great example of market rate workforce housing that serves an important role. But properties like this are illegal to build new in strict single family zoned areas. This is also an example that should be considered for infill where larger blighted or vacant single family or perhaps commercial lots exist in or near single family neighborhoods



This duplex located off Singing Wind Dr. appears relatively newly built or significantly renovated. Although this product may not seem appealing to certain residents the City should focus on encouraging the construction of new housing types that can provide attainable housing for local workers and worker households instead of an arbitrary commitment to putting only large lot single family homes in single family neighborhoods.



The older duplexes shown above are located on Water St. and provide a prime example of the type of new housing that should be allowed to be built as well as preserved where already existing in Kerrville in order to meet current and future demand.



The Villas at the Park townhomes are an example of recently built attached single family product that can serve as moderate priced for-sale or rental units. This is the type of housing that can be built in infill or greenfield development and appears to have been proven to be successful in Kerrville already.



Although condos typically are more of a luxury product the example above shows that in prime real estate zone, such as along the river front, this type of housing has been proven appealing to Kerrville residents. This type of development appeals to young and older homeowners seeking a more urban lifestyle. Also, by using more basic and affordable finishes and design this type of product likely can be built in an efficient, cost saving manner.



The two pictures above are examples of single family homes with ADUs (Accessory Dwelling Units). These are located in single family detached neighborhoods yet appear to be very well kept and judging by the cars parked in front of the rental units appear to be successfully housing the home owner and back tenant very attractively and accommodately.

## Future Multifamily Development

There are currently two separate multifamily projects underway in Kerrville.

One new project is the 120-unit luxury apartment complex located on Thompson Drive which will likely command rents in the \$885 to \$1,500 per month.

The second project which is currently under construction at 2601 Singing Winds Dr. this will also be a luxury style apartment complex with 120 units that will likely also command rents in the \$885 to \$1,500 per month range.

## Multifamily Development Environment

The City currently faces a shortage of multifamily rental properties both affordable and market rate. Occupancy data shows that all multifamily properties have been operating at nearly full occupancy for the past several years. In fact, some property managers admitted that due to such high demand and short supply rents could likely be raised one hundred dollars or more, yet local wages prevent that from being feasible.

Rental demand is currently very high, the **240** total multifamily rental units currently underway will provide needed rental units however they will only be affordable to the highest paid workers and household income in the City and likely not serve many local workers employed in the City. This may not be as problematic as it seems because presumably some level of existing, older market rate tenants will likely seek to upgrade, if their finance allow, which should vacate more reasonably priced multifamily units providing rental opportunities for new lower and moderate wage tenants.

Several companies in Kerrville mentioned they have considered purchasing property to construct their own workforce housing for their employees. Also, several mentioned the difficulty the lack of housing choices, rental and for-sale, made retention and hiring. This proves that the demand for multifamily rental units in Kerrville will support expanded supply.

The new luxury units could also take pressure off of the single family rental units causing the least maintained, smaller and older single family rental units to become more moderately priced if tenants vacate those for apartment living, though the existing pent up demand along with certain future job growth means that more supply will still be necessary in order to fully satisfy rental demand.

This is where missing middle housing that can serve for-sale and rental demand, especially if done on infill lots where there is existing infrastructure.

## Existing Home Market – Single family, For-Sale Homes

Single family detached units make up the majority of all housing types in Kerrville, accounting for 67% of the housing stock. This equates to an estimated 7,584 single family homes out of a 2019 estimated 11,403 total housing units in Kerrville. These homes vary greatly in age, size and price yet have experienced consistent sales price increases each year of the past decade as shown in the following section.

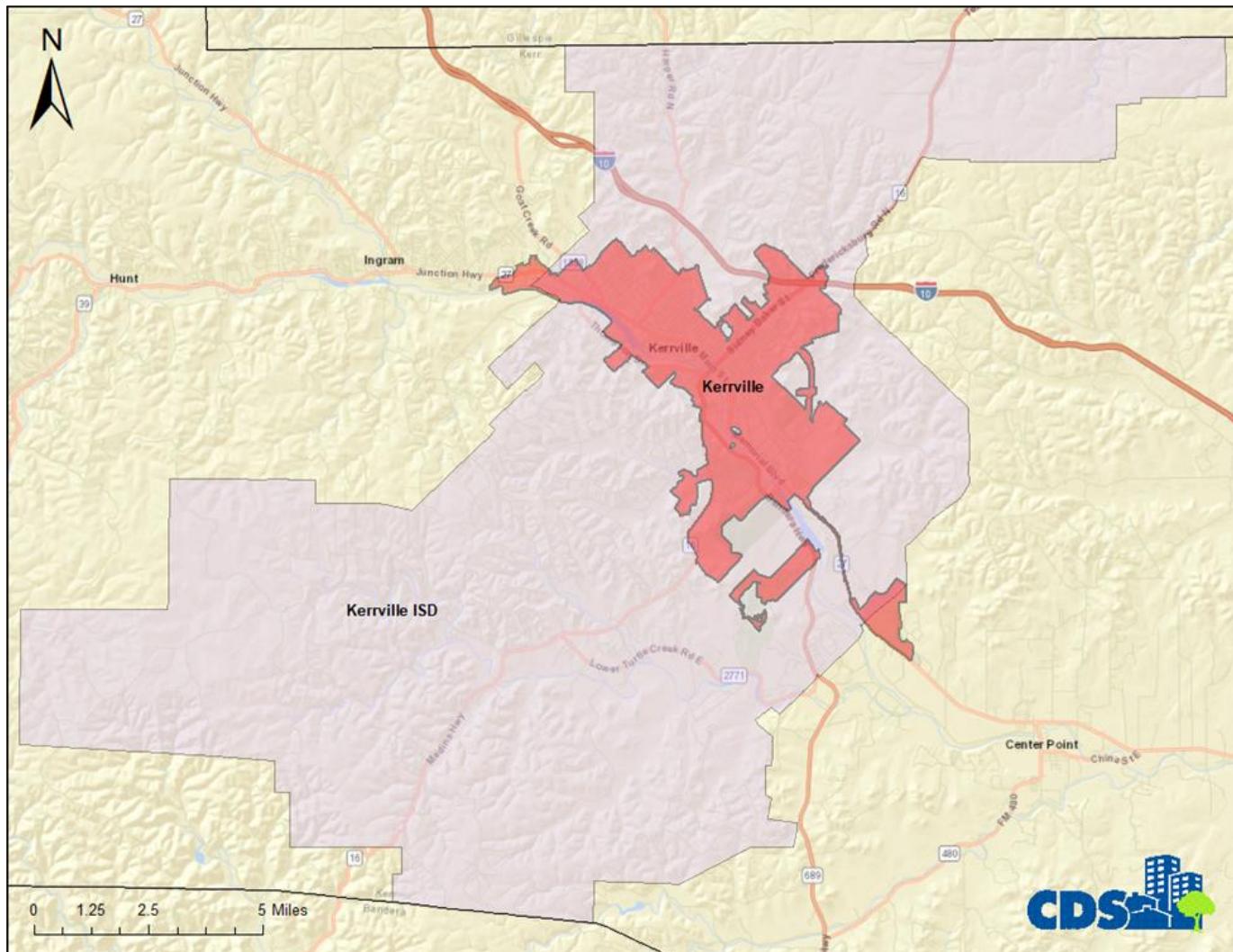
This section examines the latest market trends for single family homes in Kerrville, looking specifically at local MLS real estate sales statistics, new home construction and permit activity, and local market costs associated with increasing the housing supply.

The following section contains single family residential home sale data for Kerrville over the last ten years from 2008 through 2018. This data provides insight into local real estate market trends. The source for the majority of this data was the multiple listing service of the Kerrville Association of Realtors.

The following data shows existing home sales data for the City of Kerrville (the red area in the map below). Many local real estate agents and brokers consider the Kerrville residential market to include the entire 78028 zip code. CDS will not utilize this geography for this study because reports from employers and real estate agents revealed that many local workers cannot afford or do not want to live in the County, where typically some of the most expensive homes in the market are located. Instead, due to the amount and popularity of home sales just outside of Kerrville City Limits, the City of Kerrville mailing address and a maximum lot size of 0.75 acres was utilized as the geographical parameter for the following home sales data as it provides the most consistent data for the purpose of this analysis than using either the city limits or zip code alone.

Some agents and buyers in many cases do not actually realize many properties are outside the City, though still have a Kerrville mailing address. This is especially evident along the southwestern edge of the City. The data analyzed includes all of Kerrville Independent School District with the exceptions of small portions to the west and southeast of the City which are located in Ingram ISD and Center Point ISD, respectively.

**Figure 67: City of Kerrville and Kerrville ISD**



Source: CDS Community Development Strategies

### **City of Kerrville Existing Single family Supply and Inventory**

Two years ago, in 2017 more homes were sold in Kerrville than in any year from 2008 to 2018. Home sales began to pick up following the Great Recession in 2012 and increased each year, with a slight dip in 2016, a peak in 2017 and another slight dip in 2018. Overall home sales volumes have increased by 36% since 2008.

**Table 68: City of Kerrville Existing Homes Sales by Price Ranges, 2008 – 2018**

Price Ranges	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2008-2018 % Change
<b>\$0 - \$99,999</b>	35	38	49	47	59	61	59	54	40	19	11	-69%
<b>\$100,000 - \$199,999</b>	169	168	159	135	161	193	219	267	232	210	147	-13%
<b>\$200,000 - \$299,999</b>	57	44	49	34	41	66	93	110	124	160	154	170%
<b>\$300,000 - \$399,999</b>	16	12	10	11	9	21	13	28	29	42	58	263%
<b>\$400,000 - \$499,999</b>	8	5	5	7	2	9	9	9	11	18	14	75%
<b>\$500,000 - \$599,999</b>	3	1	1	1	1	4	1	6	7	8	3	0%
<b>\$600,000 - \$699,999</b>	1	3					1	4	1	6	4	300%
<b>\$700,000 - \$799,999</b>			1		1				2	3	3	300%
<b>\$800,000 - \$899,999</b>	1			1		2	1	1		1	1	0%
<b>Total</b>	<b>290</b>	<b>271</b>	<b>274</b>	<b>236</b>	<b>274</b>	<b>356</b>	<b>396</b>	<b>479</b>	<b>446</b>	<b>467</b>	<b>395</b>	<b>36%</b>

Source: Kerrville Association of Realtors

Realtor's use the term "months of supply" to describe the inventory of homes on the market. Simply put, months of supply is the number of months it would take for the current inventory to sell out if sales continued at the current rate and no new inventory was added.

In 2018 the overall average was 85 days on the market with a total of 395 sales, an average of 33 sold per month. According to the data 135 homes are currently listed for sale putting months of inventory as of August 2019 at 6.1 months of supply based on 266 home sales in the last 6 months, an average of 22 sales per month.

Generally, a supply greater than seven months is considered a buyers' market, between five to seven months is a balanced market, and less than five months is a sellers' market. The single family residential housing market in the Kerrville area currently appears to be a buyers' market, however, the findings of this study reveal that many Kerrville home buyers, especially those employed within the City, face some difficulty finding housing that fits their household budget and needs.

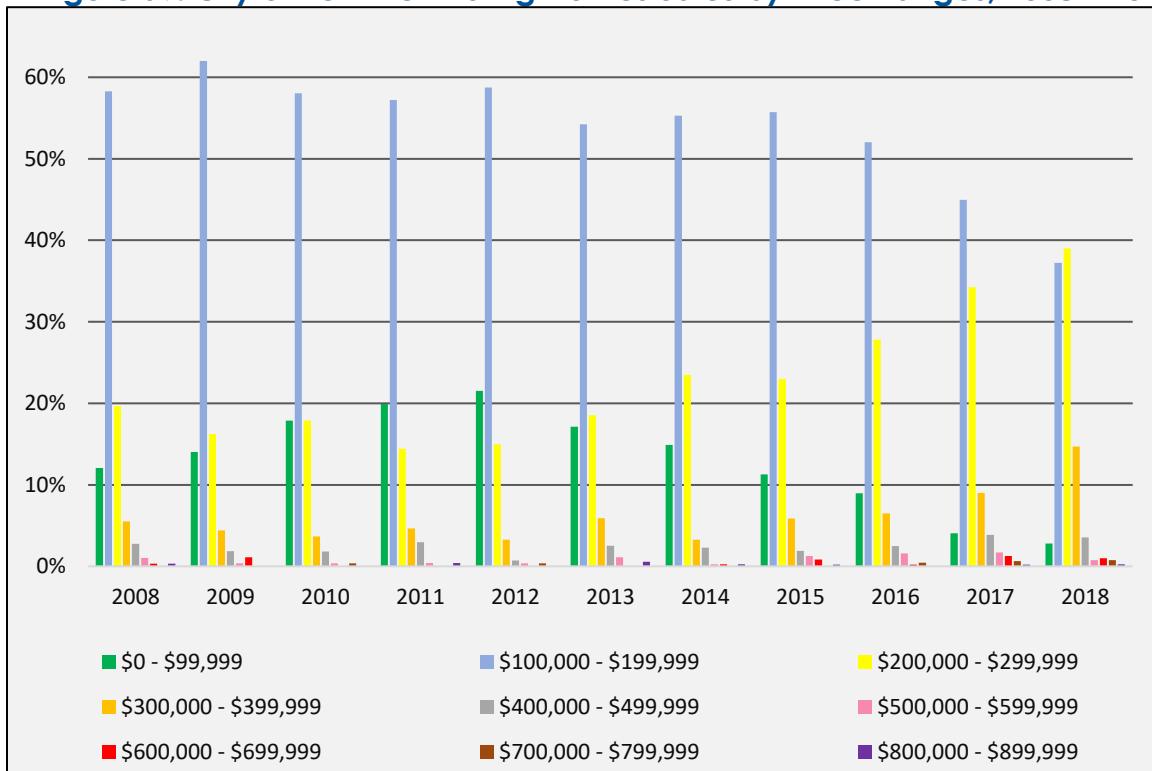
The following section provides an overview of the supply of housing in Kerrville with an emphasis on home sales priced at levels that are possibly accessible to the most common local workers employed in the City. The data shown represents annual sales volumes, not unit sales. Consequently, this data could represent the same unit sold multiple times.

The figure below shows a chart of home sales in Kerrville by price range and percent of total sales per year. The green bars represent the lowest price sales which have steadily declined each year since 2008.

The volume of home sales in the most affordable price range, \$99,999 and less, have shifted from 12% (35) of home sales in 2008 to just 3% (11) in 2018. The peak of sales volume in this price range was 2013 when 61 homes (17% of all sales) were sold in the lowest price range, a 69% decrease from 2008. The supply of homes in this price range represent the home prices most oriented to those that can just barely afford home ownership.

The majority of home sales in Kerrville have shifted greatly in price from 58% (169) of sales in 2008 in the \$100,000 - \$199,999 price range to just 37% (147) of all sales in 2018, a decrease of 13% since 2008.

**Figure 69: City of Kerrville Existing Homes Sales by Price Ranges, 2008 – 2018**



Source: Kerrville Association of Realtors

The increase in higher priced home sales can be seen to start in 2012 and 2013 with the beginning of the growth in the share of homes sold in the \$200,000 - \$299,999 and \$300,000 to \$399,999.

Since 2011 home sales volume in the \$200,000 - \$299,999 price range increased from 34 to 154 in 2018, an increase of 354%.

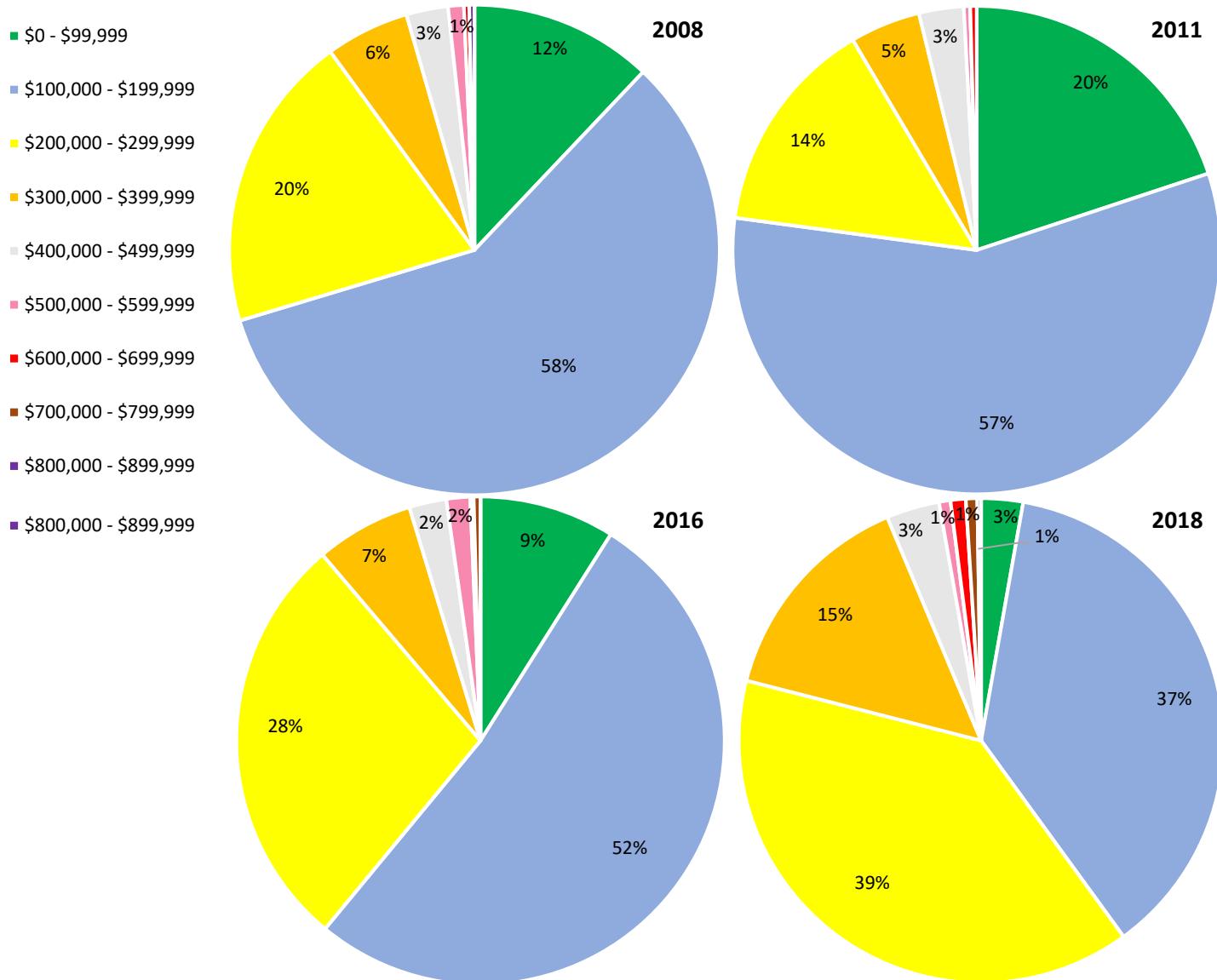
Additionally, home sales volume in the \$300,000 - \$399,999 price range increased from 11 to 58 in 2018, an increase of 427%.

This indicates decreasing supply of homes priced below \$200,000. These lower price categories represent “entry level” prices for first-time buyers at or below Kerrville’s median household income (\$44,113 as of the 2017 American Community Survey).

The \$0 - \$99,999 priced homes may serve as more of an investment or redevelopment stock in more recent years as home prices overall have risen, causing blighted or less desirable homes to justify upgrades to re-sell or rent out. This cohort of homes could also serve as lower priced opportunities for first time home buyers with resources to upgrade homes themselves and realize a nearly instant increase in home value.

Therefore, in the past three to four years the occurrence of homes in this price range serving that purpose has likely dwindled greatly. Interview data confirms this assumption as real estate agents mentioned that many of these homes in this price range are unlivable or require more desired or necessary upgrades than first time home buyers can afford and are being purchased (many times in all cash transactions) by investors as flips or rentals.

**Figure 70: Kerrville Existing Homes Sales by Price Ranges, 2008 – 2018**



Source: Kerrville Board of Realtors and Brinkman Commercial

Figure 70 on the previous page shows once again clearly the shrinking stock of homes priced below \$200,000. As the market becomes less affordable and home prices increase the figure above shows the increase in the share of homes sold in the \$200,000 - \$299,999 and \$300,000 - \$399,999 price ranges. The share of homes \$200,000 - \$299,999 price ranges has shifted from barely 20% of all sales in 2008 to almost 40% of all sales in 2018 while the share of homes \$300,000 - \$399,999 increased from 6% of sales in 2008 to 15% in 2018.

Although the total volume of existing home sales grew last year to the highest point in the past decade (an increase of 36%), the total volume of homes sold less than \$200,000 has decreased from 204 (70% of all sales in 2008) to 158 (40% of all sales in 2018). At the same time population has grown by 1,690 since 2010 and jobs have increased by 1,107 since 2009.

As of the 2017 American Community Survey the median household income for the City was \$44,113. The correlated affordable price for that annual income is \$180,000 and less. This price point is found in the consistently shrinking \$100,000 - \$199,999 price band, however, \$180,000 represents the absolute most someone making the 2017 median income can afford.

A median income earning household with significant costs other than housing, like student loans, auto loans, healthcare expenses and providing for other family members could very easily not have the finances to afford a \$180,000 priced home. Therefore, the production of new homes priced \$180,000 and below are most ideal for the median household income earners in the City.

Existing for-sale home prices have continued to increase at a rapid pace and shows no evidence that prices will stabilize or decrease going forward unless new moderate entry level homes in the \$180,000 and below price range are built at a sufficient supply to satisfy demand. Again, the LEHD data showed in 2015 that 66% of Kerrville workers resided outside of the City limits, showing opportunity to grow local worker households without adding net new jobs, although net new jobs, especially those that pay lower to moderate incomes, are certain to be created over the next 24 months.

**Table 71: Kerrville Home Sales by Average Days on Market, 2008 – 2018**

Price Ranges	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>\$0 - \$99,999</b>	121	132	124	157	132	147	107	121	84	103	74
<b>\$100,000 - \$199,999</b>	135	155	161	174	141	150	148	112	98	82	70
<b>\$200,000 - \$299,999</b>	161	154	190	233	214	189	157	112	107	87	83
<b>\$300,000 - \$399,999</b>	351	193	217	244	116	206	146	192	121	128	121
<b>\$400,000 - \$499,999</b>	367	296	128	256	120	293	224	218	234	207	108
<b>\$500,000 - \$599,999</b>	200	156	222	57	45	172	17	198	146	165	162
<b>\$600,000 - \$699,999</b>	144	148					175	251	141	205	131
<b>\$700,000 - \$799,999</b>			139		425				73	286	47
<b>\$800,000 - \$899,999</b>	393			462		120	562	25		232	35
<b>Average</b>	<b>158</b>	<b>155</b>	<b>162</b>	<b>186</b>	<b>149</b>	<b>164</b>	<b>146</b>	<b>122</b>	<b>105</b>	<b>98</b>	<b>85</b>

Source: Kerrville Board of Realtors and Brinkman Commercial

Table 71 above shows days on market for existing homes in Kerrville.

In 2018 existing homes sold within an average of 85 days. The average days on market are lowest for the two most affordable home price bands. Also, the data clearly shows that homes priced \$300,000 to \$699,999 are sitting on the market for much longer than other price bands.

**Table 72: Kerrville Median Sold Price, 2008 – 2018**

Price Ranges	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>\$0 - \$99,999</b>	\$83,000	\$78,000	\$81,900	\$75,000	\$74,000	\$85,000	\$79,800	\$80,000	\$84,250	\$83,200	\$70,000
<b>\$100,000 - \$199,999</b>	\$150,000	\$140,000	\$144,500	\$144,500	\$143,000	\$145,000	\$145,000	\$149,000	\$155,000	\$161,500	\$165,000
<b>\$200,000 - \$299,999</b>	\$240,000	\$239,000	\$240,000	\$245,000	\$225,000	\$236,750	\$226,000	\$232,750	\$238,700	\$235,375	\$239,500
<b>\$300,000 - \$399,999</b>	\$329,750	\$341,000	\$327,150	\$340,000	\$337,500	\$360,000	\$361,280	\$336,975	\$329,250	\$349,700	\$341,250
<b>\$400,000 - \$499,999</b>	\$435,750	\$441,370	\$413,000	\$425,000	\$462,375	\$440,000	\$425,000	\$431,300	\$442,000	\$447,633	\$456,500
<b>\$500,000 - \$599,999</b>	\$575,000	\$565,000	\$555,000	\$503,709	\$502,550	\$525,000	\$531,089	\$542,500	\$540,000	\$540,000	\$554,824
<b>\$600,000 - \$699,999</b>	\$615,000	\$655,000					\$684,500	\$618,500	\$690,000	\$645,000	\$653,417
<b>\$700,000 - \$799,999</b>			\$795,000		\$745,000				\$725,000	\$730,000	\$749,750
<b>\$800,000 - \$899,999</b>	\$859,000			\$820,000		\$850,000	\$847,500	\$825,000		\$860,000	\$819,000
<b>Average</b>	<b>\$165,000</b>	<b>\$147,000</b>	<b>\$149,750</b>	<b>\$146,000</b>	<b>\$140,625</b>	<b>\$154,000</b>	<b>\$158,250</b>	<b>\$166,500</b>	<b>\$175,000</b>	<b>\$203,250</b>	<b>\$219,150</b>

Source: Kerrville Board of Realtors and Brinkman Commercial

The median sold price in Kerrville has increased each year since 2013, an increase of 42% in the past 6 years.

In 2018 the median sold price was \$219,150. As previously stated, \$180,000 was the maximum affordable home price for the median household income in Kerrville and half of all households made less than the 2017 median of \$44,113.

It is vital to local workers and median income earners to maintain a median sold price of no greater than \$180,000 in order to assure an attainable stock of homes priced for these workers and households.

**Table 73: Kerrville Average Sold Price, 2008 – 2018**

Price Ranges	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
\$0 - \$99,999	\$74,525	\$76,918	\$74,574	\$69,765	\$72,432	\$76,880	\$75,183	\$73,103	\$80,483	\$74,996	\$73,807
\$100,000 - \$199,999	\$150,961	\$144,211	\$145,420	\$145,112	\$145,661	\$146,033	\$146,609	\$150,247	\$153,110	\$160,140	\$160,302
\$200,000 - \$299,999	\$243,861	\$239,383	\$241,157	\$242,719	\$230,712	\$238,171	\$234,269	\$240,091	\$241,236	\$241,531	\$241,967
\$300,000 - \$399,999	\$341,781	\$342,179	\$336,930	\$346,384	\$338,833	\$355,810	\$351,613	\$340,586	\$338,905	\$350,263	\$345,980
\$400,000 - \$499,999	\$432,125	\$461,874	\$428,400	\$432,929	\$462,375	\$441,611	\$431,970	\$440,656	\$438,864	\$446,720	\$454,232
\$500,000 - \$599,999	\$576,667	\$565,000	\$555,000	\$503,709	\$502,550	\$531,250	\$531,089	\$543,250	\$540,036	\$535,566	\$550,108
\$600,000 - \$699,999	\$615,000	\$645,000					\$684,500	\$630,250	\$690,000	\$643,167	\$652,396
\$700,000 - \$799,999			\$795,000		\$745,000				\$725,000	\$739,000	\$746,250
\$800,000 - \$899,999	\$859,000			\$820,000		\$850,000	\$847,500	\$825,000		\$860,000	\$819,000
Average	\$188,022	\$171,951	\$165,890	\$166,466	\$154,766	\$179,901	\$173,869	\$189,105	\$200,068	\$231,055	\$241,476

Source: Kerrville Board of Realtors and Brinkman Commercial

The average sold price in 2018 was \$241,476, an increase of 28% since 2008 and a 34% increase since 2013. Due to a shortage of new supply in diverse price ranges the prices of existing and new single family homes valued at \$200,000 and below has increased upward price pressures that make their value increase above what they likely are actually worth. The same is true for rental housing as well.

As previously stated, home prices greater than \$180,000 are not attainable to about half of the households in Kerrville as of 2017 and many local workers making the 2018 average weekly wage for the County of \$942, which translates to an annual income of \$48,984, which then translates to a maximum affordable home price of \$200,000.

**Table 74: Kerrville MLS Home Sales, 2019**

Price Range	Count	Sum Price	Avg. Price	Median Price	Average DOM
\$0 - \$99,999	8	\$508,500	\$63,563	\$66,750	37
\$100,000 - \$199,999	87	\$14,122,501	\$162,328	\$164,500	88
\$200,000 - \$299,999	111	\$27,015,055	\$243,379	\$240,000	86
\$300,000 - \$399,999	36	\$12,602,700	\$350,075	\$348,000	100
\$400,000 - \$499,999	11	\$4,976,800	\$452,436	\$455,000	141
\$500,000 - \$599,999	10	\$5,369,000	\$536,900	\$533,750	84
\$700,000 - \$799,999	3	\$2,288,840	\$762,947	\$755,000	160
<b>Total</b>	<b>266</b>	<b>\$66,883,396</b>			
<b>Averages</b>			<b>\$251,441</b>	<b>\$226,750</b>	<b>90</b>

Source: Kerrville Board of Realtors and Brinkman Commercial, as of August 2019

The table above displays home sales in Kerrville so far in 2019. As can be seen the median price has risen to \$226,750 for homes sold so far this year with an average of \$251,750.

Just 36% (95) of all home sales were in the two most affordable price ranges \$200,000 and below. Moreover, the amount of those homes that were move in ready and went to local worker households appears very likely to be a small share of those sales. This can be inferred by the admission of local agents and single family rental managers who stated that this price range of homes in the past several years have been purchased increasingly by investors looking to rent single family homes to tenants.

This has the potential to push for-sale and rental prices up while not creating net new for-sale units at the same or greater rate. This crowds out ownership opportunities for local workers for the most livable and affordable homes in the City. One interview stated that an investor bought almost every home on the market for a two-month period priced \$200,000 and below in 2018. Plus, the number of vacation or second homes and retirees buying homes in Kerrville has become an increasing aspect of the home buying market in the City for the past several years as well.

