

## Final Report

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# Comprehensive Housing Market Study

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## City of Galveston



June 29, 2010

### Prepared for

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Grants & Housing Department  
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# Executive Summary

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In late 2009 the City of Galveston's Grants and Housing Department hired CDM to conduct a comprehensive housing market study. The study's purpose was to understand the composition of the City's housing inventory and to identify unmet housing needs in the community. This report will provide the basis for a strategic housing plan and will help guide future efforts of the City as it engages the community to decide how to address short and long term housing needs.

CDM utilized the most recent data and information on resident demographics and housing conditions. When possible the analysis accounted for changes prior to and after Hurricane Ike<sup>1</sup>. The study relied significantly on input from the Galveston Community Recovery – Housing Market Study Subcommittee and acknowledged goals from the Long-Term Community Recovery Plan to:

- Create quality, environmentally friendly and affordable housing that meets the needs of all economic groups, honoring the Island's diversity and especially recognizing the need to grow the middle class population
- Foster a safe, clean island with beautiful gateways and attractive, walkable, accessible and safe neighborhoods with recreational facilities for all ages
- Develop architecturally appropriate infill and aggressively increase rehabilitation of existing housing stock
- Support the arts, cultural tourism, and historic preservation as a source of economic and educational vitality for the city
- Develop a citizenry with community character that fosters mutual respect, dignity and pride
- Increase recognition and protection of the historically and architecturally significant built environment of Galveston Island

This summary presents the top findings from the study and contains CDM's recommendations for better meeting housing needs. The report is divided into the following sections:

- Background
- Socioeconomics
- Housing Inventory and Character
- Hurricane Ike Housing Damage
- Housing Market Trends
- Recommendations

## Socioeconomics

In 2008, prior to Hurricane Ike, the City's population was approximately 59,000. The displacement caused by the storm has reduced the population by nearly 20% to a current estimate of 48,400. The City had been growing at a slow annual rate of 0.4% from 2000 to 2008; however, this growth has been largely outpaced by the rest of Galveston County whose annual growth rate was 5.5 times greater during the same period.

There are 22,695 households living in Galveston and the mix of family and nonfamily households is evenly split, 54% and 46% respectively. This is not the case in the County which has a significantly larger proportion of family households (72%). Two additional household types whose proportions are significantly lower in the City are married-couples and families with children. Although the concentration of these household types is higher in the County, it is worth noting that since 1990 their proportions, both in the City and County, have been declining in

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<sup>1</sup> Hurricane Ike made landfall on Galveston Island on September 13, 2008.

favor of nonfamily households. The City's average household size is 2.2 and the average family size is 2.9. These are slightly lower than in the County where average household and family sizes are 2.6 and 3.2 respectively.

Statistics reveal that the population of both Galveston and the County aged as a whole between 1990 and 2008. Generally, the share of the population younger than 44 has declined since 1990 while the share between ages 45 – 64 trended upward. The City has a particularly higher proportion than the County of people age 15 – 24 and experienced an upward trend –this is likely explained by the presence of several higher education institutions on the island which consistently attract additional people from this age group.

The 2008 median household income for the City of Galveston was \$36,525 compared to \$55,995 for the County. Approximately 18% of families in the City live below the poverty line, whereas in the County it is 10%.

As of February 2010 there were 24,210 persons from Galveston employed and there has been employment gain of 470 persons since 2005. However, the labor force has increased faster than employment resulting in an increasing unemployment rate which currently stands at 8.1%. The unemployment rate had been steadily increasing in the months preceding Hurricane Ike due to broader economic conditions and spiked to 9.7% immediately following the storm. The damage forced many businesses to close and some employers have not returned to pre-storm capacity. A recent estimate places 35,000 jobs in Galveston indicating that a significant number of jobs are being filled by people who do not live in the City.

## Housing Inventory and Character

Based on most recent Census data there are 33,439 housing units in Galveston. Thirty-two percent of the City's housing stock is vacant while only 14% of the County's units are. The City's vacant units consist mainly of seasonal, recreational, or occasional use homes and units categorized as "other vacant" by the Census—which include abandoned homes. Of the total number of occupied units, the majority in the City are renter-occupied (56%) while in the County renters make up just 27% of occupied units.

Galveston's historic character is evident in its housing preservation. An estimated 44% of the stock was built before 1960 compared to 15% in the County. Moreover, data indicates just 10% of the City's stock has been built since 1990 while in the County it is nearly 40%.

In analyzing additional housing characteristic such as assessed property values, percentage within flood zones and vacant lots CDM relied on residential parcel data that could be mapped and quantified more accurately. Evaluation of single-family parcels was emphasized. The County property roll indicates there are 18,625 residential parcels in Galveston and approximately 93% (17,333) are single-family. The 2009 median assessed value of single-family parcels was \$77,950 and half of them (8,798) have homestead exemptions and are assumed to be owner-occupied. There is a clear concentration of parcels without homestead exemptions west of 61st Street; this portion of the island is known for retaining large numbers of secondary and seasonal homes. Eighty-one percent of single-family parcels are located in the "100 year" flood zone illustrating the island's inherent risk .

There is a significant amount of vacant lots and distressed properties across Galveston which can present great revitalization opportunities. According to data from the Galveston Central Appraisal District (GCAD) there are 5,256 parcels classified as vacant. These lots are scattered throughout the island, although there are noticeable clusters in the urban infill area north of Broadway Boulevard between 25th Street and 46th Street. Nearly one-fifth (938) of all vacant lots are located in the City's core between 6th Street and 61st Street. Public entities own approximately 170 vacant parcels on the island and 118 of these are located in the urban core. The City of Galveston owns a total of 82 vacant parcels and 42 of them are located in the core.

Additional data on vacant lots and distressed properties was provided by the City from a property inspections survey conducted in early 2010. The survey recorded 2,371 properties; many of them were classified with more



than one condition. Approximately 713 were classified as vacant lots, 1,033 were abandoned, 177 were boarded up and 1,613 exhibited some form of code violation.

## Hurricane Ike Housing Damage

CDM's estimate of 16,426 residential parcels which were damaged by the storm accounts for over 88% of all residential parcels in the City. Closer analysis shows 93% of all residential damage (15,324 parcels) occurred to single-family properties and half of these have homestead exemptions indicating they are likely owner-occupied. Their 2009 median assessed value was \$74,665, which constitutes a significant 28% drop from their pre-storm median assessed value of \$103,495.

Of all the residential parcels damaged, the vast majority –83% (13,678) – were classified as having minor damage while less than 6% (947) were substantially damaged. The areas north of Broadway Boulevard and around the Offatts Bayou and Bayou Shores neighborhood experienced the highest concentration of substantial damage. Based on FEMA's Residential Substantial Damage Estimator (RSDE) calculations the average damage of single-family parcels was \$22,796 and the average percent damage was 38%.

Post storm building permit records were obtained from the City's Building Department for the period between September 13, 2008 and December 31, 2009. Only residential records with parcel account numbers that could be matched to GCAD's parcel data were included in the analysis. CDM found that 5,148, or roughly one-third of all damaged residential parcels, exhibited some level of permit activity. The majority of these parcels (4,928) were single-family and the most common permit type was clearly repair/remodel work (96%).

## Housing Market Trends

### Sales Market

A combination of relaxed financing options and low mortgage interest rates kept the single-family home market strong from 2001 until 2005. During this period single-family home sales increased 49% and median sales prices increased 64%. The number of sales peaked in 2005 and prices began to decline from 2006 to 2007; however Hurricane Ike's impact in late 2008 diminished the supply of homes which prompted a rapid increase in prices. After the spike following the storm, prices started to stabilize as more homes were renovated and reentered the market. The latest downward trend in home prices is consistent with overall conditions across the nation. The median sales price of a single-family home has decreased 41% from \$250,131 in 2008 to \$148,062 in 2009. The 2009 median sales price was 90% higher than the 2009 median assessed value of a single-family home, \$77,950. There are indications that the decline in prices is not solely due to bad economic conditions, but that sales of poorer quality homes—many of which may not have been fully renovated—accounts for some of the lower sales prices. The condo/townhouse market experienced similar sales trends and is described within the report.

### Rental Market

In 1990 and 2000, rental market conditions were soft in the City with vacancy rates at 14.8% and 15.9% respectively. Subsequently, however, the market showed signs of improvement—at the end of February 2008 (prior to Hurricane Ike) the vacancy rate had decreased to 8.3%. Nevertheless, impact from the storm and the economic slowdown has severely dampened demand for rental units again. As of February 2010 the vacancy rate had reached 20.7%. There are indications that many units have been renovated and many rental properties are fully operational, this implies that the high vacancy rate is likely due to economic conditions rather than to units being off line from sustained damage.

According to Census estimates there are 12,704 renter-occupied units in the City. Approximately 5,856 of the renter-occupied households paid more than 30% of their income towards rent. This means that 50% of all renters were burdened by housing costs. Although average rents might be expected to decrease as vacancy rates



increase –due to traditional supply and demand economics– the opposite has been observed in the last 2 years. From February 2008 to February 2010 average rents have increased from \$714 to \$804 per month or nearly 13%. This could be due in part to recently renovated units entering the market that command higher premiums.

### Affordable Housing Needs

There are approximately 807 households on Galveston Island receiving public housing or HCV assistance as of early 2010. According to 2008 Census data the City has approximately 5,782 households who earn less than 80% of the Area Median Income and pay 30% or more of their income towards housing. This is a rough estimate of households who are both cost burdened and could be eligible for housing assistance.

Subtracting the 807 households who already receive assistance CDM calculated that 4,975 households are both eligible and cost burdened but are not receiving housing assistance. This number increases to 9,183 when omitting cost burdened households and only considering those households who could be eligible for assistance based on income criteria alone.

CDM estimated mortgage affordability for a range of households –including those defined as moderate income earning between 80% - 120% of the Area Median Income and those earning the City's median income. Assuming typical mortgage terms from the Federal Housing Administration, calculations indicate home prices ranging between \$100,000 and \$220,000 would generally be affordable to households in the area.

### Employee Housing Market Survey

There is a general desire in Galveston to increase the population that both lives and works on the island and to develop insight of the appropriate housing mix, pricing strategy and community amenities required to attract residents. To this end a housing market survey was developed to better understand preferences and demand drivers of employees of six major businesses in Galveston. Particular attention was given to responses of employees that work on the island but live off the island since they constitute a key group that would help meet the objective of increasing the number of people who work and reside in Galveston. The following list summarizes findings for this specific group:

- The three most important factors reported by respondents in selecting a community in which to live were safety/ low crime rate, good public schools and high quality infrastructure.
- Approximately half (46%) of respondents would consider living in Galveston.
- Of those who would consider living in Galveston a significant amount (38%) would consider the urban core between 6<sup>th</sup> and 61<sup>st</sup> Street. A majority (52%) would consider living between 61<sup>st</sup> Street and the west end of the Seawall.
- If purchasing a home 43% said they would consider a home with historic character. Twenty-eight percent would consider a downtown loft/flat. The vast majority of respondents (92%) would consider a single-family detached house.
- Preferred size, layout and price are 1,500 – 2,000 square foot homes with three-bedrooms, two-bathrooms and a two car garage at a purchase price of \$100,000 - \$150,000.
- If renting a home most could afford to pay \$750 - \$1,000 per month.
- Forty-five percent of respondents said they are likely to purchase a home within the next two years.
- A significant portion (69%) said if they were to purchase a home in the next two years they would not likely purchase it on Galveston Island.
- The majority of respondents (53%) are between the ages of 35 – 54. Most have some college or vocational education, have managerial/ professional occupations and have an annual household income of \$75,000 - \$100,000.



- Most own their homes, live in single-family houses and live in households of two people with no children.
- The top three zip codes respondents commute from are 77573 (League City), 77590 (Texas City) and 77568 (La Marque).
- The most common reasons for living or having lived on Galveston were a shorter work commute, proximity to water/beaches/nature and proximity to family/relatives.
- The biggest disadvantages were reported as cost of housing, housing choices, and quality of schools.
- Most said even with commuter rail to the Houston area or other public transit options Galveston would not become a housing choice for them.
- The most common answers for making Galveston a more desirable place to live in include: improving distressed properties, stronger property code enforcement, reduced crime rate and matching quality and prices of homes on the mainland.

## Recommendations

Based on a review of existing literature and the findings of this study, CDM offers several recommendations for improving the city's housing inventory. Since urban revitalization is a logical extension of the island's recovery efforts as well as a stated vision for its future, the city should simultaneously focus on both the short-term recovery of the housing stock and laying the policy foundation for long-term rejuvenation of the urban core. CDM's recommendations align well with prior reports presented to the city as well as with planning efforts currently underway.

Generally, CDM recommendations may be grouped into five categories:

1. The city should build upon its assets as a springboard: the momentum of the recovery environment, existing housing- and recovery-related programs, and ongoing planning efforts—all of which can supply the impetus for progress in the desired direction,
2. Focus development on the island's urban core, particularly north of Broadway Boulevard between 25<sup>th</sup> and 46<sup>th</sup> streets. Several key considerations—including the level of damage experience from Ike—justify strategic approaches to rehabilitating and encouraging new development in this area.
3. Future development must be done in an environmentally sensitive manner that adequately accounts for human safety and ecological preservation when considering the design, placement and building practices of development on the island. By containing the island's developed footprint and encouraging more environmentally friendly and risk-averse development within that footprint, the City can move towards this goal,
4. Approach the island's recovery as part of a broader, comprehensive effort to improve the built environment. Short-term recovery and development should be approached within the context of existing efforts to ensure a coordinated approach and to provide additional impetus for implementing them.
5. Utilize and guide market forces to encourage innovative changes in development on and perception of the island. The City of Galveston has two primary challenges to successfully harness market: the underlying issues that have led to perceptions of the island as an unsuitable place to reside must be addressed and the vision of living on Galveston Island must be reframed and marketed. By following logical market responses to their current situation and encouraging those market forces in appropriate manners, the city can ultimately shape not only its recovery, but its urban future.



The findings in this study confirm that there is, indeed, a potential market for housing on the island that has yet been untapped; the City needs only to position itself appropriately to capture it. To pursue this market, the city will need to advocate a shift towards new assumptions and priorities that will influence the future development of the island and won't contribute to the urban decline noted over the past few decades.



# Section 1

## Background

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On September 13, 2008, Hurricane Ike made landfall over Galveston Island and devastated much of the surrounding coastal region. Over 80% of the housing structures in the area were damaged by the storm's impact. In turn, the destruction of infrastructure, commercial buildings, and housing units took a significant toll on the community's economy and housing market. Following the storm, the Galveston Community Recovery Committee (GCRC) was created to work with the community to develop the vision, goals, and projects that will guide Galveston's recovery. With the help of the Federal Emergency Management Agency's (FEMA) Long-Term Recovery Program, the GCRC, consisting of hundreds of citizens, drafted a Long-Term Community Recovery Plan that—among other projects—called for a comprehensive housing market study for the City of Galveston (City). In late 2009, the City's Grants and Housing Department hired Camp Dresser & McKee Inc. (CDM) to conduct the study.

The purpose of the study is to understand the composition of the City's housing stock and to identify unmet housing needs in the community. Ultimately, this work will provide the basis for the strategic housing plan and will guide future efforts of the City as they engage a broad cross-section of the community to decide how to address current and future housing needs. A secondary, but no less valuable, benefit of this study is the aggregation of crucial datasets about the community—the most recent housing, social, and economic data—that may be utilized in a myriad of ways and will serve as a resource for the City.

Geographically, this study focuses on the City of Galveston situated on Galveston Island; it excludes Jamaica Beach, which is a separate incorporated entity on the Island. Nevertheless, data comparisons were made against the Galveston County (County) region when possible in order to better understand the broader context and the differences in demographic and housing trends.

### Report Sections

In order to provide a comprehensive assessment of socioeconomic and housing in the City, the report includes discrete sections that cover the following specific areas of analysis:

- **Socioeconomics.** This section provides information on population, household characteristics, income, and local economic conditions.
- **Housing Inventory and Character.** This section provides information on housing stock character, occupancy, tenure, appraised values, flood zones, and vacant lots.
- **Hurricane Ike Housing Damage.** This section provides information on housing damage inflicted by Hurricane Ike and the subsequent permit activity driving recovery.
- **Housing Market Trends.** This section provides information on sales market trends, rental market trends, affordable housing needs, and a market demand survey targeting those employed in Galveston.
- **Recommendations.** This section consists of recommendations for addressing housing needs.

## Data and Information

The analysis undertaken for this study considers several key aspects of the Galveston community. Changes in demographics were based on the most current and reliable statistics that span up to 2008 prior to Hurricane Ike. The property damage assessments relied on data collected by the City and FEMA immediately after the storm and during subsequent months. Housing inventory and market conditions were based on the best information available and reach through 2009.

The primary data sources used in the analysis include:

- Population, household, housing, and socioeconomic information from the U.S. Census Bureau 1990 Census, 2000 Census and 2006-2008 American Community Survey (ACS)
- Population estimates from the Texas State Demographer and Texas A&M University Master of Urban Planning Program, Applied Planning Studio as presented on April 2010
- Employment data from the Texas Workforce Commission Labor Market Information (LMI) Local Area Unemployment Statistics (LAUS)
- Parcel data from the Galveston Central Appraisal District (GCAD)
- Property inspections survey from the City's Building Division
- Property damage information from the City's Planning Division and FEMA
- Flood zone information from the Houston-Galveston Area Council (H-GAC)
- Residential permit activity from the City's Building Division
- Single-family and condo/townhouse sales data from the Galveston Multiple Listing Services (MLS) and Metrostudy Inc.
- Home sales data for Brazoria County and Houston from the Real Estate Center at Texas A&M University
- Apartment data from ALN Systems, Inc. and Apartment Data Services, Inc.
- Housing market survey conducted in February 2010



# Section 2

## Socioeconomics

### Methodology

Socioeconomic information utilized herein is based on a combination of the 2008 Texas State Demographer and the U.S. Census American Community Survey (ACS) 2006-2008 3-year estimates. Although these sources are pre-storm, they contain the most recent conventional statistics on Galveston's population, household characteristics and housing composition. A research study presented by Texas A&M University in early 2010 calculated an estimated 48,400 people currently living in Galveston<sup>2</sup>. Until the 2010 U.S. Census provides the next set of reliable statistics for the City, no other sources of socioeconomic data are available.

When comparing City and County trends, the same data sources were used to maintain consistency. To control the influence Galveston has on County data, City numbers were excluded from the County resulting in more appropriate comparisons. The 1990 and 2000 decennial estimates were used to establish demographics trends over time.

Economic indicators were pulled from two sources—the Texas Workforce Commission LMI LAUS and the ACS. Although the LMI LAUS employment information, collected on a monthly basis, is more recent than the occupation and industry data from the Census ACS, both data sources provided valuable indicators for the purpose of this study. All the socioeconomic data displayed in this section is summarized on Appendix 1.

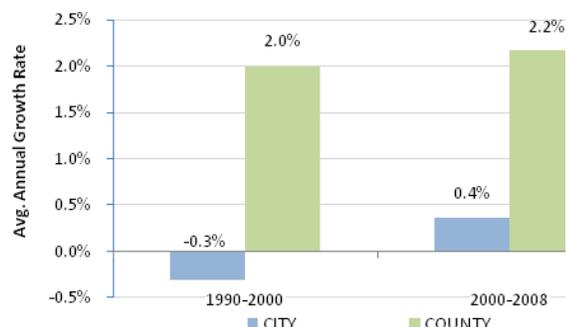
### Population

Between 1990 and 2000, the population in the City declined from 59,070<sup>3</sup> to 57,247 at an average annual rate of 0.3%. This trend reversed, however, between 2000 and 2008 when the population grew at an average annual rate of 0.4%. Even with this reversal, the City's annual growth was greatly outpaced by the County's, which was 2.2% over the same period, or 5.5 times faster. The relative growth rates over these two periods are illustrated in Exhibit 1. According to the 2008 Texas State Demographer estimates, the pre-Ike population of the City of Galveston was 58,955<sup>4</sup>.