**Table 75: Kerrville MLS Homes Listed for Sale, August 2019**

Price Range	Count	Sum Price	Avg. Price	Median Price	Average DOM
\$100,000 - \$199,999	13	\$2,279,600	\$175,354	\$179,900	57
\$200,000 - \$299,999	59	\$15,205,150	\$257,714	\$259,350	62
\$300,000 - \$399,999	38	\$13,519,683	\$355,781	\$349,700	61
\$400,000 - \$499,999	10	\$4,533,800	\$453,380	\$454,450	86
\$500,000 - \$599,999	7	\$3,795,400	\$542,200	\$549,000	101
\$600,000 - \$699,999	1	\$695,000	\$695,000	\$695,000	145
\$700,000 - \$799,999	5	\$3,842,900	\$768,580	\$759,000	190
\$800,000 - \$899,999	1	\$874,000	\$874,000	\$874,000	94
\$900,000 - \$999,999	1	\$999,999	\$999,999	\$999,999	176
<b>Total</b>	<b>135</b>	<b>\$45,745,532</b>			
<b>Averages</b>			<b>\$338,856</b>	<b>\$297,500</b>	<b>72</b>

Source: Kerrville Board of Realtors and Brinkman Commercial, as of August 2019

The table above presents the MLS homes listed for sale in Kerrville as of August 2019.

The median list price is \$297,500 and the average list price is \$338,856 well greater than the maximum affordable price of \$200,000 to \$180,000 and below affordable for the 2018 County average weekly wage of \$942 (\$48,984) and the 2017 median household income for the City of \$44,113.

Only 10% (13) of current sale listings are in the \$100,000 to \$199,000 price band. This means that if the 13 available homes for sale in this price band do not fit a households needs or budget (many existing homes in Kerrville require anywhere from \$5,000 to \$60,000 in upgrades) then the potential buyer will likely seek housing elsewhere or seek rental housing in the very full (in the upper 90% occupancy citywide) multifamily or single family rental market. This scenario provides a glimpse of perhaps part of the reason 66% of Kerrville workers reside outside of the City.

Brinkman Commercial also examined MLS sales data from September 2016, 2017 and 2018 focusing on only 2-story, 2-story master bedroom on first floor, 2-story master bedroom on top floor, and single-story home sales as well as days on market.

The data revealed that from 2016 to 2018 there were 1,540 single-story homes sold and 186 total 2-story homes sold (137 master on first floor sales and 49 master on top floor). There was no difference in average days on market between master on first and master on top floor 2-story home sales. Moreover, 2019 data as of September showed 26 active 2-story homes listed while 131 active single-story homes were listed.

This shows a lack of supply of 2-story homes in the market and an opportunity to increase density with more vertical, single family housing.

## **Kerrville Affordable Single family Demand**

Estimation of affordable home purchase prices is more involved than for rental housing, and requires additional assumptions regarding the type of mortgage, interest rates, property taxes, and other expenses such as property insurance.

As of 2019, the vast majority of first-time home buyers in moderate price categories are utilizing programs such as Federal Housing Administration (FHA) mortgage insurance, which reduces the required down payment to as low as 3.5% of purchase price.

The following tables describe an FHA mortgage scenario and other assumptions to arrive at the income levels needed for an estimated monthly housing cost below the 30% standard. The calculations indicate that a first-time home purchase for households with incomes under \$37,000 is likely unrealistic. Also, this analysis does not consider that potential buyers may have other current debt that effectively reduces their qualifying income.

### *Assumptions*

#### **Tax Rates**

Taxing Entity	2018-19
City of Kerrville	\$0.55140
Kerr County	\$0.48270
Kerr County Lateral Roads	\$0.03230
Kerrville ISD	\$1.18000
UGRA	\$0.02283
Headwaters Groundwater Conservation District	\$0.00740
<b>Total</b>	<b>\$2.276630</b>

Down payment	3.50%	of home price
Closing costs	4.00%	of home price
FHA UFMIP	1.75%	of loan amount
Annual mortgage insurance	0.85%	of loan amount
2019 Avg. Mortgage rate (78028)	3.770%	per year
Mortgage term	30	years
Insurance	\$1,500	per year
Affordability standard	30%	of gross income

Table 76: Affordable For-Sale Home Price Calculation (FHA Mortgage)

Home price	\$150,000	\$175,000	\$200,000	\$225,000	\$250,000	\$275,000	\$285,000	\$300,000	\$325,000	\$350,000
Down payment	\$5,250	\$6,125	\$7,000	\$7,875	\$8,750	\$9,625	\$9,975	\$10,500	\$11,375	\$12,250
Closing costs	\$6,000	\$7,000	\$8,000	\$9,000	\$10,000	\$11,000	\$11,400	\$12,000	\$13,000	\$14,000
Total up-front costs	\$11,250	\$13,125	\$15,000	\$16,875	\$18,750	\$20,625	\$21,375	\$22,500	\$24,375	\$26,250
FHA Loan amount	\$147,283	\$171,830	\$196,378	\$220,925	\$245,472	\$270,019	\$279,838	\$294,566	\$319,113	\$343,661
Monthly mortgage	\$690	\$805	\$919	\$1,034	\$1,149	\$1,264	\$1,310	\$1,379	\$1,494	\$1,609
Monthly MIP	\$104	\$122	\$139	\$156	\$174	\$191	\$198	\$209	\$226	\$243
Monthly home insurance	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125
Monthly taxes	\$28	\$18	\$20	\$23	\$25	\$28	\$29	\$30	\$33	\$35
Total PITI with MIP	\$947	\$1,069	\$1,204	\$1,339	\$1,473	\$1,608	\$1,662	\$1,743	\$1,878	\$2,013
Required monthly gross income	\$3,158	\$3,563	\$4,012	\$4,462	\$4,911	\$5,361	\$5,541	\$5,810	\$6,260	\$6,709
<b>Required annual income</b>	<b>\$37,894</b>	<b>\$42,755</b>	<b>\$48,148</b>	<b>\$53,542</b>	<b>\$58,935</b>	<b>\$64,329</b>	<b>\$66,486</b>	<b>\$69,722</b>	<b>\$75,116</b>	<b>\$80,509</b>
Hourly wage equivalent @ 2,080 hours	\$18.22	\$20.56	\$23.15	\$25.74	\$28.33	\$30.93	\$31.96	\$33.52	\$36.11	\$38.71

Note: Hourly wage rate based on 2,080 hours/yr.

The 2017 ACS 5-Year data provided in earlier sections of this report showed that in Kerrville 30% (2,970) of all households (renters and owners) were housing cost burdened (paying 30% or greater of income on housing costs).

Approximately 23% (1,343) of owner-occupied units are housing cost burdened. Furthermore, owner-occupied households earning \$49,999 and below annually constituted an estimated 19% (1,111) of all owner-occupied households 11% of total households in Kerrville.

Also, 1,724 owner-occupied units make \$35,000 or below (29% of owner-occupied units and 18% of all households); the above FHA model shows that such income levels would be very difficult to qualify as first-time buyers, because the attainable purchase price of homes would need to be at levels the market currently shows a significant shrinking supply of.

The share of homes sold in Kerrville priced \$99,999 and below represented only 3% of all homes sold in 2018 and those priced \$100,000 - \$199,999 represented 37% of all homes sold in 2018.

The ACS data also showed that for households making \$75,000 or more, only a very small amount would be considered cost-burdened at the 30% standard. So, an estimate of the magnitude of affordable for-sale housing needs will focus on households with incomes from \$49,999 and less annually, who constitute the bulk of the lower half of the “middle class” (median household income in Kerrville in 2017 was estimated to be approximately \$44,113).

It should be noted that less conventional models such as small-unit low-rise condominiums, the manufactured home and mixed-tenure model and mixed owner-renter duplexes (where the rental unit income can count toward mortgage qualification) could be residential development products that provide a more feasible pathway into affordable home ownership for household incomes \$35,000 and less. The creation of only 8 units of duplex, triplex or fourplex in the past 10 years along with very high occupancy of existing product of this type means that pent up demand for these products should realize absorption of new units. These products were not a focus of this analysis, though further investigation of them as a future affordable option may be warranted and zoning, building and fire codes may need adjustment in order to make enough new supply to satisfy demand for more affordable housing types.

## For-Sale Supply – Homes in Affordable Price Ranges

### Existing housing

The MLS data shows that 701 homes in Kerrville were sold in the past two years in the three most affordable price bands.

**Table 77: Kerrville MLS Sales Volumes in Lowest Price Ranges, 2017-2018**

Price Range	# of Sales
\$0 to \$99,999	30
\$100,000 to \$199,999	357
\$200,000 to \$299,999	314
<b>Total</b>	<b>701</b>

Source: Kerrville Board of Realtors

The ACS estimated that the number of cost-burdened owner households in 2017 in Kerrville is as follows, associated with the maximum home price these households could pursue without being cost-burdened:

**Table 78: Estimated Kerrville Affordable For-Sale Housing Need by Income Range, 2017**

Income Range	# Cost-Burdened Households	Home Price Range Needed
\$20,000 to \$34,999	295	Under \$150,000
\$35,000 to \$49,999	140	Under \$200,000
\$50,000 to \$74,999	120	\$200,000 - \$300,000
<b>Total</b>	<b>555</b>	

Source: US Census Bureau American Community Survey 2017 5-Year Estimates

These estimates would likely be underestimated for 2019 and the near future, for the following reasons:

- Home prices continued escalating after 2017, while incomes likely did not keep pace.
- The overall population, households and jobs of Kerr County and Kerrville also continued to increase since 2017.

The Department of Housing and Urban Development, and Texas Department of Housing and Community Affairs sets regulations that apply to income restricted housing funded through various state and federal programs such as 4%, and 9% tax credits, Tax-Exempt Bonds, HOME/TCAP RF, NSP, State Housing Trust Fund, and National Housing Trust Fund.

A subsidized housing development utilizing these funding programs in Kerr County would be limited to the TDHCA's 2019 Area Median Family Income of \$57,700. This means that a family in Kerr County would require a family income of \$57,700 or less in order to qualify for housing using these standards. The table below shows the family income limits by number of household members as well as the correlating percent of the Area Median Family Income. Any household with a family income greater than the incomes shown in the table would not be allowed to qualify for housing under these programs.

**Table 79: Texas Department of Housing and Community Affairs Income Limits  
(As of 8/6/2019)**

AMFI %	Number of Household Members							
	1	2	3	4	5	6	7	8
20	\$8,220	\$9,400	\$10,580	\$11,740	\$12,680	\$13,620	\$14,560	\$15,500
30	\$12,330	\$14,100	\$15,870	\$17,610	\$19,020	\$20,430	\$21,840	\$23,250
40	\$16,440	\$18,800	\$21,160	\$23,480	\$25,360	\$27,240	\$29,120	\$31,000
50	\$20,550	\$23,500	\$26,450	\$29,350	\$31,700	\$34,050	\$36,400	\$38,750
60	\$24,660	\$28,200	\$31,740	\$35,220	\$38,040	\$40,860	\$43,680	\$46,500
70	\$28,770	\$32,900	\$37,030	\$41,090	\$44,380	\$47,670	\$50,960	\$54,250
80	\$32,880	\$37,600	\$42,320	\$46,960	\$50,720	\$54,480	\$58,240	\$62,000
120	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Source: Texas Department of Housing and Community Affairs Rent and Income Limits (As of 8/6/2019)

The maximum home value for owner-occupied/for-sale units for Kerr County is \$188,000 for existing home HOME Purchase Price/After Rehabilitation Value Limit.

The maximum home value for owner-occupied/for-sale units for Kerr County is \$227,000 for new home HOME purchase price limit.

## **Kerr County Single family Building Permits**

Table 80 below shows single family residential building permits in Kerr County from 1980 to 2018 and provides a timeline of residential building permits in the County along with the amount, price and change.

There was a total of 2,694 single family building permits since 1980.

The peak for permits was 151 in 1994.

Since 2008 there were 572 single family permits issued, an average of 52 per year in that span.

Previous MLS sales data shows that since 2008 Kerrville had a total of 3,884 sales, an average of 353 single family detached home sales per years and about 30 home sales per month.

**Table 80: Kerr County Single family Detached Building Permits, 1980-2018**

Date	Number of Dwelling Units	Percent Change	Average Value (\$ per Dwelling Unit)	Percent Change
1980	63		\$52,600	
1981	64	1.60%	\$54,400	3.40%
1982	76	18.80%	\$60,100	10.50%
1983	136	78.90%	\$61,200	1.80%
1984	124	-8.80%	\$60,900	-0.50%
1985	69	-44.40%	\$76,900	26.30%
1986	62	-10.10%	\$85,000	10.50%
1987	54	-12.90%	\$39,600	-53.40%
1988	31	-42.60%	\$80,600	103.50%
1989	46	48.40%	\$79,700	-1.10%
1990	43	-6.50%	\$92,100	15.60%
1991	49	14.00%	\$80,200	-12.90%
1992	63	28.60%	\$92,100	14.80%
1993	119	88.90%	\$91,600	-0.50%
1994	151	26.90%	\$98,100	7.10%
1995	107	-29.10%	\$97,700	-0.40%
1996	110	2.80%	\$100,900	3.30%
1997	74	-32.70%	\$129,300	28.10%
1998	69	-6.80%	\$120,700	-6.70%
1999	90	30.40%	\$143,400	18.80%
2000	79	-12.20%	\$117,700	-17.90%
2001	74	-6.30%	\$139,100	18.20%
2002	89	20.30%	\$163,400	17.50%
2003	88	-1.10%	\$157,900	-3.40%
2004	104	18.20%	\$155,000	-1.80%
2005	88	-15.40%	\$197,000	27.10%
2006	0	-100.00%	\$0	-100.00%
2007	0	0.00%	\$0	0.00%
2008	69	0.00%	\$211,500	0.00%
2009	46	-33.30%	\$211,500	0.00%
2010	41	-10.90%	\$211,500	0.00%
2011	41	0.00%	\$211,500	0.00%
2012	46	12.20%	\$200,500	-5.20%
2013	51	10.90%	\$211,500	5.50%
2014	65	27.50%	\$460,200	117.60%
2015	63	-3.10%	\$249,800	-45.70%

Date	Number of Dwelling Units	Percent Change	Average Value (\$) per Dwelling Unit	Percent Change
2016	60	-4.80%	\$187,500	-24.90%
2017	40	-33.30%	\$231,800	23.60%
2018	50	25%	\$218,300	-5.80%
<b>Total</b>	<b>2,694</b>	-	-	-

Source: The Real Estate Center at Texas A&M University

## Future Single family Construction

There are several local active single family builders and housing developments in Kerrville with a grand total of nearly **748** single family lots in varying points in the development pipeline.

### Comanche Trace

Comanche Trace is a 1,300-lot subdivision with a golf course, country club and restaurant and other community amenities offering luxury single family attached and detached homes. There are currently 700 lots on the ground with 600 sold. At the time of this report there were **30** homes in varying phases of construction with **45** more planned to start in the next 12 months. It is located on the southwest edge of town, not adjacent to the downtown or any other core neighborhoods, retail, shopping or entertainment.

For-sale units located in the garden home section feature patio and garden homes on 55 to 60-foot lots range from 1,800 to 2,600 square feet.

Overall, homes in Comanche Trace vary in size from 1,800 to 6,000 square feet and have sale prices from \$260,000 to \$2,000,000+ with 95-foot lot widths for single family homes and 130-foot lot widths for estates. Homes and amenities in Comanche Trace make it a very affluent and exclusive single family housing development.

This development completes a range of 60 to 100 transactions per year and has been mostly 65 and older home buyers that have absorbed an estimated 70% of the homes in Comanche Trace. Though this development appears very successful and well done, the price point for homes are more than what local Kerrville worker households can afford and therefore does not satisfy the demand for housing affordable to current and future worker households, unless new job growth at significantly higher wages occurs, which there was no indication of in the near future.

### Tango Homes

Tango Homes has built an estimated 85 homes in the past five years in Kerrville, an average of 17 per year. The residential target market for Tango Homes lies in the \$250,000 and lower range, which perfectly fits into current and likely future worker household demand segments, especially for those with families and children. Most homes range from 1,150 sf. to 1,850 sf. and construction that has been completed on 45 foot lots has been extremely successful. Much of their development has occurred in the Sendero Ridge subdivision as well as other areas within the City.

As of July 2019, there were 11 homes by Tango Homes on the ground in different phases of construction, sales and marketing with most in the \$350,000 to \$550,000 price range. The builder cited a lack of supply of lots available to build to the lower price points in greatest demand in Kerrville.

Future plans at the time of this report were focused on acquiring a tract of land for development of 49 single family lots.

### TPage Construction

Page Construction came to Kerrville in the past several years and has plans to begin its first major project in the City on Meeker Street.

The project plans entail a 10.175-acre site with **35** total homes at final build out ranging from 1,100 sf. to 1,400 sf. on 50-foot lots with a planned initial list price of \$176,000 to \$224,000. The feasibility of this

particular project was stated to be linked to the reasonable price asked for the land as well as assistance from Kerrville Economic Development to defray utilities costs to the 10.175-acre site.

Other land opportunities were cited as possible, yet it was clear that land acquisition costs for future development other than the 10.75 acres will likely end up being priced in the \$250,000 and up range due to the current asking price of \$1,200,000 on an additional 52-acre site for additional potential future for-sale lot development which may be too high to keep home sale prices in the \$200,000 and below range.

#### Vintage Hills Estates

Vintage Hills Estates are currently underway on a 225-acre site located on the east side of SH 16 South (Medina Hwy) near Riverhills, within the City limits.

The current plat was recently submitted to the City within the last few weeks. Phase I development plan will be **280** lots, 45' x 120'. There has been interest from the major home builder DR Horton to purchase all of the lots to build – the builder actually approached the local group which adds a layer of confidence for the Kerrville market if demand is such that a major developer believes they can have sufficient absorption for a 280-lot development. A Phase II may be feasible but at the moment has not been determined definitively but would likely include **220** lots assumed to be 45' x 120' as in Phase I.

DR Horton plans would involve entry-level priced homes ranging from \$180,000 to \$220,000 predominately 1,500 – 1,800 square feet but going up to 2,000 sq.ft. Negotiations are underway with adjacent Riverhills to get residents access to the pool / rec center, but if that agreement cannot be reached a community pool / rec center will likely be built.

The plans for this project appear to be flexible depending on potential developer agreements with the City. The specs described here were as of early Summer 2019.

Financial assistance from the City for infrastructure costs may be needed in order to ensure new single family entry level homes are affordable to local workforce households.

In addition to local Kerrville workforce demand, housing supply shortages in surrounding cities in the region like Fredericksburg are so short of this kind of housing that additional absorption is believed to be likely from those markets.

#### The Meridian

This development is similar to Comanche Trace in that it serves higher end single family home buyers and, unlike Comanche Trace, is gated and is age restricted to 55 and older purchasers only. It is located on the northeastern quadrant of the City.

The gated development features 120 total age restricted lots with 32 lots sold with occupied homes and It appears that **88** undeveloped lots are currently for sale at prices greater than \$200,000, according to online sales listing information and the development's website.

Just outside The Meridian entrance gate townhome and garden home lots are being developed. Although CDS could not attain definitive data on the development it appears that **21** garden homes are being planned with prices that could be in the \$200,000 range but will likely exceed \$200,000 once sales begin to take place. It could not be ascertained whether these units plan to be age restricted or not.

## Single Family Development Environment

Lot costs and infrastructure are the top two cost related barriers in Kerrville facing home builders seeking to serve the \$150,000 to \$200,000 price range.

Lot costs have steadily risen over the past five years as the average lot price has gone up from \$10,000 to in some cases no \$40,000 and up for one infill lot.

Builders quoted one infill lot that was inquired on that was asking \$20,000. Less than a year later when inquiring again the seller was then asking \$40,000 for the same infill lot. Lot prices were quoted as of July 2019 to be in the \$40,000 range with some reaching up to \$60,000 to \$100,000 for the lot only.

Average infrastructure costs quoted from several different local builders in Kerrville was in the \$500 to \$600 dollars per foot range.

Builders with a focus on trying to create new infill single family development appear to require financial assistance on infrastructure and lot costs in order to feasibly price new infill single family homes for sale in the \$150,000 to \$200,000 range.

Also, tap fees, impact fees, inspection, building permit and other fees as well as code review while not a great barrier or negative issue, according to local builders, could have some further improvement in terms of consistency, although no one stated the City as a primary barrier. Local builders and developers in Kerrville do interact from time to time and when one hears that the other had an easier time with permitting or inspections it tends to create frustration that it is more discretionary than consistent depending on who the builder or developer is.

The time span related to some cases of permitting and inspection was also cited as in some cases it has increased the builders' carrying cost by waiting another week or month for the next inspection or approval. For example, if a window size is found to be too small and then requires 10 days of review before it can be approved after citation it forces extensions on land contract options which costs the builder money and ends up being passed to the consumer.

In other cases, inconsistency in the approval and pre-development process was cited as paying for an engineering study and it not being completed after three weeks with no follow up from the City. Or a desk review approved then later not being approved by the City which caused \$5,000 of earnest money to be lost on a land contract option.

**Figure 81: New Single Family Home Construction**

The picture above shows a 2 bed, 2 bath Tango Home built in the past several years which sold for \$175,000. This is precisely the type of new single family home construction that should be facilitated and encouraged by the City. Kerrville worker households and first-time entry-level home buyers are begging for more of this type of single family product. This home was sold before it even began construction when an interested customer was desperate for a home and saw the drawings on a desk and said, "I will sign a contract for this home right now on the spot". Again, the home had not even begun construction when it was purchased.



The home pictured above is another example of new single family homes that have been proven to be affordably built and sold in the \$200,000 and below range. This home does not have a garage which is a great design component which allows for lower construction cost and therefore lower sale price.



This sort of housing type and design would likely be very successful in an infill setting, in an established neighborhood where utilities and infrastructure already exist, perhaps on a blighted or vacant lot.



The picture above shows a new home under construction in Comanche Trace. These homes are not suited for local Kerrville worker households due to their typical list price in the very high \$200,000's to \$300,000 and more price range. Only about one third of the homes in Comanche Trace have been purchased by non-retirees. This does not serve well as a model for new single family worker household development since the upscale finishes, design, large lot and wide lot lines between homes inherently increases the cost to build and therefore raises the sale price above what local workers can afford.



Above, along with the next four pictures are examples of new, dense single family infill construction in long established core neighborhoods in Houston, Texas. The lot above prior to this construction had only one home on it which was blighted, demolished and allowed to be rebuilt with two homes turning one lot with one home into two lots with two homes. This sort of method can allow for more single family housing in the same square feet as one used to be as long as lot minimums, setbacks and lot lines are flexible to allow this sort of construction.



The picture above shows another example of brand-new single family infill in Houston. As can be seen in the picture, the tight lot lines allow for increased efficiency in constructing infrastructure and utilities as well as less land acreage, which can lead to lower priced homes as well as fitting more homes on what was previously one large lot with one large home. One important note to be considered, this is being built next door to an Alzheimer's Clinic which shows that new construction technology can mitigate perceived nuisances related to dense single family housing and allow for more residential density even in neighborhoods that historically have been large lot, large home strict single family zones.



Another example of the increased efficiency that can be had when zoning and other regulations allow for dense single family development. When builders must pay \$500 to \$600 per foot of utilities and infrastructure, putting them in tighter spaces can lower the amount of feet of utilities and lower the cost to the builder.



The finished single family product looks like the picture to the left. In this case 12 brand new single family housing units now sit in place of previously only one or two large lot single family homes sat. This sort of single family housing density can be built at a more basic level, with less square footage, no rooftop patio spaces, affordable materials, basic finishes and no garage in order to keep the price more affordable to worker households.

### ***Role of competition from retirees and vacationers***

Residents age 65 and over account for nearly 30% (6,938) of the 2019 Kerrville estimated population of 24,037. The largest age cohort in Kerrville in 2019 was the 65 to 74 cohort with 14% (3,434) of the population followed by age 55 to 64 representing an estimated 13% (3,055) of total population.

The household estimates from 2017 ACS data for Kerrville showed 65 years and older households accounted for 42% (4,122) of all households in the City. Also, 2017 estimates revealed that 65 years and over householders accounted for 55% (3,245) of all owner-occupied households and 22% (877) of all renter-occupied households in the City. Of renter-occupied householders 65 and over 11% (430) were housing cost burdened and 12% (733) of owner-occupied householders 65 and over were housing cost burdened.

This data shows that 65 and older residents play a significant role in the Kerrville housing market accounting for an estimated 55% share of single family home ownership. Furthermore, the data shows that 65 and over householders have low levels of housing cost burden with a total of 1,163 65 and over householders, an estimated 12% of total households in 2017.

One of the largest and most active single family home developments in the past several years in Kerrville has been Comanche Trace and have quoted an average range of 60 to 100 transactions per year with an estimated 70% of those sales going to 65 and over householders.

Vacationers are a much more difficult subset of the housing market for data gathering and the scope of this report did not allow for deep analysis of such information. However, there were a total of 90 residential rental units listed across the two most popular vacation home rental websites at the time of this report. In addition to that are vacation homes that are owned but not rented out. The amount and share of homes this constitutes could not be ascertained given the scope of this report. Nevertheless, local real estate agents as well as single family rental property managers and landlords all cited that the presence of vacation / second home purchasers do exist and seems to be growing. But, one aspect that was certain was the increasing presence over the past three years of professional investor buyers in the single family rental market in Kerrville. One shocking anecdote was that one investor had purchased nearly every home in Kerrville priced \$200,000 and below for a 2-month period to become single family rentals. Furthermore, it appears that the vacation rental market has already been embedded in the Kerrville housing market. One property manager cited a rental property underway being converted into a full time Airbnb rental unit.

With the evident existing and growing popularity of Kerrville and nearby Fredericksburg as a vacation and tourist hot spot, single family whole or partial homes used for vacation rentals likely will only increase unless there are short-term rental ordinances to permit, track and regulate the presence and share that whole home and partial home rentals play in the market.

All things considered, with a shortage of market rate and affordable types of multifamily rental units and new single family housing production affordable to local workers, any single family home bought by retirees, as a second vacation home and/or whole home vacation rental takes away housing from local Kerrville workers. For Kerrville to remain and grow as a retirement and vacation community there must be housing available locally priced to local worker wages and household incomes.

## DEMAND / SUPPLY ANALYSIS

### Estimating Demand From Workforce

#### *Current*

Total housing demand estimates of current pent up demand from the Kerrville workforce could be up to **3,046** units. This derives from past data but provides the best look at existing demand from the local workforce.

The data points used to derive this figure was based on a conservative one third (1,038) of the 2015 estimate of Kerrville workers living greater than 50 miles from the City, 2017 ACS estimates in Table 60, Table 77 and Table 78 of 752 cost burdened renter households, 555 cost burdened owner households and 701 homes sold in Kerrville in the past two years in the two most affordable price ranges (\$0 - \$99,999 and \$100,000 - \$199,999). This equates to 3,046 total units. The mix of household types (renter or owner) for those living greater than 50 miles cannot be ascertained but a conservative estimate applying 50% would mean 519 renter households and 519 owner households for a total demand of **1,271** rental units and **1,775** for-sale units.

According to LEHD 2015 data 8,065 (66%) of Kerrville's 12,140 workers were estimated to live outside of the city limits. Many of these 8,065 workers outside the city limits still reside in Kerrville's 78028 zip code or other surrounding zip codes less than 10 miles and 10 to 24 miles away.

Those groups of workers are not as likely to relocate within the city limits if a greater supply of housing is created because they already live close enough. But, the group of workers residing 25 to 50 miles and 50 miles and greater are more likely to take advantage of relocating to be closer to their Kerrville employment to cut down on transportation time and costs. Conceivably, a portion of these workers are splitting commute times with their spouse or family member where one works in Kerrville and the other in a neighboring counties, cities or metros and may not be as likely to move to Kerrville.

Table 36 shows that 3,463 Kerrville workers as of 2015 lived greater than 50 miles from the City. If only one third of those workers living greater than 50 miles was due to housing supply and/or price challenges that would be a total of 1,038 local worker housing demand.

CDS estimates there are currently around **748** single family lots in various phases of development at the time of this report in the development pipeline in Kerrville.

*Future*

Table 82 below provides three separate regional household and job growth scenarios. CDS examined annual regional change of households and employment using U.S. Census Bureau American Community Survey 5-Year household data along with QCEW 2Q average employment data from 2013 to 2017 in order to determine the net new household to job creation ratio. This calculation offers a macro-scale perspective of net new Kerrville household growth rates as a percent of jobs added utilizing the rates experienced by the three separate MSA's in Texas from 2013 to 2017.

The ratios in the table were then multiplied by 315, the number of net new jobs in Kerrville projected over the next 24 months. The result establishes the number of net new worker household demand that Kerrville could expect to experience based on the three varying scenarios.

Based on these calculation Kerrville can expect anywhere from 151 to 91 new worker households. This would not include new non-worker households such as retirees or vacation/recreation households. Also, these calculations do not consider new worker households that could be created from existing business expansions. Therefore, the net new job and household projections in this and the following table are very conservative and could very likely exceed the 151 to 91 net new worker household demand.

**Table 82: Projected Kerrville Net New Worker Household Scenarios**

	Austin - Round Rock	Dallas - Fort Worth - Arlington	San Antonio - New Braunfels
<b>Kerrville Anticipated Job Growth 24+ Months</b>	315	315	315
<b>2013-2017 Households Added Per Job Added Ratio</b>	0.48	0.43	0.29
<b>Net New Kerrville Worker Household Demand</b>	<b>151</b>	<b>134</b>	<b>91</b>

Source: U.S. Census Bureau; American Community Survey 5-Year Estimates, QCEW 2Q, CDS calculations

Table 83 below provides net new Kerrville worker household demand using a 1:1 ratio of net new households added per net new job added. The same conservative 315 net new job creation number was utilized just as the previous calculation table. This calculation sets out a micro-scale perspective of net new household growth rates as a percent of jobs added based on a 1:1 net new household to net new job ratio.

The 315 net new jobs were distributed based on the projected number of positions and the correlated 2018 Kerr County average weekly wage which was then extrapolated into monthly and yearly wage for the differing industries and occupations the jobs are predicted to occupy. Furthermore, the next two columns in the table detail the affordable maximum monthly rent and/or affordable home price these jobs could support.

According to the calculations Kerrville could expect 315 net new worker households using the 1:1 ratio of household to jobs. This calculation does not include new non-worker households such as retirees or vacation/recreation households or new worker households that could be created from existing business expansions. Therefore, the net new job and household projections in this table could be considered conservative as additional net new household and/or job growth would exceed 315 net new households.

**Table 83: Net New Kerrville Worker Household Demand and Affordable Rent/Home Price**

Net New Kerrville Jobs 24+ Months	Avg. Weekly Wage	Avg. Monthly Wage	Avg. Yearly Wage	Affordable Maximum Rent	Affordable Home Price
73	\$346	\$1,500	\$18,000	\$450	-
171	\$577	\$2,500	\$30,000	\$750	-
29	\$808	\$3,500	\$42,000	\$1,050	\$175,000
26	\$1,038	\$4,500	\$54,000	\$1,350	\$225,000
7	\$1,269	\$5,500	\$66,000	\$1,650	\$285,000
5	\$1,846	\$8,000	\$96,000	\$2,400	350,000+
2	\$2,769	\$12,000	\$144,000	\$3,600	350,000+
3	\$4,038	\$17,500	\$210,000	\$5,250	350,000+
<b>315</b>					

Source: CDS Calculations

Below is further elaboration of the predicted housing demand from the table above. The below bullet points detail the demanded number of units and correlated affordable maximum monthly rental and/or for-sale home price that Kerrville will experience based on the 315 net new jobs projected to be added in the next 24 months.

Next 24 months net new worker household creation demand and maximum rent/for-sale prices:

- 73 rental units at maximum affordable rent of \$450 per month
- 171 rental units at maximum affordable rent of \$750 per month
- 29 single family homes or rental units at maximum affordable price of \$175,000 or \$1,050 per month
- 26 single family homes at maximum affordable price of \$225,000 or \$1,350 per month
- 7 single family homes at maximum affordable price of \$285,000
- 10 single family homes at maximum affordable price of \$350,000+

## Estimating Supply Shortfalls / Development Needs

### *Current*

**Rental** – According to CDS estimates based on a conservative assumed 50% capture rate of 519 workers 2015 LEHD worker commute distance of 50 miles or greater, plus 2017 ACS estimates of 752 cost burdened renter households equates to current worker household demand of **1,271** rental units.

**For-Sale** – According to CDS estimates based on a conservative assumed 50% capture rate of 519 workers 2015 LEHD worker commute distance of 50 miles or greater, plus 2017 ACS estimates of 555 cost burdened owner households, plus 701 homes sold in the past two years \$200,000 and below equates to current worker household demand of **1,775** for-sale units.

### *Future*

This section will briefly describe and give examples of housing types and price ranges that should be produced associated with the housing prices affordable to predicted new job growth Kerrville is expected to receive in the next 24 months.

New, conventional market rate multifamily construction cannot be built cheaply enough in any market to serve maximum affordable rental prices of \$450. CDS research in various smaller markets in Texas in addition to interviews with local Kerrville multifamily developers the lowest cost for new market rate multifamily rental units hovers in the range of \$1.15 to \$1.26 per square foot. This means that demand from net new jobs paying the lowest wages must be satisfied with non-market-based supply. This could take the form of new LIHTC rental unit supply, increased supply of new Accessory Dwelling Units (ADUs). However, other than new LIHTC multifamily supply no options provide for appropriate space for the lowest income groups with families unless Habitat For Humanity or related group, community land trust, land bank, affordable housing fund and affordable for-sale options are provided. Kerrville has solid experience with Habitat For Humanity, but CDS is of the opinion that sufficient opportunities and resources appear to exist in Kerrville that could be mobilized and leveraged to accomplish the goal of creating permanently affordable rental and for-sale housing units if the City made a deliberate decision to do so. There will be demand for approximately at least 73 net new renter households over the next 24 months from estimated job growth in the next 24 months.

The next demand segment from certain future job growth will be 171 net new renter households in the next 24 months with a maximum affordable rent of \$750 per month. As previously demonstrated new, conventional market rate multifamily will not be able to meet this demand. Therefore, other types of new rental units such as ADUs or LIHTC development would be suitable for this group of future workers. On the other hand, new supply of higher priced rental units could provide some vacancy to the already full existing multifamily properties which provide existing units at more affordable market rates.

CDS estimates approximately 29 single family homes at a maximum price of \$175,000 or rental units at \$1,050 per month and 26 single family homes at maximum affordable price of \$225,000 or rental units at \$1,350 per month. As previously indicated the full occupancy of existing multifamily units in Kerrville and surrounding counties and cities means that new higher priced conventional market rate multifamily rental units would likely suck a portion of existing multifamily households to upgrade which would free up currently occupied, lower priced units. Also, this future demand segment does have the ability at the moment to purchase a home with a maximum price of around \$175,000 which would support new first-time home buyer, entry level single family construction, likely of a denser, infill nature such as Tango.

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Homes' and Page Construction's planned development. The 26 single family home demand with a maximum price around \$225,000 could be satisfied with current single family housing models and/or newly developed housing types perhaps in a denser, infill nature or new greenfield development such as the planned Vintage Hills Estates or Tango Homes.

The highest paying future job growth will create estimated demand for 7 single family homes at maximum affordable price of \$285,000 and 10 single family homes at maximum affordable price of \$350,000+. Kerrville has shown the ability with new single family detached product like Comanche Trace, Tango Homes, or other smaller volume, custom builders in the area.

## KERRVILLE DEVELOPMENT ENVIRONMENT

The market for housing and the process of maintaining and creating housing in Kerrville operate within an overall public and private environment which impacts the locations, speed, cost, and types of housing available. CDS examined this environment to assess what elements might be hindering adequate supply of attainable housing and what elements might offer opportunities for increasing it.

### Challenges / Barriers

There are a number of factors in local housing markets that can create challenges or barriers to maintaining an adequate supply of attainable housing for the workforce. The extent the impacts for each one vary market to market. The general impacts in Kerrville are described below.

#### *Land Cost and Availability*

The real estate and home development community in Kerrville report that land costs in the Kerrville area have risen in recent years. Land prices will have a significant impact on the quantities and prices of housing needed to make development projects financially feasible. Because upscale retirees have such an influence in the Kerrville market, land prices often incorporate assumptions regarding expected high home prices associated with this market segment, which makes the financial feasibility of more moderately-priced home development more challenging.

However, there is some supply of developable land, including sites that would have relatively straightforward access to public water and sewer systems and have relatively gentle terrain. There are acreage tracts available that are under both private ownership and public or institutional ownership. In addition, there are infill sites that are vacant or suitable for redevelopment. Ultimately, while developable land availability may be more constrained than some suburban markets of larger metropolitan areas, CDS finds that it should not necessarily restrict housing development excessively in the near term, provided that potential owners are willing to make reasonable deals.

#### *Infrastructure / Land Development Costs*

Recent City of Kerrville investments in utility infrastructure, sometimes in partnership with developers, have improved the availability of sites with access to water and sewer lines. A significant constraint for sewer capacity is being addressed through the rehab of lift stations.

Nevertheless, internal infrastructure construction costs remain a major factor adding to the cost to develop “greenfield” sites for housing. Kerrville’s terrain and soil conditions (or lack of soil in many locations) make it more expensive to install infrastructure than other places outside the Hill Country. Gravity-flow sewer lines are not always possible throughout a specific site if slopes do not permit it, a situation which necessitates expensive lift stations. In addition to sewer issues, sloping land can require fill, retaining walls, or leveling for home sites which further adds cost.

Infrastructure and site development costs are a major up-front expenditure that must be recouped from home sales, so higher costs will directly impact the required home price.

## Regulatory / Permitting Issues

Regulations and the development / construction permitting process have the potential to add significant costs to new or rehabilitated housing. Some such costs, such as permit fees and impact fees, are direct charges to developers and builders. Other costs can come from physical design requirements (for example, requirements to use certain materials or built with certain techniques). Indirect costs to developers and builders can include the resources needed to generate required submittal materials, legal and administrative costs to prepare applications and navigate the permitting process, and the extra time that may be needed if multiple iterations of permitting, inspections, and approvals are required – time is money for developers and builders, especially if debt is being used to finance the project.

Fortunately for Kerrville, the developers and builders whom CDS contacted did not find that the City's regulatory and approval processes were causing significant housing cost increases at this point in time. However, given the housing affordability issues already present in Kerrville and other external forces that work to push up the cost of construction, public agencies such as the City need to ensure that their processes are working as efficiently and consistently as possible, because any undue costs to the developer or builder will serve to further push up housing prices.

## Construction Issues

In more isolated or rural markets, developers and builders may not be able to benefit from the lowered costs associated with a more competitive market for materials and skilled trades. Often in such markets, firms providing construction materials or services have enough power to engage in elevated or monopoly pricing, provided that they don't exceed the comparative cost to the buyer of bringing in materials and trades from a larger, more competitive market.

The developers and builders contacted by CDS indicated that this issue is not a major problem in Kerrville in terms of direct elevated costs, though costs are reportedly slightly higher than what they would pay within the San Antonio market. If anything, costs can come in the form of delays because local skilled trade contractors have considerable discretion as to which jobs they choose to devote their work days; general contractors cannot always rely on timely activity.

## Constrained Housing Types

By the 1960s and 1970s, when Kerrville was adding considerable amounts of new housing, the range of housing types being constructed narrowed from earlier decades. Single family detached for-sale homes and large apartment complexes became the dominant types as moderate-density products such as duplexes and small apartment buildings, previously not uncommon to construct, fell out of favor. Kerrville's zoning regulations may have also forced or at least encouraged this narrowing of housing types. Some diversification began occurring again in the 1980s and afterward, with the introduction of a few attached duplexes, rowhouses and patio homes, but the overall mix is less diverse than what was being built earlier in the 20<sup>th</sup> century.

The impact this narrowing had was to force housing prices to reflect what was financially feasible to build for these more dominant types. For rental housing in particular, new housing had to target the top of the market because large apartment complexes have land and construction costs that mandate higher rents to generate a sufficient financial return; large multifamily projects for moderate-income renters are generally not financially feasible. To the extent that the development and building industries

in Kerrville minimize housing type diversification, the price ranges of new housing supply are also being limited.

Furthermore, the profitability of upscale single family home development targeted to affluent retirees relative to other more moderately priced for-sale housing types has caused the local homebuilding industry to focus on that market segment. Nevertheless, there are a few builders who are more interested in entry-level product, despite the financial challenges; but they are local builders whose capacity to produce significant quantities of homes in a short period of time is questionable. This stands in contrast to large scale builders who take on single family developments with hundreds of lots in larger metro markets such as San Antonio and whose products may be less individually distinctive, but are familiar to and accepted by entry level buyers.

### ***Buyer / Renter Qualification***

The characteristics of the Kerrville workforce lead to some typical patterns of qualification for certain groups seeking to buy their first home or move into a rental unit. Moderate-income potential home buyers will almost always have to use mortgage financing and may have credit history issues or difficulty in producing the needed cash for down payment and closing costs. For those who try to mitigate these problems by using federal mortgage programs such as FHA, VA or USDA, the associated mandatory appraisals and/or inspections can lead to required repairs on a home before purchase. Older homes may be what an entry-level buyer can primarily afford, so their condition can end up blocking the sale to such buyers. This allows all-cash buyers, such as investors or in some cases retirees, to have greater access to the “fixer-upper” existing home market. Furthermore, entry-level buyers with mortgages have more paperwork to complete and thus require more patience from the seller relative to cash buyers.

For renters, most professionally managed properties, whether apartment complexes or single family / investor rentals, require a steady income that is a multiple of monthly rent. This multiple is generally 2.5 or 3.0. Many landlords also require adequate credit and leasing history and may also reject renters with some criminal history. Some segments of the Kerrville renter population, though they are either employed or looking for work, will have difficulty meeting these requirements. A notable component of this market consists of the “graduates” of the rehab / recovery centers in the area who have chosen to remain in Kerrville. They have reportedly become a key source of labor for Kerrville’s retail, dining, and hospitality industries, but will likely not be able to meet the landlords’ screening requirements. Also, low-wage workers (such as retail and hospitality workers) may be able to income-quality by finding a roommate, but some landlords discourage the pairing of unrelated roommates to meet qualifications because of potential future problems arising from one roommate having to move out.

## Opportunities / Strengths

While real challenges and barriers are present in the Kerrville market that deter adequate supply of attainable workforce housing, the area also has opportunities and features which could offer meaningful support for addressing demand / supply imbalances.

### New Development Code

As the City of Kerrville is in the process of modernizing its land use and development regulations, including zoning, it can ensure that needed workforce housing types are not excluded from areas where their development would be feasible. Furthermore, positive examples of historical “grandfathered” housing types exist in Kerrville’s neighborhoods that illustrate compatibility with surrounding development, which can inform such accommodations in the new code.

### Underutilized / Redevelopable Sites

As noted above, Kerrville has a supply of properties categorized as “infill sites”, meaning that they are surrounded by properties that have been developed for some time. These infill sites may be either entirely vacant or have vertical improvements that are either in poor condition or are no longer economically productive. Many of these sites represent good opportunities for future housing development, especially since they are situated in neighborhoods with good access to shopping and services. Most importantly, they have ready access to existing utility infrastructure, meaning that up front development costs are significantly lowered (though creation of internal distribution system for utilities may be required on larger infill tracts). These sites represent a way for the City to strengthen its property tax base without incurring much extra capital or operating cost.

### Sites in Public / Nonprofit / Institutional Ownership

CDS’ exploration of Kerrville revealed a number of sites that are owned by the public sector (such as the City of Kerrville), philanthropic nonprofits, and local institutions such as Schreiner University. While such owners will likely need to obtain some level of compensation for sale of the land, they may not be required to seek the highest possible price since they are not explicitly profit-motivated. This opens the door for below-market transactions that could help make lower-priced housing development more feasible. Also, these property owners can also attach conditions to the sale or lease agreement requiring new housing to fit within certain price parameters, new residents to be of low to moderate income, or include certain design features in the project.

### Potential New Market Actors

Apart from being the owners of developable land, public, philanthropic organizations and employers could also play an increased role in helping Kerrville supply housing to meet its workforce needs.

#### *Public / government*

The City of Kerrville has recently participated in efforts to create more attainable housing supply for the workforce. These efforts can be continued, but as a policymaking body with financial resources, the City has authority to establish and adopt explicit ongoing policies and incentives that could support housing. Also, as demonstrated by its Housing Committee, it has organizational capacities to convene and advocate. The associated Kerrville Economic Improvement Corporation (EIC) brings additional financial

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resources to the mix and would sensibly have an interest in promoting an adequate supply of attainable workforce housing (within legal constraints).

*Philanthropic / nonprofit*

Kerrville is blessed with a set of nonprofit entities that could bring financial, leadership, and organizational resources to housing issues. Some of these entities actually own developable land. A housing-specific nonprofit, the Hill Country Housing Opportunity Council, is apparently defunct, but a potential role for a nonprofit developer remains. Many communities have Community Development Corporations (CDCs) that engage in nonprofit housing development or improvement.

*Employers and institutions*

Kerrville's employers, both in the private sector and the public / institutional sector, have a direct interest in being able to assure their employees have reasonable access to attainable housing within the community. While spending directly on housing at a large-scale level is not likely within their capacities, they could coordinate advocacy and education efforts to assist their employees in housing searches and form partnerships with other entities involved in housing development.

## HOUSING STRATEGIC PLAN

After analyzing the results of the Demand / Supply Analysis and reviewing the overall development environment in Kerrville for housing, CDS has formulated the following Housing Strategic Plan recommendations to help the community achieve a more satisfactory housing situation for its workforce.

### 1. Increase Stock of Moderately Priced Rental Units with Moderate-Density Infill Development

**Demand / Supply Issue:** Inadequate supply of moderately-priced workforce rental housing coupled with Kerrville's moderate-wage job profile

**Challenges / barriers:**

- New moderate-rent (not low-income) large apartment complexes not financially feasible to develop
- Some moderate-density housing types not prevalent in modern construction, so less familiar
- Land use regulations may have discouraged such housing types

**Opportunities / strengths:**

- Infill sites available in convenient locations with infrastructure access
- Development code update
- Historical examples of applicable housing types within Kerrville

**Strategy to address issue:** Allow and encourage moderate-density "missing middle" housing and accessory units that can be constructed more quickly and cheaply than larger apartment complexes.

Such housing includes detached and attached accessory dwelling units ("ADUs", such as garage apartments or backyard "in-law" units), duplexes / triplexes / townhomes / fourplexes, courtyard cottage developments, and small apartment properties typically less than 20 units than can fit on single family infill lots or otherwise smaller sites that do not require infrastructure extensions. While new-built units may not rent as low as existing rental homes, duplexes, and townhomes, they should be able to serve a middle-class market segment that is willing to pay slightly more for a new unit. Accommodating that housing consumer segment would also decrease rent escalation pressure and increase availability of the older units to better serve those cannot afford any higher rents.

**Implementation tools:**

- Revise the development code to allow moderate-density rental housing types in infill locations, including within predominately single family areas.
- Take possession of tax-delinquent properties and issue requests for proposals to develop moderate density rental housing subject to price / income restrictions, in return for conveying the sites at below-market prices.
- Reduce permitting fees and time for moderate density rental housing. A Neighborhood Empowerment Zone could be created in the locations where infill is most desired, which enables such fee reductions and waivers.

## 2. Increase the supply of single family for-sale homes on infill lots

**Demand / Supply Issue:** For-sale homes priced for entry-level buyers are in limited supply and often in non-updated condition.

**Challenges / barriers:**

- Up-front infrastructure and site development costs
- Focus of home building market on homes for affluent seniors

**Opportunities / strengths:**

- Infill sites available in convenient locations with infrastructure access
- Development code update

**Strategy to address issue:** Encourage the construction of entry-level for-sale homes on infill lots in already-developed areas with existing infrastructure; generally, prioritize areas with immediate access to existing infrastructure over sites requiring new extensions or added capacities.

One builder told CDS that infill single family homes could be built around 1,300 sq.ft. for sale in the mid-\$100,000s. This would be an ideal price range to reach middle-class first-time buyers, even if the homes are slightly smaller than what might be available in other markets. Of course, feasibility in this price range will also depend upon lot prices.

It should be noted that this strategy could be combined with Strategy #1 to produce for-sale units that have accompanying rental units. A reliable stream of rental income could supplement the owner-occupier's income and help them qualify for a larger mortgage or help pay down their principal more quickly. Or, the home buyers could use such units for a multi-generational arrangement that could allow family members such as young adult children or senior relatives to live on site.

**Implementation tools:**

- Take possession of tax-delinquent properties and issue requests for proposals to develop entry-level single family for-sale housing subject to price / income restrictions, in return for conveying the sites at below-market prices.
- Reduce permitting fees and time for moderate density rental housing. A Neighborhood Empowerment Zone could be created in the locations where infill is most desired, which enables such fee reductions and waivers.
- Identify vacant lots appropriate for residential development.
- Develop strategy for land banking acquisition.

### 3. Preserve Existing Low-Income and Moderately-Priced Rental Housing through Rehab Programs and Opportunity Investment

**Demand / Supply Issue:** Some existing older housing which could otherwise serve as relatively affordable options for the workforce in a state of condition that reduces habitability or requires significant spending for rehab, deferred maintenance, and energy efficiency upgrades

**Challenges / barriers:**

- Cost of rehab / upgrades produces financial incentive for investors to flip and raise rents or sale price beyond needed workforce price ranges

**Opportunities / strengths:**

- Supply of modest older homes in central Kerrville
- Support for rehab programs in Kerrville 2050 Plan

**Strategy to address issue:**

1. Develop a rehab incentive program for multifamily and single family rental housing that includes a long term affordability component
2. Work with local and regional philanthropic organizations and community-minded investors to form partnership entities for strategic investments in rental housing preservation

The Kerrville 2050 Plan emphasized attention for housing rehabilitation. This serves two purposes: to reduce blight and to help preserve housing supply. CDS recommends that the Kerrville community utilize a two-pronged approach to preservation through rehabilitation. The more straightforward measure is for the City of Kerrville to create a rental rehabilitation program that can combine grants, loans, and tax abatements to incentivize rental property owners to undertake needed repairs and upgrades in return for requirements to keep rents within certain affordability levels for a given period of time. The incentive could be structured to provide greater benefits for property owners that commit to deeper levels of affordability or longer time commitments; for example, for a moderate affordability level such rent limits affordable to households with 80% to 110% of local median income, a partial tax abatement for a certain number of years could be offered. For a commitment to rent limits affordable to households with 60% to 80% of median income, grants or loans could be offered in addition to the abatement, plus the abatement could be for a higher percentage or a longer term. Whatever the level of benefit to the property owner, the rent limits would apply only until the benefits expire (abatement period ends or loans are paid off or forgiven).

The more difficult measure, but one that has the prospect of more permanent affordability, is to involve one or more new investors who provide additional capital for property purchase and / or rehab in return for long term affordability preservation. Developers can use the Low Income Housing Tax Credit (LIHTC) program to acquire and rehab rental properties in return for maintaining affordability to below-80%-of-median households for a 10 to 15 year period.

Recently, workforce housing investors have created “impact funds” which invest in preservation by taking the form of a debt or equity interest in a property; their terms must obviously be perceived as competitive or favorable terms by the existing property owner in order to make such deals happen. The injection of capital could be used to not only acquire but also renovate and rehab the property. A

related approach would be to acquire the properties and put them in a Land Trust with the rental units ground leased from the impact investor for an extended period of time. In return, the rental units remain at a certain affordability level for a long term period, potentially to the point of essentially permanent affordability.

**Implementation tools:** The City of Kerrville would be the lead agency for a basic rental property rehab incentive program. Applying tax abatements takes no up-front funding, though it would require designation of a “reinvestment zone” to cover the area where abatements could be offered. Getting cooperation from Kerr County would allow a greater incentive than if the City was the only property taxing jurisdiction to offer them.

Grants or loans to the property owners can be funded by federal HOME or CDBG funds, though these will come with stricter limits on renter income (below 80% median income) and considerable administrative authorization and compliance effort. However, local funds can also be used. San Angelo applies 4B sales tax funds to its program, as affordable housing (within certain definitions) is an eligible use of such funds per State of Texas law. The City may choose to require some level of matching investment on the part of the property owner to ensure they also have “skin in the game.” Grants could be awarded on a reimbursement basis, with the property owner fully funding rehab costs up front.

A revolving loan program could be set up to provide ongoing loan funding; as the debtor property owner pays back their loan, the proceeds are used to loan out to other property owners. It should be noted that loans will need to offer below-market interest rates to set up the incentive.

Another potential source of funding would be a Housing Finance Corporation (HFC), which is a local government corporation set up to provide capital to affordable housing investments in a given geographic area. HFCs often issue tax-exempt bonds to capitalize their programs. The Alamo Area HFC covers Kerr County and a number of other counties in the greater San Antonio area covered by the Alamo Area Council of Governments (AACOG); however, it has been dormant for a number of years, because the spread between rates for taxable and tax-exempt financing has not been wide enough to create a sensible financial benefit and incentive.

For the types of investment that would lead to more permanent workforce housing preservation, nonprofits and philanthropic organizations with interests in workforce and affordable housing would need to work with the City and County to set up an impact fund and/or a Land Trust. Austin, for example, has created the Austin Housing Conservancy to acquire and preserve workforce rental housing. It is likely that any such effort would extend beyond Kerr County to cover the increasing number of areas in the Hill Country with workforce housing availability and affordability issues. Capitalization would likely come from private equity investors seeking low-risk income streams, in addition to whatever public and philanthropic funds are mustered.

## 4. Support Additional Low-Income Rental Housing Development through the Federal LIHTC Program and a Public Facilities Corporation

**Demand / Supply Issue:** Limited supply of rental housing affordable to workers in low and middle wage jobs, often in retail and hospitality industries.

**Challenges / barriers:**

- Development and construction costs render new multifamily rental housing for low and moderate-income workers financially infeasible without external subsidies
- Competition for federal Low-Income Housing Tax Credit (LIHTC) awards with other Hill Country locations (awards decided by Texas Department of Housing and Community Affairs)

**Opportunities / strengths:**

- The LIHTC program has a positive track record in Kerrville and local professional developers who could do more projects
- Public Facilities Corporations (PFCs) to create affordable housing have a strong track record in the greater San Antonio region

**Strategy to address issue:**

1. Issue a clear statement from City government and respected organizations that quality LIHTC projects are welcomed
2. Create a PFC to acquire sites and partner with multifamily developers to create tax-exempt mixed-income housing

Given the way the LIHTC program operates at the federal and state levels, Kerrville has limited means to ensure that additional projects will be built. However, given that demonstration of community support is required by the TDHCA to be considered for tax credit awards, the City and community organizations' best approach is to ensure that letters of support are included with LIHTC applications, as long as the proposed projects meet expected quality standards.

Using a PFC, the PFC owns both the land and the vertical housing improvements, and executes a long term (75 years for example) master lease with the developer to build and operate the housing and be entitled to the income stream generated. The leaseholder may also sell the leasehold interest much as if it was a conventionally owned multifamily property. As long as at least 50% of the units are restricted in rent levels for tenants of 80% AMI and below, the entire property can be made tax-exempt, which has a substantially beneficial impact on operating expenses and thus net operating income.

To offset the loss of property tax revenue to the city, deals can require an up-front lease payment equivalent to the site acquisition cost (so the PFC / city is paid back for that expense). Upon occupancy, a portion (15% in deals of which CDS is aware) of the net operating income stream available after payments to preferred investors returns to the City. The question of whether the value of the payments to the city in the PFC deal fully offset the lost tax revenue depends upon how much tax was already being generated by the site and if there was an alternate use available that would have generated a higher level of tax. However, if the primary objective is to create affordable rental housing rather than economic development, any loss in revenue may be considered a cost worth bearing.

The economics of PFC deals may allow additional restrictions on rent— for example, it might still work financially for the developer even if non-below-80%-AMI units were restricted to middle income tenants (110% AMI, for example). So perhaps such projects could also be used to generate moderate-rent housing similar to the function Kerrville's older apartment complexes have today.

While apparently the majority of these projects have been in bigger cities, a new PFC project is being built in Cibolo and one in Garland. While a suburban / garden-style complex with surface parking is going to have the lowest construction costs, if high rents for the market-rate units are achievable, they can have a more vertical, dense structure. One built near the Alamodome in San Antonio called The Baldwin is a high-rise with structured parking – it was possible because the non-80%-AMI units rent for Class A downtown market rents.

**Implementation tools:** Issue a City of Kerrville policy to encourage strong LIHTC applicants with quality projects and issue letters of support for project proposals meeting such quality expectations. Also, create a PFC authorized under Chapter 303 of the Texas Local Government Code.

## 5. Create an Official Incentive Policy for Workforce Housing Development

**Demand / Supply Issue:** Limited supply of new entry-level for-sale housing and tight market for rental housing at all levels

**Challenges / barriers:**

- Cost of reasonably developable sites
- Costs of public infrastructure access and common internal distribution lines (water / sewer / drainage)

**Opportunities / strengths:**

- Recent precedent for City participation in mitigating private developer infrastructure costs
- EIC revenue stream (4B) and other City revenue sources

**Strategy to address issue:** Create a defined City policy for financially assisting developers with public infrastructure costs in return for housing developments that priced to local workers earning 120% of median income and below and meet reasonable quality design standards

If developers have no other way to offset the costs of up-front public infrastructure installation for a residential project, then they must recapture it through higher lot sales and / or home prices, which raises the cost of housing to the consumer. A best practice strategy for municipalities is to provide a reimbursement to the developer for part or all of the public infrastructure expenditures once constructed, and often only after incremental property tax revenue from the project is being generated through vertical improvements (such as new home sales). This still requires developers to front the infrastructure costs, but because they will be reimbursed, they do not have to pass it on to consumers to maintain financial feasibility, allowing lot and home prices (or lease rates, if applicable) to be kept lower.

In a market such as Kerrville's, a development requiring absorption of hundreds of lots and single family homes in a relatively short period of time, as would be typical in larger Texas metro markets, does not appear to be feasible. It is possible that development agreements for public infrastructure or amenities

might be able to be structured in a way that allows for less risky phasing of development to deal with potentially low absorption levels for larger scale developments.

**Implementation tools:** Development agreements to detail reimbursement terms can be created through the State of Texas Local Government Tax Code Chapter 380, probably the most efficient method. If the City wants to proactively designate a particular area within its boundaries for future workforce housing development and infrastructure reimbursement agreements, it could also create a Tax Increment Reinvestment Zone (TIRZ) to do the same thing. However, TIRZs are more administratively onerous and less flexible in some ways than Chapter 380 agreements. Furthermore, TIRZs would not be able to utilize EIC funds unless set up as a sale tax zone rather than a property tax zone, which would not be compatible with expectation of primarily residential future land use.

A Neighborhood Empowerment Zone (NEZ) designation would also allow single family developers to be eligible for permitting fee reductions and homeowners to receive tax abatements. This could be combined with a TIRZ for fee reductions, but not for tax abatements (which reduce TIRZ increment).

The development agreements associated with the chosen financing tool could specify housing types and prices, including the requirement to price for middle income workforce housing. An agreement can also specify design elements or even require that a share of homes be two story, which would encourage greater housing density and occupancy from a workforce-based population.

## **6. Utilize Land Owned by Public Agencies, Institutions, and Philanthropic Organizations for Workforce Housing Development and Preservation**

**Demand / Supply Issue:** Easily developable sites for larger-scaled non-upscale housing development and with utility infrastructure access have limited availability in the market. Also, sale prices for existing homes have been increasing, removing needed entry-level supply from the market.