As a result of the storm, which hit Galveston in late 2008 and caused tremendous structural and economic damage, thousands of people were displaced from the island. The current 48,400 estimate of the City's population indicates a significant decline of nearly 20% since 2008, before the storm.

**Exhibit 1. Annual Population Growth Trends for the City and County of Galveston, 1990-2008**

Source: U.S. Census Bureau: 1990, 2000 and Texas State Demographer July 1, 2008



<sup>2</sup> Texas A&M University Master of Urban Planning Program. Applied Planning Studio, April 2010.

<sup>3</sup> Decennial U.S. Census, 1990, 2000.

<sup>4</sup> Texas State Demographer, July 1, 2008. The 2008 Texas State Demographer population estimate was referenced since it utilizes more current data than the Census ACS estimate.

## Households and Families

The City of Galveston had approximately 22,695 households<sup>5</sup> in 2008 prior to the storm—slightly over half of which were occupied by family<sup>6</sup> households. This is a noticeably lower proportion of families relative to the rest of the County. Two particular household types whose proportions were lower in the City are married-couples, 35% compared to 55% in the County; and families with children, 21% compared to 35% in the County. Although the make-up of these household types differs significantly, it's worth noting that since 1990 the proportions of such households, both in the City and County, have experienced a similar decline in favor of nonfamily households. Exhibit 2 shows the average size of households and families for both the City and the County are relatively similar.

**Exhibit 2. Household Characteristics for the City and County of Galveston, 1990-2008**

Households and Families	City of Galveston			Galveston County <sup>7</sup>		
	1990	2000	2008	1990	2000	2008
Family households	59.9%	57.6%	53.5%	76.3%	73.9%	72.1%
Families with children	31.6%	26.3%	21.4%	42.1%	36.4%	35.0%
Families without children	28.3%	31.4%	32.1%	34.2%	37.5%	37.1%
Married couple families	39.6%	36.6%	34.5%	61.6%	57.7%	55.0%
Married couple families with children	18.1%	14.8%	11.7%	32.2%	27.1%	25.3%
Female or Male family	20.3%	21.0%	19.0%	14.7%	16.2%	17.1%
Female or Male family with children	13.5%	11.5%	9.7%	9.9%	9.3%	9.7%
Nonfamily households <sup>8</sup>	40.1%	42.4%	46.5%	23.7%	26.1%	27.9%
Average Household Size	2.4	2.3	2.2	2.6	2.6	2.6
Average Family Size	3.1	3.0	2.9	3.2	3.1	3.2

Source: U.S. Census Bureau: 1990, 2000 and ACS 2006-2008 3-yr estimate

## Age

Statistics reveal that the population of Galveston aged as a whole between 1990 and 2008 (see Exhibit 3). Generally, the share of the population younger than 44 has decreased since 1990 while the share between ages 45 – 64 trended upward. These trends are similar for the larger County region.

Further breakdown of those under 44 reveals that the County has a higher proportion of youth under the age of 15. The City, however, has a higher proportion of people age 15 – 24 and experienced an upward trend—likely due to the presence of several higher education institutions located on the island. Two post-secondary institutions (Galveston College and Texas A&M University at Galveston) and the University of Texas Medical Branch (UTMB)—which includes schools of medicine, nursing, and a graduate school of biomedical sciences—have consistently attracted additional people from this age cohort.

<sup>5</sup> A household is made up of people who occupy a housing unit together whether they are related or not.

<sup>6</sup> A family household consists of a householder and one or more other people living in the same household who are related to the householder by birth, marriage, or adoption.

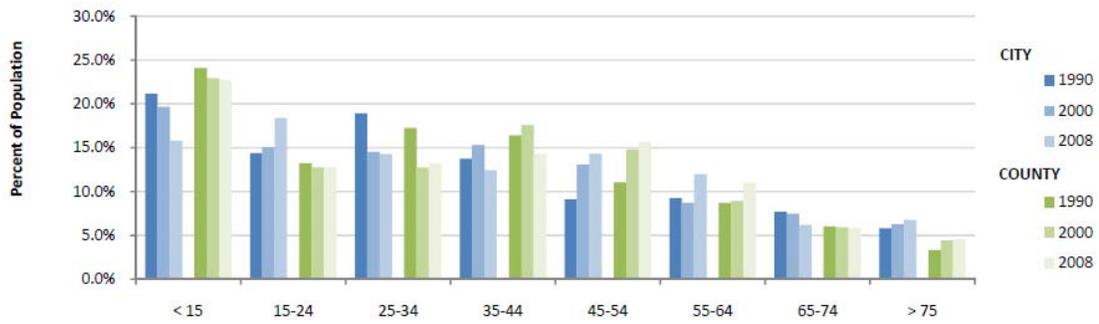
<sup>7</sup> County data exclude the City of Galveston.

<sup>8</sup> A nonfamily household is comprised of a group of unrelated people or of one person living alone.



**Exhibit 3. Age Trends for the City and County of Galveston, 1990-2008**

Source: U.S. Census Bureau: 1990, 2000 and ACS 2006-2008 3-yr estimate



**Income and Poverty**

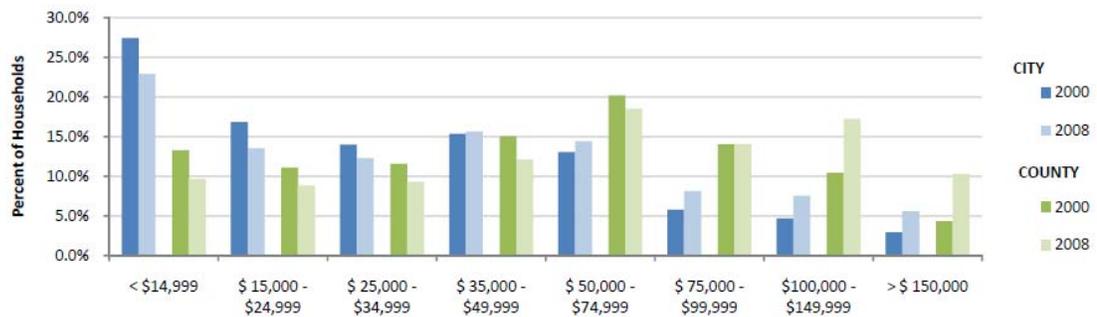
The 2008 median household income for Galveston was \$36,525<sup>9</sup> compared to \$55,995 for the County. Although household sizes in the City are roughly 15% smaller, City household incomes tend to be 35% lower. Incomes of family households, which include related persons living together, were higher but showed similar disparities—\$45,485 for the City versus \$69,016 for the County.

With the 2008 poverty threshold for a family of three<sup>10</sup> at \$17,163, the median family income in the City is 2.6 times the poverty threshold while in the County is 4 times the poverty threshold. Approximately 18% of families in the City live below the poverty line compared to 10% in the County.

Exhibit 4 illustrates income distributions between 2000 and 2008 showing a higher percentage of households in the City have consistently fallen within income ranges below \$50,000 as compared to the region.

**Exhibit 4. Household Income Distribution for the City and County of Galveston, 2000-2008**

Source: U.S. Census Bureau: 2000 and ACS 2006-2008 3-yr estimate



<sup>9</sup> U.S. Census ACS 2006-2008 3-yr estimate

<sup>10</sup> Referenced the poverty threshold for a family of three since this is the average family size in the region



## Economy

Galveston's economy is strongly connected to the health care, tourism, shipping, and financial industries. The UTMB is a major economic force in the City. Its campus contains some of the largest teaching hospitals in the state. Tourism is also a major driver. Every year visitors are drawn to the beaches, entertainment, and restaurants on the island making leisure and hospitality a large employment sector. Events and attractions such as Mardi Gras, Dickens on the Strand, and Moody Gardens are staples of the City. The Strand Historic District plays host to many events. Near the Strand on the north side of the island is the Port of Galveston serving as a regional shipping gateway and a major terminal for several cruise ship lines. Galveston is also home to American National Insurance Company (ANICO); one of the largest life insurance companies in the country.

## Employment

As of February 2010 there were 24,210<sup>11</sup> people employed in the City indicating an employment gain of 470 since 2005. However, as employment increased, the labor force—which includes the total number of people employed or seeking employment—has increased by a larger proportion resulting in a high unemployment rate of 8.1%, compared to 6.1% back in 2005. Although the rate had been steadily increasing in the months preceding Hurricane Ike as a consequence of the broader economic downturn, it jumped sharply from 5.7% in September 2008 to 9.7% in October 2008. The damage caused by the storm forced many businesses to close and major employers have not returned to pre-storm capacity. Since the storm the unemployment rate has declined but remains high at 8.1%-- which is consistent with regional employment conditions.

According to information gathered in the middle of 2009 by the Urban Land Institute, there are about 35,000 jobs on the island and many of those jobs are filled by people who commute from the mainland<sup>12</sup>.

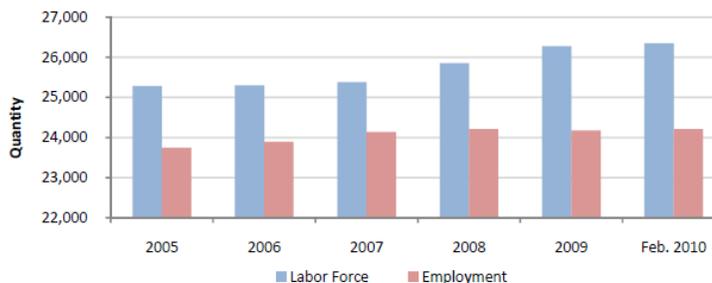
**Exhibit 5. Employment and Unemployment for the City of Galveston, 2005-2010**

	2005	2006	2007	2008	2009	Feb. 2010
Labor Force	25,288	25,298	25,377	25,853	26,273	26,344
Employment	23,743	23,889	24,137	24,213	24,172	24,210
Unemployment	1,545	1,409	1,240	1,640	2,101	2,134
Unemployment Rate (City)	6.1	5.6	4.9	6.3	8.0	8.1
Unemployment Rate (County)	5.7	5.1	4.6	5.8	8.2	8.9
Unemployment Rate (State)	5.4	4.9	4.4	4.9	7.6	8.3

Source: Texas Workforce Commission LMI LAUS

**Exhibit 6. Labor Force and Employment for the City of Galveston, 2005-2010**

Source: Texas Workforce Commission LMI & LAUS



<sup>11</sup> Texas Workforce Commission LMI LAUS. This data is mostly intended as an estimate of people in the City who are employed.

<sup>12</sup> Urban Land Institute, Advisory Services Panel Report - Galveston, Texas, May 31 - June 2, 2009

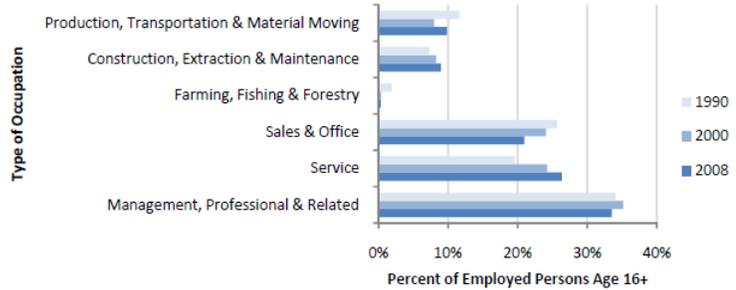


### Occupations

The most common occupations in the City were Management and Professional—34%; Service—26%; and Sales and Office—21%. Sixty-five percent of the people employed were private wage and salary workers; 30% were federal, state, or local government workers; and 5% were self-employed in own non-incorporated business. Since 1990, Service occupations have been replacing Sales and Office occupations. During this period, Service occupations increased from 20% to 26% while Sales and Office occupations decreased from 26% to 21%.

**Exhibit 7. Occupation Trends for the City of Galveston, 1990-2008**

Source: U.S. Census Bureau: 1990, 2000 and ACS 2006-2008 3-yr estimate

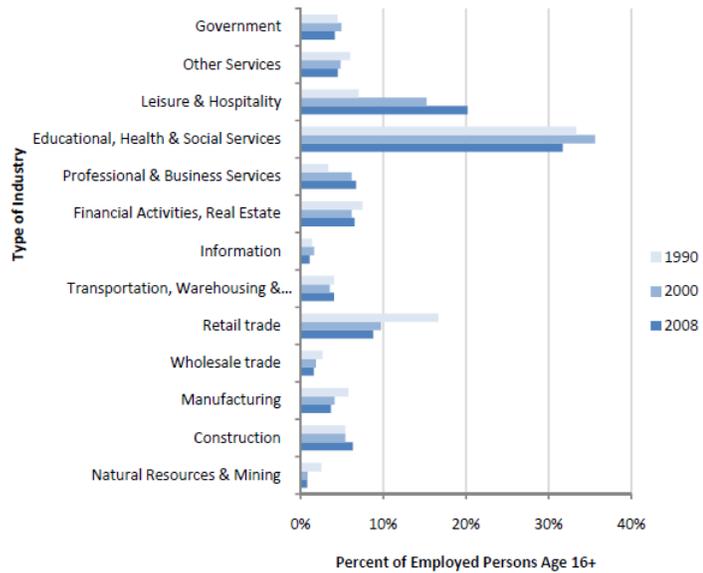


### Industries

The leading industries in Galveston were Education, Health, and Social services—32%; and Leisure and Hospitality—20%. Over the last two decades the Leisure and Hospitality industry has seen the largest increase from 7% in 1990 to 20% in 2008. Conversely, the Retail Trade industry has been in a downward trend from 17% in 1990 to 9% in 2008. Professional and Business services have increased from 3% to 7% in the same period. All other industries have been relatively stable with fluctuations below 2%.

**Exhibit 8. Industry Trends for the City of Galveston, 1990-2008**

Source: U.S. Census Bureau: 1990, 2000 and ACS 2006-2008 3-yr estimate





## Section 3

# Housing Inventory and Character

### Housing by Occupancy and Tenure

Based on 2008 ACS data, the City has approximately one-third of the housing stock as the rest of the County, yet the City has nearly as many total vacant units: 10,744 compared to 13,408. A third of Galveston's housing stock is vacant while only 14% of the County's units are. Since 1990 the City has experienced a large vacancy rate which increased significantly as of 2008 (see Exhibit 10). The top two subgroups of vacant units in the City are seasonal/occasional use homes and other vacant units—the latter includes absentee owners and abandoned homes. A comparison shows the City has twice the percentage of seasonal, recreational, or occasional use homes as the County—11% compared to 5%. If all units in Galveston were occupied with the average household size of 2.2 people, the City's population would be approximately 73,000. A more conservative estimate—assuming 11% remained seasonal/occasional use homes—would be 65,000.

Conversely, the City has a much lower proportion of occupied units—68% compared to 86% in the County. Of the total number of occupied units, the majority in the City are renter-occupied (56%) while in the County renters make up just 27% of occupied units.

**Exhibit 9. Occupancy and Tenure for the City and County of Galveston, 2008**

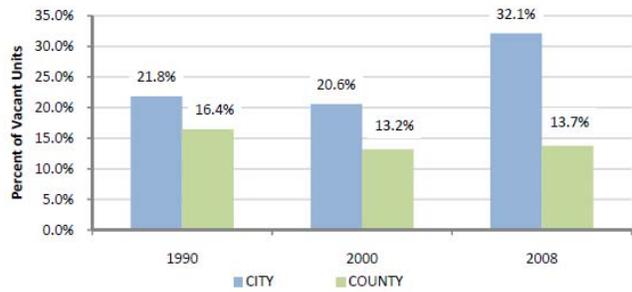
	City of Galveston			Galveston County		
	Quantity	% of Total	% of Occupied/ % of Vacant	Quantity	% of Total	% of Occupied/ Vacant
Total Housing Units	<b>33,439</b>			<b>97,633</b>		
Occupied Housing Units	<b>22,695</b>	<b>68%</b>	<b>100%</b>	<b>84,225</b>	<b>86%</b>	<b>100%</b>
Owner-Occupied Housing Units	9,991	30%	44%	61,656	63%	73%
Renter-Occupied Housing Units	12,704	38%	56%	22,569	23%	27%
Vacant Housing Units <sup>13</sup>	<b>10,744</b>	<b>32%</b>	<b>100%</b>	<b>13,408</b>	<b>14%</b>	<b>100%</b>
For rent	2,560	8%	24%	2,113	2%	16%
For sale only	984	3%	9%	2,176	2%	16%
Rented or sold, not occupied	213	1%	2%	867	1%	6%
Seasonal, recreational, occasional use	3,767	11%	35%	4,453	5%	33%
For migrant workers	0	0%	0%	96	0%	1%
Other vacant	3,220	10%	30%	3,703	4%	28%
Homeowner Vacancy Rate		9%			4%	
Rental Vacancy Rate		17%			12%	

Source: U.S. Census Bureau: ACS 2006-2008 3-yr estimate

<sup>13</sup> Vacant units are defined as housing units occupied for 2 months or less during the year.

**Exhibit 10. Historic Vacancy Rate for the City and County of Galveston, 1990-2008**

Source: U.S. Census Bureau: 1990, 2000 and ACS 2006-2008 3-yr estimate

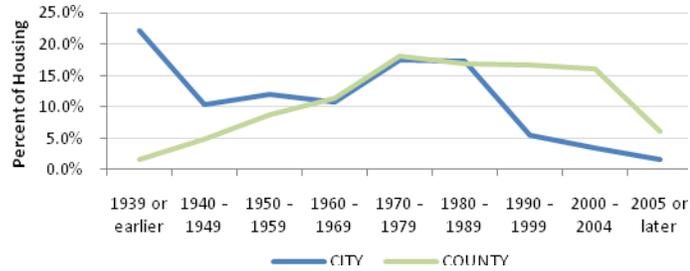


**Housing by Year Structure was Built**

Galveston is home to six historic districts and contains one of the largest historically significant collections of nineteenth-century buildings. This character provides a point of pride and attraction for the community. An estimated 44% of the City's stock was built before 1960 compared to 15% in the County. Moreover, data indicates a significant portion of the County's housing stock (39%) is fairly new—having been built after 1990—compared to only 10% in the City.

**Exhibit 11. Age of Structures in the City and County of Galveston, 2008**

Source: U.S. Census Bureau: ACS 2006-2008 3-yr estimate

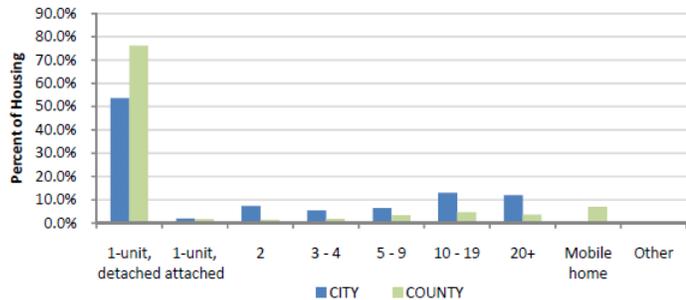


**Housing by Size of Structure**

Over half of housing in the City (54%) is made up of single-unit detached structures. However, the City also has a larger share of high density housing in multi-unit structures as does the County. A quarter of the City's residences are in structures with 10 or more units versus only 8% of the County's.