### **Challenges / barriers:**

- Lack of easily developable land availability with infrastructure access
- Market dynamics (retirees and investors) pushing single family home prices up

### **Opportunities / strengths:**

- Significant tracts of land in areas with infrastructure access under control of public agencies or nonprofit organizations

### **Strategy to address issue:**

3. Work with the public agencies and nonprofit organizations (including educational institutions and philanthropic organizations) who own the properties to devote them to housing development for low to middle income workforce households.
4. Put measures in place to assure long term affordability of the new housing created on these sites.

Unlike private for-profit landowners, public agencies and nonprofit organizations have more leeway to both provide land at lower prices, thereby enabling lower developed housing prices, plus demand restrictions on housing prices in return as a public benefit. Steering the use of these properties in this

way will likely require political and community leadership and support, as housing may not be the only use option being considered.

**Implementation tools:**

- Below-market land sales or even free land to housing developers / builders
- Ground leases at below-market rates to rental housing developers
- Development agreements between the current landowners and the designated housing developers / builders as to the types and prices of housing to be constructed; current landowners can seek out developers who specialize in below-market-rate housing
- Potential accompanying measures such as creation of a community land trust, where a nonprofit organization keeps ownership of the land and requires limitations on home price appreciation while still allowing for some equity to accrue to the owner of the improvements. An agreement can be made so that the Kerr Central Appraisal District values the improvements according to the trust's appreciation schedule, not at the unrestricted market value. Community land trusts have been launched around the country, including Texas cities such as Austin and Houston.

## 7. Initiate an effort to accommodate specialized renter populations

**Demand / Supply Issue:** Inadequate housing supply and quality for workers that are recent graduates of area rehab / recovery centers

**Challenges / barriers:**

- Local regulations regarding unrelated adults sharing homes
- Inability of recovering renters to meet standard rental qualifications for income, credit history, etc.
- Prejudicial attitudes of local community

**Opportunities / strengths:**

- Local philanthropic / faith-based organizations with mission interest
- Other citizens sensitive to needs of rehab / recovery graduates
- Growing tourism economy with employment pipeline

**Strategy to address issue:**

1. Examine development and land use regulations to ensure rehab / recovery graduates can be provided safe and livable "sober houses"
2. Enlist the participation of philanthropic and nonprofit groups to assist in provision and servicing of "sober houses" and transitioning of graduates to standard rental housing

While CDS was not able to quantify their presence in the Kerrville community or their role in the local workforce, interviewees were clear on the significance of their presence, and informed CDS that they comprise a substantial number of the lower wage employees at local dining and hospitality businesses. To the extent that Kerrville seeks to grow its tourism economy, this population could be an important source of labor. However, it was also made clear to CDS that these renters have limited options for residences and their transitional "sober houses" are often poorly located and in very bad condition. To maximize the productivity of this potential labor force, their housing pathway needs to be improved.

**Implementation tools:**

- Specific provisions in the development code for “sober houses” to ensure livability and legality
- Create an assistance delivery system via partnerships with local nonprofits, philanthropic organizations, and faith-based groups
  - Creation of a Community Development Corporation (CDC) with the mission to create livable transitional housing for rehab / recovery graduates; meeting the federal Department of Housing and Urban Development (HUD) requirements for Community Housing Development Organization (CHDO) would enable the CDC to receive Home Investment Partnership funds (HOME funds) from HUD
  - Development of supportive services and counseling programs for those in transitional living and targeted to the mainstreaming of rehab / recovery graduates, including assistance with applications for independent rental units

## 8. Examine other regulatory elements that affect development costs

**Demand / Supply Issue:** Local development regulations may be increasing the costs of developing otherwise moderately-priced housing

**Challenges / barriers:**

- Minimum lot sizes
- On-site parking requirements
- Zoning variances for potential redevelopment of commercial sites into housing or single family lots into denser housing
- Excessive street width requirements
- Park / open space requirements or fees

**Opportunities / strengths:**

- New development code

**Strategy to address issue:** Examine proposed development code to see if restrictive, cost-raising requirements can be changed to lower costs or otherwise mitigated as part of an incentive policy for attainable workforce housing

**Implementation tools:** Modifications to: zoning and subdivision ordinances, infrastructure design standards, permitting fees

## 9. Create a Cooperative Housing Navigation and Financial Education Program

**Demand / Supply Issue:** Kerrville workers needing attainable housing having difficulty finding available supply due to very tight market

**Challenges / barriers:**

- Few livable vacant affordable rental units
- Tight market for for-sale entry-level and moderately priced single family in good condition
- Potential difficulties for first-time buyers to compete with cash buyers and investors

**Opportunities / strengths:**

Potential cooperation from local government, realtors, mortgage finance professionals, banks and other local financial institutions, employers and the Chamber of Commerce, nonprofits, landlords, and developers / builders

**Strategy to address issue:** Through a set of broad-based community partnerships, create a nonprofit Housing Navigation and Financial Education Program to help workers find appropriate and attainable housing and to prepare first-time buyers for home purchase and ownership

Employers will have an incentive to help workers find options within Kerrville's limited supply of affordable rental housing and entry-level for-sale housing. A centralized point of contact could aggregate listings with the cooperation of local landlords and realtors. Potential residents would be directed to the program through their employers. Nonprofits and philanthropic organizations could help lower-wage workers find potential rental units.

A second area of emphasis would be educational programming for potential first-time home buyers. Mortgage counselors would help buyers qualify and have paper work and finances in order so that when a house is available, they will be ready to close. This will help buyers compete with cash buyers and investors. Counselors will also navigate buyers' eligibility for special assistance such as VA down payment assistance.

Lastly, if new developments or properties receive some sort of City of Kerrville incentive, a requirement could be to coordinate with the program so that qualified buyers or renters gain awareness or even preferential access. Builders of new homes would likely appreciate having "vetted" first time buyers who are pre-qualified for a mortgage, less likely to fall out of qualification, and have cash available for down payment and closing costs.

**Implementation tools:** The program would likely need to be a 501(c)(3) that would be independent of the City of Kerrville, though the City could contribute funding for its operation. Other funds should be raised through private sector businesses and employers and through philanthropic grants. While the program will likely need to maintain a physical office, it could hold counseling sessions at major funding partner employers on a recurring basis.

## APPENDIX A: KERRVILLE EMPLOYEE SURVEY

In order to document housing needs and preferences of the local workforce, CDS prepared a housing survey of employees at Kerrville employers. It includes questions about the respondents' current housing, recent housing search experience, desired types and price of housing, residential location options, and a set of demographic questions.

The survey instrument is attached as Appendix B.

### Survey Design and Sampling

While many questions in the survey apply generally to most workforce housing markets, CDS formulated several questions to be specific to factors affecting housing choices in Kerrville. This helped CDS incorporate the subjective aspects to the local housing market into its analysis.

The principal means of survey deployment was online. CDS also created a printable hard copy version that was used by a small number of respondents.

The sampling approach was not random or statistically structured; however, the objective was to obtain as large a sample as possible. The City of Kerrville and other organizations distributed the survey to a number of local employers, while CDS sent the survey directly to several employers who had been interviewed for the study. The employers then provided the survey to their workers. Respondents and their employers remained anonymous. Ultimately, at least 745 respondents started the survey, and approximately 650 completed it to the end.

In terms of the profile of respondents, the survey was somewhat more weighted toward upper middle class and affluent workers with high educational attainment than is reflected in the overall population of workers in Kerrville. Fortunately, there was a large enough sample of respondents with household incomes under \$50,000 to be able to analyze lower income respondents separately.

The income ranges for the purpose of this survey were:

- Middle Class - \$50,000 to \$74,999+
- Working Class - \$35,000 to \$49,999
- Low Income – 0\$ to \$34,999

## Notable Findings

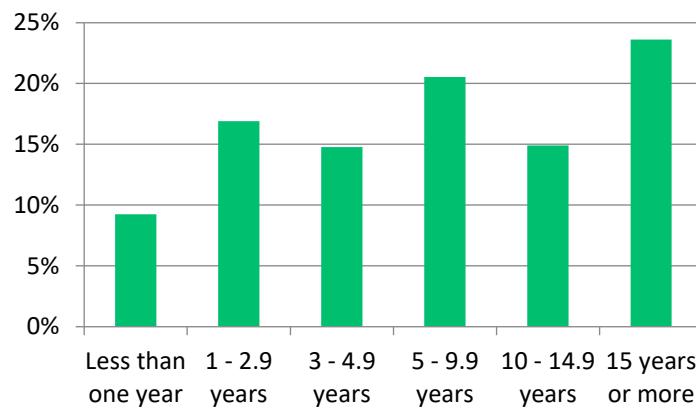
- Despite the sample being skewed somewhat to those with above-median household incomes, the monthly direct housing costs – both those actually being paid by the respondents and the maximum costs for desired new housing – are relatively moderate, mostly under \$1,250 and, for many, under \$1,000 (over three-quarters of respondents under \$50,000 household income for example). This could reflect both actual financial constraints that constrain a household's ability to pay for housing and a general desire to avoid excessive spending on housing.
- Respondents were generally very cognizant of the need for a greater quantity of attainable and affordable housing for the workforce. There was strong support for new entry-level for-sale housing, moderately priced new apartment development, and preservation of existing moderately priced housing.
- The City of Kerrville and its adjacent exurban area are perceived relatively positively as a place to live relative to other locations where respondents could look for housing, though there was strong sentiment that housing prices are excessive in the city (housing prices were the most widely cited negative aspect of Kerrville).
- Respondents who had moved within the last 10 years reported considerable difficulty in finding housing that met their needs and budget. Lower-income respondents reported more difficulty in satisfying these criteria.
- Respondents expressed strong preference for single family detached housing, either within the city or nearby on large lots. Those that indicated a willingness to move residences also expected to purchase rather than rent – even for respondents that currently rent.
- Respondents are willing to consider relatively small homes by Texas standards – the majority would consider homes under 1,800 square feet.

## Survey Results – Individual Questions

### ***About how long have you been working in Kerrville for your current employer? (check one)***

Respondents had a wide distribution of tenure in Kerrville with their current employer.

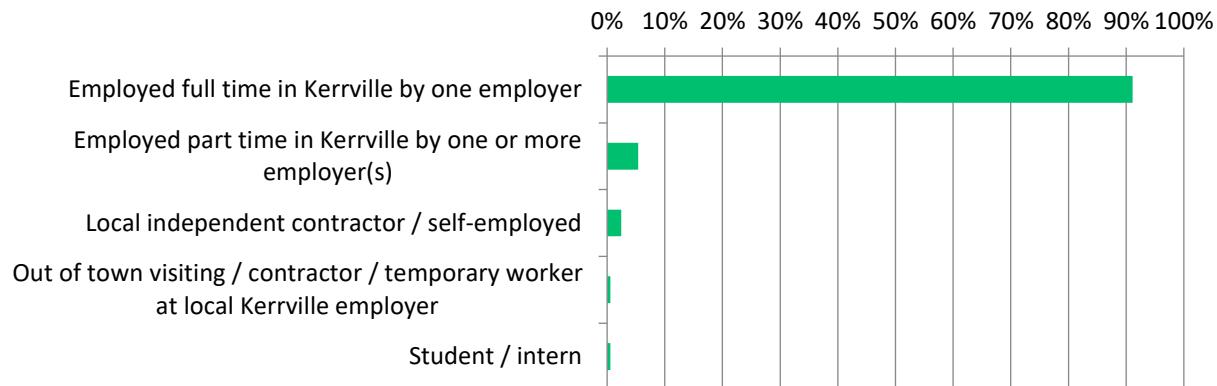
n=745



### ***What best describes your employment status in the past 12 to 18 months?***

The vast majority of respondents were employed full time at one employer.

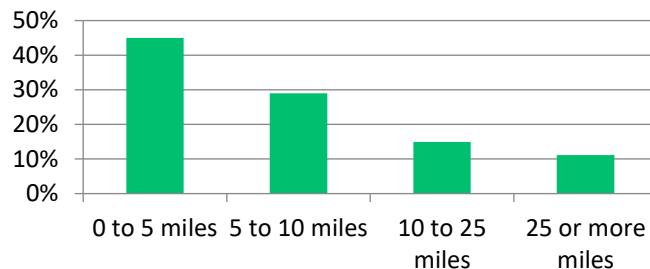
n=745



**How far do you commute to work each day? (check one)**

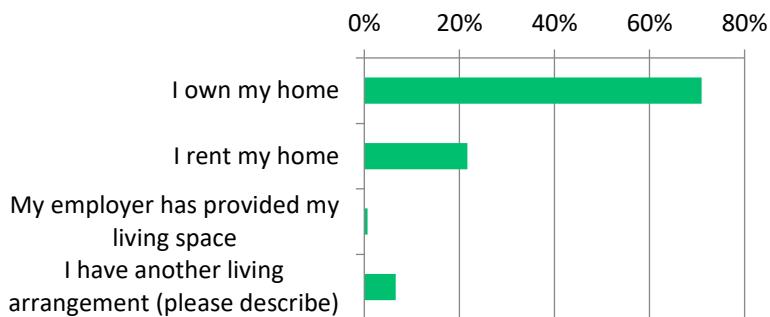
Approximately 74% of respondents commute 10 miles or less to work.

n=745


**What is the way you have secured housing at the present time?**

Over two-thirds of respondents own their current home.

n=724


*Open-Ended Responses*

- I live with my daughter
- I rent an apartment
- Church Parsonage in Fredericksburg
- My husbands employer provides our living space
- Live in Grandparents Guest house
- Dorms
- I rent a room.
- I own an RV and rent a lot space.
- LOOKING FOR A HOME, LIVING WITH AT WITH A FAMILY MEMBER NOW
- I stay with friends
- Living in an RV
- Living on my in-laws property, hoping to purchase from them.
- Live with family member
- I am renting a room from someone.
- I own my mobile home and rent a place to put it on
- Living with parents due to lack of liveable wage.
- I am buying my home
- Living with family cant afford rent here too high for one person
- living with family
- rent free family owned property
- Apartment rental
- Living in family owned residence
- I am currently looking for a home in Kerrville my boyfriends mother owns our house. I can't afford to rent.
- 78024
- living in a house owned by my mother
- I live at home with my parents
- Moved from a rental house in Bandera to a travel trailer and now rent an apartment.
- housing provided through husbands work
- My fiancé owns our home, which I reside in.
- I rent an apartment
- Live in my mothers home
- Parents

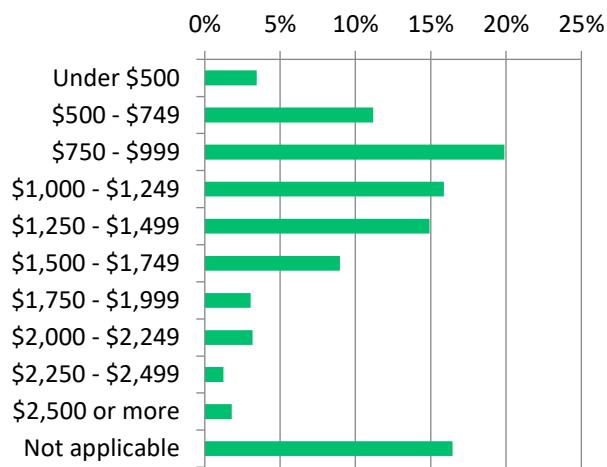
Live with family  
 Live with and provide care for elderly parent  
 Living in guest house of parents.  
 living in a house owned by a family member  
 I have to live with my parents because my pay is so low I can't afford my own housing situation  
 I am full time RV'er  
 live with aging in-law to provide support  
 Apartment

We own an RV and my spouse serves as a camp host in exchange for an RV spot.  
 Student that lives on campus  
 Husband's employer provides living space.  
 I live at home with my parents. They own property in the county of Kerr.  
 living with family  
 apartment  
 Caretake a ranch

***What is the typical amount of your household's monthly mortgage or rent payment?***

Of the respondents who reported a monthly housing payment, approximately one-third (34%) had payments under \$1,000. Approximately 18%, in contrast, had payments for rent or mortgage over \$1,500 per month.

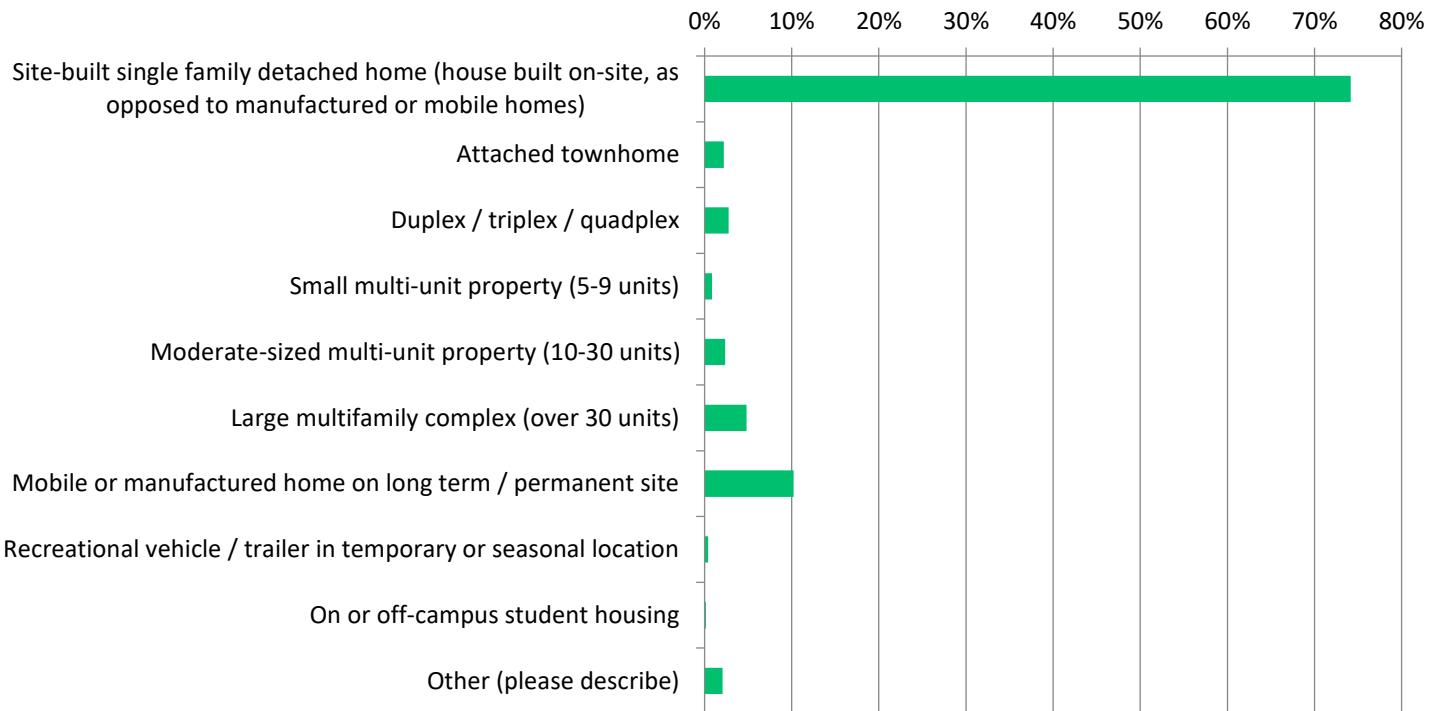
n=724



**Please describe the physical structure of your current residence (pick one):**

Nearly three-quarters of respondents live in a single family detached home built on site.

n=724



**Please state the 5-digit ZIP code of your current residence:**

Over three-quarters of respondents gave 78028 as their home ZIP code, which covers Kerrville and adjacent unincorporated areas to the north and south, but does not include Ingram, Hunt, Center Point, or Comfort.

n=700

ZIP Code	Share
78028 (Kerrville)	78.3%
78010 (Center Point)	3.6%
78025 (Ingram / Hunt)	3.6%
78624 (Fredericksburg)	2.1%
78631 (Harper)	2.0%
All others	10.4%

**Where do you currently live while working in Kerrville? (check one)**

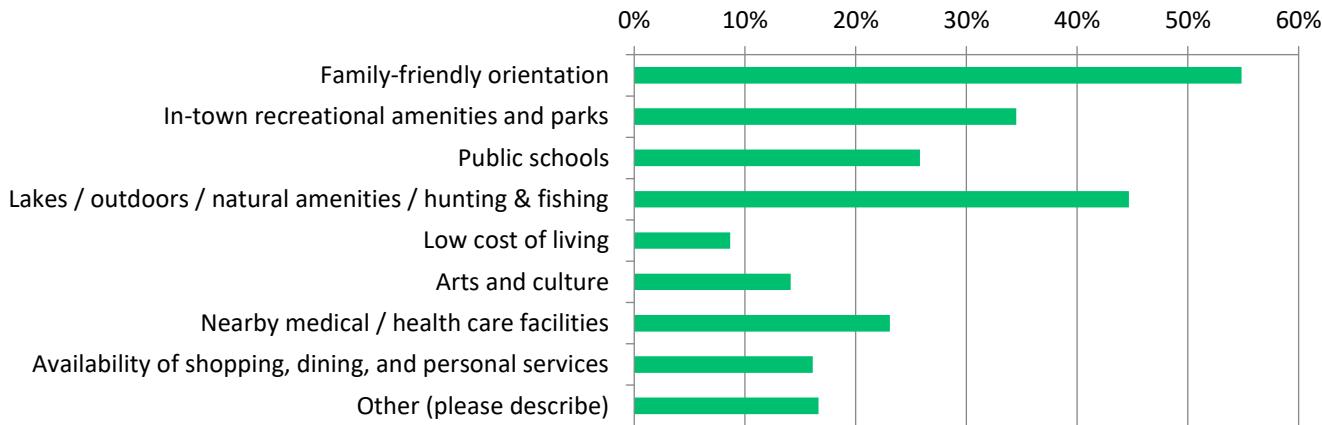
Approximately 57% of respondents stated that they live in Kerrville. Another 19% live in an unincorporated area of Kerr County within a 15-minute drive of downtown Kerrville. No other location made up more than 4% of respondents; locations were scattered from Gillespie County to other areas of Kerr County to Bandera County, some in Boerne, a few in Medina and Bexar counties.

n=724

**What do you like best about living in the Kerrville area? (Choose UP TO THREE things – you may offer your own opinion as one choice after “Other”)**

Respondents who indicated that they live within Kerrville selected its family-friendly orientation as being the most liked feature of the community – over half of the eligible respondents chose this option. The outdoor environment was also heavily cited. Less than 10% cited a low cost of living.

n=403



*Open-Ended Responses*

Parks, no real amenities  
 Close to family  
 None of these apply  
 Schreiner University  
 small population compared to other places I've lived  
 Safety  
 My house is on the market. I can no longer afford it after the last tax hike.  
 I moved here 30 years ago from Hilo, HI. I didn't plan to stay but... I'm an RN and there are 3 hospitals, anything I might need is here (Gibson's, Lowes, Home Depot) good schools (including Schreiner Univ) for my grown daughter; the hills, the weather, the arts, the river, the parks and San Antonio is just close, and far, enough and Austin is too.  
 Manageable traffic, natural beauty of the area, safety, climate/no snow shoveling!  
 low traffic, easy to get around  
 Good place for kids  
 Close to work  
 Nothing  
 low traffic

Family lives near by. Cost of living is WAY too high  
 None of the above  
 I don't. Cost of living is too high and we don't have enough shopping, dining and personal services.  
 We need to encourage developers to come to our area and grow our city!  
 Low criminal activity and strong conservative values  
 Faith based community  
 close to my job  
 I don't like living inside the city  
 family  
 Natural beauty of town  
 None of the above. No affordable housing, People are leaving Kerrville because of low pay and no jobs. Lack of quality stores for shopping, and to many fast food restaurants and last but not least too many banks. To many unregulated sober living homes.  
 i don't find most of these choices to be true  
 I live here because I work here and have to live within the county.  
 none

City does not follow their code compliance like it should - lots of homes that are environmentally unsafe and unhealthy for others and neighbors

Small town traffic, quiet

size of the town and all my family lives here

Church

My friends and my church

Family lives here

All of the above.

My family just lives here.

Seriously how is low cost of living an option on here.

It is super expensive to live in Kerrville.

Pint and Plow and the farmers market is fun

ALL OF FAMILY LIVES IN KERRVILLE

close to work

people of Kerrville are great.

Low crime. The only reason. It's far too expensive and not much for entertainment or shopping.

safety, and ease of transportation

My family has a long history in Kerrville. It's home, born and raised. It's where I wanted to raise my children, ages 32-16.

Close to San Antonio, Texas

Nothing. I do not like Kerrville and will be leaving in a year

Don't like the backward, non-progressive thinking that Kerrville is beautiful and scenic! The city

resembles an industrial complex. Let business grow and stop the lies.

safety

Close to work

I live here because my family lives here.

close to elderly parents in fredericksburg

slower pace; quieter than urban areas

friendliness of the people

Family

very short commute to my job

family close by

Smaller size community

Small size, easy to get around

small, no traffic

short commute to work

It is where my job is.

While I am fortunate to have a small home, I know people that are living in less than appropriate housing because finding affordable housing is difficult.

slower pace

Natural beauty

low traffick as opposed to big city traffic

Smaller town, only an hour from San Antonio.

Ease of living - no traffic, short commute, near SA if needed

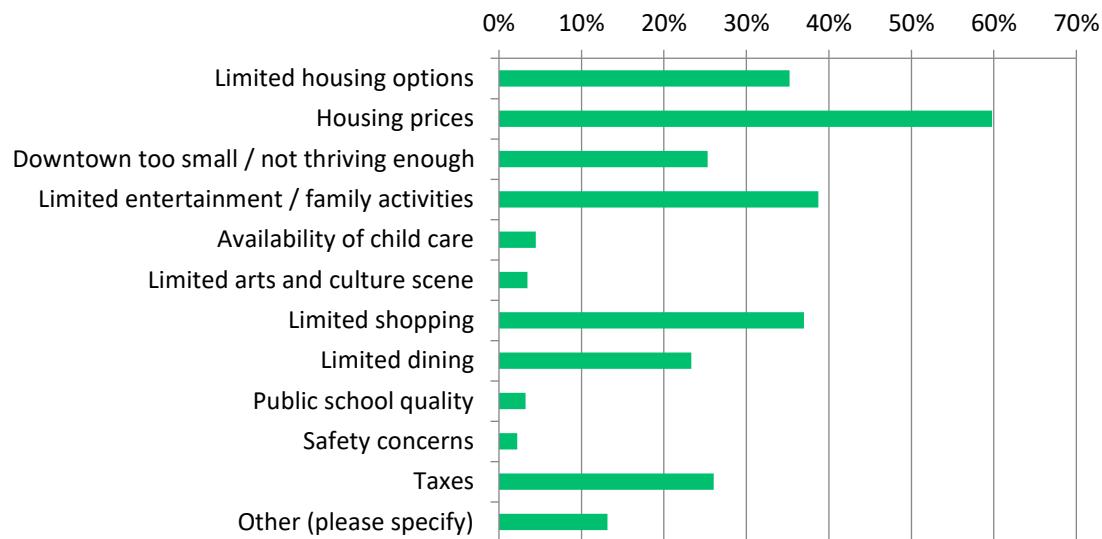
scenery i.e. the hills

.

**What do you like least about living in the Kerrville area, compared to other places?  
(Choose UP TO THREE things – you may offer your own opinion as one choice after  
“Other”)**

Housing prices was the most frequently cited negative aspect of living within Kerrville, the only one chosen by over half of respondents.

n=403



*Open-Ended Responses*

I would pick all of the above, also the cost of living is 30% above state average while pay is 30% below state average. Cant get ahead even barley by working two jobs.

network signal connectivity

Traffic issues

I CHECKED ALL BOXES EXCEPT FOR SAFETY.

KERRVILLE HOUSING MARKET IS TOO EXPENSIVE TO LIVE, THERE IS NOT ENOUGH OPTIONS, THERE IS NO DOWNTOWN ACTIVITIES WORTH DOING AND IT IS NOT THRIVING, THERE IS NO SHOPPING OR DINING WORTH EXPLORING, AND OUR PUBLIC SCHOOLS ARE STRUGGLING TO HOLD ON TO QUALITY TEACHERS.

cost of living is really high

the increase of population due to the "snow birds"

Im a Kerrville native and im employed by the City of Kerrville for over a decade and i can no longer afford to live in the city limits due to the recent tax hike. With the recent increase in taxes and the new adjusted escrow related to the tax hike,

my monthly morgage payment increased by \$547.00 an month.

no bowling alley/skating rink

Its getting mighty expensive to live around here, outpacing my income

Short-sighted choices by city leaders over the years with higher taxes because of little "industry"; varying quality of K-9 education. Etc

LIimited dining and limited shopping. We drive to San Antonio for good shopping, family friendly restaraunts and entertainment. Cost of living is expensive per sq foot.

Lack of community support of public education, teacher compensation/benefits not up to par with other districts.

Limited career choices

road work needed and hard to see the lanes

All of the above

Too many McDonalds and chicken places need like an Arby's here and something like Target to compete with Wal-mart

All of the above.

Not enough banks. Oh please please please build more banks. I can only see 3 other banks from any given bank in town. Why would I want a decent mall or a Bill Millers or a Taco Cabana or a Target when I could ANOTHER BANK!? /s

Kerrville had nothing for young children and adults to do. Since it is considered a retirement community, young families are not offered much for children and teenagers except for movie night and that is held at the louise hayes park where the kids are in danger due to the homeless that live there.

city needs to clean up many run down homes, do not let recyclers store items on property, no junk cars and no half-way houses

Few good restaurants, no bowling alley/sports center

Limited activities for preteens and teens

Rent is outrageous for a town that does not pay its town people well that is why people suffer in this town money hungry landlords

CITY BOARD IS CORRUPT-GOOD OLE BOYS CLUB

Justice system is to harsh as compared to other cities

Harsh justice as compared to other Texas cities/counties

low quality of infrastructure

n/a

Specifically, property taxes are too high

The city's RESTRAINT on business growth and business development. Kerrville is ugly and industrial looking, stop the lies about beautiful and scenic.

Dominance of Conservative christian values and politics

have to go elsewhere for medical help as local dr and hospital are not good option

More restaurants like Rails and Pint and Plow.

it's too hot in the summer

Few resources for professional development

Activity Centers for children that doesn't cost

if i were not married, i would be working just to pay for living expenses, not economical for single person.

limited recreational activities;nothing for single people

Limited evening activities

Pay seems low in comparison to housing cost to rent/buy

Kerrville is not pedestrian/bike friendly

Teen activities still limited, younger children lots of choices

the large amount of rehabs in the area, lack of support for responsible pet ownership(accountability)

No young, single adults or entertainment for them. Everything is for retirees or families.

Not enough amenities for children.

Racism and prejudice against Hispanic population

Lack of diversity

As a young person not affiliated with a church, it's been difficult to find community here. My husband and I have experienced a great deal of judgement and prejudice for being more progressive, and it's been very difficult to find other young people who share our less traditional spiritual practices. Consequently, we frequently travel to San Antonio and Austin to participate in religious and recreational activities, even though we would both prefer to engage in and form these connections with members of our immediate community.

awful city water; must buy purified to drink/cook; damage to major appliances

housing options at an affordable price; age of housing; housing quality is lacking especially at unaffordable prices

Public traffic, bad drivers

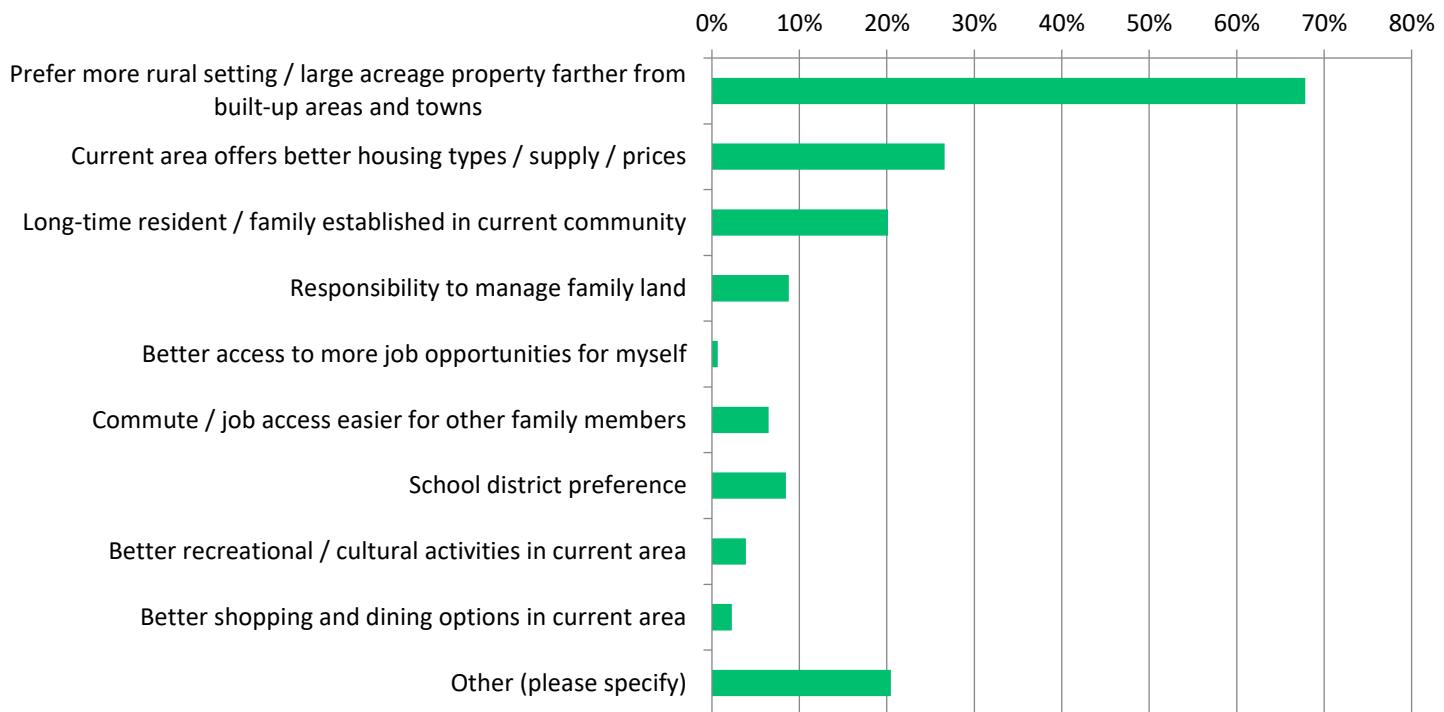
Street Quality

Taxes, Safety Concerns, Limited Dining, Shopping, and Child Care, Housing Prices and Options

**Why do you prefer living where you do now rather than the Kerrville area? (Choose UP TO THREE things – you may offer your own opinion as one choice after “Other”)**

For respondents who do not live in Kerrville, the desire for a more rural home environment was the top reason given (68%) for their home location choice. All other reasons were cited by fewer than 30% of respondents. Better choices for housing was the second most-cited reason at 27%. Many open-ended response mentioned lower taxes as a reason they are not living in Kerrville.

n=308



*Open-Ended Responses*

Very limited housing options in Kerrville. Housing costs are too high for the apts that are available and acceptable.

Husband is a Pastor and church is in Fredericksburg  
Housing is provided by husbands employer

i cant afford to live in town

less taxes!

It just worked out that way.

High cost to move to Kerrville home

PREFER TO LIVE OUTSIDE CITY LIMITS FOR LESS  
TAXES AND LESS RESTRICTIONS

I can't afford to live in town

KERRVILLE CITY LIMITS VERY EXPENSIVE

Privacy, security, and better rent than what's available in town.

I would leave the county if I could because Appraisal District has unethical practices in determining property values.

Don't have to pay city taxes that cost WAY TO MUCH  
Not preferred, just not an option for us

I could afford it

looking to move closer to Kerrville

space available for mobile home. It's outside city limits of Fredericksburg

It's cheaper to live outside the city limits.

Don't like living under oppressive city regulations.

Was the only home we could afford  
could not find affordable housing to rent in Kerrville  
living in city of kerrville housing is expensive  
frustrated with city government lack of continuity

taxes are cheaper  
unable to afford to buy or rent a home due to  
rent/mortgage payments costing approximately  
\$1000.00 per month

No city taxes  
renting (pet friendly)  
taxes are less

We are county, but we are 2 blocks away from  
Nimitz where two of our children were students

Lower taxes

I don't prefer it. I just can't afford rent in Kerrville. I  
work at KSH for the last 23 years!

it is too expensive to live in Kerrville

Kerrville is way over priced! couldn't afford to buy  
anything local as a single mom with 2 kids.

No city taxes

This is where we found the best lease deal for the  
Kerrville area. We will continue to lease because  
it is more affordable than purchasing at this  
point.

Only house we could find that we could afford and  
liked

Climate, Less pollution, my job is here  
no city taxes

Rental prices. I would rather live in Kerrville but due  
to the cost of living we are unable to  
husbands job  
cheap!

No city taxes. Would have not been able to afford if  
so.

Less Property taxes, costs less than Kerrville

Only place our family could afford  
Property and home have no debt.

Available housing at the time, fenced yard, single  
family residence

I can't afford anything in Kerrville on my single  
income and even living where I do there's no  
room for over spending.

No city taxes.

lower tax rates

lower taxes than in town

No city taxes

I would love to live in Kerrville but I could not afford  
to when I moved to the area

Wanted to live in a quiet neighborhood.

location chosen due to spousal employment on east  
side of San Antonio

Housing in Kerrville is too expensive  
prefer not to have the restrictions of city limits

I live there because I can't afford Kerrville. There is  
nowhere I can live.

At the time 1997, it was cheaper to buy a house than  
rent.

home was purchased 26 years ago -

Originally purchased a home within in the city limits,  
but some of the neighbors were a nightmare and  
space/acreage was not sufficient, so we moved  
outside of the city limits.

Taxes

It's quiet & my house can't be seen from the road  
i live kville

.

**Assuming no significant changes to the current trends in the Kerrville economy or employers, what do you think are the most important changes needed to provide more supply and choices for housing for Kerrville workers? (Choose UP TO FOUR things – you may offer your own opinion as one choice after “Other”)**

Approximately two-thirds of respondents chose subdivisions of “entry-level” for-sale homes, by far the most selected option and the only one selected by at least 40% of respondents. The next most popular options were masterplanned communities, preservation and rehab of older and lower cost housing, and new moderately priced rental apartments, each with 30% to 35% selection. Interestingly, new for-rent single family homes were also noted by about one-quarter of respondents, despite that kind of housing product being new in the Texas market.

n=692



### *Open-Ended Responses*

Cheaper prices on acreage near Kerrville

Home ownership for most workin people in Kerrville realistically needs to be between \$190k - \$230k on top end. It's hard to find homes that are not in need of lots of repairs in this budget. Most people are house broke and can't afford to make a bunch of repairs after making a home purchase. Not to mention needing assistance with down payment and closing costs just to purchase a home. We need more options for these middle of the road people that don't qualify for low income assistance (like HUD) and can't afford high end luxury. Kerrville jobs just don't pay.

Again I would pick more choices but build affordable homes or rais the pay so people can afford to live in Kerrville

More for the Middle Class

Expand the city limits to offer more choices.

Kerrville is land locked

LOOKING FOR A SUBDIVISION THAT YOU CAN PURCHASE A LOT & SELECT A FLOORPLAN FOR YOUR HOUSE TO BE BUILT ON YOUR LOT.

Keep it rural

Support Habitat for Humanity efforts

For our adult children, rent is way too high! For these adults trying to make a living and interested in staying in Kerrville is difficult with no affordable housing

Just need basic family housing that is affordable.

What we have available now is already overpriced, people with decent paying jobs are living in poor housing simply because of the cost of living.

The city should have nothing to do with this

Single family houses with three and four bedrooms that large families can buy

New Mall

Provide new lower priced apartments provided only to tenants with student debt. The millennial and Gen Z generation will graduate with more debt than any previous generation by a large margin. If they had a low cost option to save up, they could move up over time and we could attract them to our city.

Housing in Kerville is to expensive and more affordable housing is needed for rental as well as purchase.

I have seen nothing work, force employees to provide housing allowance direct to employee Housing is way too expensive in Kerrville. A house in (Brady, Kerrville, etc), is a lot lower than Kerrville. A house in another town that costs 150000, will cost double that in Kerrville. It's not worth it. My husband and I are looking for homes in Kerrville, but cannot afford a decent house, therefore we will be moving when we retire.

Helping people restore their older homes would be a good idea.

Lower priced housing sale or rent and better paying jobs so you only have to work one to provide for your family and not live pay check to pay check Maybe we could get a bank that people could live in?

the cost of the current housing rent or owned is way to high to be affordable to those of us still in the workforce and trying to survive on current wages.

The low income housing is so overwhelming that it drowns out the appeal of the town.

regulate half-way houses better or get rid of them they are problems in many neighborhoods

Build affordable homes for non-retired residence, middle income family can not afford to buy or rent in Kerrville

Provide quieter areas in outlying areas of Kerrville - no guns

Most of my co-workers make less than 2200 a month. Provide AFFORDABLE Quality housing for us - apartments, houses, whatever. Don't need Upscale or expensive.

rentals that allow animals

I currently live in a 3 bed 2 bath home on 1 acre in a nice neighborhood outside city limits. We moved here in 2011. Land value and home prices have sky rocketed. We would love to purchase 2 to 5 acres and build a 4 bed 3 bath home to accommodate our family of five, but the land value and home value is so high it makes it difficult to do that. We feel stuck and could really use more space. It's frustrating because we can't find anything as nice as our current home for under \$600,000 that doesn't need remodeling. Our money would go further if we lived somewhere other than Kerrville.

subdivisions for mobile or manufactured homes that's available to people other than seniors.

Cost of living in Kerrville is to high for the amount of salary employers want to pay I have worked for the school district for 5 yrs and have to work 2 jobs as a single mother to pay high cost of rent. Provide more housing options for people other than senior citizens.

family/educator friendly prices

None

shore up the development office to be more customer friendly

Tiny Home community

Restrict the building of 55+ housing. Younger people are being priced out and kept out since housing is restricted based on age.

Blue collar workers can't live in condos, they own tools, a trailer and make a living out of a truck ... parking is critical.

Build apartments that are more affordable for our area and its citizens

I am not against the real estate pricing being high, however, the cost of living in Kerrville out-weighs the medium pay scale, so that a middle income family, or single person home, is unable to purchase a good home.

drop the price of property as people are asking double and triple the tax value of homes

Under no circumstances would me or my family support government subsidized housing or the use of taxpayer incentives for housing options. Let the FREE MARKET work! Government intervention is what's causing the affordable housing crisis in Austin, San Antonio, and our urban cities. Kerrville does NOT need to adopt the policies of the big cities that's driven us all to leave them!

bring back the city program of housing provided to qualified families to purchase a home at lower cost, NOT HABITAT

Independent living facilities for retired folks, such as Del Web communities.

entry-level subdivision lower-priced for singles without home owners associations

Provide more affordable housing for hard working single parents whether it be for rent or sale and also more mobile home parks or neighborhoods for people under 55.

Cut back on or eliminate "age restricted" communities. These areas have housing that are at a price point that should be manageable for a

small family making a minimally liveable wage, but they are restricted. My wife and I have been looking for a house since November when we moved here and have not been able to find a suitable home at an affordable cost that ISN'T in a restricted community. After taxes and deductions, I bring in less than \$30k a year. Everything that isn't age restricted is priced at over \$250k for an outdated home that requires extensive repairs. That's simply not doable on ~\$2,200 average income per month. We were very lucky to be able to secure a rental home from a family friend at \$950 a month, but that is now sold to another buyer and we have to find a new place by the end of the year. The housing market is a desert of overpriced, low quality homes that immediately get bought by investors and turned around as an overpriced rental home. Kerrville caters to the elder and retired population but provides very very little to middle class and younger families, leaving a bitter and unhappy work force that runs the everyday operations of this city. People expect the service industry to be world class, but nobody wants to provide these working people with a positive and happy living situation.

Stronger/ more support to code enforcement so that areas are not getting run down.

Pet (multiple pets) friendly is an absolute must!

Provide housing, apartments that college students can afford.

Provide more assisted living options

Keep Kerrville small and rural

So many of the new subdivisions around town offer only large floor plans at outrageous prices. The majority of people working in this community (teachers, service industry workers, retail workers, etc.) DO NOT MAKE sufficient wages to afford these homes, and frankly do not NEED that kind of footprint. It does not benefit our residents (or the environment) to continue to exclusively zone for and encourage the building of large homes. I would love to see the development of a neighborhood of "small homes" (less than 1000 sq. ft) in Kerrville. It would be a beautiful option for families who seek the convenience and layout of a townhome or apartment, but who prefer a detached living space, perhaps with their own yard.

I haven't lived here long so I'm not sure what other employee's complaints about housing would be. I think the city has made enough mistakes with the number of Rehab facilities and "healthy living" homes that seem to have no

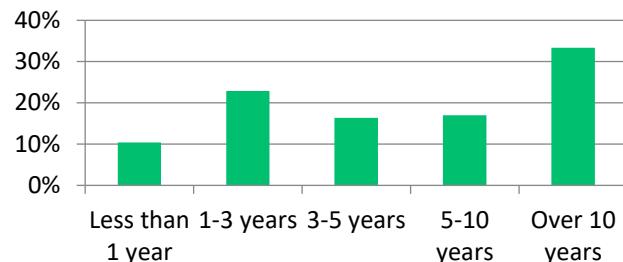
ordinances/laws governing them. The last thing Kerrville needs is subsidized housing unless that will include lower paid City of Kerrville employees!

5 - 20 Acres for build your own detached homes

### ***How long have you lived at your current place of residence?***

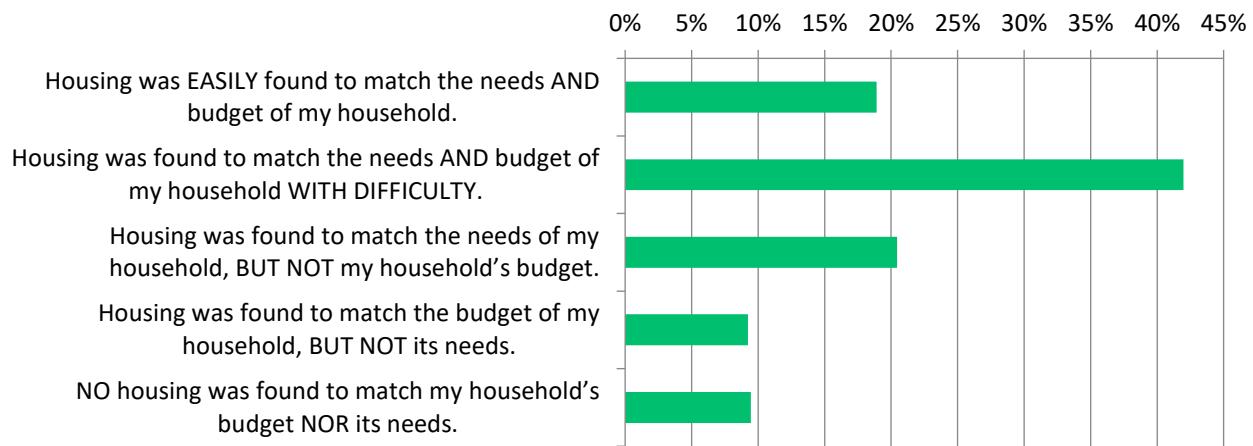
Respondents provided a wide range of length of tenure in their current residences.

n=690



### ***When you last moved, which of these statements best describes the experience of your household, with regards to your housing needs and budget?***

Fewer than one in five respondents who had lived at their current residence for less than 10 years reported that they easily found housing. 39% reported being unable to find housing that met either or both their needs and budget. The latter share rose to 47% for renters.



n=455

The level of difficulty varied with the income levels of respondents. Over half (53%) of respondents with a household income under \$50,000 were unable to find a home that met their needs or their budget or both. The responses for different income groups were as follows:

Household Income Group	Easily Found	Found with Difficulty	Needs but not Budget	Budget but not Needs	Neither Budget nor Needs
Under \$50,000	11.8%	34.5%	26.1%	12.6%	15.1%
\$50,000 - \$74,999	13.5%	47.2%	19.1%	9.0%	11.2%
\$75,000 - \$100,000	22.2%	37.8%	24.4%	8.9%	6.7%
\$75,000 or more	23.6%	51.2%	14.6%	6.5%	4.1%

***If you wish, please add comments about your experience finding a home that met your needs and budget:***

A large number of respondents opted to leave comments about their home search experiences. A very common theme is that prices are far higher than what most local workers can afford and older homes that need updating are priced much too high.

n=248

*Open-Ended Responses*

Very busy and hard but thankfully found a home  
 Hard to find land to build  
 We custom built our current home on a large lot (just short of 4 acres) that we purchased a couple of years before we actually built our home. Our builder presented us with plans for a much larger home than we had wanted indicating that we qualified for a home of that size but because we are frugal, we made him redo the plans to reduce size to what we felt we could afford and actually needed. We wanted to ensure that if either of us lost our job that we could maintain payments on the mortgage and related expenses.  
 Not allot of things out there for single parents with a budget  
 350000  
 350000  
 350000  
 We searched for nearly 6 months to find a home that fit our needs. There were limited number of rental options available, and A LOT of others looking for rentals. The home we found is \$200/mo above budget.  
 There is a lack of new construction homes at reasonable prices compared to other cities.  
 Cost of living in Kerrville is killing working people in this town  
 My last move I found what suited by needs, but it was too expensive and the quality was awful.

its been stressful  
 Real Estate Agent was great in helping find our home  
 Junk houses priced at \$200+ is ridiculous. And tax assessments based on this is completely inappropriate.  
 EXTREMELY difficult to find affordable housing.  
 EXTREMELY!  
 I already owned the property that I moved to while living in town and had to sell one of them  
 The city taxes are very high in kerrville which led me to ingram , I was able to get a home less then 15years old and square footage was more then kerrville and less taxes.  
 small middle class population, minimal quality housing options in that price point  
 Limited options and high prices.  
 May 1993  
 Affordable housing options are trashy with tenants generally assumed to be troublemakers. Kerrville is small now so this is not an issue that leads to violence too much yet, but Kerrville seems to be self-perpetuating an attitude of division between lower and higher incomes and between race and ethnicity. I can foresee this becoming a much bigger issue over the next several years as Kerrville grows. The leadership of Kerrville seems to be having a difficult time keeping up with the times as it pertains to a diversity of perceptions with population and housing.

ON A SINGLE INCOME WITH A FAMILY IT WAS VERY DIFFICULT TO FIND ANYTHING AFFORDABLE AND HAD TO SETTLE FOR AN APARTMENT- THAT IS DATED. I HAVE NO WAY TO PURCHASE AN AFFORDABLE HOME IN THE SCHOOL DISTRICT MY CHILDREN ARE IN NOW. ALL HOUSING IS EITHER A 20 YEAR OLD HOME SELLING FOR OVER 200K OR A DILAPIDATED RESIDENCE IN A LOW INCOME AREA THAT NEEDS A LOT OF WORK.

We lived in our RV for 2 years before buying the single wide that we now live in. The hardest part was finding a nice mobile home community under age 55 to park our brand new home. That was harder than actually buying the house. We rent a spot for our house so not only do we have a monthly mortgage, but we also have lot rent. Finding land to even put a single wide is about near impossible in Kerrville.

Kerrville housing is on the higher end and much of what we looked at had not been updated.

Online research makes it easier for out-of-area buyers to know what is in the market.

I purchased a foreclosure sight-unseen.

My wife and I were "rejected" from our first choice (Rio Robles Retirement Park) because we both worked full-time

Single Family Houses are beyond expensive, and have many restrictions. i.e. no pets, no kids

My house was tied to family/purchased as-is

Hard to find a home that met my budget.

anything that met my need and was decent shape, was too expensive. moved into something old and small to help budget problems.

homes that were move-in ready often seemed out of my housing budget

30 plus years of saving to purchase a nice home close in

It took us over a year and were only available to afford the home because family helped with the down payment. I consider myself middle class and have one of the best jobs the area offers.

I found my home in 1998 and found it very easy.

Wanted to downsize but older, smaller homes needed too many upgrades, and new homes were too expensive

I'd like to live at the Summit, but I can't afford it..

It was tough to find the right home big enough for my family and at a price i could afford. Now with the recent tax increase i know that i will never

find another home in the city limits that will meet my needs and my budget. I've enjoyed living in my home town and never planned on leaving. I'm now being forced from my dream home with no hope of ever finding another one like it in the city limits.

WOULD LOVE TO FIND A SUBDIVISION THAT I CAN BUILD A SMALL HOME FOR ME AND MY KIDS WITH A SMALL YARD AND BUILT ON GARAGE AND THAT IT WOULD NOT BE SO EXPENSIVE THAT I CAN'T PURCHASE IT. I DO NOT WANT TO BUY A MODULAR. BUT IT SEEMS THAT I MIGHT HAVE TO GO THAT WAY.

Taxes are more reasonable in the county, and a lot fewer residential codes to deal with.

I could probably afford a smaller home in an older neighborhood in town, but the trade off in privacy and security would not be worth it to me at this time.

Took a minute of calling around, but I found one what was a decent fit

Took 6 months to find my rental home, it barely meets the needs of my family. Barely met the budget needs, however rent was just raised by 100 dollars per month. I'm having to work overtime to afford it at the moment.

I was very lucky.

Live in a small home built in the 1950's & have looked at upgrading to a better home. Have not been able to due to high prices of homes in the areas that we are interested in. Would like to live close to park, walking area, but it is too expensive for my budget. I am in my 50's & thought I would be in a better home by now. The pay in Kerrville is not good. It needs to be upgraded. But I do love the friendly people & the rivers.

We settled for a foreclosure home since that was all we could find that was affordable and met our needs. However it took almost two years to move in since the house required major repairs.

Got lucky.

single person over age 50, incredibly difficult to find housing i can afford with ONE INCOME 1999

Rental housing is very limited, and very expensive.

I have a family of 6, 2 teenaged boys, 1 teenaged girl and a 9 year old boy. Ideally we need a 4 bd, 2ba around \$1,000/mo. We searched for approx 6 months, finally found a home that fit our needs

but was \$200 over our budget. We made cuts in other places and made it work.

My experience has been with my adult children, for a young family even with good jobs, what is paid for rent which is too high for "working class" and what you get in that home does not match, we are not all "retired" or have our taxes frozen.

Had to begin search several months in advance. Had to go with a place unseen to secure it. Pay more per month for 2 bdrm apt than entire 3 bdrm house payment we were leaving from.

I WORK TWO JOBS AND CANT GET A PLACE TO LIVE OR BRING MY FAMILY FROM TEMPLE TX

It has been very difficult to find a good safe area to live and in my price range has been very difficult!!!

Cost of living is way to high because i dont get paod enough and paying for a moldy and broken apartment

We have had to settle or compromise by living on the same property with relatives. Our home is small for a family of 5 but we do have some privacy and space for the kids to play outdoors.

I had to pay a nonrefundable deposit, plus a refundable deposit. It would be impossible to rent in Kerrville if I had a pet.

Had to go outside Kerrville to be able to afford was thankful we found a place reasonably priced to put a USED mobile home. Most places you have to buy a new mobile to be allowed to bring into a mobile home park.

We needed a 3/2 budget was \$120,000 but couldnt find it at that price. We found a 3/1 for \$125,000 If I were to try to find a place to live right now in this town or surrounding area I would not be able to find anything. Simply put Kerrville is in a depressed state. The cost of living (mainly rent) is so far out of balance with the low pay scale of the working individual. I would have to move away.

Lot of houses for sale, but the taxes are very high and housing is expensive in the city limits

Moved back to family-owned property.

I am contemplating moving from the area do to housing costs.

It is impossible to find a home of my own based on needs and budget.

Did not find a home/land we could afford

There was no one available to show me a home in Ingram for rent. I called for 3 days to let them know I was traveling 5 hours to see ONE house but the realtor could not take the time.

Critical shortage of affordable housing

impossible working for the state

Homes for sale are expensive, settled for within budget.

I got lucky. My landlord is a good man and according to the market in Kerrville I should be paying twice what I am, for the size of my house. housing in Kerrville is ridiculous.

The homes in my price range were very limited. The ones that were went very fast. The home I purchased requires much TLC which now is almost impossible to happen

We are living in a home that was built in 1957. It's nothing special, yet we pay \$1500.00 a month. the complex didn't have any one bedroom apartments

Cost of living in Kerrville is way more then money made

Small houses are way over priced.

I inherited my home after my Mother passed away. My Husband and I moved in this home to take care of her. After she died we were stuck. I would LOVE to move away/sell this house, but there are zedro afforadble places to live in Kerrville. The taxes on our house are astronomical and SOMETHING needs to be done about it!!

I haven't been able to find housing that a single person can afford

wasn't difficult at the time

the monthly mortgage payment is equal or less than the monthly tax payment, almost to the point of needing to sell and move away from the city limits. Our children are grown and gone but we have to have 3 full time jobs between us just to make ends meet. our biggest mistake was moving within the city limits.

Tax increases and rising home values made it impossible to find an affordable housing.

We purchased Rural Land and built our home ourselves.

there is nothing available under 900 month .... way to exspensive for single parents!!!

Based on our experience, the market is very overpriced.

Single family employer income with secondary income of disability resulting in a total of \$2,500

per month income for a family of 6. We need a minimum of 3 bedrooms which rents around \$1000.00 per month or more. Rent should be 25% of household income based on financial expert opinions. \$625.00 per month for rent would meet that criteria, but is not offered for a 3 bedroom in this area.

at the time taxes were affordable and there was no over 65 tax freeze in place

Finding affordable living in a safe neighborhood was extremely difficult. Everything was way out of budget for our household needs.

too long ago

We moved from an area with overpriced real estate to Kerrville, only to find the situation here is even worse. Price per square foot in Kerrville city limits is exorbitant, to say the least. New construction with adequate square footage for our family's needs is fairly impossible to afford, even for a two-income family.

Outside city limits , rents are roughly 200.00 per month cheaper than they are in town. More people are moving out of city to save money.

I was shocked at how small most homes were. It was surprising to me how expensive the price per square foot was coming from a Dallas suburb not looking to purchase in Kerrville

searched for over 4 years before I found a house that was suitable

anything affordable was in poor condition

Most homes in my income bracket are in need of many repairs that I am not able to afford to hire out or complete myself.

We had an easy experience, but we had a \$400k budget. We bought land and built.

very expensive rent

was a move in.

cost of living is higher than the most are able to actually afford

More available newer and affordable well managed apartments or houses.

I had to use a housing voucher for vets

Houses for sale here - way too high. I was lucky to find the house that I have, though it has many things wrong with it and not a good neighborhood.

We were able to find our home before cost of homes went up.

Pricing in good neighborhoods high for older homes.

If you want to be in a specific school zone.

Housing and cost of living in Kerrville is extremely expensive. We had to find a lot and build our home (on our own) to save on labor costs. We are currently still not completely done, but at least we were able to move out of the apartment and stop paying rent. Housing options were non-existent when we were looking to buy a home.

to me it was very easy to get help to get a home I built my home.

If I didn't have my present arrangement I'd be in bad shape. the rent in kerrville is far to high for my income. I work at the worst paid place in kerrville.

We wanted a home on 5+ acres outside of city limits without an HOA for under \$300k. We were able to find a residence just outside Kerr County on Harper Rd.

Moved from California in 1998 - lived in Kerrville temporarily but purchased in San Antonio due to work/family considerations.

The amount of home one gets here in Kerrville costs way too much! for a 1-2 bedroom it's nearly 200,000-300,000. People starting out or wanting to downsize it's nearly impossible to afford to live here!

Its hard to find a home here in Kerrville that is not in a bad area or cheap on rent

Old homes that are overpriced very difficult to find homes to fit a middle class budget.

New housing REQUIRES new roads or widening existing roads. Road management and longer commutes are equal or more important than adding just more homes. Need more loops, spurs, cut through, etc.