**Exhibit 12. Size of Structures in the City and County of Galveston, 2008**

Source: U.S. Census Bureau: ACS 2006-2008 3-yr estimate

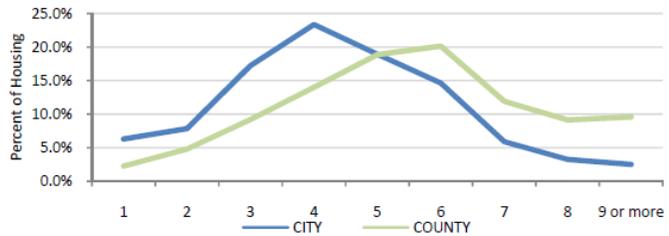


## Housing by Number of Rooms

Exhibit 13 illustrates that housing units in Galveston tend to have fewer rooms<sup>14</sup> than units in the County. Approximately 55% of the City's units contain one to four rooms compared to just 30% of the County's. The majority of the County's units, 70%, have five or more rooms.

**Exhibit 13. Rooms in Unit for the City and County of Galveston, 2008**

Source: U.S. Census Bureau: ACS 2006-2008  
3-yr estimate



## Residential Land Use and Property Values

Our analysis<sup>15</sup> indicates there are 18,625 residential<sup>16</sup> parcels in the City—93% (17,333) are single-family houses. The 2009 median assessed value<sup>17</sup> of single-family homes was \$77,950; this represents a drop of a quarter of the pre-storm median assessed value of \$105,960.

Approximately half (8,798) of single-family houses are assumed to be owner-occupied because they have homestead exemptions. The majority of these are located in the City's urban core. Exhibit 15 shows there is a higher concentration of parcels without homestead exemptions on the western areas of the island. These are suburban communities containing a large portion of secondary and seasonal homes.

**Exhibit 14. Property Values and Homestead Exemptions, City of Galveston**

Land Use	SPTB Code <sup>18</sup>	Parcels	Percent	Median Assessed Value 2008	Median Assessed Value 2009	Depreciation 2008 to 2009	Homestead Exemption
Single-Family Residential (SFR)	A1	17,333	93%	\$105,960	\$77,950	-26%	8,798
SFR Mobile Home	A2	10	< 1%	\$20,905	\$15,635	-25%	4
SFR Condominium	A3	70	< 1%	\$244,235	\$174,713	-28%	11
SFR Exempt	A9	110	< 1%	\$58,120	\$49,405	-15%	1
Multi-Family Residential	B1	868	5%	\$96,245	\$74,610	-22%	244
Multi-Family Commercial	B2	204	< 1%	\$219,905	\$178,520	-19%	11
Multi-Family Exempt	B9	30	< 1%	\$337,440	\$191,530	-43%	0
<b>Subtotal: Residential</b>		<b>18,625</b>	<b>100%</b>				<b>9,069</b>
Other Non-Residential		8,863					
<b>Total</b>		<b>27,488</b>					

Source: GCAD, 2009

<sup>14</sup> Rooms include living rooms, dining rooms, kitchen and bedrooms

<sup>15</sup> Data from the 2009 GCAD Property Roll was utilized to develop a comprehensive view of the housing inventory and assessed values.

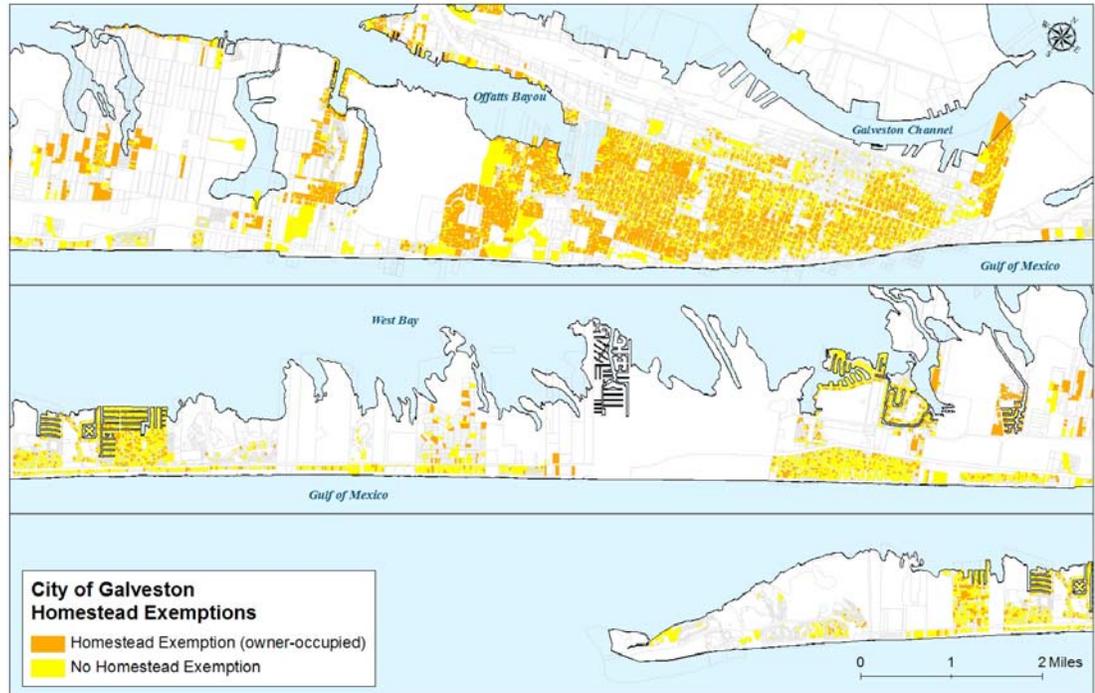
<sup>16</sup> Residential parcels include all single-family and multi-family parcels.

<sup>17</sup> Median assessed values include land plus improvements.

<sup>18</sup> The State Property Tax Board (SPTB) code indicates the primary land use of a parcel.



Exhibit 15. Homestead Exemption Status of Residential Parcels, City of Galveston, 2009



### Flood Zone Designations

The table and map below illustrate the existing high concentration of residential parcels within each of the flood zones. According to floodplain maps,<sup>19</sup> approximately 81% (14,082) of all single-family residential parcels fall in the "100 year" zone, roughly 14% (2,441) fall in the "500 year" zone, and 5% (810) fall outside the flood zones. Over 86% of all residential acreage sits within the "100 year" flood zone.

Exhibit 16. Residential Parcels within Flood Zones, City of Galveston, 2009

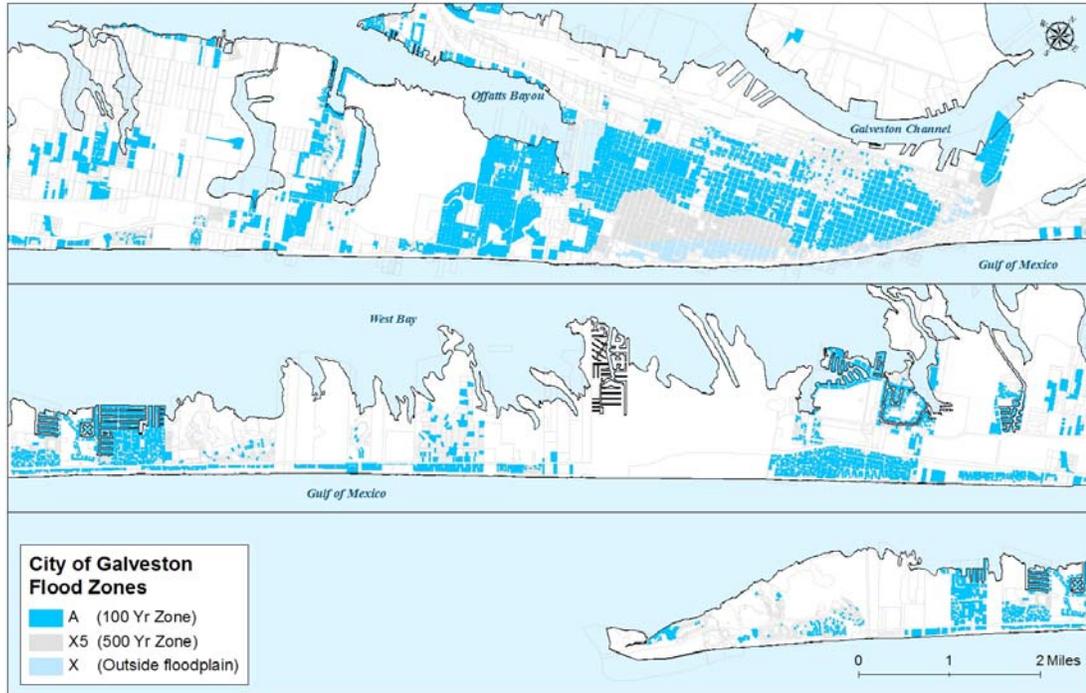
Land Use	SPTB Code	Parcels	Zone A 100 Yr	Zone X5 500 Yr	Zone X Outside	Zone A 100 Yr Acres	Zone X5 500 Yr Acres	Zone X Outside Acres	Total Acres
Single-Family Residential (SFR)	A1	17,333	14,082	2,441	810	2,55.7	2,88.7	93.5	2,937.9
SFR Mobile Home	A2	10	9	0	1	2.8	0.0	0.1	2.9
SFR Condominium	A3	70	63	1	6	13.7	0.1	1.0	14.8
SFR Exempt	A9	110	89	21	0	17.1	2.9	0.0	20
Multi-Family Residential	B1	868	666	126	76	68.7	13.9	8.2	90.8
Multi-Family Commercial	B2	204	150	25	29	212.9	11.7	30.0	254.6
Multi-Family Exempt	B9	30	23	4	3	35.4	5.4	0.9	41.7
<b>Total Residential</b>		<b>18,625</b>	<b>15,082</b>	<b>2,618</b>	<b>925</b>	<b>2,906.3</b>	<b>322.6</b>	<b>133.6</b>	<b>3,362.5</b>

Source: H-GAC Floodplain maps, 2009; GCAD, 2009

<sup>19</sup> Houston-Galveston Area Council Floodplain Map, 2009



Exhibit 17. Residential Parcels within Flood Zones, City of Galveston, 2009



## Vacant Lots and Distressed Properties

### Property Roll Vacant Lots

To quantify vacant lots across the island CDM searched the 2009 Galveston Central Appraisal District data and conducted quality control through spot-checks utilizing aerials images taken after the storm. CDM found 5,256 parcels classified as vacant in the City. The lots appear to be fairly scattered throughout the island, although there are noticeable clusters in the urban infill area north of Broadway Boulevard between 25<sup>th</sup> Street and 46<sup>th</sup> Street (see Exhibits 21A and 21B). Nearly one-fifth (938) of all vacant lots are located in the City's core between 6<sup>th</sup> Street and 61<sup>st</sup> Street accounting for roughly 200 acres. Identification of these parcels is an initial step in possible future efforts by the City to revitalize its urban core.

Exhibit 18. Vacant Lots in the City of Galveston, 2009

Land Use	SPTB Code	Total Lots in Core	Total Lots on Island	Median Assessed Value 2009	Total Acres
Vacant Lots	C1	753	4,969	\$25,500	2,080
Vacant Lots Exempt	C9	185	287	\$13,730	210
<b>Total</b>		<b>938</b>	<b>5,256</b>		<b>2,290</b>

Source: GCAD, 2009

### Public Owned Vacant Lots

The idea of leveraging public owned vacant lots to incentivize future housing and economic development has been discussed recently by the City's stakeholders. They have begun to explore the possibility of creating a new City Revitalization Agency that would serve as a steward of vacant land as well as abandoned and distressed properties. The Agency's role could include the acquisition and preparation of vacant lots to fuel new development. As a proactive measure CDM utilized the property roll to quantify vacant classified parcels owned by local public entities. Exhibit 19 summarizes CDM's findings. Public entities own approximately 170 vacant parcels and 118 of these are located in the City's core. The City of Galveston owns a total of 82 vacant parcels across the island making it the largest of the public land owners.



**Exhibit 19. Public Owned Vacant Lots in the City of Galveston, 2009**

Owner Name	(C1) Vacant Platted Lot	(C9) Vacant Plotted Lot Exempt	Total in Island	Total in Core	Owner's Address
City-Galveston	3	79	82	42	P.O. Box 779, Galveston, TX 77553-0779
City-Galveston Trustee	1	6	7	5	P.O. Box 779, Galveston, TX 77553-0779
City-Galveston Wharves	0	2	2	2	823 25th Street, Galveston, TX 77550-2103
County-Galveston	0	10	10	3	722 Moody Galveston, TX 77550
Galveston Housing Authority	0	5	5	4	4700 Broadway., Galveston, TX 77551
Galveston Housing Finance Corp	0	9	9	9	2127 Broadway., Galveston, TX 77550
Galveston Redevelopment and Community Enterprise Corp (Grace)	0	15	15	15	4700 Broadway., Galveston, TX 77551
Galveston Community College	0	23	23	23	4015 Avenue Q, Galveston, TX 77550-7447
Galveston ISD	0	17	17	15	3904 Avenue T, Galveston TX 77551
<b>Total</b>	<b>4</b>	<b>166</b>	<b>170</b>	<b>118</b>	

Source: GCAD, 2009

**Property Inspection Survey**

An additional data source for vacant lots and distressed properties was provided by the City. Early in 2010 City inspectors surveyed the island collecting information on general property conditions. They created a checklist with four general condition categories: 1) vacant lots, 2) abandoned (not maintained), 3) boarded/maintained and 4) violations. Properties marked under violations were observed as displaying City code violations (e.g. unkempt grass, paint, roof, yard, etc.) Inspections were based on visual assessments from windshield surveys meant for general information purposes only.

A total of 2,371 properties were listed in the survey and many of them had more than one condition checked. Approximately 713 were classified as vacant lots, 1,033 were abandoned, 177 were boarded but maintained and 1,613 exhibited some form of code violation. We matched addresses recorded in the survey to parcels on the GCAD property roll so that they could be mapped and added to the overall inventory of vacant lots and distressed properties.

**Exhibit 20. Property Inspection Survey for the City of Galveston, as of February 2010**

Land Use	SPTB Code	Qty.	Abandoned	Violations	Boarded/ Maintained	Vacant Lots
Single-Family Residential (SFR)	A1	1,539	810	1,223	142	212
SFR Mobile Home	A2	4	1	2	0	2
SFR Condominium	A3	3	1	1	0	2
SFR Exempt	A9	15	7	9	1	6
Multi-Family Residential	B1	141	74	113	21	9
Multi-Family Commercial	B2	25	12	17	4	4
Multi-Family Exempt	B9	9	3	4	0	5
<b>Subtotal: Residential</b>		<b>1,736</b>	<b>908</b>	<b>1,369</b>	<b>168</b>	<b>240</b>
Vacant Platted Lots	C1, C9	456	32	129	1	411
Other Land Use		179	93	115	8	62
<b>Total in Galveston</b>		<b>2,371</b>	<b>1,033</b>	<b>1,613</b>	<b>177</b>	<b>713</b>
<b>Total in Urban Core</b>		<b>1,480</b>	<b>663</b>	<b>1,076</b>	<b>111</b>	<b>326</b>

Source: City Inspections Survey of Galveston Island, as of February 2010



Exhibit 21A. Vacant Lots and Distressed Properties in the City of Galveston, 2009