It was has hard to find a house cause they are so high in price and not to many in town other than a shack for \$1,000 and up

We had to jump up in price range when we bought our home because the original price range we looked at consisted of older homes that needed total remodel. We found a home that was 2 years old and move in ready but it was in a higher price range than we originally wanted.

We grew up in Kerrville and had moved away for school/jobs. When we started a family and wanted to move back we had a very difficult time

finding decent and affordable housing in the area. Renting in the area is next to impossible unless you would like a large monthly payment or do not mind living in less-than decent types of situations. We ended up deciding to build on a lot that we purchased as this was our most affordable option.

price per square foot should better reflect location and appearance

Need to have room for family but affordable

Prices of homes in Kerrville are way too high. It's hard on an educator's budget to buy a home here that doesn't require almost a complete renovation. My family and I renting until we our home is finished being built. It's been almost a year since we sold our home and tried to move closer.

It took us almost a year and we payed about 1.5X \$/sq.ft. more than the Houston metroplex market

IT TOOK ME 18 MONTHS TO FIND A HOME IN MY BUDGET THAT MET MY NEEDS IN THE CITY. IMMEDIATELY THE TAXES WENT UP WITH NO RENOVATIONS. NO INCREASED STORES, OR QUALITY RESTAURANTS, OR DOWNTOWN ATTRACTIONS.

they were very small and or needed a lot of cosmetic work

There is little to be found for young families raising kids on salaries found in Kerrville.

Homes in kerrville way overpriced for our budget after paying health insurance.

there was not a house in kerrville that fit my needs and budget - which is why i purchased in Bandera.

Houses are overpriced in Kerrville

I have not

It was incredibly difficult to find something for a family of average income that was large enough to meet our needs without having to spend even more money renovating before being able to move in.

Thankfully I rent from my parents st a reduced rate, however I'm not in love with my neighborhood due to neighboring drug dealers. We also can't afford most homes in Kerrville due to many needing updating at an already high home price.

In order to find a home that met our budget, we had to reevaluate our needs

Fredericksburg's housing is extremely high. I was lucky to have come into the market at the right time. Otherwise I wouldn't have been able to find the housing I currently live in.

We have 4 kids and we squeeze them into a 1900 sq ft home- all we could afford for \$226000

I currently and an administrator with KISD and we have lost employees due to lack of affordable housing for young professionals

Please consider not only mortgage rates to suit middle class families but also property taxes as they have become an incredible strain on the community.

There are apartments that have the same cost of a mortgage payment on a home. It was hard to budget my once a month paycheck to pay all the Bill's on time

After looking for 12 mos for a 4 bedroom home we found it more affordable to build a home.

We spent two years looking for our "forever" home. It needed to be something we could afford, with childcare, and taxes. It was rough. We found an older, fixer upper type of house, but it was still expensive.

Under \$200K

moving from Kyle TX to Kerrville TX the market in Kerrville was extremely difficult and stressful process. the amount of money to purchase a 60 year old plus home was outrages when coming form a city that had affordability housing with newer model homes that were even Eco friendly as well has price tag friendly. I feel that Kerrville is one the most difficult markets out there.

We were fortunate to find the lease deal that we did when relocating to Kerrville. It was very difficult to find decent, affordable housing in this community. We were moving from out of state and were shocked at the cost of homes/land in Kerrville. The cost is NOT family friendly and discourages people from living/staying here long term.

You either get outdated/ expensive properties or you get semi updated/ unbelievably expensive properties. nothing in between

We must have bought at the right time. Houses in our neighborhood that are the exact same as ours are selling for \$100,000 more than what we bought ours for. Our pay has not increased.

It was hard to find something that was not in need of renovation and was within a price range that our family could comfortably afford.

Limited 4-bedroom options

All homes in the budget I was looking at needed remodeling as they are old and updated in any way

Looked at about 25 homes. We bought the last one we looked at because it met our criteria. We did increase budget to get what we wanted.

When we moved here in 1989 there were almost zero rental houses and very few homes for sale in town that met our needs. Found home that met our needs outside city limits.

\$700-\$950

very pleased with housing options limited overpriced for single families

It was owner Financed

There was not much on the market at the time that we were needing to buy that was within our budget so we settled for something that was big enough, but needed work. It is still more than I wish we were paying for what we have, but it is ours.

I have a large dog and most dog friendly properties are very expensive and reasonable prices don't allow dogs.

Housing is too expensive for a large family. A three bedroom home for a family of six that you can barely afford makes living in Kerrville a struggle. few options for apartment rentals available that were open

Pay double here what we paid in previous town of residence

I moved in with my mom in order to save money so we could leave the city and we are leaving the country

Most homes in the sub-\$215K category are falling apart, requiring \$10,000 or more to repair. Some neighborhoods have age restrictions that prevent affordable housing to sub-55 citizens.

There were many affordable options but the taxes have made it difficult to keep

I can't move to Kerrville, closer to work because of the rent house/apartment prices. They are unaffordable for the average worker.

Did not use a realto

privately owned rental homes need to be held to a higher standard. they are in disrepair with high

rents and unrealistic owners who use ride realtors that i have found very discriminating to a European last name! the discrimination is sickeningly regular with the realtor handling the properties.

It's not possible to rent / buy a home wihtin the salary of current position

I was living In San Antonio, and commuting to Kerrville for work, I found that I make too much to move in to the abundance of low income houseing options, and too young to move in to the abundance of Senior housing, and too safety concious to move into affordable housing in bad areas. It took two months for me to find an apartment that fit my needs, although really outside of my budget.

the market in this area is so upside down do to people asking double and triple the value of their home and property

This is an extremely competitive market for under \$200K homes.

Many of the homes we saw within our budget needed extensive remodeling. We looked about 2 years before finding something affordable and still had to repaint and recarpet.

Bought home for cash, extremely few available in moderate price range, purchased 30 y.o. home requiring many repairs

My husband owned the property when we married. Kerrville has a great variety of homes and neighborhoods. Maintenance and upkeep will be key as older residents retire to other situations and young residents move in.

my realtor, Linda Stilwell, was great, she really paid attention to my needs

I moved into my grandparent's home to provide care for my mother

Single family homes are not affordable to rent based on Kerrville wages

My concerns are for my children and grandchildren. My daughter and son-in-law were forced because of pricing and availability to live in apartments that are infested with german roaches. My grandson has to live in that environment because Kerrville doesn't provide enough housing choices for moderate to lower income families.

When we bought our house the market crashed and there was only 2 new construction in the \$230k market. It was easy to get only because no one

was buying but was hard to find a new construction home. Now the market is up and so are the values of the homes.

In 1995 there were choices of homes for purchase in my financial range. Today those homes are being snatched up by people/companies as rentals that can be out of reach for lower income people who would like a modest, affordable home for their family in an acceptable neighborhood without it being a total fixer upper.

rent is super expensive for single mother had to get a second job

Property tax is what's causing the crisis of lack of affordable housing. The home prices aren't the problem, the enormous property tax bill especially inside the city limits adds so much to the monthly payments (in some cases DOUBLES it!), it puts housing out of reach!

Wanted out of apartment life - finding affordable house was hard - but monthly payment is now less than that for rent anywhere I've seen

HABITAT is for Low income, real low, we need some for the normal working people that don't make enough to qualify for 125,000.00 up homes, but want to buy and become tax payers.

Apartment living is just expensive, no matter the location. I think Kerrville's apartment scene is comparable to cities throughout the nation of the same size. It is more monthly to live in an apartment than to pay mortgage, but all things considered we are ok. But only because we sold our house when we moved, so that provided some financial cushion.

took two years

old rundown no washer & Dryer Hook ups not secure

it took a year before finding suitable housing I could afford to buy

available housing for working people is limited and overpriced

It was very difficult to find entry-level, lower prices homes. Many of the entry-level, lower price homes that were on the market at the time were in considerable disrepair. We eventually found a home in our price range that we felt had a reasonable amount of repairs needed for the price. It was disheartening to hear that we would have a hard time finding a decent house in our price range because they were almost never

listed. I have no idea if it is/was true, but I was told the local rental landlords usually picked them up before they ever got on the market because their realtor friends would let them know about them before they were listed.

I didn't find one that did both.

we would not have been able to afford a home that met our family needs without family financial help.

The pay scale is low for Texas Employers and with the housing costs increasing the pay scale is not keeping up. I believe this is why citizens keep searching for jobs in the area. Almost need 3 jobs in this area just to afford to have a roof over your head.

I lived with a wife in a home we owned for 15 years. It's easier to find for sale homes on 2 incomes than it is one. Especially if both persons have decent paying jobs. After our divorce I couldn't hardly find anything ranging from a place for my travel trailer for me to live in or for rent much less to buy. Two years later I was able to find something I could afford 20 minutes away.

It took months because so few houses popped up on the market that met both my needs and budget. I ended up purchasing a home in dire need of TLC and repair. I'm taking care of my home's needs a little bit at a time as I have the funds to do so.

It took months because so few houses popped up on the market that met both my needs and budget. I ended up purchasing a home in dire need of TLC and repair. I'm taking care of my home's needs a little bit at a time as I have the funds to do so.

I have not been able to find a house that meets my needs and budget. Everytime I find a house that DOES meet my needs and budget, it's in an age restricted community. My wife and I were very lucky that we were able to rent a home from a family friend for \$950 a month, however, they have sold the place and rent will be increasing dramatically at the start of next year. I spend a lot of time and effort stressing about our living situation and it has taken away from my job performance drastically.

there were some nice houses in our price range, however the neighborhoods they were in were not kept up.

It was not too difficult finding a home that met both my needs and were within my budget, however

when I began to look to upgrade not too long ago I found it very difficult so I gave up rented for 3 months, then found the home Moving into where I live now wasn't too hard, however I have since tried to upgrade with great difficulty

Had to build to meet my needs and budget Houses were either short of our needs and within budget, or met our needs and stretching our budget.

the small job market here and the rent/Mortgage prices make it hard to budget for the family needs

good realtors

Moved in to home on family ranch Kerrville has many older homes in need of major renovations that are priced in the 200,000 and new homes starting in the 500,000 very few middle income nice homes compared to other cities

Lots of options within our price range

Housing is a big problem in Kerrville.

We lucked out and rented a home that we later purchased.

The only way we could afford to move into the city was to take a structure needing upgraded and made the improvements

I have built 3 time here. I found a good rural lot (Bandera, Hunt, Hunt) and used a very good affordable out of County builder to construct my homes.

Apartments were either too expensive or too rundown, single home rentals within the city were too expensive. I found my currently rental listed in the local paper.

Thirty-eight years ago we had no problem finding a house within our budget.

work in Kerrville but live in Ingram. Rentals are far cheaper

I know it is difficult for residents earning lower wages to find reasonably maintained accomodations.

Our home, though of sound build and in a safe neighborhood, is more home than we really need. However, it made greater sense financially to purchase a home (even though it wasn't the home that suited our family's needs) because the mortgage on it was cheaper than the rent we were paying elsewhere. Rent in this city is

OUTRAGEOUS, and my husband and I were unable to locate a landlord or apartment complex anywhere that permitted multiple dogs/cats in the home.

We built our own house to meet our needs. Fortunate in that I knew the person selling her mom's home in what was a moderate retirement home area and now young folks are able to purchase these homes as starter homes.

We ended up buying a house without ever seeing it. The first time we saw it was when we drove into Kerrville with the moving truck. We could not find something in our price range that fit our family needs.

Prior to moving in with my husband I rented. As a single mom it was very difficult to find anything decent and affordable that wasn't an apartment.

I was living in Philadelphia

We got lucky and found acreage cheap with a modular home on it already

Very difficult. Was down to a single choice. Would have had to commute or rent if the deal did not go through.

Cost of homes were much more expensive here in Kerrville. Purchased a smaller home and lot size than what I sold in another city, for practically the same price.

We rented and looked for 2 years before we bought our home. The housing stock is overpriced and seriously outdated for the price. Very low housing availability. We need updated homes with prices that match.

I wish this problem had been examined sooner. I searched for 3 years to find a 3 bedroom home with garage on a large lot (at least a half acre) in a good neighborhood for around 180 to 200k. The homes that we were shown needed extensive updating or were in undesirable areas of town.

bought home online. difficult to find 4 bedroom, side entry garage

Wanted larger lot; building cost proved difficult.

Our prior living arrangements in Kerrville were difficult to locate a rental house. We had to lock in a house before actually seeing the property.

The experience was hard, had to go outside of my price range to make it work.

Houses are overpriced, many are in poor condition

Market of available homes have driven the price of home out of the affordable market. What would be considered a modest home has a luxury price. It was difficult. Housing prices are expensive and most people can't afford anything newer. Homes built in the 1960's are priced at what new construction homes are outside of Kerrville. Majority of the prices did not reflect the cost necessary to update/refresh home. Finding a home that met both needs was NOT as easy as it could have been. private lender/personal friend you often have to settle for something 'close', even if it doesn't match exactly what you need because if you wait more than a few hours the listing will be off the market. Very competitive market and hard to find an affordable home.

#### Limited options

I purchased my land (13 acres) in 2005 while living in Seattle. It took a year to move here and then it took another year to build. Going from a city girl to country girl took some adjustment. It is quite different to live in the country where you need to install a Septic system, Dig a Well, Have power brought out to your land, etc. I customized a Tilson home stock house plan and have enjoyed

living in my home. I have 2 large dogs and would like to find something comparable in the Kerrville area. Ideally, I would like to live on acreage on property that already has the septic/well & electrical installed.

The homes are outdated in much of the area, for middle income residents, overpriced for their age and wear. Newer homes are overpriced and very small, such as in front of Kroc Center area. Land is outrageous and hard to find, with outdated restrictions. We attempted to locate land to build a metal exterior home and were met with outdated deed restrictions time and time again. I am a social worker and there is not easily accessible housing options for low to moderate income citizens. Thank you.

We built our home

We wanted land and a fixer up home. Hunt cost to much per acre and Canyon Springs had to many regulations. We chose Center Point because of lower taxes, lower land costs, smaller school district and less regulations.

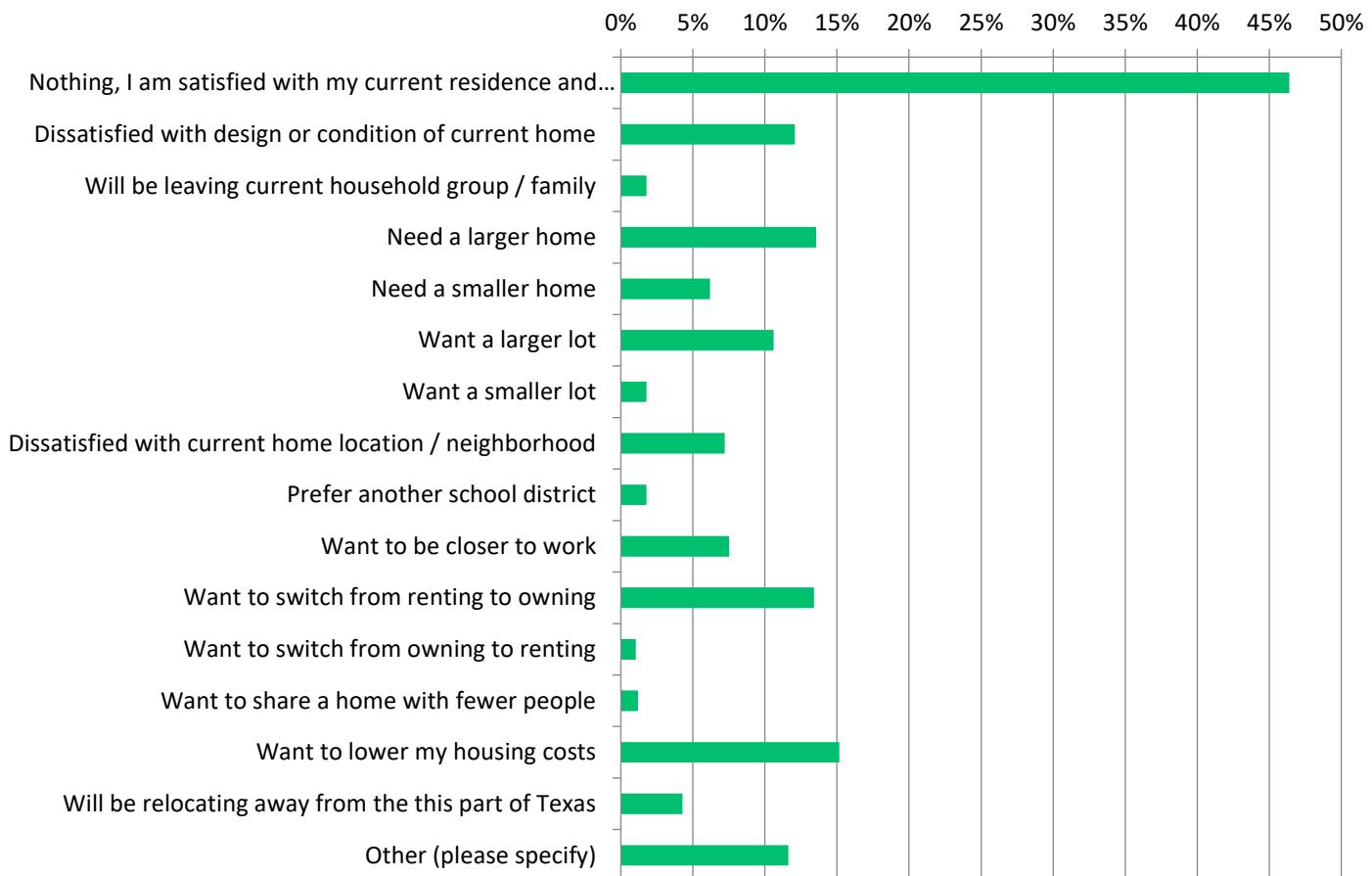
We inherited land in West Kerr County and built our home there.

.

**Are there any reasons that make you desire or need to move to a different home at the present time? Pick all that apply.**

Just over half of respondents indicated that they would consider moving their residence. The top reason cited was to lower their housing costs (15%). The other top reasons were to find a home with a better design or state of condition, get a larger home, or move from renting to home ownership. Many who left open-ended responses cited rising taxes.

n=679



*Open-Ended Responses*

We like where we are living and we are satisfied, however, we would like to buy. So when the time is right and we find the right house that we can afford, we will make the change.

Can't afford to move. Rent is so high in Kerrville compared to pay that you just get trapped where you are and can't get out.

May leave because of increasing taxes.

I can't afford the commute or maintenance that far out. Ingram and Kerrville doesn't have much to...

I am satisfied with my home, but consider relocating to another city. Although Kerrville is beautiful, services are limited and not to the standards they should be. Income is on the lower end of the scale and many people with skill sets are going other places. Any type of maintenance, such as plumbing, electricians, construction, painters are most often lazy and don't complete the job.

My parents are long-time residents, still alive, but confined to Brookdale Nursing Home. They are the reason my wife and I have settled here.

Traffic

Need high speed internet(not offered where I am) to be closer to elderly, ailing mother

Would like to live closer to town yet still outside city limits

WOULD LIKE TO PURCHASE MY OWN HOME

bigger town with more options on things to do would like 2 bath & 2 bedroom home.

If my property taxes continue to increase we will have no choice but to move.

Want lower taxation

Would like "Lower" Property and School taxes for the working class

Job opportunities not sufficient to live on, even with degree/experience. School district compensation/benefits not up to par. No salary increases for experience yearly, which means staying loyal to district not compensated or encouraged.

NEED MY OWN PLACE

As I get older, want a place that requires less yard maintenance and home upkeep

May consider moving for better opportunities

I would like to have a pet.

not thinking of moving just need extra restrooms for our house

relocating out of Kerrville to surrounding area

I would like to see more patio homes with individual yards but that have minimal yard maintenance.

City taxes are a killer

Satisfied now, but if rent goes up too much, must move.

I have one of the more enviable jobs in Kerrville. If were to get a divorce or if my wife were to loose her job I would not be able to stay in this area. It takes both of our incomes to remain.

want to get away for the high taxes

Cannot afford a house in Kerrville

high appraisals and taxes pricing me and others out of our homes

Divorced lost everything so need to start all over again

we love our home but considering moving outside the city limits as the property/school taxes are too high

Want to be closer to entertainment and shopping

would like to move when I retire - kerrville needs a

lot of work - too many drugs and problems

not planning on moving

Will sell and rebuild in Kerrville to turn the equity in our current home

Budget

Would like a home with acreage close to kerrville

Job opportunity/Advancement

I can't afford my house, that I've lived in for over 15 years now, any longer!

need a bigger home that i can have service animal in

Can get more house for my money in nearby cities

need more options for pet owners.

would like to move into a single level home (No stairs!!!)

Raising properties taxes, may force me to downsize.

Downsizing for retirement

Husbands job in San Antonio traveling there over 20 years no well paying jobs here

We might need to move if property taxes keep rising.

Need a back yard

we just bought our home in kerrville, commuted last year from Junction.

move to be closer to family

high property taxes

If surrounding lots (currently larger acreage) were sold and subdivisions were put in or if area was annexed into CoK. That would change the main thing we like about our house - rural property just outside of City limits.

want to find a location where they take care of the streets

I had to remodel to meet current needs

I am moving out of the country

I am a degreed resident that has trouble finding employmement that offers competative salaries that would afford me the opportunity to purchase a home. I have a bachelors degree and over 20 years of experience and found a job makeing only 16.00 per hour, how can I afford to purchase a quality, move - in ready home?

Love the home. Often difficult to find individuals or businesses to do a job at a reasonable cost such as fencing, paving, roofing,etc.

Lower property tax bill. The valuation of this residence went up more than \$130,000 in a single year! That's completely insane and unacceptable levels of government tax grabbing.

People's incomes cannot possibly keep pace with such out of whack valuations. In our previous house, when we finally sold it and moved here, we had been paying property taxes on a much higher valuation than what our house could actually sell for. The county's valuation of our home was over \$60,000 more than anyone was willing to pay for it! This is unsustainable and has to stop. M & O needs to be permanently replaced with another source to permanently reduce Texans' current property taxes which are way too high. Merely capping the rate of annual increases is unsustainable. People's incomes cannot keep pace with such increases. That's how the property tax burden has become so unsustainable in the first place - doubling every 10 years (or less).

If there was a change in my marital status or job status

Residential street being used as a cut through, no sidewalks/crosswalks in the neighborhood to walk on with the kids, mosquitos are worse than other parts of town that we visit

Would consider buying if I found employment I enjoy with adequate pay

Jobs do not pay in this area to afford housing. I want to raise my pay.

love the house and location just wish there were more sidewalks, bike lanes, paths around town. Kerrville is a great sized town for walking and biking places but it doesn't feel safe because we're missing these things.

The home we are renting at this time is very old and requires extensive repairs. We desire to own a home as soon as possible but have had every bit of difficulty finding a place that meets our needs

and budget. Even compromising on our needs and wants yields no solutions. Everything that has been close to what we need is bought by an investor a lot faster than we can even find the place. They renovate and turn it around as a rental property at a very high price.

upgraded home and lucrative sell of current property

If employment changes I will likely need to move I'm in the nicest apartments in town. If there were nicer ones, I'd move there.

Privacy is important - prefer a larger lot but with a smaller home

Rising taxes or home values would be the only reason I would relocate

Move further away from the city to get out of the ETJ

Living conditions- house slanted, leaking roof, no insulation, landlord will not fix but keeps going up on rent however, right rent cannot afford to move

Need private space and an additional bedroom

We would move to a new home that does not need to be updated.

May downsize after kids leave, would like downtown housing to walk to work, restaurants, shopping.

It would be great if there were more employment opportunities available with better wages and benefits. One has to commute to San Antonio to actually make a decent income.

I want to find a quiet and private place for my girls and me

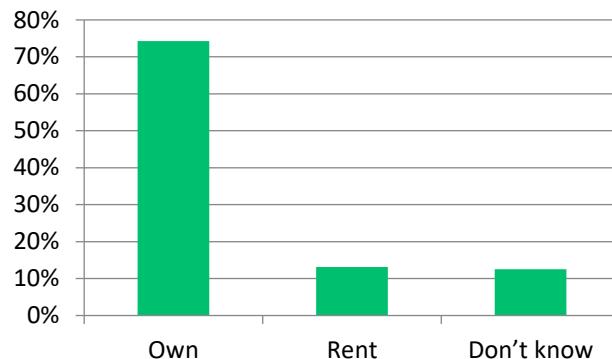
Bought 2 properties to put manufactured homes and tiny homes on for family, renting, and retirement income.

.

**Would you plan to own or rent if you were to move now?**

Nearly three-quarters of respondents who would consider moving stated that they would plan to own their next home. For those who are currently renters, the share expecting to own dropped to 60% while those expecting to rent rose to 25%.

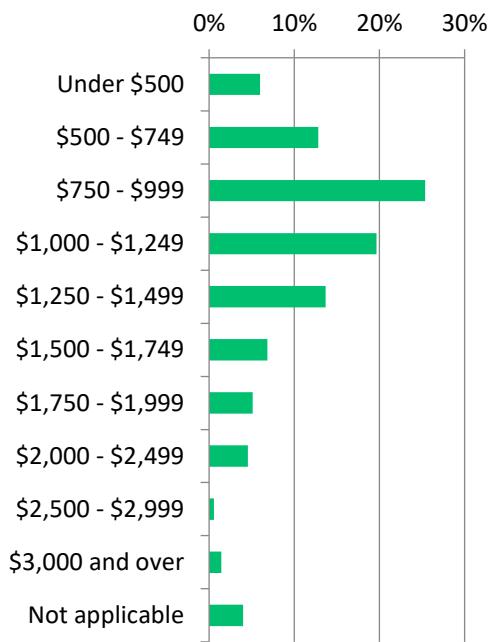
n=350



**What is the maximum you would be willing to pay for your next home, per month?**

44% of respondents would be willing to pay a maximum monthly housing cost of less than \$1,000. This answer varied greatly by the household income level of the respondent, particularly whether the income was \$75,000 or more. The share of respondents with a maximum of \$1,000 per month is summarized as thus:

Household Income Range	Share with Max <\$1,000/month
Under \$50,000	78%
\$50,000 - \$74,999	53%
\$75,000 - \$99,999	26%
\$100,000 and over	5%



For respondents who expect to rent their next home, 68% stated a maximum of less than \$1,000 per month, and 29% under \$750.

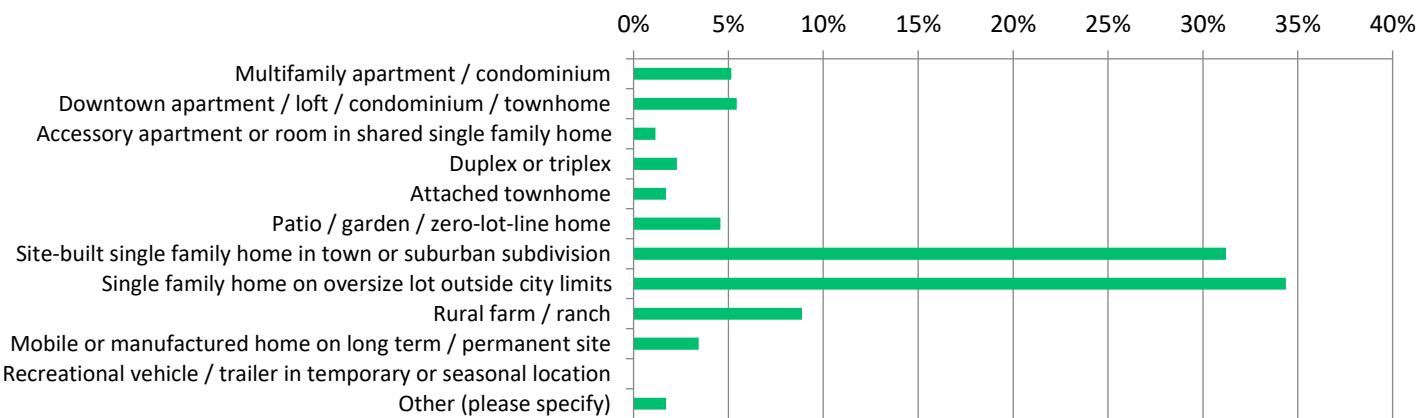
Only 32% of all respondents in total stated a maximum monthly cost of at least \$1,250. Even for respondents with household incomes between \$75,000 and \$100,000, only 38% expected to have monthly costs in that range. For respondents above \$100,000 income, however, this jumped to 76%.

n=351

**Given your financial, employment, and family situations, plus personal preferences, which housing type would be the best fit for you?:**

By far the most popular responses for appropriate housing type were single family homes, with homes on oversized lots outside the city slightly more cited than in-town or suburban subdivisions.

n=349





*Open-Ended Responses*

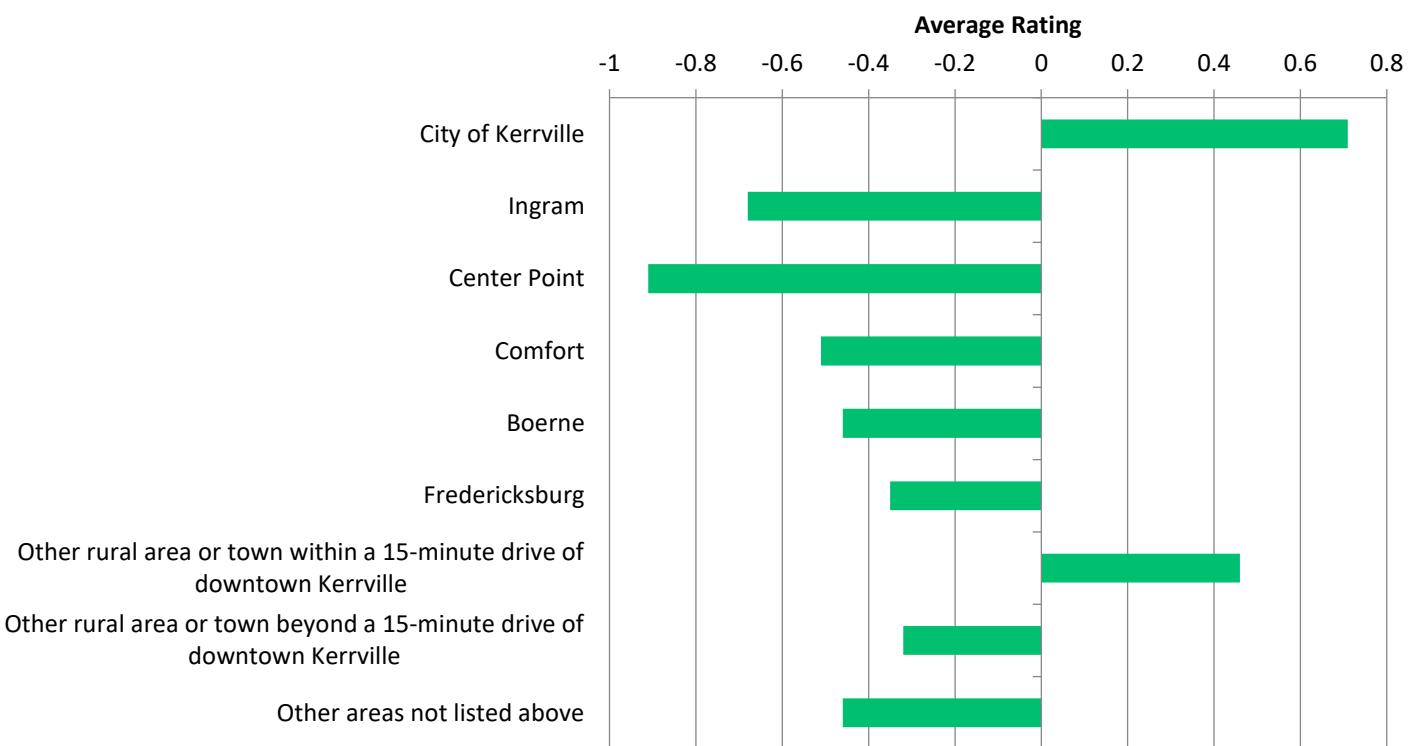
A cheaper Apartment  
 Single family home with some acreage  
 tent  
 single family home on 2 acres outside of city limits

We are a one income family of two. We can't afford  
 more than 500-600/month now.  
 Tiny house outside city limits on an acre or two

**How desirable do you find the following locations for your next home? Please rank their desirability.**

Respondents found the City of Kerrville and its close-in unincorporated periphery to be more desirable places to live for their next residence than other rural areas or communities. The chart uses a rating system that ranges from -2.0 for the option of "Not at all Desirable" to +2.0 for "Very Desirable."

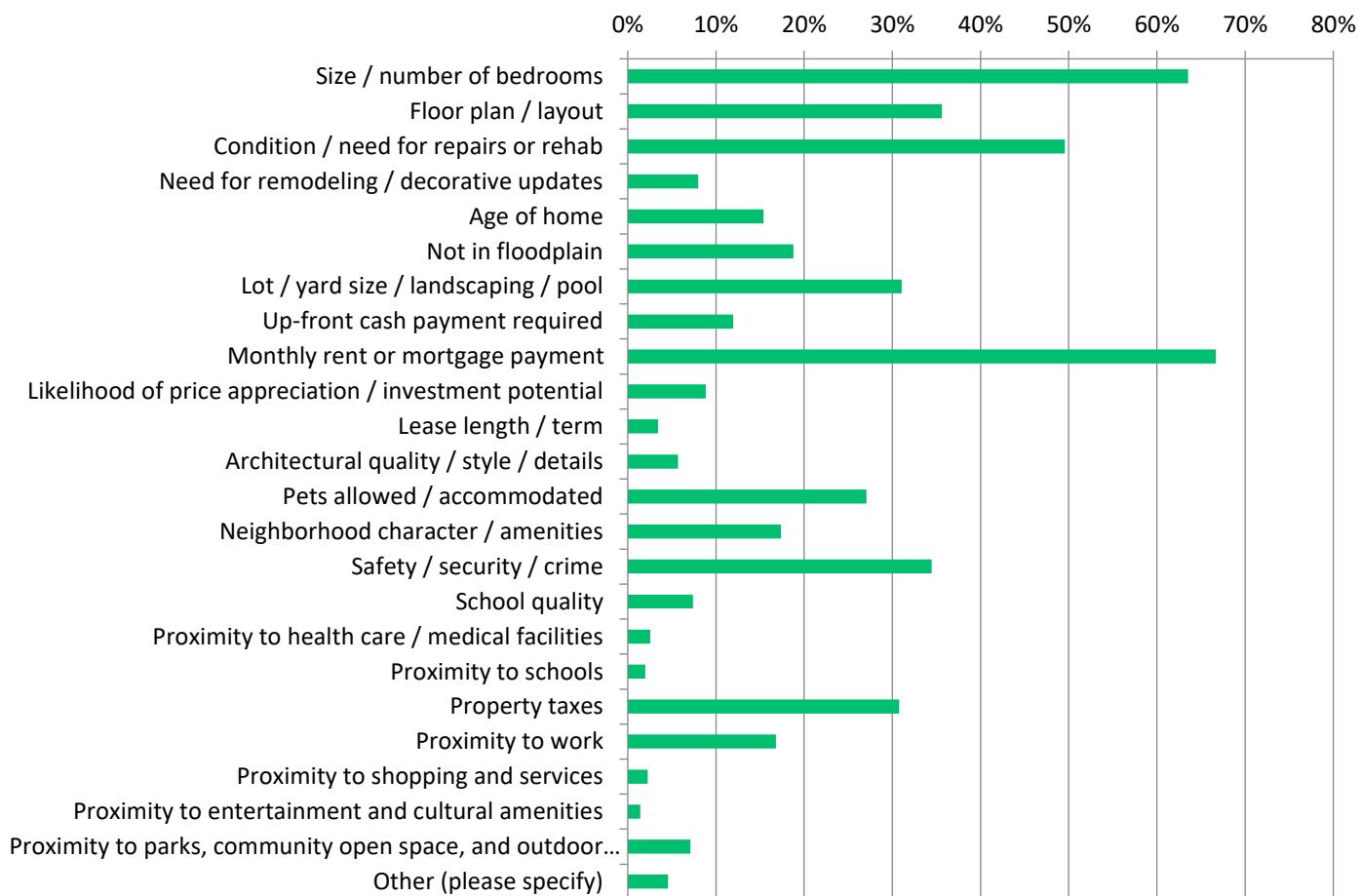
n=351



**What do you consider to be the most important factors in selecting your housing type and location? Check UP TO FIVE.**

Only two factors were cited by more than half of respondents: monthly payment (67%) and size / number of bedrooms (64%). Condition of the property was cited by just under half of total respondents. For respondents under \$50,000 household income, monthly payment was substantially more important – 82% cited that factor, while affluent respondents with incomes over \$100,000 put home size, condition, and floor plan as all more important than monthly payment. Proximities to schools, services, and amenities were cited by few respondents.

n=351



*Open-Ended Responses*

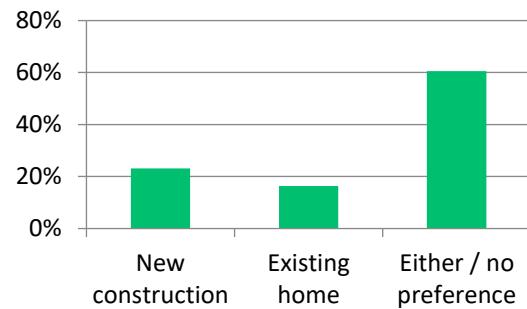
Rental Management Staff Professionalism	# & Size of BATHROOMS
Noise, Dogs.	Proximity to other family members
High Speed internet connection (>50mbps)	Price & if land comes with it
WANT A BUILT IN TWO CAR GARAGE	Proximity to Fire and Police - Potential response time
away from city lights	No Home Owners Associations
Not on the poop loop. All the proximity areas, health care, shopping, entertainment and parks are important. Developments towards Harper would be nice.	On a hill top
again not looking to move to Kerrville area	NO HOA---HOAs are unAmerican
	Inexpensive
	Near family



### Would you prefer new construction or an existing home for your next residence?

Over half of respondents had no preference for either new construction or existing homes. Respondents with household annual incomes of \$100,000 or more had an increased preference for new construction, at 31%.

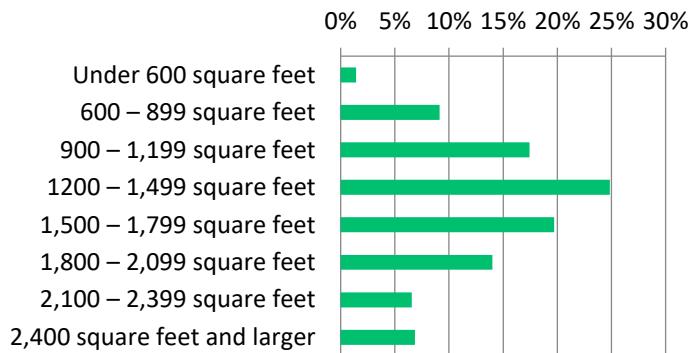
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### What is the minimum size of a NEW CONSTRUCTION home or apartment unit you would consider?

The most frequently chosen minimum new construction home size was 1,200 to 1,499 square feet. However, minimum size preference was relatively widely distributed between 900 and 2,100 square feet.

Minimum preferred size varied substantially with household income. The size preferences for different income groups were as follows:



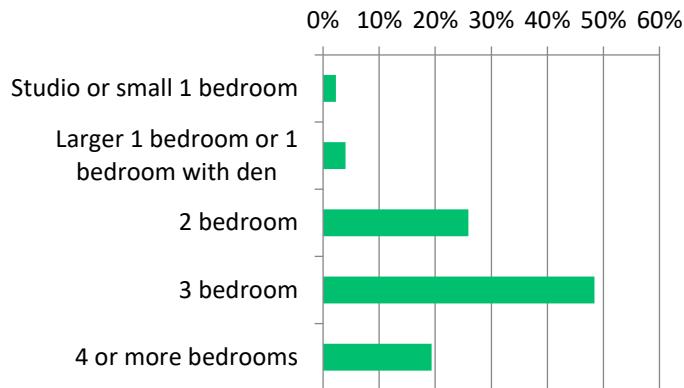
Household Income Group	Less than 1,200 sq.ft.	1,200 to 1,800 sq.ft.	1,800 sq.ft. or more
Under \$50,000	50.4%	37.2%	12.4%
\$50,000 - \$74,999	32.9%	49.4%	17.7%
\$75,000 - \$99,999	13.9%	60.0%	26.2%
\$100,000 or more	6.0%	35.7%	58.3%

n=350

**What is the room plan you would most desire for your next residence?**

Three-bedroom plans were the most desired option for nearly half of respondents. Respondents under \$50,000 annual income, however, had approximately equal preference for two or three bedroom plans.

n=351

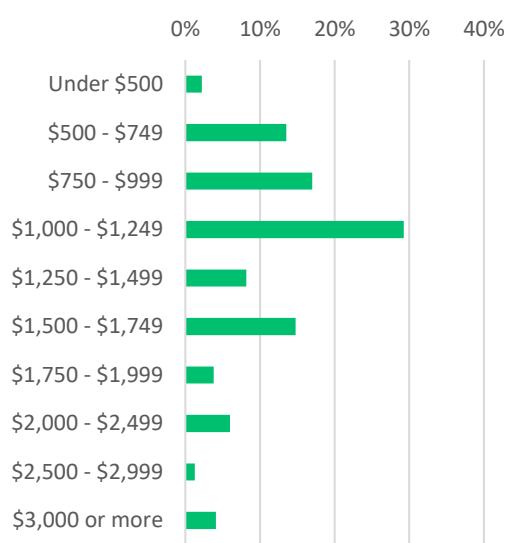


**For the room plan identified in the previous question that offers your most desired features, how much cost would you and the family members you live with be willing to be responsible for per month in either mortgage, taxes and insurance cost (if buying) or rental payment? (enter a numerical cost between \$0 and \$10,000; do NOT include contribution from additional unrelated roommates)**

The greatest share of respondents' monthly cost amounts fell into the \$1,000 - \$1,249 range. Nearly half (46%) of responses were in the range of \$750 to \$1,249. The frequency of responses fell off drastically above this range; all responses of \$1,250 and up accounted for barely one-third of respondents.

Lower income respondents had a much larger share of stated monthly costs under \$1,000 – 66%. This dropped significantly, to just 32%, for respondents with incomes \$50,000 to \$74,999 answered in this range. The shares of respondents in each income category whose answers were under \$1,000 is as follows:

Household Income Group	Monthly Cost Under \$1,000
Under \$50,000	66%
\$50,000 - \$74,999	32%
\$75,000 - \$99,999	15%
\$100,000 or more	3%

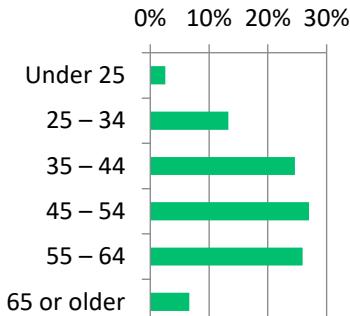


n=318

## Demographic Questions

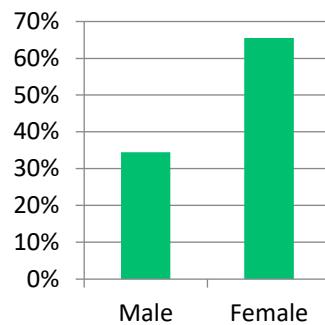
The following charts summarize the results of the demographic questions from the end of the survey.

Age Group



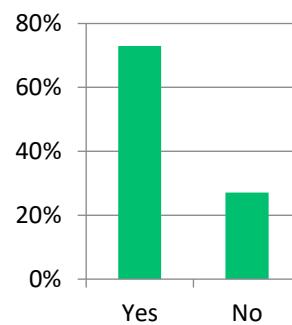
n=663

Gender



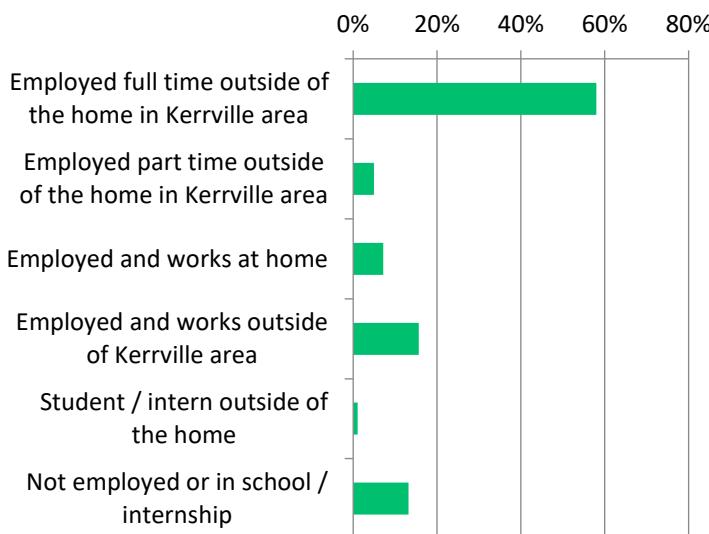
n=661

Spouse/Partner?



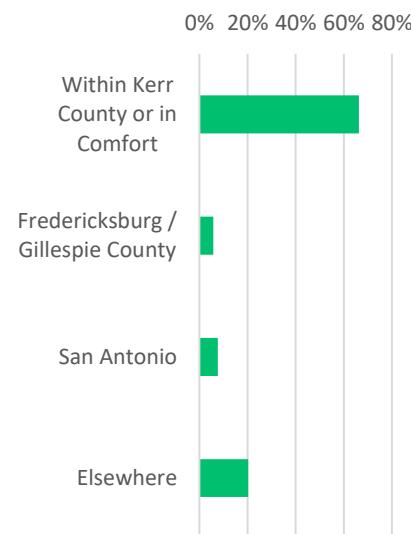
n=661

Spouse Employment



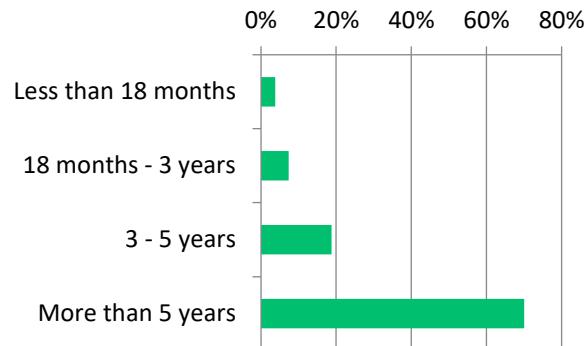
n=486

Spouse Job/School Location

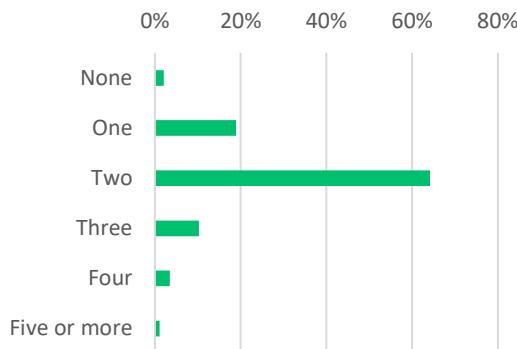


n=351

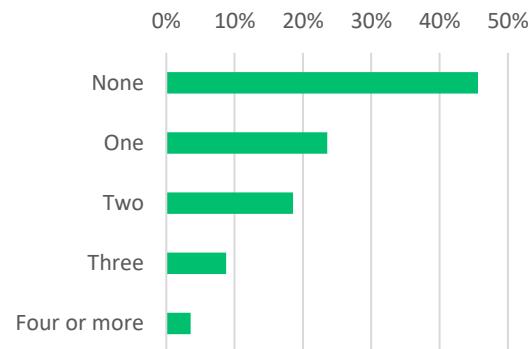
**Expect to Continue Working in Kerrville**



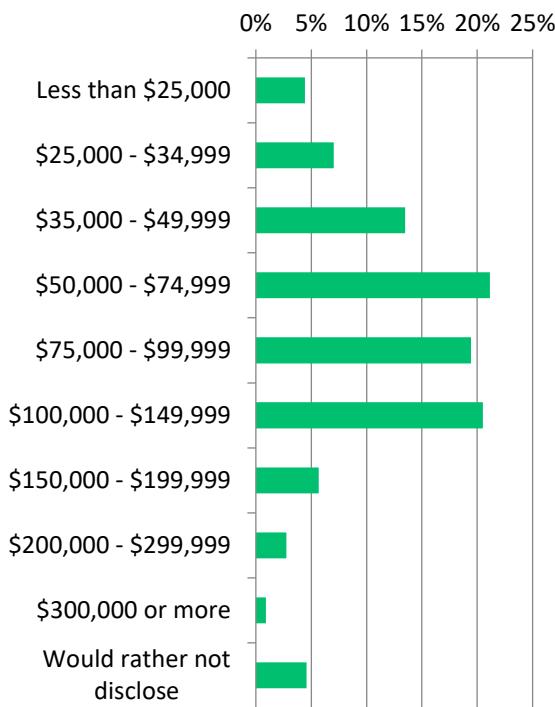
n=654

**Number of Adults in Household**

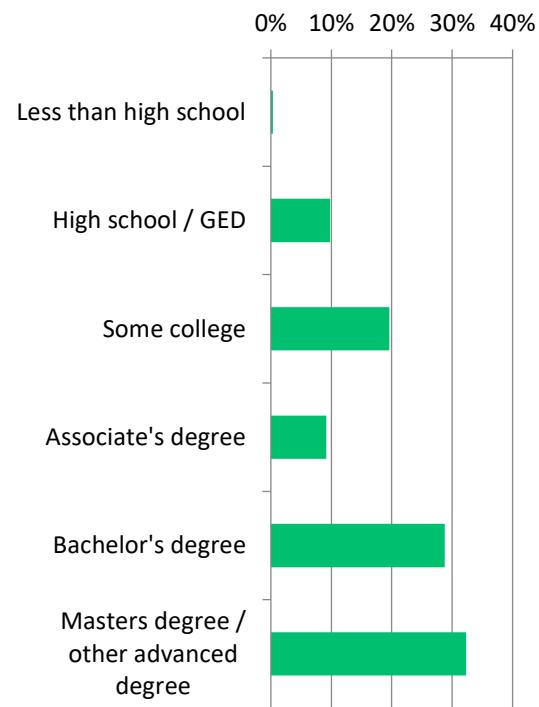
n=647

**Number of Children Under 18**

n=647

**Annual Household Income (Family Only)**

n=653

**Educational Attainment in Household**

n=653

## KERRVILLE EMPLOYEE HOUSING SURVEY

**\*Survey respondents must be employed inside Kerrville City Limits\***

*If your place of employment is located outside of Kerrville, please refrain from taking the survey.*

The City of Kerrville is sponsoring this survey in order to provide information that will inform the City's Housing Strategic Plan, now under development. A variety of good quality and affordable housing options is important for any community growing its population and job base. This survey will help Kerrville-area public agencies and the construction industry better understand the community's present situation, beneficial policy changes that could be made, and new housing choices that may need to be offered.

The results of this survey will be made available to the general public and community leaders. **By donating a few minutes of your time, you will help decision makers in Kerrville have the information to address the area's housing issues.** Information collected by this survey will be displayed in aggregate only, keeping all individual responses private and confidential.

Please take a few minutes to complete the survey. Your answers will be completely anonymous and will provide vital input from the community. **Thank you!**

1. About how long have you been working in Kerrville for your current employer? (check one)

Less than one year

1 - 2.9 years

3 - 4.9 years

5 - 9.9 years

10 - 14.9 years

15 years or more

2. What best describes your employment status in the past 12 to 18 months?

Employed full time in Kerrville by one employer

Employed part time in Kerrville by one or more employer(s)

Local independent contractor / self-employed

Out of town visiting / contractor / temporary worker at local Kerrville employer

Student

3. How far do you commute to work each day? (check one)

0 to 5 miles

5 to 10 miles

10 to 25 miles

25 or more miles

4. What is the way you have secured housing at the present time?

I own my home  My employer has provided my living space

I rent my home  I have another living arrangement (please

describe): \_\_\_\_\_

5. What is the typical amount of your household's monthly mortgage or rent payment?

- Under \$500
- \$500 - \$749
- \$750 - \$999
- \$1,000 - \$1,249
- \$1,250 - \$1,499
- \$1,500 - \$1,749
- \$1,750 - \$1,999
- \$2,000 - \$2,249
- \$2,250 - \$2,499
- \$2,500 or more
- Not applicable

6. Please describe the physical structure of your current residence (pick one):

- Site-built single family detached home (house built on-site, as opposed to manufactured or mobile homes)
- Attached townhome
- Duplex / triplex / quadplex
- Small multi-unit property (5-9 units)
- Moderate-sized multi-unit property (10-30 units)
- Large multifamily complex (over 30 units)
- Mobile or manufactured home on long term / permanent site
- Recreational vehicle / trailer in temporary or seasonal location
- On or off-campus student housing
- Other

7. Please state the 5-digit ZIP code of your current residence:

ZIP code: \_\_\_\_\_

8. Where do you currently live while working in Kerrville? (check one)

<input type="checkbox"/> City of Kerrville	<input type="checkbox"/> Comfort (skip to Q11)
<input type="checkbox"/> Ingram (skip to Q11)	<input type="checkbox"/> Boerne (skip to Q11)
<input type="checkbox"/> Center Point (skip to Q11)	<input type="checkbox"/> Other Kendall County ( <i>not including</i> Comfort or Boerne) (skip to Q11)
<input type="checkbox"/> Other Kerr County <i>within</i> a 15-minute drive of downtown Kerrville (skip to Q11)	<input type="checkbox"/> Gillespie County ( <i>including</i> Fredericksburg, Harper, etc.) (skip to Q11)
<input type="checkbox"/> Other Kerr County <i>beyond</i> a 15-minute drive of downtown Kerrville (skip to Q11)	<input type="checkbox"/> Bandera County ( <i>including</i> Bandera, Medina, etc.) (skip to Q11)
<input type="checkbox"/> Elsewhere (please state where): (skip to Q11)	

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9. (If you checked “City of Kerrville” in Q8) What do you like best about living in Kerrville? (Choose up to three things – you may offer your own opinion as one choice by choosing “Other” and writing in a description)

- Family-friendly orientation
- In-town recreational amenities and parks
- Public schools
- Lakes / outdoors / natural amenities / hunting & fishing
- Low cost of living
- Arts and culture
- Nearby medical / health care facilities
- Availability of shopping, dining, and personal services
- Other \_\_\_\_\_



10. What do you like least about living in Kerrville, compared to other places? (Choose up to three things – you may offer your own opinion as one choice after “Other”) (skip to Q12 after completing this question)

Limited housing supply

Housing prices

Downtown too small / not vibrant enough

Limited entertainment / family activities

Availability of child care

Limited arts and culture scene

Limited shopping

Limited dining

Public school quality

Safety concerns

Taxes

Other \_\_\_\_\_

11. Why do you prefer living where you do now rather than Kerrville? (Choose up to three things – you may offer your own opinion as one choice by choosing “Other” and writing in a description)

Prefer more rural setting / large acreage property farther from built-up areas and towns

Current area offers better housing types / supply / prices

Long-time resident / family established in current community

Responsibility to manage family land

Better access to more job opportunities for myself

Commute / job access easier for other family members

School district preference

Better recreational / cultural activities in current area

Better shopping and dining options in current area

Other \_\_\_\_\_

12. Assuming no significant changes to the current trends in the Kerrville economy or employers, what do you think are the most important changes needed to provide more supply and choices for housing for Kerrville *workers* – as opposed to retirees? (Choose UP TO FOUR things – you may offer your own opinion as one choice after “Other”)

Provide more “entry-level” subdivisions of lower-priced, for-sale single family detached homes

Provide new development of for-rent single family detached homes with common yard maintenance

Provide more upscale, “move-up” single family detached housing in small subdivisions without amenities

Build new masterplanned communities that include a variety of housing and amenities (playgrounds, parks, recreation facilities, open space, pool, etc)

Provide denser, lower-maintenance types of for-sale housing, such as townhomes, patio homes and condominiums

Provide new, upscale apartments and rental housing with many on-site amenities, luxury finishes and appliances

Provide new urban lofts, apartments, townhomes and condominiums in Downtown Kerrville

Provide new moderately-priced apartments and rental housing with limited amenities, basic finishes and appliances

Provide new lower-priced apartments restricted only to tenants with lower incomes (tax credit or other subsidized rental housing)

Provide new upscale large-lot subdivision housing in outlying areas of Kerrville

Provide subdivisions of new modular or manufactured homes

Provide more mobile home and RV parks

Preserve and rehab/renovate existing lower cost and older housing

Encourage more accessory rental units (garage apartments, etc.) in single family areas

Other \_\_\_\_\_

13. How long have you lived at your current place of residence?

Less than 1 year

1-3 years

3-5 years

5-10 years

Over 10 years (**skip to Q16**)

14. When you last moved, which of these statements best describes the experience of your household in finding new housing, with regards to your housing needs and budget?

Housing was EASILY found to match the needs AND budget of my household.

Housing was found to match the needs AND budget of my household WITH DIFFICULTY.

Housing was found to match the needs of my household, BUT NOT my household's budget.

Housing was found to match the budget of my household, BUT NOT its needs.

NO housing was found to match my household's budget NOR its needs.

15. If you wish, please add comments about your experience finding a home that met your needs and budget:

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16. Are there any reasons that make you desire or need to move to a different home at the present time?  
*Pick all that apply.*

Nothing, I am satisfied with my current residence and would not consider moving (**skip to Q26**)

Dissatisfied with design or condition of current home

Will be leaving current household group / family

Need a larger home

Need a smaller home

Want a larger lot

Want a smaller lot

Dissatisfied with current home location / neighborhood

Prefer another school district

Want to be closer to work

Want to switch from renting to owning

Want to switch from owning to renting

Want to share a home with fewer people

Want to lower my housing costs

Will be relocating away from this part of Texas

Other reason:

17. Would you plan to own or rent if you were to move now?

Own  
 Rent  
 Don't know

18. What is the maximum you would be willing to pay for your next home, per month?

<input type="checkbox"/> Under \$500	<input type="checkbox"/> \$1,750 - \$1,999
<input type="checkbox"/> \$500 - \$749	<input type="checkbox"/> \$2,000 - \$2,499
<input type="checkbox"/> \$750 - \$999	<input type="checkbox"/> \$2,500 - \$2,999
<input type="checkbox"/> \$1,000 - \$1,249	<input type="checkbox"/> \$3,000 and over
<input type="checkbox"/> \$1,250 - \$1,499	<input type="checkbox"/> Not applicable
<input type="checkbox"/> \$1,500 - \$1,749	

19. Given your financial, employment, and family situations, plus personal preferences, which housing type would be the best fit for you?:

<input type="checkbox"/> Multifamily apartment / condominium	<input type="checkbox"/> Site-built single family detached home on regular lot in town or suburban subdivision
<input type="checkbox"/> Downtown apartment / loft / condominium / townhome	<input type="checkbox"/> Single family home on oversize lot outside city limits
<input type="checkbox"/> Accessory apartment or room in shared single family home	<input type="checkbox"/> Rural farm / ranch
<input type="checkbox"/> Duplex / triplex / fourplex	<input type="checkbox"/> Mobile or manufactured home on long term / permanent site
<input type="checkbox"/> Attached townhome	<input type="checkbox"/> Recreational vehicle / trailer in temporary or seasonal location
<input type="checkbox"/> Patio / garden / zero-lot-line home	<input type="checkbox"/> Other

20. How desirable do you find the following locations for your next home? Please rank their desirability.

	Not at all Desirable	Moderately Undesirable	Moderately Neutral	Very Desirable	Very Desirable
City of Kerrville	—	—	—	—	—
Ingram	—	—	—	—	—
Center Point	—	—	—	—	—
Comfort	—	—	—	—	—
Boerne	—	—	—	—	—
Fredericksburg	—	—	—	—	—
Other rural area or town <i>within</i> a 15-minute drive of downtown Kerrville	—	—	—	—	—
Other rural area or town <i>beyond</i> a 15-minute drive of downtown Kerrville	—	—	—	—	—
Other areas not listed above	—	—	—	—	—

21. What do you consider to be the most important factors in selecting your housing type and location?  
Check UP TO FIVE.