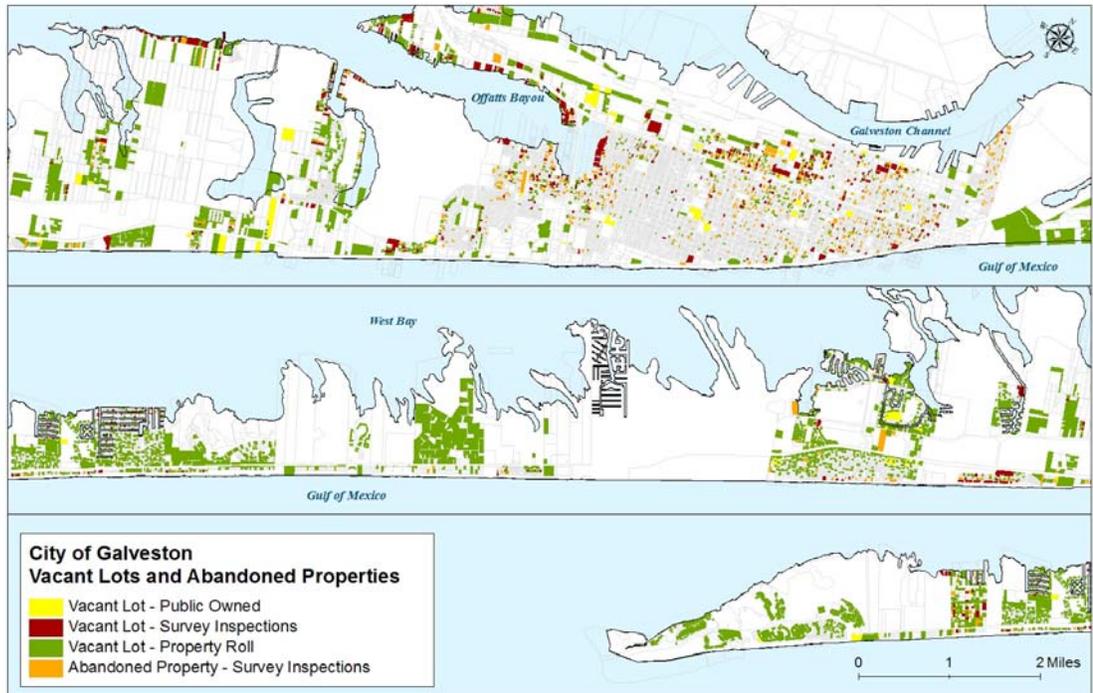


Exhibit 21B. Vacant Lots in the Urban Core of Galveston, 2009

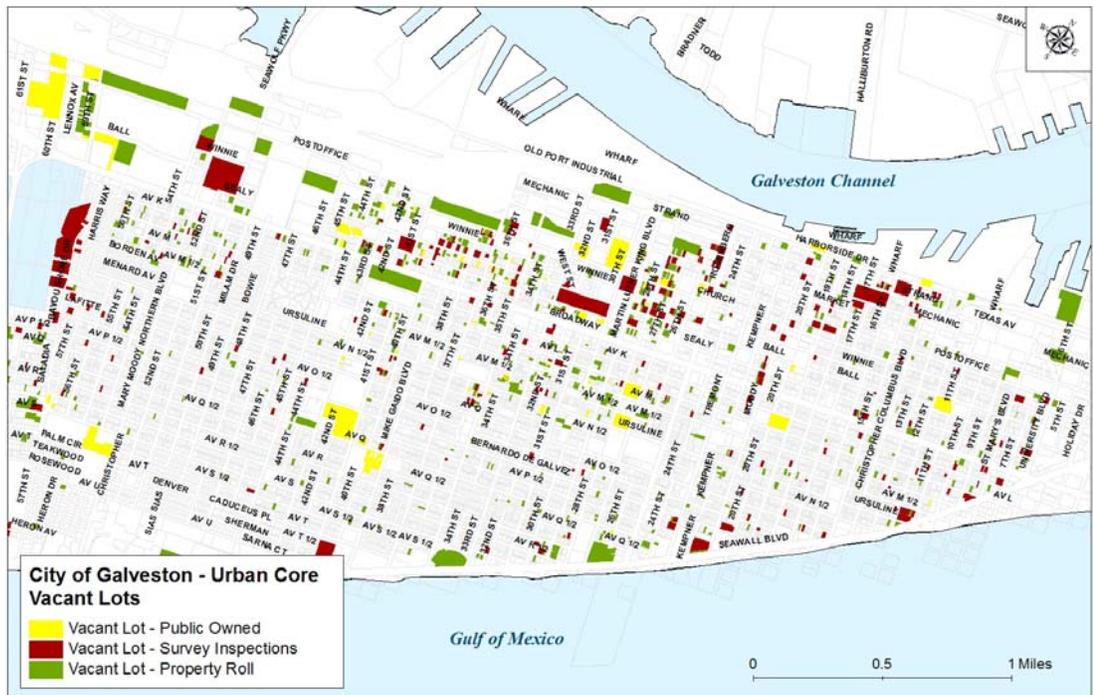
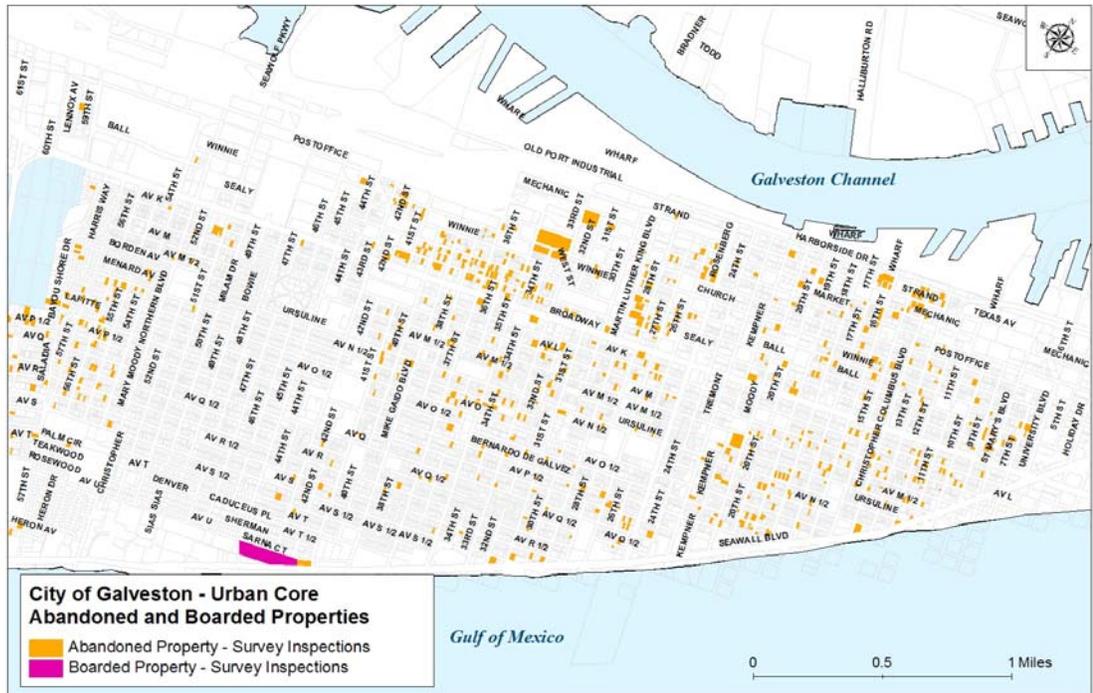
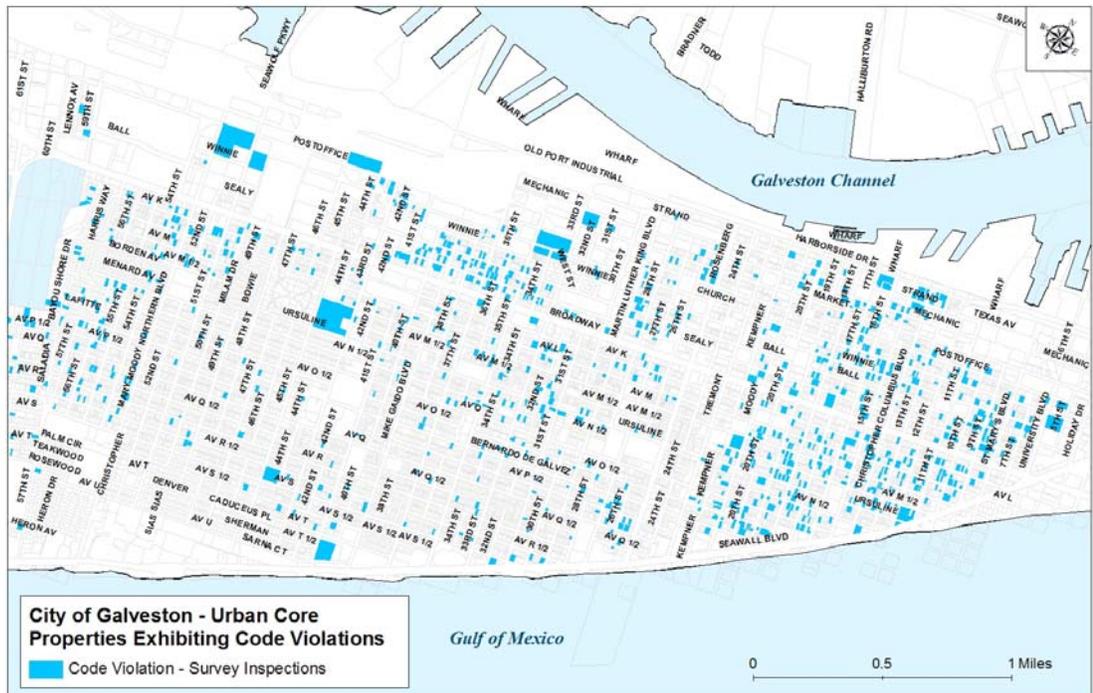


Exhibit 21C. Abandoned and Boarded Properties in the Urban Core of Galveston, 2009



Disclaimer: This map is based on visual assessments and is for information purposes. It does not make representations on actual conditions.

Exhibit 21D. Properties Exhibiting Code Violations in the Urban Core of Galveston, 2009



Disclaimer: This map is based on visual assessments and is for information purposes. It does not make representations on actual conditions.



# Section 4

## Hurricane Ike Housing Damage

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### Methodology

In efforts to quantify the destruction of properties for this study, CDM compiled<sup>20</sup> and analyzed the following four damage lists consisting of raw data:

#### 1) Damage Inspections

This list resulted from a windshield survey conducted immediately after the storm by the City. The parcels were categorized as:

- (green) – inspected, habitable, building permits could be issued
- (yellow) – restricted use needing further review, uninhabitable, permits on hold except utilities
- (red) – unsafe or destroyed, permits on hold

The raw list had 17,158 parcel records; however, after cleaning and normalizing the data, 15,482 "clean" parcel records remained.

#### 2) Damage Triage

This subsequent list resulted from FEMA broadly reviewing areas that were less than 30% damaged. The parcels were categorized as:

- (green) – less than 30% damaged, residential building permits could be issued
- (yellow) – more than 30% damaged, permits on hold pending further FEMA review

The raw list had 6,104 parcel records; however, after cleaning and normalizing the data, 5,993 parcel records remained.

#### 3) FEMA Residential Substantial Damage Estimator Review

This list resulted from the next level of review by FEMA's Residential Substantial Damage Estimator (RSDE) process consisting of a 16 point assessment that calculated the amount of damage as a percent of the pre-storm assessed value of structures plus 5%. The parcels were categorized as:

- (green) – less than 50% damage, residential building permits could be issued
- (red) – more than 50% damage, permits on hold

The raw list had 5,027 parcel records; however, after cleaning and normalizing the data, 4,752 parcel records remained.

#### 4) 100% Destroyed

This list identified 182 parcels that were destroyed. After cleaning and normalizing the data, 181 parcel records remained.

Based on rounds of cleaning and normalizing data, we estimate a total of 18,202 parcels in the City suffered damage by Hurricane Ike and 16,426 of them were residential. The following findings resulted from joining that data to the 2009 GCAD property roll, which allowed for further analysis.

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<sup>20</sup> Four separate property damage lists were collected from the City's Planning Division. Each list recorded different damage characteristics and contained a different quantity of parcels. Some parcels appeared on several of the lists. Nevertheless, all the lists contained a common index field with 15 digit parcel account numbers. The lists were consolidated into one master list and incomplete and duplicate parcel records were removed to arrive at an estimate of total damaged parcels. The master list was then matched to the 2009 GCAD property roll data set.

## Residential Land Use and Assessed Values of Damaged Parcels

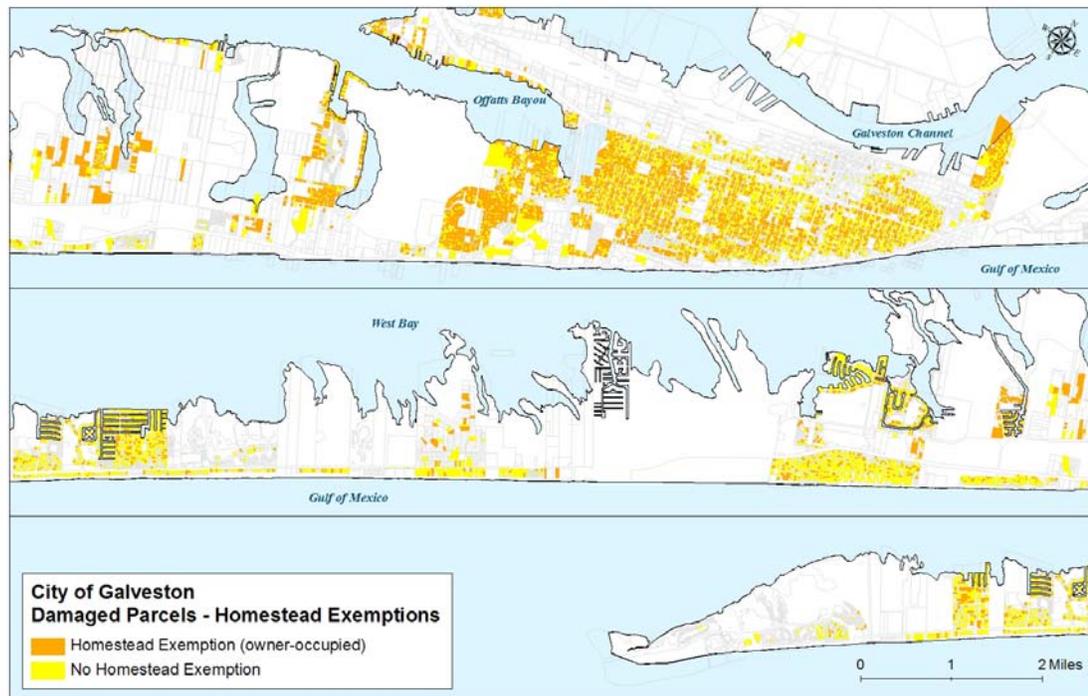
CDM's estimate of 16,426 residential parcels that were damaged by the storm accounts for over 88% of all residential parcels in the City. Closer analysis shows 93% of all residential damage (15,324 parcels) occurred to single-family properties. Of these, approximately half (7,834) have homestead exemptions<sup>21</sup> and are likely owner-occupied. Their 2009 median assessed value was \$74,665, which constitutes a significant 28% drop from their pre-storm median assessed value of \$103,495.

Exhibit 22. Parcel Damage: Property Values and Homestead Exemptions, City of Galveston

Land Use	SPTB Code	Total City Parcels	Damaged Parcels	%	Median Assessed Value 2008	Median Assessed Value 2009	Depreciation 2008 to 2009	Homestead Exemption
Single-Family Residential (SFR)	A1	17,333	15,324	93%	\$103,495	\$74,665	-28%	7,834
SFR Mobile Home	A2	10	9	< 1%	\$19,820	\$14,490	-27%	3
SFR Condominium	A3	70	18	< 1%	\$240,403	\$190,273	-21%	4
SFR Exempt	A9	110	93	< 1%	\$59,360	\$49,440	-17%	1
Multi-Family Residential	B1	868	792	5%	\$92,820	\$71,005	-24%	223
Multi-Family Commercial	B2	204	172	1%	\$216,775	\$169,595	-22%	7
Multi-Family Exempt	B9	30	18	< 1%	\$225,630	\$152,525	-32%	7
<b>Subtotal: Residential</b>		<b>18,625</b>	<b>16,426</b>	<b>100%</b>				<b>8,072</b>
Other Non-Residential		8,863	1,776					
<b>Total</b>		<b>27,488</b>	<b>18,202</b>					

Source: City Planning Department damage assessment lists; GCAD, 2009

Exhibit 23. Homestead Exemption Status of Damaged Residential Parcels, City of Galveston



<sup>21</sup> Homestead exemptions provide property tax breaks for owner-occupied residential properties.



## Damage Inspections

After the storm City staff and FEMA made their best efforts to classify parcels into general damage categories. Parcels categorized as green were estimated as habitable having minor damage, yellow were considered uninhabitable needing further review, and red were deemed uninhabitable and having substantial damage. Parcels still displayed as yellow were not found in subsequent FEMA reviews as becoming red therefore the assumption is made that yellow parcels eventually became green and sustained minor damage.

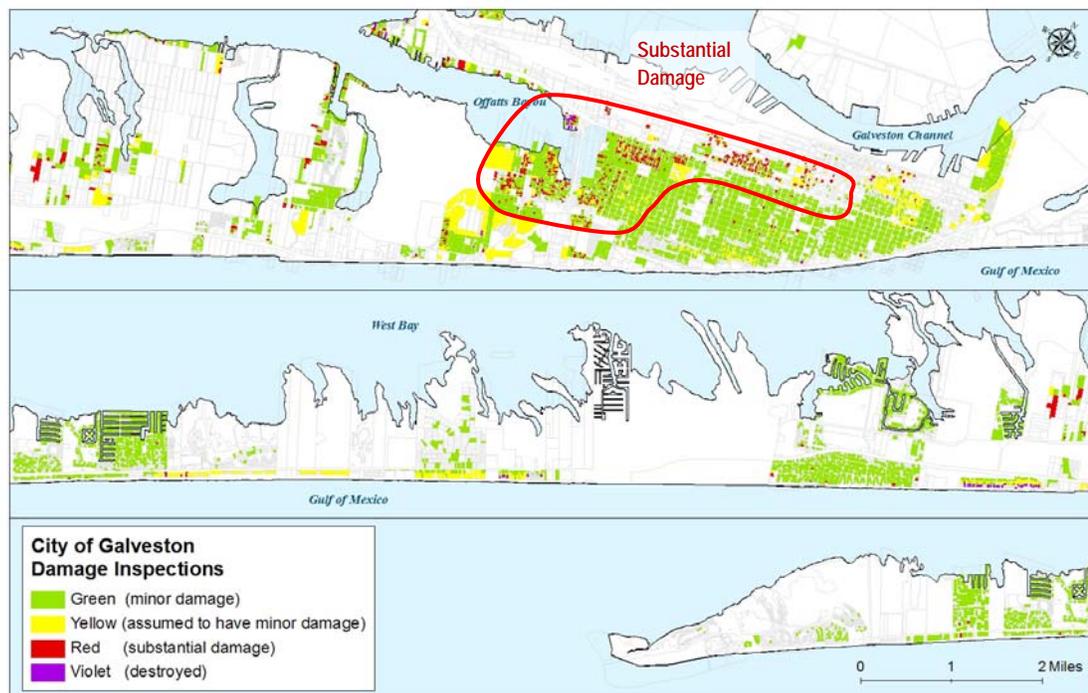
Of all the residential parcels damaged, the vast majority—83% (13,678)—were classified as having minor damage. Less than 6% (947) were substantially damaged and roughly 84 parcels had their structures destroyed. Single-family parcels alone constitute 93% of all damaged residential parcels. Exhibit 25 illustrates the areas north of Broadway Boulevard and around the Offatts Bayou and Bayou Shores neighborhood experienced the most substantial damage.

**Exhibit 24. Damage Inspections, City of Galveston**

Land Use	SPTB Code	Damaged Parcels	Green	Yellow	Red	Destroyed
Single-Family Residential (SFR)	A1	15,324	12,808	1,552	884	80
SFR Mobile Home	A2	9	5	0	4	0
SFR Condominium	A3	18	13	5	0	0
SFR Exempt	A9	93	73	14	4	2
Multi-Family Residential	B1	792	648	93	50	1
Multi-Family Commercial	B2	172	121	45	5	1
Multi-Family Exempt	B9	18	10	8	0	0
<b>Subtotal: Residential</b>		<b>16,426</b>	<b>13,678</b>	<b>1,717</b>	<b>947</b>	<b>84</b>
Other Non-Residential		1,776				
<b>Total</b>		<b>18,202</b>				

Source: City Planning Department damage assessment lists; GCAD, 2009

**Exhibit 25. Damage Inspections of Residential Parcels, City of Galveston**



## Flood Zone Designations of Damaged Parcels

Exhibit 26 includes the number of damaged residential parcels within the various flood zones. Floodplain maps indicate that 84% (13,727) of all damaged residential parcels are located within the "100 year" zone, while another 12% are within the "500 year" zone; only 4% are outside flood zone areas. Damage residential parcels account for 9% (2,700 acres) of the City's total land area<sup>22</sup>.

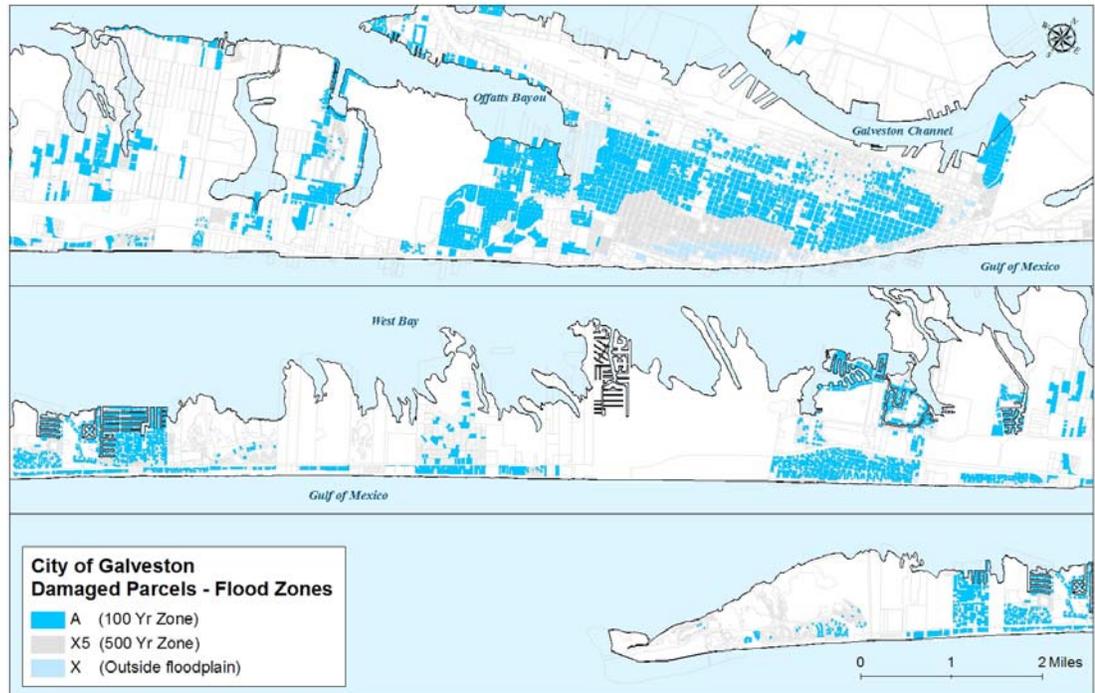
In reference to the total stock of residential parcels in each flood zone we found that in the "100 year" zone 91% of residential parcels suffered damage, in the "500 year" zone 77% suffered damage, and 72% of residential parcels outside the flood zones experienced some damage. While the 100 year zone had the highest percentage of damage, residences outside the flood zones were also highly susceptible to damage.

**Exhibit 26. Parcel Damage: Residential Parcels within Flood Zones, City of Galveston**

Land Use	SPTB Code	Damaged Parcels	Zone A 100 Yr	Zone X5 500 Yr	Zone X Outside	Zone A 100 Yr Acres	Zone X5 500 Yr Acres	Zone X Outside Acres	Total Acres
Single-Family Residential (SFR)	A1	15,324	12,836	1,890	598	2127.6	206.9	65.5	2,400.0
SFR Mobile Home	A2	9	9	0	0	2.8	0.0	0.0	2.8
SFR Condominium	A3	18	17	1	0	4.6	0.1	0.0	4.7
SFR Exempt	A9	93	80	13	0	9.6	2.2	0.0	11.8
Multi-Family Residential	B1	792	632	105	55	57.3	10.9	5.6	73.8
Multi-Family Commercial	B2	172	137	18	17	141.5	10.0	15.5	167.0
Multi-Family Exempt	B9	18	16	1	1	20.5	0.2	0.2	21.0
<b>Total Residential</b>		<b>16,426</b>	<b>13,727</b>	<b>2,028</b>	<b>671</b>	<b>2,364.0</b>	<b>230.3</b>	<b>86.8</b>	<b>2,681.0</b>

Source: H-GAC Floodplain maps, 2009; City Planning Department damage assessment lists; GCAD, 2009

**Exhibit 27. Damaged Residential Parcels within Flood Zones, City of Galveston**



<sup>22</sup> The land area of Galveston is 46 square miles (29,440 acres)



## RSDE Estimate of Residential Parcels

One of the damage lists provide by the City originated from FEMA's RSDE review. This list included 4,618 residential records with estimated damage on each parcel based on pre-storm assessed improvement values<sup>23</sup> plus 5%. CDM matched the records with the 2008 property roll to calculate the average dollar amount of damage.

Out of all the damaged single-family parcels CDM found that 3,602 experienced less than 50% damage while 862 had damage greater than 50%. The average damage for these parcels was 38% or \$22,796.

**Exhibit 28. RSDE Damage Estimate of Residential Parcels, City of Galveston**

Land Use	SPTB Code	Parcel Qty.	%	Average % Damage	Average (\$) Damage	< 50% Damage	>=50% Damage
Single-Family Residential (SFR)	A1	4,464	94%	38%	\$22,796	3,602	862
SFR Mobile Home	A2	3	0%	517%	\$27,504	0	3
SFR Condominium	A3	0	0%	0%	\$0	0	0
SFR Exempt	A9	17	0%	49%	\$22,488	13	4
Multi-Family Residential	B1	118	2%	60%	\$29,558	68	50
Multi-Family Commercial	B2	16	0%	52%	\$58,838	12	4
Multi-Family Exempt	B9	0	0%	0%	\$0	0	0
<b>Subtotal: Residential</b>		<b>4,618</b>	<b>96%</b>			<b>3,695</b>	<b>923</b>
Other Non-Residential		134	4%				
<b>Total</b>		<b>4,752</b>	<b>100%</b>				

Source: City Planning Department/FEMA RSDE Damage List: GCAD, 2008-2009

## Damaged Residential Parcels Exhibiting Building Permit Activity

Post storm residential building permit records were obtained from the City's Building Department for the period between September 13, 2008 and December 31, 2009. Only records with parcel account numbers that could be matched to GCAD's property roll were analyzed.

CDM found that 4,928, or roughly one-third of all damaged single-family parcels had some level of permit activity—many were associated with multiple permit numbers. In total, there were 5,148 residential parcels with building permits; clearly, the majority was for single-family repair/remodel work.

**Exhibit 29. Damaged Residential Parcels with Permit Activity, City of Galveston, 9/13/08 – 12/31/09**

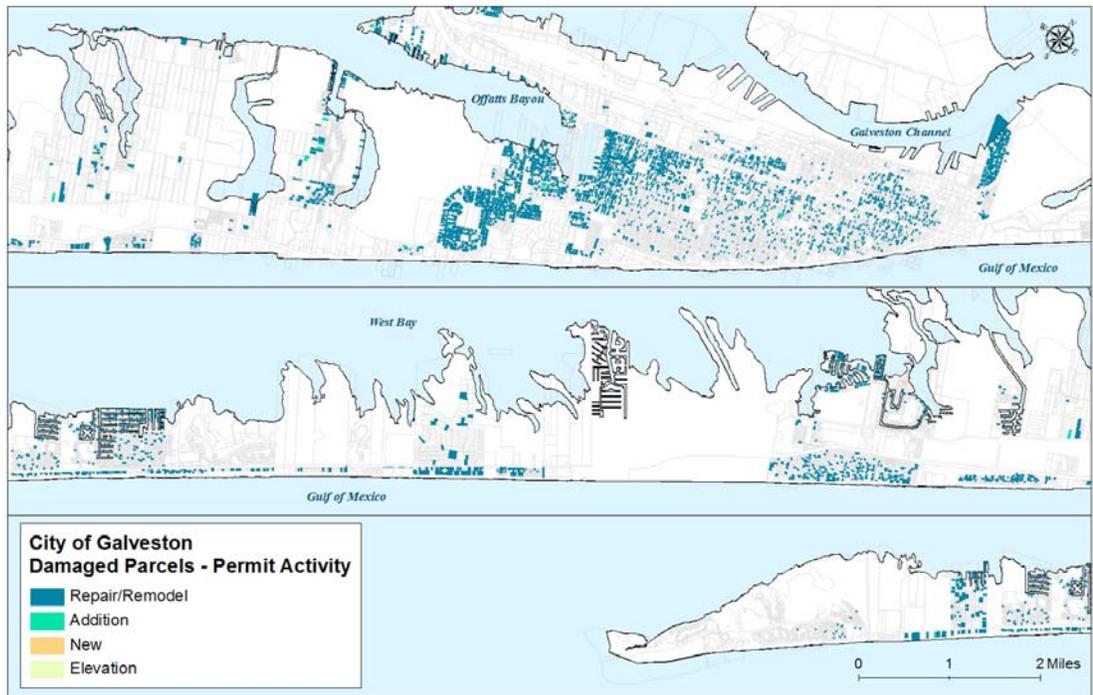
Land Use	SPTB Code	Damaged Parcels	Permit Activity Parcels	Permit Records	Repair/Remodel	Addition	New	Elevation
Single-Family Residential (SFR)	A1	15,324	4,928	5,924	5,686	210	23	5
SFR Mobile Home	A2	9	3	5	3	2	0	0
SFR Condominium	A3	18	2	2	2	0	0	0
SFR Exempt	A9	93	13	13	12	1	0	0
Multi-Family Residential	B1	792	174	205	201	4	0	0
Multi-Family Commercial	B2	172	26	29	29	0	0	0
Multi-Family Exempt	B9	18	2	2	1	1	0	0
<b>Subtotal: Residential</b>		<b>16,426</b>	<b>5,148</b>	<b>6,180</b>	<b>5,934</b>	<b>218</b>	<b>23</b>	<b>5</b>
Other Non-Residential		1,776	97					
<b>Total</b>		<b>18,202</b>	<b>5,245</b>					

Source: City of Galveston Building Department 9/13/08 – 12/31/09

**Exhibit 30. Damaged Residential Parcels with Permit Activity, City of Galveston, 9/13/08 – 12/31/09**

<sup>23</sup> GCAD 2008-2009 Property Roll





# Section 5

## Housing Market Trends

### Sales Market Conditions

CDM collected and analyzed housing sales market trends dating from 2001 – 2009. This analysis considers both the residential single-family and condominium/townhouse markets in Galveston and covers the three zip codes on the island—77550 (east end to 45th Street), 77551 (45th Street to 61st Street), and 77554 (61st to west end). The table below summarizes the number of sales, annual growth rate in sales, median sales prices, and annual growth rate in sales prices over the last 9 years.

**Exhibit 31A. Sales Trends and Median Sales Prices in Galveston**

Year	TOTAL		RESIDENTIAL SINGLE FAMILY				CONDOS/TOWNHOUSES					
	No. of Sales	Median Sales Price	No. of Sales	% Annual Change	Median Sales Price	% Annual Change	Average Days on Market	No. of Sales	% Annual Change	Median Sales Price	% Annual Change	Average Days on Market
2001	726	\$118,000	602	—	\$127,090	—	136	124	—	\$73,863	—	135
2002	860	\$120,494	700	16.3%	\$135,004	6.2%	139	160	29.0%	\$57,013	-22.8%	142
2003	873	\$129,850	710	1.4%	\$146,611	8.6%	144	163	1.9%	\$56,840	-0.3%	144
2004	1,067	\$153,230	834	17.5%	\$175,077	19.4%	125	233	42.9%	\$75,032	32.0%	124
2005	1,168	\$183,028	894	7.2%	\$207,800	18.7%	120	274	17.6%	\$102,200	36.2%	119
2006	924	\$208,162	690	-22.8%	\$233,659	12.4%	111	234	-14.6%	\$132,980	30.1%	114
2007	865	\$212,810	700	1.4%	\$228,748	-2.1%	133	165	-29.5%	\$145,192	9.2%	154
2008	706	\$230,656	542	-22.6%	\$250,131	9.3%	132	164	-0.6%	\$166,296	14.5%	219
2009	648	\$141,071	523	-3.5%	\$148,062	-40.8%	124	125	-23.8%	\$111,822	-32.8%	153

Source: Galveston MLS and Metrostudy Inc. Housing Profile for Galveston Island, June 2008

**Exhibit 31B. Sales Trends and Median Sales Prices in Brazoria County and the City of Houston<sup>24</sup>**

Year	BRAZORIA COUNTY TOTAL SALES				HOUSTON TOTAL SALES			
	No. of Sales	% Annual Change	Median Sales Price	% Annual Change	No. of Sales	% Annual Change	Median Sales Price	% Annual Change
2001	1,041	—	\$87,000	—	53,856	—	\$121,800	—
2002	1,034	-0.7%	\$93,300	7.2%	56,563	5.0%	\$129,700	6.5%
2003	—	—	—	—	60,732	7.4%	\$133,100	2.6%
2004	1,115	—	\$99,000	—	66,979	10.3%	\$134,300	0.9%
2005	1,282	15.0%	\$108,700	9.8%	72,800	8.7%	\$141,400	5.3%
2006	1,425	11.2%	\$114,200	5.1%	80,994	11.3%	\$148,700	5.2%
2007	1,367	-4.1%	\$121,600	6.5%	77,668	-4.1%	\$151,800	2.1%
2008	1,117	-18.3%	\$127,200	4.6%	65,169	-16.1%	\$151,800	0.0%
2009	898	-19.6%	\$127,300	0.1%	60,076	-7.8%	\$152,000	0.1%

Source: Real Estate Center at Texas A&M University; Brazoria County Board of Realtors and Houston Association of Realtors

A combination of relaxed financing options and low mortgage interest rates kept the home sales market strong from 2001 until 2005. Total home sales in Galveston increased by more than 60% from 726 in 2001 to 1,168 in 2005<sup>25</sup>. Although surrounding areas such as Brazoria County and Houston also experienced strong sales growth during the same period—23% and 35% respectively— their growth was clearly not as sharp.

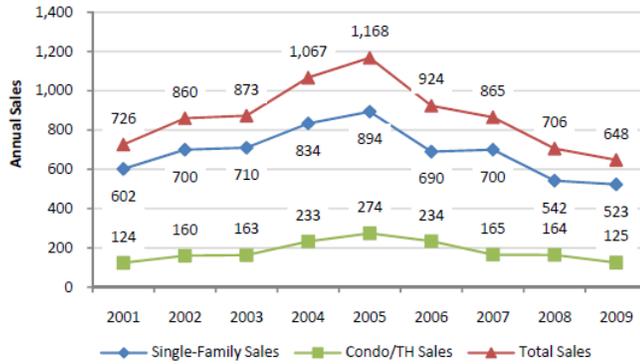
In Galveston, single-family residences made up the majority of the sales volume increasing 49% from 602 in 2001 to 894 in 2005. During the same period, condos/townhouse displayed a larger percentage increase of 120% from 124 to 274.

<sup>24</sup> Sales data for Brazoria County and Houston represents total home sales. Separation of single-family and townhouses/condominiums sales was not provided

<sup>25</sup> Galveston Multiple Listing Service - garmls.frismis.com

**Exhibit 32. Historical MLS Sales Activity 2001-2009**

Source: Galveston MLS; Metrostudy Inc.



Growth in median sales prices was similarly disproportionate in Galveston when compared to the region. From 2001 to 2005 median prices in Galveston increased 55% where as in Brazoria County and Houston median prices grew 24% and 16% respectively.

In Galveston, the median sales price of a single-family home increased 64% from \$127,090 in 2001 to \$207,800 in 2005. Condos/ townhouses experienced a slighter increase of 38% from \$73,863 in 2001 to \$102,200 in 2005.

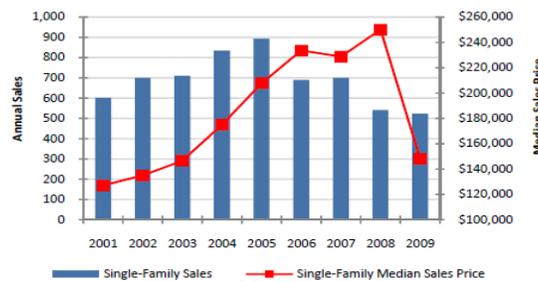
Although the number of sales in Galveston peaked in 2005 for both multi- and single-family residential markets, median sales prices continued to increase through 2008. From 2006 to 2007, single-family homes had started to experience a 2.1% decrease in prices correlating with the broader economic downturn; however, the impact of Hurricane Ike in September 2008 diminished the supply of homes, which may have prompted a rapid price increase of 9.3% from \$228,748 in 2007 to \$250,131 in 2008. The condo/townhouse market did not experience the same tangible price decrease from 2006 to 2007; however, the annual growth rate in prices dropped from 30.1% in 2006 to 9.2% in 2007. Hurricane Ike had a similar impact on condo/townhouse markets, driving median prices up 14.5% from \$145,192 in 2007 to \$166,296 in 2008.

After an initial spike in prices following the storm, prices began to decline as more homes were renovated and reentered the sales market. The latest downward trend in Galveston home prices appears to be consistent with markets across the nation which experienced unusual growth during the real estate boom of prior years. Areas including Brazoria County and Houston—which did not experience the same level of price growth during the past decade—are weathering the real estate downturn better. Median home prices in these two areas have been stable from 2008 to 2009. In contrast, the median sales price of a single-family home in Galveston has decreased 41% from \$250,131 in 2008 to \$148,062 in 2009<sup>26</sup>.

Similarly, the median value of condo/townhouses has decreased 33% from 2008 to 2009. Interestingly, the significantly decreased prices have had differing responses—while the volume of sales has only decreased by 3.5% for single-family homes, the condo/townhomes have experienced a 23.8% drop in sales. There are indications that the decrease in home prices is not solely due to bad economic conditions, but that sales of poorer quality homes, many of which may not have been fully renovated, accounts for some of the loss of value.

**Exhibit 33. Historical Single-Family MLS Sales Activity 2001-2009**

Source: Galveston MLS; Metrostudy Inc.



**Exhibit 34. Historical Condo/TH MLS Sales Activity 2001-2009**

Source: Galveston MLS; Metrostudy Inc.



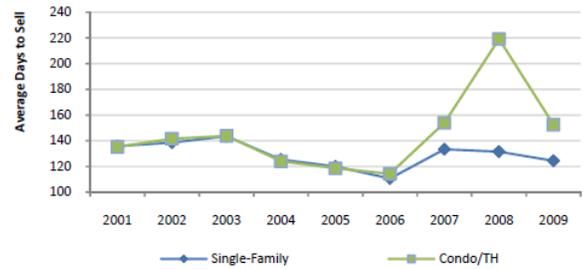
<sup>26</sup> The 2009 median sales price is also 90% higher than the 2009 median assessed value of a single-family home—\$77,950



Since 2001, the average number of days on the market of for-sale homes has ranged from 110 to 150. The condo/townhouse market saw a noticeable spike in 2008, likely due to the storm, but the number quickly stabilized by 2009.

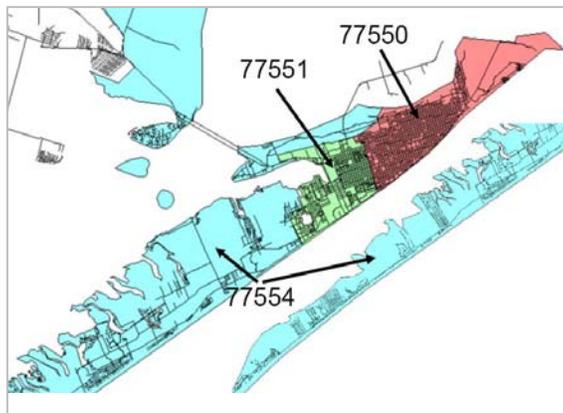
**Exhibit 35. Historical Average Days on the Market 2001-2009**

Source: Galveston MLS; Metrostudy Inc.



**Exhibit 36. Zip Codes in Galveston**

Source: Metrostudy, Inc.



The table below shows an annual growth comparison for 2002 – 2009 sales in the three zip codes on the island. The average annual growth in sales of single-family homes in the 77551 zip code during this period was 8.1%, the highest on the island. The two other zip codes experienced average annual declines of approximately 2%. In 2009 the 77551 zip code experienced 80% growth from the previous year.

The condo/townhouse market has experienced average sales growth in all three zip codes. The 77550 zip code—consisting of the island’s downtown and core area—had the highest growth with 7.8%; the 77551 zip code experienced 5.1% growth and the 77554 zip code had 3.7% growth.