<input type="checkbox"/> Size / number of bedrooms	<input type="checkbox"/> Neighborhood character / amenities
<input type="checkbox"/> Floor plan / layout	<input type="checkbox"/> Safety / security / crime
<input type="checkbox"/> Condition / need for repairs or rehab	<input type="checkbox"/> School quality
<input type="checkbox"/> Need for remodeling / decorative updates	<input type="checkbox"/> Proximity to health care / medical facilities
<input type="checkbox"/> Age of home	<input type="checkbox"/> Proximity to schools
<input type="checkbox"/> Not in floodplain	<input type="checkbox"/> Property taxes
<input type="checkbox"/> Lot / yard size / landscaping / pool	<input type="checkbox"/> Proximity to workplace
<input type="checkbox"/> Up-front cash payment required	<input type="checkbox"/> Proximity to shopping and services
<input type="checkbox"/> Monthly rent or mortgage payment	<input type="checkbox"/> Proximity to entertainment and cultural amenities
<input type="checkbox"/> Likelihood of price appreciation / investment potential	<input type="checkbox"/> Proximity to parks, community open space, and outdoor recreational facilities
<input type="checkbox"/> Lease length / term	<input type="checkbox"/> Views
<input type="checkbox"/> Architectural quality / style / details	<input type="checkbox"/> Other: _____
<input type="checkbox"/> Pets allowed / accommodated	

22. Would you prefer new construction or an existing home for your next residence?

New construction

Existing home

Either / no preference

23. What is the minimum size of your next residence that you would consider?

Under 600 square feet  1,500 – 1,799 square feet

600 – 899 square feet  1,800 – 2,099 square feet

900 – 1,199 square feet  2,100 – 2,399 square feet

1200 – 1,499 square feet  2,400 square feet and larger

24. What is the room plan you would most desire for your next residence?

Studio or small 1 bedroom

Larger 1 bedroom or 1 bedroom with den

2 bedroom

3 bedroom

4 or more bedrooms

25. For the room plan identified in the previous question that offers your most desired features, what amount would you and family members you live with be willing to be responsible for **per month** in either mortgage, taxes and insurance cost (if buying) or rental payment? (enter a numerical cost between \$0 and \$10,000; do NOT include contribution from additional unrelated roommates)

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26. Which of these categories matches your age in years?

- Under 25
- 25 – 34
- 35 – 44
- 45 – 54
- 55 – 64
- 65 or older

27. Gender:

- Male
- Female

28. Do you live with a spouse or partner?

- Yes
- No (Skip to Q32)

29. Please select the best description of your spouse's/partner's employment status.

- Employed full time outside of the home in Kerrville area
- Employed part time outside of the home in Kerrville area
- Employed and works at home (skip to Q31)
- Employed and works outside of Kerrville area
- Military / Student / intern outside of the home
- Not employed or in school / internship (skip to Q31)

30. Where is your spouse's or partner's current geographic location (city or town) of employment or schooling?

31. How long do you expect to continue working in Kerrville?

Less than 18 months  3 – 5 years

18 months – 3 years  More than 5 years

32. How many are in your household (including yourself)?

Adults over age 18

Children age 18 and younger (put "0" if none)

33. What category best describes the gross annual income for you and family members that live with you (do not include income from unrelated roommates)?

Less than \$25,000  \$100,000 - \$149,999

\$25,000 - \$34,999  \$150,000 - \$199,999

\$35,000 - \$49,999  \$200,000 - \$299,999

\$50,000 - \$74,999  \$300,000 or more

\$75,000 - \$99,999  Would rather not disclose

34. What is the highest level of educational attainment in your household?

Less than high school  Associate's degree

High school / GED  Bachelor's degree

Some college  Masters degree / other advanced degree

Thank you very much for taking the time to complete this survey. As mentioned previously, your input will help decision makers in Kerrville have the information they need to plan for the future. Please visit the following website for more information about the City of Kerrville: <http://www.kerrvilletx.gov>.



1001 South Dairy Ashford Street, Suite 450

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281-582-0855

[www.cdsmr.com](http://www.cdsmr.com)



**TO BE CONSIDERED BY THE CITY COUNCIL  
CITY OF KERRVILLE, TEXAS**

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**SUBJECT:** Presentation regarding bond refunding opportunity.

**AGENDA DATE OF:** October 8, 2019      **DATE SUBMITTED:** Oct 01, 2019

**SUBMITTED BY:** Amy Dozier

**EXHIBITS:** [20191008\\_Presentation\\_Refunding Opportunity.pdf](#)

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<b>Expenditure Required:</b>	<b>Remaining Budget Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
N/A	N/A	N/A	N/A

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**PAYMENT TO BE MADE TO:** N/A

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<b>Kerrville 2050 Item?</b>	No
<b>Key Priority Area</b>	N/A
<b>Guiding Principle</b>	N/A
<b>Action Item</b>	N/A

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**SUMMARY STATEMENT:**

In 2011, the City issued \$3.5 million in certificates of obligation (Series 2011A) to pay for a portion of River Trail. EIC uses sales tax revenue to pay for the debt service on this issuance.

\$2.4 million in remaining principal balance on the Series 2011A debt is callable in February 2020. Callable essentially means that the bond is eligible to be refinanced. This is accomplished through a procedure called refunding.

Series 2011A has a low interest rate with coupon rates ranging from 2% to 3.5% depending on the year. In a more normal interest rate environment, refunding this issuance would not result in any savings for the City. However, we are currently in a historically low interest rate period. Therefore, the City has been working with our Financial Advisor, Anne Burger Entrekin from Hilltop Securities, to analyze the possibility of undertaking a refunding.

Anne Burger Entrekin will present the results of the analysis for Council to consider.

**RECOMMENDED ACTION:**

No action required. Presentation only.



## Contacts

### Anne Burger Entrekin

*Regional Managing Director*

anne.burgerentrekin@hilltopsecurities.com  
70 Northeast Loop 410, Suite 710  
San Antonio, Texas 78216  
Direct: 210.308.2200

### Michael Martin

*Analyst*

michael.martin@hilltopsecurities.com  
1201 Elm Street, Suite 3500  
Dallas, Texas 75270  
Direct: 214.859.1731

## Refunding Opportunities for the City of Kerrville

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October 8, 2019

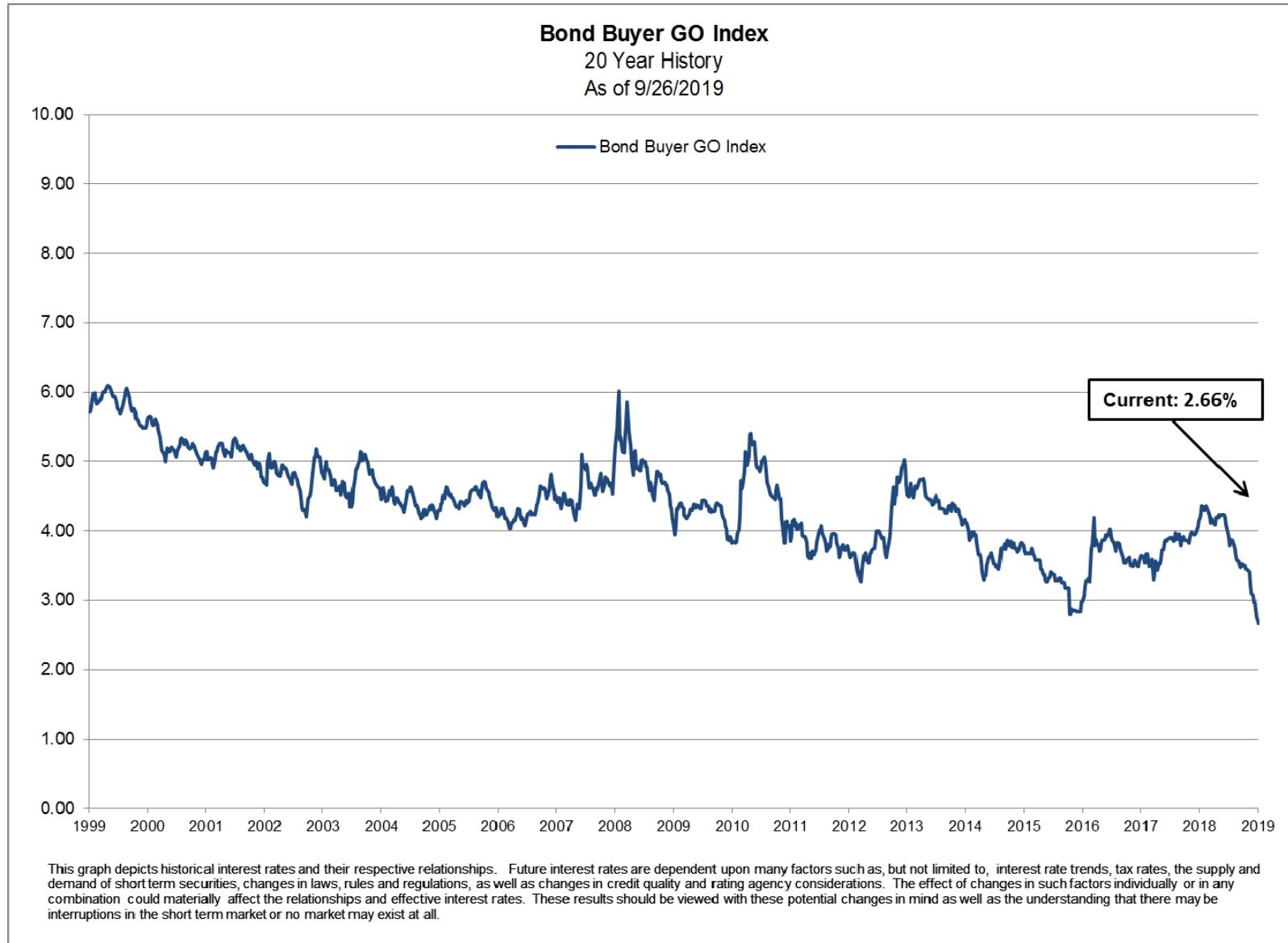
**City of Kerrville, Texas**

# Market Update

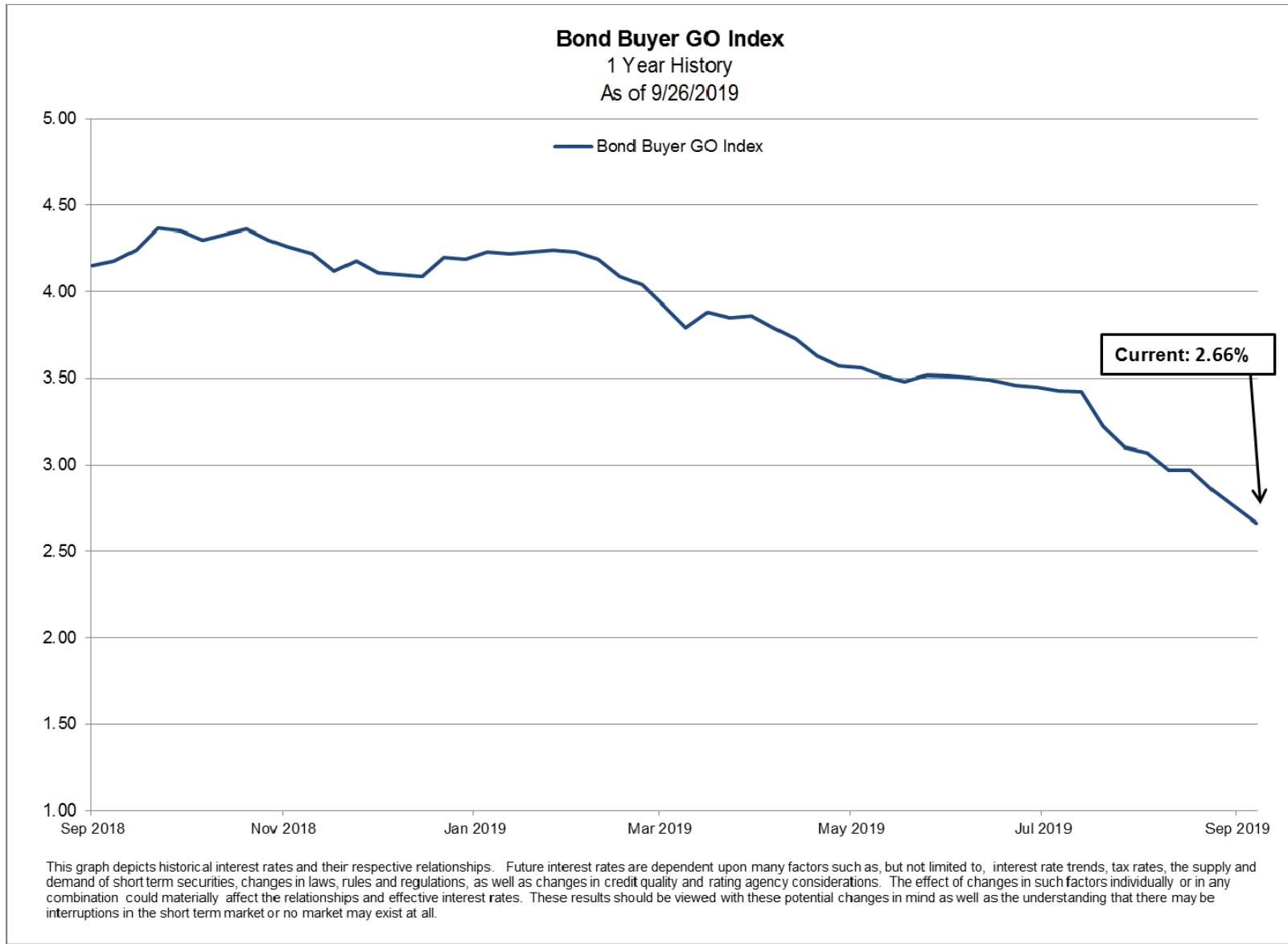
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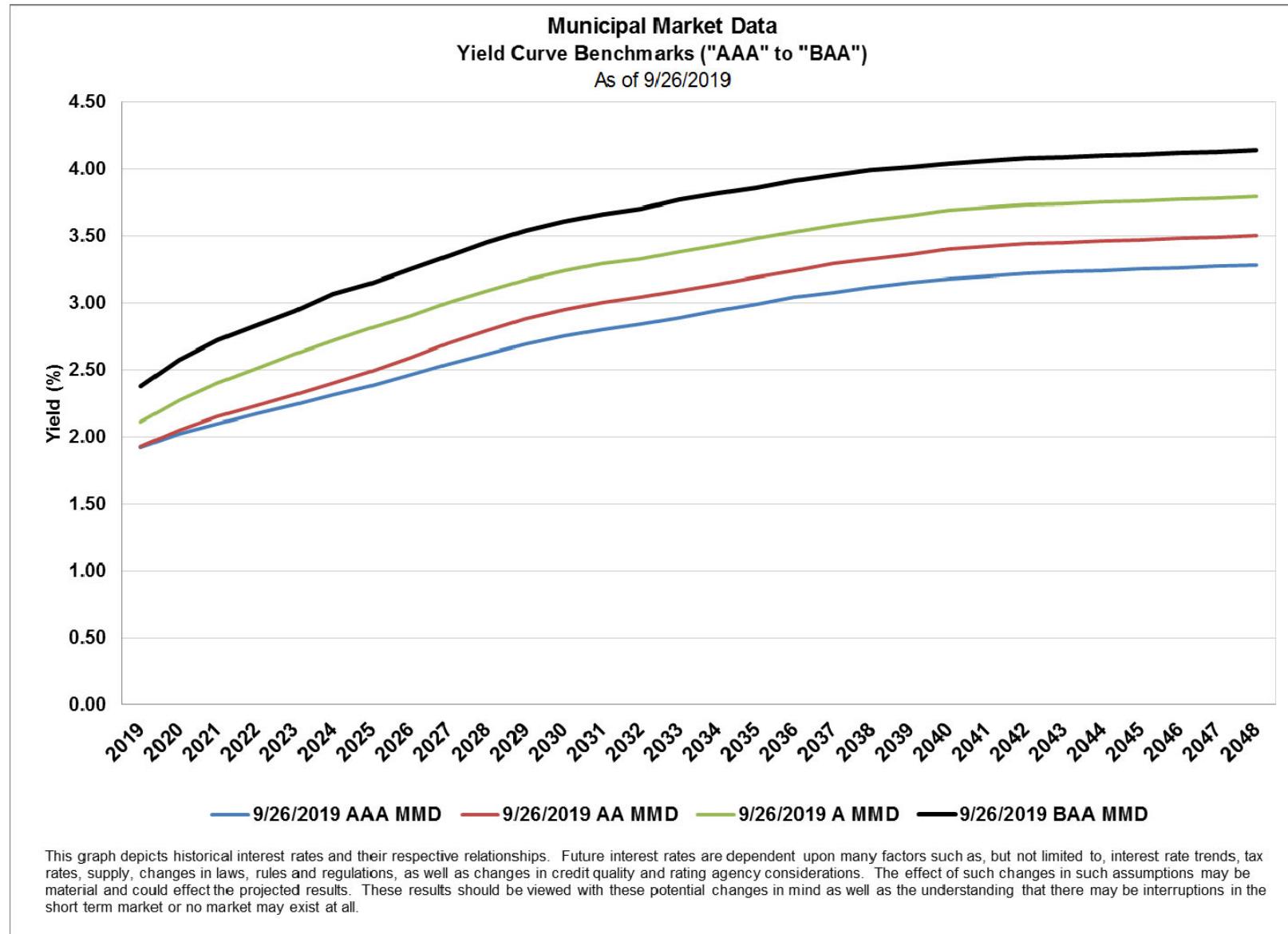
# Bond Buyer's Index of 20 Municipal Bonds



# Bond Buyer's Index of 20 Municipal Bonds



## MMD Yield Curve



## Bonds Soon to be Callable

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## Refunding Opportunity: Summary of Bonds Soon to be Callable

### Combination Tax and Revenue Certificates of Obligation, Series 2011A

Original Principal Amount	\$3,500,000
Callable Principal	\$2,435,000
Callable Maturities	2021-2031
Coupons	2.00%-3.50%
Call Date	2/15/2020

Maturity	Principal	Interest Rate	Call Date
2/15/2021	\$ 195,000	2.000%	2/15/2020
2/15/2022	195,000	2.000%	2/15/2020
2/15/2023	200,000	2.250%	2/15/2020
2/15/2024	205,000	2.500%	2/15/2020
2/15/2025	215,000	2.500%	2/15/2020
2/15/2026	220,000	2.750%	2/15/2020
2/15/2027	225,000	2.750%	2/15/2020
2/15/2028	235,000	3.125%	2/15/2020
2/15/2029	240,000	3.250%	2/15/2020
2/15/2030	250,000	3.500%	2/15/2020
2/15/2031	255,000	3.500%	2/15/2020
	<u>\$ 2,435,000</u>		

# Proposed Refunding Bonds, Series 2019

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## Proposed Refunding Bonds – Up-Front Savings and Current Interest Rates

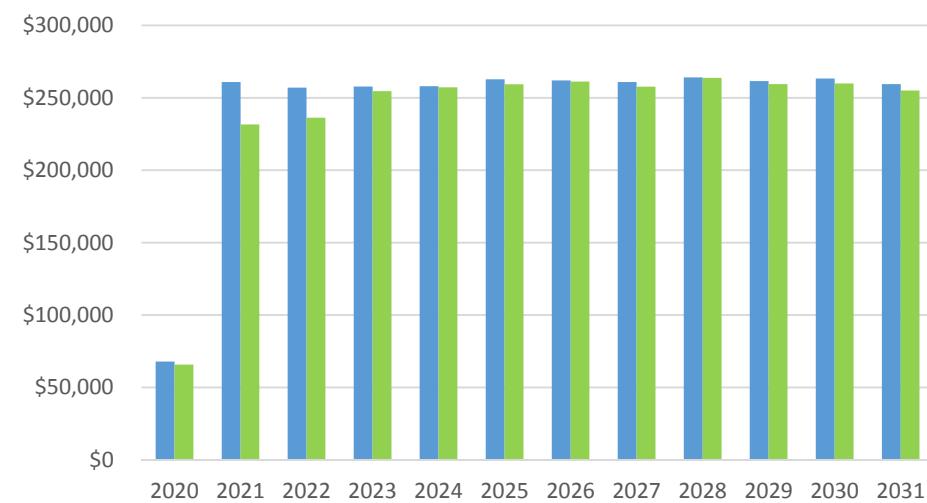
PROJECTED SAVINGS City of Kerrville, Texas Projected General Obligation Refunding Bonds, Series 2019 - Up-Front Savings			
Date	Prior Debt Service	Refunding Debt Service	Projected Savings
9/30/2020	\$67,856	\$65,007	\$2,849
9/30/2021	260,906	220,625	40,281
9/30/2022	257,006	215,900	41,106
9/30/2023	257,806	254,600	3,206
9/30/2024	257,994	257,200	794
9/30/2025	262,744	259,400	3,344
9/30/2026	262,031	261,200	831
9/30/2027	260,913	257,700	3,213
9/30/2028	264,147	263,800	347
9/30/2029	261,575	259,500	2,075
9/30/2030	263,300	259,900	3,400
9/30/2031	259,463	255,000	4,463
	<b>\$2,935,741</b>	<b>\$2,829,832</b>	<b>\$105,909</b>

\*Current Market Rates as of October 2, 2019 .

### Proposed and Projected General Obligation Refunding Bonds, Series 2019

Refunding Par Amount	\$2,225,000
Gross Savings	\$105,909
Average Annual Savings (2021-2022)	\$40,694
Net Present Value Savings	\$105,144
Present Value Benefit (%)	4.318%
True Interest Cost	1.921%

#### Debt Service Comparison



## Proposed Refunding Bonds – Up-Front Savings & Current Market Rates plus 25 bps

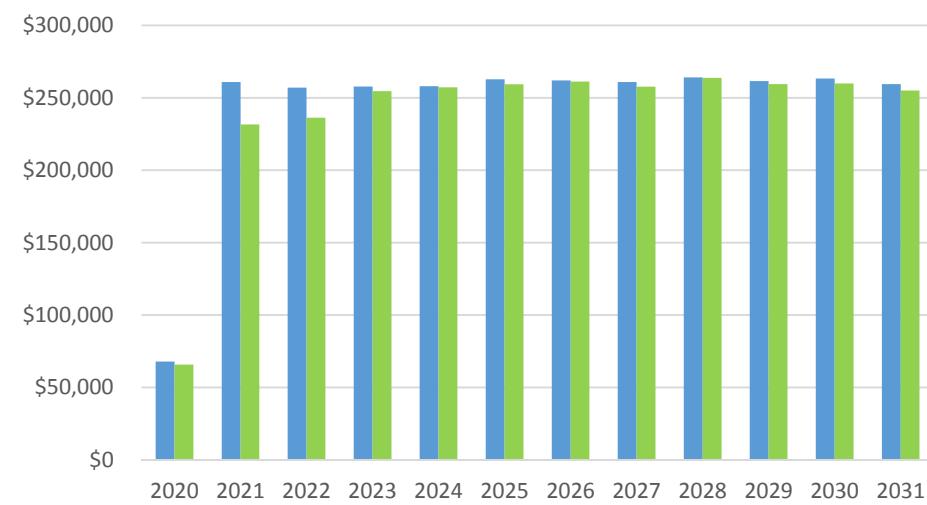
PROJECTED SAVINGS City of Kerrville, Texas Projected General Obligation Refunding Bonds, Series 2019 - Up-Front Savings plus 25 bps			
Date	Prior Debt Service	Refunding Debt Service	Projected Savings
9/30/2020	\$67,856	\$65,823	\$2,033
9/30/2021	260,906	231,575	29,331
9/30/2022	257,006	236,300	20,706
9/30/2023	257,806	254,600	3,206
9/30/2024	257,994	257,200	794
9/30/2025	262,744	259,400	3,344
9/30/2026	262,031	261,200	831
9/30/2027	260,913	257,700	3,213
9/30/2028	264,147	263,800	347
9/30/2029	261,575	259,500	2,075
9/30/2030	263,300	259,900	3,400
9/30/2031	259,463	255,000	4,463
	<b>\$2,935,741</b>	<b>\$2,861,998</b>	<b>\$73,743</b>

\*Current Market Rates plus 25 bps as of October 2, 2019.

### Proposed and Projected General Obligation Refunding Bonds, Series 2019

Refunding Par Amount	\$2,255,000
Gross Savings	\$73,743
Average Annual Savings (2021-2022)	\$25,019
Net Present Value Savings	\$69,919
Present Value Benefit (%)	2.871%
True Interest Cost	2.150%

### Debt Service Comparison



# Timing Considerations

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## Timing Considerations

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- With the passage of the Tax Cuts and Jobs Act of 2017, advanced refundings are no longer permitted
- Current refunding bond issues must close within 90 days of the call date
- With a February 15, 2020 call date, the first day the proposed refunding bonds could practically close would be Tuesday, November 19, 2019
  - The 89<sup>th</sup> day is Tuesday, November 18, 2019 (Bonds generally do not close on Mondays)
- Assuming a 28 day period between pricing and closing, the earliest these bonds could practically price is Thursday, October 17, 2019

# Potential Additional Refunding Candidates in 2020

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## Potential Future Refunding Opportunities and Timing Considerations

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- The City has two additional bond issues that have a call date of August 15, 2020
- Those bond issues could have potential debt service savings when a current refunding is permitted
- With a August 15, 2020 call date, the first day those potential refunding bonds could close would be Thursday, May 14, 2020
  - The 90<sup>th</sup> day is Friday, May 15, 2020 (Bonds generally do not close on Fridays)
- Assuming a 28 day period between pricing and closing, the earliest these bonds could practically price is Thursday, April 16, 2020

## Refunding Opportunity: Summary of Bonds Callable August 15, 2020

### Combination Tax and Revenue Certificates of Obligation, Series 2012

Original Principal Amount	\$9,905,000
Callable Principal	\$6,570,000
Callable Maturities	2021-2032
Coupons	2.00%-2.50%
Call Date	8/15/2020

### Combination Tax and Revenue Certificates of Obligation, Series 2013

Original Principal Amount	\$10,000,000
Callable Principal	\$6,960,000
Callable Maturities	2021-2033
Coupons	1.50%-2.75%
Call Date	8/15/2020

Maturity	Principal	Interest Rate	Call Date
8/15/2021	\$ 495,000	2.000%	8/15/2020
8/15/2022	510,000	2.500%	8/15/2020
8/15/2023	520,000	2.500%	8/15/2020
8/15/2024	535,000	2.500%	8/15/2020
8/15/2025	545,000	2.500%	8/15/2020
8/15/2026	560,000	2.500%	8/15/2020
8/15/2027	575,000	2.500%	8/15/2020
8/15/2028	580,000	2.500%	8/15/2020
8/15/2029	600,000	2.500%	8/15/2020
8/15/2030	615,000	2.300%	8/15/2020
8/15/2031	635,000	2.500%	8/15/2020
8/15/2032	400,000	2.500%	8/15/2020
	<u>\$ 6,570,000</u>		

Maturity	Principal	Interest Rate	Call Date
8/15/2021	\$ 480,000	1.500%	8/15/2020
8/15/2022	485,000	1.500%	8/15/2020
8/15/2023	490,000	1.750%	8/15/2020
8/15/2024	500,000	2.000%	8/15/2020
8/15/2025	510,000	2.000%	8/15/2020
8/15/2026	520,000	2.000%	8/15/2020
8/15/2027	530,000	2.000%	8/15/2020
8/15/2028	540,000	2.250%	8/15/2020
8/15/2029	555,000	2.250%	8/15/2020
8/15/2030	565,000	2.500%	8/15/2020
8/15/2031	580,000	2.500%	8/15/2020
8/15/2032	595,000	2.750%	8/15/2020
8/15/2033	<u>610,000</u>	2.750%	8/15/2020
	<u>\$ 6,960,000</u>		

# Summary

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## Summary

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- The current municipal interest rate market is near historical lows
- The City of Kerrville has the opportunity to refund existing bonds at lower interest rates resulting in projected debt service savings
- Should the City decide to proceed with a refunding, the next step would be to have the City Council consider at a future meeting an agenda item related to the authorization of a Parameters Ordinance
- A Parameters Ordinance identifies the requirements relative to the proposed Refunding Bonds under which a refinancing could be undertaken:
  - Maximum Principal Amount,
  - Maximum Interest Cost,
  - Maximum Final Maturity, and
  - Minimum Debt Service Savings
- If the parameters are able to be achieved, the Parameters Ordinance delegates the Mayor, the City Manager and/or the Chief Financial Officer the authority to authorize the refunding bonds



**TO BE CONSIDERED BY THE CITY COUNCIL  
CITY OF KERRVILLE, TEXAS**

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**SUBJECT:** Appointments to the Kerrville Area Youth Leadership Academy.

**AGENDA DATE OF:** October 8, 2019      **DATE SUBMITTED:** Sep 23, 2019

**SUBMITTED BY:** Shelley McElhannon

**EXHIBITS:**

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<b>Expenditure Required:</b>	<b>Remaining Budget Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
\$0	N/A	N/A	N/A

**PAYMENT TO BE MADE TO:** N/A

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<b>Kerrville 2050 Item?</b>	No
<b>Key Priority Area</b>	N/A
<b>Guiding Principle</b>	N/A
<b>Action Item</b>	N/A

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**SUMMARY STATEMENT:**

The Kerrville Area Youth Leadership Academy is comprised of High School members grades 9-12, with a maximum of 10 members. New appointments are made each year after the school term has begun. The Academy expires each year on May 31, at the end of each school year.

Kim Meismer is the staff liaison for this Academy.

Applicants for Class of 2019-2020: Kenady Cooley, Dawn Forester, Daniela Garcia, Gage Reid, Karleopy Serrano, Cayla Wilson, RyAnne Wilson.

**RECOMMENDED ACTION:**

Consider and appointments to the Kerrville Area Youth Leadership Academy.