**Exhibit 37. Sales Growth Comparison 2001-2009**

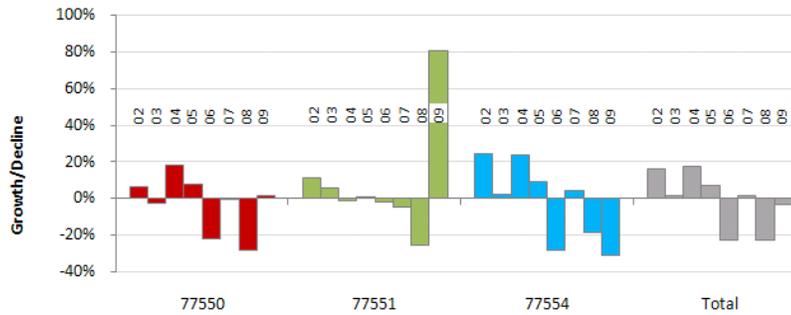
Sales	RESIDENTIAL SINGLE-FAMILY								CONDO/TOWNHOUSES							
	Quantity				Percent				Quantity				Percent			
	77550	77551	77554	Total	77550	77551	77554	Total	77550	77551	77554	Total	77550	77551	77554	Total
2001	195	113	294	602	-	-	-	-	38	46	40	124	-	-	-	-
2002	208	126	366	700	6.7%	11.5%	24.5%	16.3%	38	64	58	160	0.0%	39.1%	45.0%	29.0%
2003	203	133	374	710	-2.4%	5.6%	2.2%	1.4%	38	74	51	163	0.0%	15.6%	-12.1%	1.9%
2004	240	131	463	834	18.2%	-1.5%	23.8%	17.5%	52	101	80	233	36.8%	36.5%	56.9%	42.9%
2005	258	132	504	894	7.5%	0.8%	8.9%	7.2%	61	113	100	274	17.3%	11.9%	25.0%	17.6%
2006	201	129	360	690	-22.1%	-2.3%	-28.6%	-22.8%	62	87	85	234	1.6%	-23.0%	-15.0%	-14.6%
2007	202	123	375	700	0.5%	-4.7%	4.2%	1.4%	43	52	70	165	-30.6%	-40.2%	-17.6%	-29.5%
2008	145	92	305	542	-28.2%	-25.2%	-18.7%	-22.6%	80	34	50	164	86.0%	-34.6%	-28.6%	-0.6%
2009	147	166	210	523	1.4%	80.4%	-31.1%	-3.5%	41	46	38	125	-48.8%	35.3%	-24.0%	-23.8%
Avg.	200	127	361	688	-2.3%	8.1%	-1.9%	-0.6%	50	69	64	182	7.8%	5.1%	3.7%	2.9%

Source: Galveston MLS; Metrostudy Inc. Housing Profile for Galveston Island, June 2008



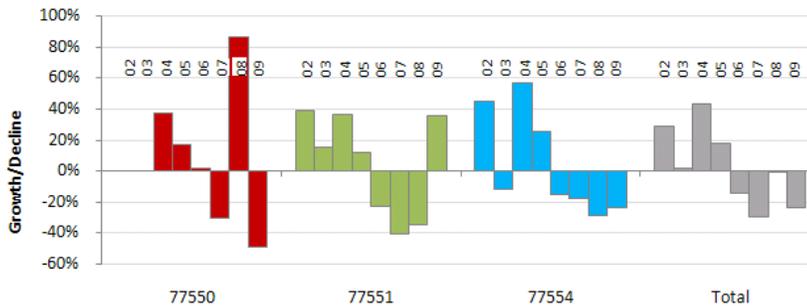
**Exhibit 38. Single-Family Growth Comparison per Zip Code, 2002-2009**

Source: Galveston MLS; Metrostudy Inc.



**Exhibit 39. Condo/TH Growth Comparison per Zip Code, 2002-2009**

Source: Galveston MLS; Metrostudy Inc.



## Rental Market Conditions

**Exhibit 40. Gross Rent as a % of Household Income**

	Units	Percent
Total Renter-Occupied Units	12,704	
Occupied units paying rent	11,832	100%
Less than 15.0 percent	1,556	13.2%
15.0 to 19.9 percent	1,571	13.3%
20.0 to 24.9 percent	1,174	9.9%
25.0 to 29.9 percent	1,675	14.2%
30.0 to 34.9 percent	968	7.2%
35.0 percent or more	4,888	41.3%
Rents Not computed	872	

Source: U.S. Census Bureau: ACS 2006-2008 3-yr estimate

At the time of the 1990 and 2000 Censuses, rental market conditions were soft in the City with rental vacancy rates at 14.8%<sup>27</sup> and 15.9%, respectively. Subsequently, however, the market showed signs of improvement—at the end of February 2008 (prior to Hurricane Ike) the vacancy rate had decreased to 8.3%<sup>28</sup>. Nevertheless, impact from the storm and the economic slowdown has severely dampened demand for rental units again. As of February 2010, the vacancy rate had reached 20.7%. There are indications that many units have been renovated and many rental properties are fully operational; this implies that the high vacancy rate is due to economic

conditions rather than to units being offline from sustained damage. The Galveston/Brazoria County region has experienced similar vacancy trends. In February 2008, the average vacancy rate was 9.9%<sup>29</sup> but has increased to 17.7% as of January 2010.

<sup>27</sup> U.S. Census Bureau: 1990, 2000

<sup>28</sup> ALN Systems, Inc. Rental Report with Historical Statistics, February 2008 thru February 2010

<sup>29</sup> Market-TRAC Apartment Data Services, Inc. February 2008 thru January 2010



According to ACS estimates<sup>30</sup> there are 12,704 renter-occupied units in the City. Approximately 5,856 of the renter-occupied households paid more than 30% of their income towards rent (see Exhibit 40). This means that 50% of all renters were burdened by housing costs.

Although average rents might be expected to decrease as vacancy rates increase—due to traditional supply and demand economics—the opposite has been observed in the last 2 years. From February 2008 to February 2010 average rents have increased from \$714 to \$804 per month; or nearly 13%. Two possible reasons that could explain the increase in rents in light of high vacancy rates are that many units have been recently renovated with new amenities commanding higher premiums; second, landlords are choosing to participate in typical and disaster related federal assistance programs that offer higher and more reliable rents than the market would provide. The broader Galveston/Brazoria region has also experienced rent increases in the same period, although not as great. From February 2008 to January 2010 the average rent increased roughly 3.5% from \$597 to \$618 per month.

Exhibit 41 displays how certain unit types exhibit average market rents in the City that are lower than those set by the U.S. Department of Housing and Urban Development (HUD) Fair Market Rent (FMR) schedule. This schedule establishes guidelines for rental payments to landlords who participate in federal housing assistance programs.

**Exhibit 41. Market Rents vs. Fair Market Rents**

	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
City Average Market Rents, As of Feb. 2010	\$562	\$692	\$903	\$1,324	—
FY 2010 Fair Market Rents	\$661	\$735	\$892	\$1,189	\$1,495

Source: ALN System Rental Report as of February 2010; HUD FY 2010 FMR for Galveston Area<sup>31</sup>

## Affordable Housing Needs

The Galveston Housing Authority (GHA) serves low-income families earning 80% or less of the Area Median Income (AMI) as determined by HUD. The 2009 AMI for the Galveston area is \$63,800<sup>32</sup> (80% = \$51,050).

### Rental Housing Needs

The GHA operates 410 rental units of public housing<sup>33</sup>, not including the units destroyed by Hurricane Ike, which the GHA is committed to rebuilding. They have 356 units in two high-rise complexes for the elderly, 34 units in scattered sites, 20 units in duplexes for the elderly, and 569 units in four family complexes that were destroyed during the storm. The GHA also administers 1,583 Section 8 Housing Choice Vouchers (HCVs), of which 397<sup>34</sup> are on the island. This adds to 807 households on Galveston Island receiving public housing or HCV assistance as of early 2010.

CDM used ACS data to estimate the number of households eligible for housing assistance and burdened by housing costs. There are 12,704 renter households in the City and 9,990 earned less than 80% of the area median income. Of those earning less than 80% of the AMI roughly 5,782 had 30% or more of their income going towards housing. This was our estimate of households who are both cost burdened and could be eligible for housing assistance based on income.

Extracting the 807 households who already receive assistance we determined that 4,975 are both eligible and cost burdened but are not receiving housing assistance. This number increases to 9,183 households if we consider only those who could be eligible for assistance based on income criteria alone.

<sup>30</sup> U.S. Census American Community Survey (ACS) 2006-2008 3-yr estimates

<sup>31</sup> Galveston is in the Houston-Baytown-SugarLand, TX HUD Metro FMR Area

<sup>32</sup> HUD FY 2009 Income Limits for Galveston Area, which is part of the Houston-Baytown-SugarLand, TX HUD Metro FMR Area.

<sup>33</sup> Draft Galveston Housing Authority PHA 5 Year Plan for GHA FY 2011-2015

<sup>34</sup> Number provided by Galveston Housing Authority on April 2010



**Exhibit 42. Renter Households Earning below 80% of AMI and Cost Burdened**

Income Ranges for Average Sized Household	Renter Households	Renter Households Paying 30% or More on Rent
\$0 - \$19,999	4,940	3,924
\$20,000 - \$34,999	2,736	1,545
\$35,000 - \$49,999	2,314	313
<b>Total Renter Households Eligible for Assistance (including those receiving public housing or HCVs)</b>	<b>9,990</b>	<b>5,782</b>
Total Renter Households in Galveston	12,704	5,856
Percent of Eligible Renter Households	78.64%	98.74%

Source: ACS 2006-2008; HUD FY 2009 Income Limits 80% of AMI equals \$51,050

According to the GHA 2011-2015 5-Year Plan, there are 1,513 and 1,114 applicants on their Public Housing and Section 8 Housing Choice Voucher Program waiting lists, respectively. The GHA also provides Rental Housing and Case Management Assistance to approximately 2,000 families displaced from their homes by Hurricane Ike through the Disaster Housing Assistance Program-Ike (DHAP-Ike), which is a joint initiative of HUD and FEMA. At the end of the program, which has been extended to May 2010, the GHA anticipates there will be in excess of 1,500 families that will continue to need housing assistance based on elderly, disabled, or income eligibility, further suggesting the need for affordable housing.

Many residential parcels that suffered substantial damage from the storm were located in areas north of Broadway Boulevard and did not have homestead exemptions--likely renter-occupied. These were also areas of high concentration of disadvantage populations as can be seen in the following Low to Moderate Income (LMI) concentration map.

**Exhibit 43. Non Homestead Exempt Residential Parcels Damaged**

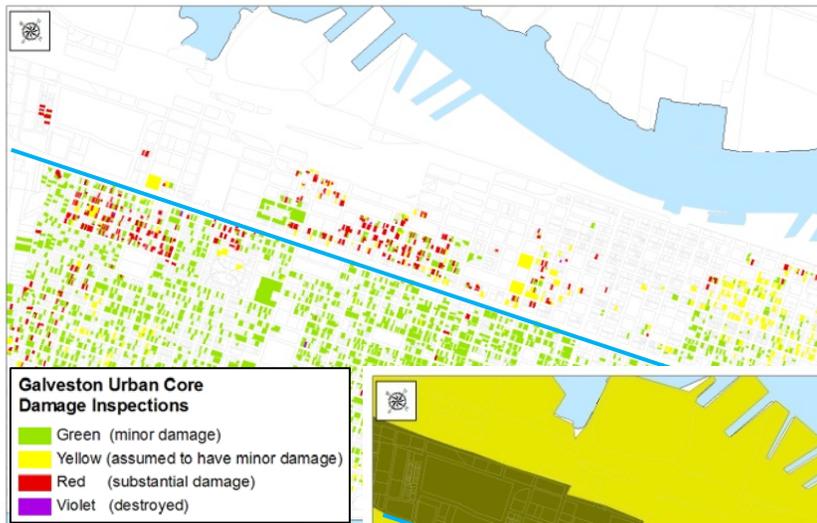
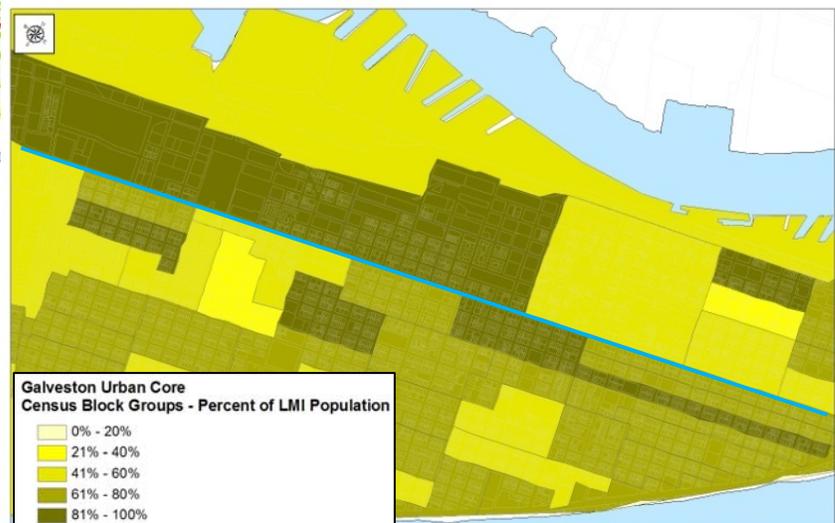


Exhibit 44. LMI Concentration



### Homeownership Affordability

To better understand affordable housing prices in the City, CDM calculated mortgage affordability for a range of households—including those defined as moderate income earning between 80% – 120% of the AMI, those earning the City’s median income, and those that could pay the fair market rent for a two-bedroom unit. Housing affordability was based on households paying no more than 30% of income towards housing. The following assumptions were made—10% down payment, 30-year term, 5.5% fixed interest rate<sup>35</sup>, 2.5% of value in annual property tax, and 2.5% of value in annual homeowners insurance<sup>36</sup>.

The following table shows home prices ranging between \$100,000 and \$220,000 would generally be affordable to households in the area.

**Exhibit 45. Home Price Affordability**

	120% AMI	100% AMI	80% AMI	2008 City Median Income	2010 FMR (2 bedroom)
Annual Income <sup>37</sup>	\$76,550	\$63,800	\$51,050	\$36,525	
Monthly Housing Cost <sup>38</sup>	\$1,914	\$1,595	\$1,276	\$913	\$892
House Price (Mortgage) <sup>39</sup>	\$220,000	\$180,000	\$140,000	\$105,000	\$100,000

Source: HUD FY 2009 Income Limits; ACS 2006-2008 City of Galveston median household income; HUD FY 2010 FMR for Galveston Area

## Employee Housing Market Survey

### Objective

The intent of this survey is to understand the potential housing demand of employees of major businesses in the City of Galveston. The findings provide some insight into the demand requirements and the likelihood housing that consumers would choose to live on Galveston Island. There is a desire in Galveston to:

- Increase the population that both lives and works on the island
- Develop insight into the appropriate housing mix, pricing strategy, and community amenities

### Methodology

A housing market survey was developed to better understand the housing preferences and demand drivers. The housing market survey was directed at employees of the major businesses in Galveston. Six major City employers were targeted—ANICO, City of Galveston, Galveston County, Galveston Independent School District (GISD), Landry’s, and UTMB. The survey was based on a similar questionnaire conducted in 2003 for the Galveston Economic Development Partnership (GEDP). This updated survey consists of 44 questions in the following categories:

- Community Amenities and Factors Desired
- Interest in Locations
- Home Type Preference
- Interest in Buying a Home in the Next Two Years
- Respondent Information
- Reasons for Living In / Visiting Galveston Island

<sup>35</sup> FHA 30-year fixed rate as of April 29, 2010 is 4.75%. We assume a more conservative rate of 5.5%.

<sup>36</sup> Estimate includes flood, windstorm, and mortgage insurance

<sup>37</sup> HUD Area Median Incomes are rounded up to the nearest \$50

<sup>38</sup> Monthly housing cost is 30% of monthly income

<sup>39</sup> Mortgage amounts were calculated using the mortgage calculator from [www.mortgagecalculator.org](http://www.mortgagecalculator.org)



The survey was distributed online through [www.surveymonkey.com](http://www.surveymonkey.com). In addition, four employers—City of Galveston, Galveston County, GISD, and Landry's requested paper copies for employees without web access. The survey was initiated on January 28th and closed on February 19th.

Employee responses were analyzed to understand patterns in housing preferences. Particular attention was given to responses of employees that work on the island but live off the island since they constitute a high interest group that could help meet the objective to increase the population that both lives and works on the island. Findings are described below.

## Summary

### Quantity of Respondents

There were 1,296 total responses to the survey.

#### Quantity of Responses by Work and Residence

##### Location

- 431 work on-island and live off-island
- 639 work on-island and live on-island
- 73 work off-island and live off-island
- 28 work off-island and live on-island
- 125 did not specify where they work and live

#### Quantity of Responses by Employer

- 43 ANICO
- 202 City of Galveston
- 269 Galveston County
- 343 GISD
- 20 Landry's
- 224 UTMB
- 70 Other
- 125 did not specify their employer

## Responses of Those Who Work On the Island but Live Off the Island

### Community Amenities

- The three most important factors reported by respondents in selecting a community in which to live were safety/ low crime rate, good public schools and high quality infrastructure.

### Interest in Locations

- Approximately half (46%) of respondents would consider living in Galveston.
- Of those who would consider living in Galveston a significant amount (38%) would consider the urban core between 6<sup>th</sup> and 61<sup>st</sup> Street. A majority (52%) would consider living between 61<sup>st</sup> Street and the west end of the Seawall.
- League City, Friendswood, and Clear Lake/Webster are the communities most would consider living in.
- Most (66%) said in the next 2 years they are more likely to remain in their current residence or community.

### Home Type Preference

- If purchasing a home 43% said they would consider a home with historic character. Twenty-eight percent would consider a downtown loft/flat. The vast majority of respondents (92%) would consider a single-family detached house.
- The most important characteristics in purchasing a home are new construction (56%), green building features (55%), and slab on grade (47%).
- Preferred size, layout, and price are 1,500 – 2,000 square foot units with three-bedrooms, two-bathrooms, master bedroom on first floor, and one-story and two car garage at a purchase price of \$100,000 – \$150,000.
- If renting a home most could afford to pay \$750 – \$1,000 per month.



### Interest in Buying a Home within the Next Two Years

- 45% said they are likely to purchase a home within the next 2 years.
- A significant portion (69%) said if they were to purchase a home in the next 2 years they would not likely purchase it on Galveston Island.

### Respondent Profile

- Most are between the ages of 45 – 54, have some college or vocational education, have managerial / professional occupations, and have an annual household income of \$75,000 – \$100,000.
- Most own their homes, live in single-family detached houses, live in households of two people with no children, and only own one house.
- Among those who rent 42% said they pay \$500 – \$750 per month, 10% said they pay less than \$500 per month.
- The three most common zip codes respondents commute from are 77573 (League City), 77590 (Texas City) and 77568 (La Marque).

### Reasons for Living in/Visiting Galveston Island

- The most common reasons for living or having lived on Galveston were a shorter work commute, proximity to water/beaches/nature, and proximity to family/relatives.
- Similarly, the biggest stated advantages of living on Galveston are proximity to work, proximity to water/beaches, and proximity to restaurants and entertainment.
- The biggest disadvantages were reported as cost of housing, housing choices, and quality of schools.
- Most said even with commuter rail to the Houston area or other public transit options, Galveston would not become a housing choice for them.
- The most common answers for making Galveston a more desirable place to live were: addressing abandoned and rundown houses, stronger code enforcement on poorly maintained properties, reduced crime rate, and matching quality of homes on the mainland.





## Section 6

# Recommendations

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Galveston Island is uniquely positioned to spur additional demand for responsible and desirable housing on the island in a manner that makes it accessible for those likely to consider it as an option. Galveston should simultaneously focus on two fronts while pursuing the goal of recovering the housing supply lost to Ike. Many of the perception issues associated with the City of Galveston have indirectly resulted from past development practices and how the market responded to them.

The results of this study indicate that there is, indeed, a potential market for housing on the island; the City can position itself appropriately to capture that market. Immediate attention should be given to rehabilitating hurricane-damaged housing in order to recover a baseline inventory for the current population and those displaced by Hurricane Ike. Concurrently, the City should be laying the groundwork for long-term policies and programs that will increase the demand and desirability of living on the island.

CDM has framed its recommendations under the following general strategies:

1. Leverage existing strengths and efforts
2. Focus development efforts in the historic urban core
3. Treat the island's natural and built environments responsibly
4. Frame recovery as part of a broader, comprehensive approach to improve the built environment within the urban core
5. Harness the market

## Leverage existing strengths and efforts

CDM identified several existing assets and efforts that should be built upon in the City's efforts to improve the housing and urban environment. The city should leverage the following conditions:

- The recovery environment is conducive to positive change in development patterns. The City can capitalize on the current recovery momentum and civic participation in order to spur catalytic, transformational change for its residential communities in the long-term.
- Both homeowner and rental assistance programs currently exist in Galveston. The City should consider additional partnerships with local affordable housing developer and/or non-profit agencies to rehabilitate units. These service-oriented organizations offer a valuable source of expertise on how best to provide middle-income housing. Creating or inviting nonprofits such as Habitat for Humanity, NeighborWorks America, Local Initiative Support Corporation (LISC), and faith-based organizations to partner with the City would be an effective way to learn and adopt best practices of the industry. Such partnerships could be based on utilizing City-owned lots for the development of affordable units. A good example is the intermediary role played by LISC and The Enterprise Foundation in the revitalization of the Williamsburg neighborhood in Brooklyn, New York. These entities acted as brokers between public and private for-profit interests resulting in the new construction of 300 homes and the renovation of hundreds of units in neglected buildings. These efforts had additional catalytic effects in improving neighborhood safety, creating light industrial space and more jobs.
- There are valuable and clearly outlined resources for directing the desired residential development on the island. Multiple public funding sources exist that could be leveraged and combined with conventional private financing to promote housing development and rehabilitation. The City already makes use of the Community Development Block Grant and HOME programs and a list of additional sources has been listed on Appendix 4 which could be further explored.
- The City's Comprehensive Master Plan will soon be updated for the first time since 2001—most of the recommendations, priorities and objectives outlined in the Plan are in-line with current initiatives for approaching the recovery. An excellent series of short-term, concrete actions for first steps in implementation is also clearly outlined in ULIs "Building the Future" report.

## Focus development efforts in the historic urban core

Our analysis suggests that, of the 88% of residential parcels that suffered damage from the storm, the highest concentration of substantially damaged homes occurred in the urban core near Broadway Boulevard between 25<sup>th</sup> Street and 61<sup>st</sup> Street and in the Bayou Shores area. Accordingly, CDM suggests focusing future recovery and development efforts in this area.

- Create a Land Bank to cluster vacant properties with the purpose of developing affordable/workforce housing or engaging in revitalization activities. Land, after acquisition, is sold to a nonprofit or private developer, often at a price lower than market value, contingent upon certain land use conditions (e.g. creation of affordable housing or particular design requirements). CDM has quantified and mapped over 5,000 vacant lots and distressed properties across the island that will facilitate targeting efforts. The area in the urban core holds roughly one-fifth of vacant properties and presents a lot of potential for focused development efforts. The City has concrete and available GIS data to conduct several analyses and target areas for clustering based on specific criteria. The configuration and size of desirable "clusters" varies by the type of development partner the city wants to attract and can be targeted accordingly. Many local governments have formed land banks in efforts to minimize the impact of vacant, unused property on the value and safety of a neighborhood. For example, the Genesee County Land Bank in Flint



Michigan has been cited as one of the most effective land banks in the country. This land bank has incorporated programs to help combat blight in its neighborhoods through housing renovation, neighborhood beautification and brownfield redevelopment. As a result of these programs, the Genesee County Land Bank has removed many blighted structures, sold hundreds of side lots to adjacent owners, renovated houses for rent and for sale, and developed units of affordable housing with non-profit partners. The Genesee County Land Bank is also credited with increasing the tax base of Genesee County by \$112 million.

- Create a revitalization authority to help implement the recovery plan and to oversee long-term development of neighborhoods, commercial corridors, and downtown. Establishing municipal authorities can be beneficial by financing projects without tapping the general taxing /borrowing power of a municipality. In addition, they serve to distance projects from daily political considerations inherent in direct municipal operations. Working with an organization that includes real estate, market, and appropriate law expertise can greatly alleviate pressure from city staff and resources. The legal structures, purview and mission of revitalization authorities--also called redevelopment agencies--can vary significantly as the following examples demonstrate. The City of Gulfport, MS created the Gulfport Redevelopment Commission to independently manage the revitalization of a 92 acre property that will allow a mixture of residential and commercial uses. In 2003, the City of Camden reorganized and created the Camden Redevelopment Agency to be the center for development policy and programming. The CRA and the City of Camden Department of Development and Planning coordinate their work to achieve a more efficient, comprehensive approach to the City's development. This coordination streamlines all aspects of the development process—including economic development, housing and capital projects, planning and real estate assembly—to enable the City to develop strategically. Genesee County, Michigan was focused on the elimination of blight and improvement of abandoned and tax foreclosed properties when it created a Land Bank Authority (GCLBA) and the Brownfield Redevelopment Authority (GCBRA) to secure millions of dollars in brownfield funds. Demolishing blighted structures and cleaning up brownfields has helped restore value to urban land and speed up the process of returning tax foreclosed, contaminated and abandoned properties to productive use. In Lafayette, Louisiana the Land Revitalization Authority, LLRA is a private not-for-profit organization focused on developing and implementing programs that will reduce crime, improve commerce, and enhance the quality of life. It is considered a "land bank" because it is designed to hold, manage and develop tax-delinquent, adjudicated property. The LLRA grew from a Parish-City ordinance approving the creation of a cooperative endeavor agreement and action plan that included development of the land bank. In the years that followed, the scope of the service area was expanded to include the entire parish of Lafayette and in late 2009 LLRA began operations.
- In traditional core neighborhoods with high levels of existing housing and/or historic character, the City should seek to ensure that redevelopment projects fit within the context of their surroundings. Aside from identifiable historical features, maintaining the general character, mass and scale of replacement housing can present major challenges for preserving the neighborhood's context. The approaches for defining a neighborhood's character need not be as rigid as prescriptive historical district requirements, but might resemble housing typology, lot orientation, setbacks or other parameters for defining character. Zoning, code enforcement, rental registration, inspection programs, and permitting standards will prove crucial in preserving these neighborhoods' characters and preventing their deterioration as rehabilitation efforts are underway.
- In areas (particularly those north of Broadway Boulevard) where extensive damage will require significant rebuilding to replace large-scale residential developments, the City should redevelop in a way that will redefine the surrounding areas. By utilizing innovative standards, incentives and design to redevelop in a comprehensive manner that addresses the needs specific to the area, the City could increase demand



for those units. Much of the multifamily housing that was destroyed has, over the years, been stigmatized and the surrounding area retains a negative perception as a residential area even though the projects themselves may be gone. By redeveloping comprehensively, developers can redesign walkable areas with sufficient open space and support services; and by ensuring that residents have access to basic goods and services, as well as transportation, the city can ensure that these units are in demand. Examples of successfully redeveloped housing projects are the Columbia Park on the Bayou in New Orleans (also resulting from disaster recovery efforts) and Carver Homes in Atlanta.

- Development efforts in the urban core should be sensitive and mindful of the risk inherent to building on a barrier island and should encourage residential development that adequately incorporates hazard mitigation measures that minimize risk to life and property. Housing recovery should focus on rehabilitation and redevelopment of infill neighborhoods and should incorporate the use of green building technology measures wherever possible.

### **Treat the island's natural and built environments responsibly**

This series of recommendations is based on the need to protect the island ecosystem as well as the residents and property that it supports. In recognizing the fragility inherent in developing a coastal island, the city should:

- Contain the island's developed footprint. The flipside of encouraging infill development in the core is discouraging it in outlying areas which are environmentally sensitive, vulnerable or currently undeveloped. According to the city's geohazard maps, the island becomes narrower and potentially less safe and more ecologically sensitive near the outlying ends of the island. Currently, the West End is characterized by single-family homes, newer residential development, and subdivisions which reflect a low rate of homestead exemptions; this suggests that housing largely consists of vacation or secondary homes. Development on the eastern end of the island is similar in character, but on a smaller-scale, consisting of a few high rises surrounded by sparse residential development. The City should make concerted efforts to define and guide the location of the developed footprint away from environmentally sensitive or relatively undeveloped areas in favor of infill development in the core. Portland, Oregon is one of the most recognized examples of a municipality containing development within a defined area to discourage it from sprawling into the surrounding, undeveloped areas. If restricting development in these areas is politically untenable, the city may opt to use alternative measures. In lieu of adopting development restrictions, implementing conservation zoning is a popular strategy for accomplishing conservation of natural amenities. The overarching technique is to let the location of natural features most valuable for preservation drive the design of each project. The approach can be used on either a voluntary basis with developer incentives or on a mandatory basis. The principle is simple: development is allowed on a portion of a land parcel, with the remainder of the land placed in conservation. As a result, developers typically may construct as many units as would have covered the parcel under conventional zoning by reducing the size of the individual lots. Homes can then be sited on the property in such a way as to minimize impacts on natural resources and scenic views. The municipality is able to preserve natural resources without having to purchase development rights or adopt overly-restrictive measures. Developers benefit through reduced costs for infrastructure and construction and often find that homes in a conservation subdivision are especially attractive to buyers due to the proximity and amenity value of the surrounding area. Another similar technique is Incentive Zoning, which allows developers to significantly increase the number of lots in exchange for clustering the development to preserve the balance of undeveloped land.
- Lessen the environmental impact of the development footprint through resource conservation, sustainable building materials and efficient urban design. By increasing density in the urban core, the City accepts a responsibility to encourage available and responsible "green" building practices. The city



should provide leadership in establishing green infrastructure and building standards that guide the design and building professions working in Galveston.

## Frame recovery as part of a broader, comprehensive approach to improve the built environment within the urban core

Prior to Hurricane Ike, there were efforts underway to comprehensively analyze and improve the municipality's approach to development on the island. Short-term recovery and development should be approached within the context of these existing efforts and will actually provide additional impetus for implementing them. The city should continue and solidify efforts to comprehensively overhaul the development process in the following ways:

- A comprehensive plan provides the mechanism for documenting the city's goals and policies as they relate to housing development and community revitalization on the island and will therefore be crucial. Adopt a strong Comprehensive Plan which incorporates smart growth principals, improved physical connections in core communities for all modes of transportation, design standards and other provisions to shape development and form clear guidelines for the acceptance or denial of proposed projects. The Housing and Neighborhoods section of an adopted Plan will have particular relevance. Additionally, the City should consider ways of strengthening application of the Comprehensive Plan by adopting an ordinance to give it the power of law or developing and incorporating individual Neighborhood Plans to increase its relevance and buy-in from specific areas. The city recently created a map of the island's existing land uses; adopting a map of proposed, future land uses would provide additional, concrete guidance for development.
- The City is currently advertising an RFQ for the rewrite of its comprehensive zoning ordinance. Rating and selection of proposing consultants should include criteria related to the firms' experience with zoning overlays and performance measures known to mesh well with other strategy recommendations. For example, transportation corridor overlays, mixed-use guidelines and conservation districts would entail additional provisions specific to those goals. In fact, zoning can often be overly permissive in scale and design to effectively maintain community character since use is the primary consideration. On the flip side, basic commercial services and goods can become unavailable to residents of the area. Form-based codes are an effective tool for guiding various design aspect such as scale and massing of structures to be contextually appropriate without mandating specific uses.

## Harness the Market

Many of these recommendations will appear as a fundamental shift in assumptions around urban development. Market priorities manifested by past development trends and practices in urban areas have contributed to the urban decline seen in many American cities. The City of Galveston will need to focus efforts on improving perceptions of the island and addressing the underlying issues that led to those perceptions. The City is challenged with the task of reframing and marketing the vision of living on Galveston Island. By following logical market responses to their current situation and encouraging those market forces in appropriate manners, the city can ultimately shape not only its recovery, but its urban future. To that end, CDM makes the following recommendations:

- Use technology to support public funding and encourage development partners. The City of Galveston should pursue information technology as a primary tool for recording, tracking, and reporting on program progress and successes in relation to community revitalization, as well as economic and quality-of-life indicators. As federal funds continue to support the recovery efforts, reporting will remain a basic requirement for programs. Just as significant is the impact that measured results can have for raising additional funding and attracting new development.



- Spearhead a concerted educational and marketing campaign. The single largest challenge for the City will be to improve perceptions of the island through concerted marketing efforts and through diligently addressing the underlying issues that led to those perceptions. The educational component would seek to alert residents about the need for sustainable development practices and workforce housing in Galveston and the consequences of not addressing those needs. The marketing component would focus on demonstrating how dense residential development which incorporates disaster mitigation measures can be attractive, convenient and meet the expectations of potential buyers while simultaneously leading to a more balanced housing stock. The first few affordable, dense developments must offer economically feasible and attractive models, as these will be important to get future neighborhood buy-in for these types of products. According to market survey responses, the presence of eyesore and distressed buildings negatively affected desirability of living in Galveston. The campaign should include public outreach, education, and supportive services around Code Enforcement (particularly complex or recently updated provisions) and increased police visibility on the island to help address common perceptions held by potential homebuyers. Urban design marketing is occurring throughout the nation. The Congress for the New Urbanism (CNU) promotes walkable communities that promote efficient use of infrastructure and preservation of habitat and farmland by locating households near employment in compact urban design. The US Green Build Council has developed LEED certification for neighborhoods in an effort to promote healthy and safe neighborhoods. The National Trust for Historic Preservation has programs available for teaching the importance of preservation and their Main Street network offers guides on how to promote established communities to the public.
- Reevaluate the zoning and development process. The idea is to decrease the burden and increase the incentives for developing housing on Galveston Island. The City should consider establishing fee reductions and creating fast track approval for projects that meet City targets for affordability to encourage developers to build and rehabilitate affordable and green housing. Incentives like these can often induce developers to incorporate desired elements into a project that would not otherwise have been considered. Examine regulatory barriers to housing development by conducting a study that investigates how the following elements affect housing development costs and production: infrastructure requirements, waste removal requirements, zoning ordinances, the number of departments that have a role in the approval process, the time it takes from the development application to approval for different types of residential applications, and the role neighborhood opposition has on the development of affordable and attached housing. A basic requirement for the updated ordinance is to have clear and transparent standards of permitting development; this is essential for ensuring a level playing field for prospective developers. Markets with fair and discernable rules are the most attractive to developers.
- Set affordable housing targets for new development. Establishing goals and providing incentives for developers to help reach those goals is highly recommended. Affordable housing targets are a crucial part of effective housing policies. Such an approach would spread out future affordable units rather than concentrating them in specific parts of the City. This study reveals a need for affordable housing based on the nearly 5,000 households in Galveston that are both eligible and cost burdened, but are not receiving housing assistance. Moreover, economic trends indicate growth in the hospitality and leisure sector and service occupations that make up the tourism industry. Workers associated with these jobs would benefit greatly from affordable housing. There is a misconception that low to moderate income residents (i.e. those earning 80%-120% of AMI) are poor households; however, relative to the population currently living in Galveston these households are more akin to a middle class since the median income is lower than the surrounding areas'. Understanding this fact could help prevent opposition from residents who believe homeownership assistance programs would only attract more poor households on the island.



- Fully leverage opportunities to bring in middle income residents to occupy the existing market rate units. Establish a network of CDFIs to provide below market financing to developers of affordable housing—which is actually market rate on Galveston Island. This would enable non-profit and private sector developers to acquire property and begin the early stages of the development process while waiting on other permanent funding sources and/or the approval of federal and state funds. Those households earning 80%-120% of the AMI (\$51,050 – \$76,550) have higher incomes than the City's median income of \$36,525. They would be eligible for home ownership assistance programs. Affordable home prices for these households would range from \$140,000 to \$220,000. The current median sales price of a single-family home in Galveston is \$150,000, which is clearly affordable to households in this income bracket. The housing market survey conducted as part of this study found that a significant portion of respondents who work on but who don't live on the island would consider living in Galveston. More specifically, 46% said they would consider living in Galveston and 38% said they would consider the urban core between 6<sup>th</sup> and 61<sup>st</sup> Street. Although the survey also found there is a large preference for single-family homes, over one-quarter of the respondents indicated they would consider denser downtown living and 43% would consider home with historic character, which is one of the unique factors Galveston provides. These findings, along with others from the survey, can form the basis for a marketing campaign to target and attract new residents.

Hurricane Ike and the ensuing recovery efforts prompted various proposals and mechanisms which complement others already underway to guide the redevelopment of the island. Generally, the recommendations and proposals are consistent with each other as they pursue the same end goals espoused by the city, which include increased housing for middle income homeowners and improving availability and condition of workforce and public housing on the island. In the process of conducting this study, CDM has uncovered data to support and complement the housing-related proposals currently being developed or under consideration. Now that there is concrete data and analyses to support those courses of action, the City is faced with the challenge of following the plainly charted path from recovery to an improved quality of life for residents and, ultimately, to a renewed urban environment on the island.





# Appendix 1

## Socioeconomic Data

POPULATION & HOUSEHOLDS	CITY						COUNTY					
	1990 Total	STF-1 %	2000 Total	SF-1 %	2006-2008 Total	ACS %	1990 Total	STF-1 %	2000 Total	SF-1 %	2006-2008 Total	ACS %
Population Texas Demographer, 7/1/08	-	-	-	-	58,955	-	-	-	-	-	229,199	-
Total Population	59,070	100.0%	57,247	100.0%	52,821	100.0%	158,329	100.0%	192,911	100.0%	230,540	100.0%
Female Population	30,531	51.7%	29,598	51.7%	26,648	50.4%	79,918	50.5%	98,080	50.8%	117,585	51.0%
Male Population	28,539	48.3%	27,649	48.3%	26,173	49.6%	78,411	49.5%	94,831	49.2%	112,955	49.0%
Total Households	24,157	100.0%	23,842	100.0%	22,695	100.0%	57,294	100.0%	70,940	100.0%	84,225	100.0%
Family Households	14,468	59.9%	13,744	57.6%	12,147	53.5%	43,710	76.3%	52,412	73.9%	60,735	72.1%
Families w/ children	7,623	31.6%	6,261	26.3%	4,867	21.4%	24,124	42.1%	25,816	36.4%	29,459	35.0%
Families w/out children	6,845	28.3%	7,483	31.4%	7,280	32.1%	19,586	34.2%	26,596	37.5%	31,276	37.1%
Married-couple family	9,566	39.6%	8,730	36.6%	7,824	34.5%	35,313	61.6%	40,934	57.7%	46,334	55.0%
Married-couple w/ children	4,362	18.1%	3,524	14.8%	2,657	11.7%	18,441	32.2%	19,201	27.1%	21,314	25.3%
Male or Female household	4,902	20.3%	5,014	21.0%	4,323	19.0%	8,397	14.7%	11,478	16.2%	14,401	17.1%
Male/Female w/ children	3,261	13.5%	2,737	11.5%	2,210	9.7%	5,683	9.9%	6,615	9.3%	8,145	9.7%
Nonfamily Households	9,689	40.1%	10,098	42.4%	10,548	46.5%	13,584	23.7%	18,528	26.1%	23,490	27.9%
Average Household Size	2.37		2.30		2.21		2.64		2.60		2.60	
Average Family Size	3.10		3.03		2.92		3.16		3.12		3.17	
<b>AGE</b>	<b>1990 Total</b>	<b>STF-1 %</b>	<b>2000 Total</b>	<b>SF-1 %</b>	<b>2006-2008 Total</b>	<b>ACS %</b>	<b>1990 Total</b>	<b>STF-1 %</b>	<b>2000 Total</b>	<b>SF-1 %</b>	<b>2006-2008 Total</b>	<b>ACS %</b>
Total Population	59,070	100.0%	57,247	100.0%	52,821	100.0%	158,329	100.0%	192,911	100.0%	230,540	100.0%
Age 0 – 4	4,328	7.3%	3,795	6.6%	3,223	6.1%	12,277	7.8%	13,669	7.1%	17,517	7.6%
Age 5 – 14	8,157	13.8%	7,457	13.0%	5,115	9.7%	25,850	16.3%	30,522	15.8%	34,803	15.1%
Age 15 – 19	3,844	6.5%	4,030	7.0%	3,490	6.6%	11,461	7.2%	14,371	7.4%	16,455	7.1%
Age 20 – 24	4,654	7.9%	4,577	8.0%	6,206	11.7%	9,415	5.9%	10,208	5.3%	12,941	5.6%
Age 25 – 34	11,181	18.9%	8,316	14.5%	7,533	14.3%	27,315	17.3%	24,603	12.8%	30,540	13.2%
Age 35 – 44	8,113	13.7%	8,742	15.3%	6,557	12.4%	25,960	16.4%	33,870	17.6%	33,011	14.3%
Age 45 – 54	5,367	9.1%	7,486	13.1%	7,553	14.3%	17,472	11.0%	28,559	14.8%	36,126	15.7%
Age 55 – 64	5,454	9.2%	4,995	8.7%	6,312	11.9%	13,780	8.7%	17,193	8.9%	25,270	11.0%
Age 65 – 74	4,542	7.7%	4,273	7.5%	3,259	6.2%	9,533	6.0%	11,391	5.9%	13,391	5.8%
Age 75 – 84	2,636	4.5%	2,684	4.7%	2,506	4.7%	4,238	2.7%	6,543	3.4%	7,781	3.4%
Age 85 +	794	1.3%	892	1.6%	1,067	2.0%	1,028	0.6%	1,982	1.0%	2,705	1.2%
Median Age			35.5		36.5				35.9		36.2	
<b>RACE &amp; ETHNICITY</b>	<b>1990 Total</b>	<b>STF-1 %</b>	<b>2000 Total</b>	<b>SF-1 %</b>	<b>2006-2008 Total</b>	<b>ACS %</b>	<b>1990 Total</b>	<b>STF-1 %</b>	<b>2000 Total</b>	<b>SF-1 %</b>	<b>2006-2008 Total</b>	<b>ACS %</b>
Total Population	59,070	100.0%	57,247	100.0%	52,821	100.0%	158,329	100.0%	192,911	100.0%	230,540	100.0%
American Indian, Eskimo, Aleut	144	0.2%	243	0.4%	485	0.9%	608	0.4%	938	0.5%	1,256	0.5%
Asian	1,362	2.3%	1,839	3.2%	1,623	3.1%	2,133	1.3%	3,415	1.8%	6,387	2.8%
Black	17,161	29.1%	14,592	25.5%	10,740	20.3%	20,993	13.3%	24,033	12.5%	29,820	12.9%
Hawaiian/Pacific Islander	25	0.0%	42	0.1%	0	0.0%	49	0.0%	70	0.0%	174	0.1%
White	36,315	61.5%	33,582	58.7%	35,646	67.5%	127,895	80.8%	148,248	76.8%	179,450	77.8%
Other	4,063	6.9%	5,571	9.7%	3,244	6.1%	6,651	4.2%	12,386	6.4%	9,169	4.0%
Multi-Race			1,378	2.4%	1,083	2.1%	0	0.0%	3,821	2.0%	4,284	1.9%
Hispanic EthnCity	12,649	21.4%	14,753	25.8%	14,810	28.0%	18,313	11.6%	30,186	15.6%	44,655	19.4%
Not of Hispanic EthnCity	46,421	78.6%	42,494	74.2%	38,011	72.0%	140,016	88.4%	162,725	84.4%	185,885	80.6%
<b>EDUCATIONAL ATTAINMENT</b>	<b>1990 Total</b>	<b>STF-1 %</b>	<b>2000 Total</b>	<b>SF-1 %</b>	<b>2006-2008 Total</b>	<b>ACS %</b>	<b>1990 Total</b>	<b>STF-1 %</b>	<b>2000 Total</b>	<b>SF-1 %</b>	<b>2006-2008 Total</b>	<b>ACS %</b>
Total Population Age 25+	38,562	100.0%	37,385	100.0%	34,787	100.0%	99,928	100.0%	124,118	100.0%	148,824	100.0%
Grade K – 8	5,297	13.7%	3,867	10.3%	2,833	8.1%	8,068	8.1%	7,036	5.7%	7,964	5.4%
Grade 9 – 12	6,269	16.3%	5,685	15.2%	4,297	12.4%	13,926	13.9%	14,199	11.4%	11,612	7.8%
High School Graduate	9,448	24.5%	9,249	24.7%	9,143	26.3%	29,127	29.1%	33,389	26.9%	40,042	26.9%
Some College, No Degree	7,307	18.9%	7,758	20.8%	6,971	20.0%	23,669	23.7%	33,449	26.9%	38,431	25.8%
Associates Degree	2,111	5.5%	1,958	5.2%	2,117	6.1%	6,583	6.6%	8,231	6.6%	12,942	8.7%
Bachelor's Degree	4,331	11.2%	4,897	13.1%	5,518	15.9%	12,670	12.7%	18,827	15.2%	25,849	17.4%
Graduate Degree	3,799	9.9%	3,971	10.6%	3,908	11.2%	5,885	5.9%	8,987	7.2%	11,984	8.1%

HOUSEHOLD INCOME	CITY						COUNTY					
	1990 Total	STF-1 %	2000 Total	SF-1 %	2006-2008 Total	ACS %	1990 Total	STF-1 %	2000 Total	SF-1 %	2006-2008 Total	ACS %
Total Households	24,180	100.0%	23,791	100.0%	22,695	100.0%	57,237	100.0%	71,049	100.0%	84,225	100.0%
Income \$ 0 - \$9,999	6,289	26.0%	4,339	18.2%	3,344	14.7%	7,707	13.5%	5,259	7.4%	4,650	5.5%
Income \$ 10,000 - \$14,999	3,040	12.6%	2,189	9.2%	1,853	8.2%	4,495	7.9%	4,171	5.9%	3,476	4.1%
Income \$ 15,000 - \$24,999	4,560	18.9%	4,001	16.8%	3,065	13.5%	8,893	15.5%	7,900	11.1%	7,415	8.8%
Income \$ 25,000 - \$34,999	3,443	14.2%	3,328	14.0%	2,789	12.3%	8,467	14.8%	8,225	11.6%	7,849	9.3%
Income \$ 35,000 - \$49,999	3,241	13.4%	3,654	15.4%	3,549	15.6%	10,986	19.2%	10,678	15.0%	10,207	12.1%
Income \$ 50,000 - \$74,999	2,198	9.1%	3,103	13.0%	3,273	14.4%	10,773	18.8%	14,354	20.2%	15,594	18.5%
Income \$ 75,000 - \$99,999	662	2.7%	1,371	5.8%	1,843	8.1%	3,724	6.5%	9,964	14.0%	11,858	14.1%
Income \$100,000 - \$149,999	421	1.7%	1,113	4.7%	1,712	7.5%	1,543	2.7%	7,415	10.4%	14,533	17.3%
Income \$150,000 +	326	1.3%	693	2.9%	1,267	5.6%	649	1.1%	3,083	4.3%	8,643	10.3%
Median Household Income	\$ 20,825		\$ 28,895		\$ 36,525		\$ 29,466		\$ 42,419		\$ 55,995	
Median Family Income	\$ 25,559		\$ 35,049		\$ 45,485		\$ 35,403		\$ 51,435		\$ 69,016	
Ratio of Poverty Threshold	2.45		2.55		2.65		3.40		3.74		4.02	
Per Capita Income	\$ 12,399		\$ 18,275		\$ 23,064		\$ 13,993		\$ 21,568		\$ 28,312	

POVERTY STATUS	CITY						COUNTY					
	1990 Total	STF-1 %	2000 Total	SF-1 %	2006-2008 Total	ACS %	1990 Total	STF-1 %	2000 Total	SF-1 %	2006-2008 Total	ACS %
Population below poverty level	14,295	24.2%	12,766	22.3%	12,624	23.9%	19,402	15.5%	20,255	13.2%	24,496	13.1%
Families below poverty level	2,894	20.0%	2,446	17.8%	2,235	18.4%	4,378	12.5%	4,236	10.1%	4,907	9.8%
Poverty Threshold Family of 3	\$ 10,419		\$ 13,738		\$ 17,163		\$ 10,419		\$ 13,738		\$ 17,163	

EMPLOYMENT	CITY						COUNTY					
	1990 Total	STF-1 %	2000 Total	SF-1 %	2006-2008 Total	ACS %	1990 Total	STF-1 %	2000 Total	SF-1 %	2006-2008 Total	ACS %
Civilian labor force persons Age 16+	28,459	100.0%	26,973	100.0%	26,962	100.0%	78,683	100.0%	95,488	100.0%	117,619	100.0%
Employed persons Age 16+	25,889	91.0%	24,243	89.9%	24,859	92.2%	73,781	93.8%	89,978	94.2%	111,366	94.7%
Unemployed persons Age 16+	2,570	9.0%	2,730	10.1%	2,103	7.8%	4,902	6.2%	5,510	5.8%	6,253	5.3%

OCCUPATION	CITY						COUNTY					
	1990 Total	STF-1 %	2000 Total	SF-1 %	2006-2008 Total	ACS %	1990 Total	STF-1 %	2000 Total	SF-1 %	2006-2008 Total	ACS %
Employed persons Age 16+	25,889	100%	24,243	100%	24,859	100%	73,781	100%	89,978	100%	111,366	100%
Management, professional, and related occupations	8,811	34%	8,525	35%	8,338	34%	24,207	33%	32,427	36%	42,412	38%
Service occupations	5,065	20%	5,869	24%	6,548	26%	8,790	12%	12,144	13%	16,826	15%
Sales and office occupations	6,642	26%	5,825	24%	5,213	21%	19,273	26%	23,167	26%	26,555	24%
Farming, fishing, and forestry occupations	475	2%	82	0%	84	0%	880	1%	421	0%	267	0%
Construction, extraction, and maintenance occupations	1,885	7%	2,009	8%	2,233	9%	6,138	8%	10,840	12%	12,078	11%
Production, transportation, and material moving occupations	3,011	12%	1,933	8%	2,443	10%	14,493	20%	10,979	12%	13,228	12%

INDUSTRY	CITY						COUNTY					
	1990 Total	STF-1 %	2000 Total	SF-1 %	2006-2008 Total	ACS %	1990 Total	STF-1 %	2000 Total	SF-1 %	2006-2008 Total	ACS %
Employed persons Age 16+	25,889	100%	24,243	100%	24,859	100%	73,781	100%	89,978	100%	111,366	100%
Agriculture, forestry, fishing and hunting, and mining	651	3%	202	1%	196	1%	2,164	3%	1,563	2%	1,797	2%
Construction	1,402	5%	1,310	5%	1,563	6%	6,316	9%	7,621	8%	9,078	8%
Manufacturing	1,498	6%	996	4%	913	4%	14,185	19%	13,203	15%	14,531	13%
Wholesale trade	681	3%	446	2%	393	2%	2,977	4%	2,790	3%	3,356	3%
Retail trade	4,306	17%	2,359	10%	2,184	9%	11,514	16%	9,591	11%	10,555	9%
Transportation and warehousing, and utilities	1,045	4%	856	4%	1,001	4%	3,361	5%	5,331	6%	6,807	6%
Information	351	1%	395	2%	269	1%	2,471	3%	1,617	2%	1,351	1%
Finance, insurance, real estate, and rental and leasing	1,938	7%	1,493	6%	1,623	7%	3,727	5%	5,570	6%	7,509	7%

INDUSTRY	CITY						COUNTY					
	1990 Total	STF-1 %	2000 Total	SF-1 %	2006-2008 Total	ACS %	1990 Total	STF-1 %	2000 Total	SF-1 %	2006-2008 Total	ACS %
Professional, scientific, management, administrative, and waste management services	864	3%	1,495	6%	1,674	7%	5,497	7%	8,505	9%	12,030	11%
Educational, health and social services	8,628	33%	8,633	36%	7,878	32%	12,928	18%	18,844	21%	24,215	22%
Arts, entertainment, recreation, accommodation and food services	1,813	7%	3,690	15%	5,025	20%	849	1%	6,250	7%	9,079	8%
Other services (except public administration)	1,555	6%	1,169	5%	1,113	4%	4,668	6%	4,045	4%	5,647	5%
Public administration	1,157	4%	1,199	5%	1,027	4%	3,124	4%	5,048	6%	5,411	5%
HOUSING BY OCCUPANCY & TENURE	CITY						COUNTY					
	1990 Total	STF-1 %	2000 Total	SF-1 %	2006-2008 Total	ACS %	1990 Total	STF-1 %	2000 Total	SF-1 %	2006-2008 Total	ACS %
Total Housing Units	30,898	100.0%	30,017	100.0%	33,439	100.0%	68,553	100.0%	81,716	100.0%	97,633	100.0%
Occupied Housing Units	24,157	78.2%	23,842	79.4%	22,695	67.9%	57,294	83.6%	70,940	86.8%	84,225	86.3%
Owner Occupied	10,136	32.8%	10,399	34.6%	9,991	29.9%	40,327	58.8%	52,343	64.1%	61,656	63.2%
Renter Occupied	14,021	45.4%	13,443	44.8%	12,704	38.0%	16,967	24.8%	18,597	22.8%	22,569	23.1%
Vacant Housing Units	6,741	21.8%	6,175	20.6%	10,744	32.1%	11,259	16.4%	10,776	13.2%	13,408	13.7%
For rent	2,436	7.9%	2,537	8.5%	2,560	7.7%	2,313	3.4%	2,384	2.9%	2,113	2.2%
For sale only	641	2.1%	347	1.2%	984	2.9%	1,190	1.7%	1,129	1.4%	2,176	2.2%
Rented or sold, not occupied	445	1.4%	286	1.0%	213	0.6%	709	1.0%	586	0.7%	867	0.9%
For seasonal, recreational, or occasional use	1,742	5.6%	2,238	7.5%	3,767	11.3%	5,248	7.7%	5,402	6.6%	4,453	4.6%
For migrant workers	3	0.0%	2	0.0%	0	0.0%	6	0.0%	17	0.0%	96	0.1%
Other vacant	1,474	4.8%	765	2.5%	3,220	9.6%	1,793	2.6%	1,258	1.5%	3,703	3.8%
Homeowner Vacancy Rate		5.9%		3.2%		8.9%		3.5%		2.3%		4.2%
Rental Vacancy Rate		14.8%		15.9%		16.7%		13.3%		13.3%		11.6%
HOUSING BY YEAR STRUCTURE WAS BUILT	CITY						COUNTY					
	1990 Total	STF-1 %	2000 Total	SF-1 %	2006-2008 Total	ACS %	1990 Total	STF-1 %	2000 Total	SF-1 %	2006-2008 Total	ACS %
Total Housing Units	30,661	100.0%	29,957	100.0%	33,439	100.0%	68,790	100.0%	81,776	100.0%	97,633	100.0%
2005 or later					504	1.5%					5,828	6.0%
2000 - 2004					1,150	3.4%					15,630	16.0%
1990 - 1999			1,848	6.2%	1,768	5.3%			17,546	21.5%	16,303	16.7%
1980 - 1989	4,961	16.2%	4,937	16.5%	5,785	17.3%	19,338	28.1%	18,447	22.6%	16,489	16.9%
1970 - 1979	5,400	17.6%	4,939	16.5%	5,857	17.5%	18,031	26.2%	18,433	22.5%	17,721	18.2%
1960 - 1969	4,509	14.7%	4,153	13.9%	3,552	10.6%	13,455	19.6%	12,293	15.0%	11,000	11.3%
1950 - 1959	4,186	13.7%	4,107	13.7%	3,964	11.9%	10,672	15.5%	8,953	10.9%	8,469	8.7%
1940 - 1949	3,582	11.7%	3,366	11.2%	3,467	10.4%	5,039	7.3%	4,084	5.0%	4,724	4.8%
1939 or earlier	8,023	26.2%	6,607	22.1%	7,392	22.1%	2,255	3.3%	2,020	2.5%	1,469	1.5%
HOUSING BY UNITS IN STRUCTURE	CITY						COUNTY					
	1990 Total	STF-1 %	2000 Total	SF-1 %	2006-2008 Total	ACS %	1990 Total	STF-1 %	2000 Total	SF-1 %	2006-2008 Total	ACS %
Total Housing Units	30,661	100.0%	29,957	100.0%	33,439	100.0%	68,790	100.0%	81,776	100.0%	97,633	100.0%
1-unit, detached	15,177	49.5%	15,629	52.2%	17,963	53.7%	51,628	75.1%	61,564	75.3%	74,392	76.2%
1-unit, attached	1,199	3.9%	1,009	3.4%	649	1.9%	1,178	1.7%	1,469	1.8%	1,643	1.7%
2-unit	2,153	7.0%	1,598	5.3%	2,434	7.3%	1,075	1.6%	1,019	1.2%	1,377	1.4%
3 - 4	1,690	5.5%	1,866	6.2%	1,829	5.5%	1,170	1.7%	1,515	1.9%	1,768	1.8%
5 - 9	2,349	7.7%	2,184	7.3%	2,120	6.3%	1,487	2.2%	2,062	2.5%	3,308	3.4%
10 - 19	2,536	8.3%	2,315	7.7%	4,349	13.0%	2,607	3.8%	2,425	3.0%	4,571	4.7%
20+	4,995	16.3%	5,039	16.8%	4,002	12.0%	3,743	5.4%	4,684	5.7%	3,481	3.6%
Mobile home	257	0.8%	250	0.8%	93	0.3%	5,344	7.8%	6,416	7.8%	6,831	7.0%
Other	305	1.0%	67	0.2%	0	0.0%	558	0.8%	622	0.8%	262	0.3%

HOUSING BY NUMBER OF ROOMS	CITY						COUNTY					
	1990 Total	STF-1 %	2000 Total	SF-1 %	2006-2008 Total	ACS %	1990 Total	STF-1 %	2000 Total	SF-1 %	2006-2008 Total	ACS %
Total Housing Units	30,661	100.0%	29,957	100.0%	33,439	100.0%	68,790	100.0%	81,776	100.0%	97,633	100.0%
1	700	2.3%	891	3.0%	2,105	6.3%	1,039	1.5%	1,316	1.6%	2,210	2.3%
2	1,771	5.8%	2,206	7.4%	2,624	7.8%	2,718	4.0%	3,624	4.4%	4,698	4.8%
3	5,680	18.5%	5,398	18.0%	5,764	17.2%	7,160	10.4%	7,947	9.7%	8,985	9.2%
4	7,553	24.6%	6,912	23.1%	7,817	23.4%	12,965	18.8%	12,615	15.4%	13,686	14.0%
5	6,936	22.6%	6,310	21.1%	6,335	18.9%	16,447	23.9%	18,244	22.3%	18,447	18.9%
6	4,040	13.2%	3,811	12.7%	4,896	14.6%	13,990	20.3%	16,261	19.9%	19,680	20.2%
7	1,953	6.4%	2,121	7.1%	1,974	5.9%	7,567	11.0%	9,445	11.5%	11,634	11.9%
8	998	3.3%	1,205	4.0%	1,086	3.2%	3,838	5.6%	6,264	7.7%	8,929	9.1%
9 or more	1,030	3.4%	1,103	3.7%	838	2.5%	3,066	4.5%	6,060	7.4%	9,364	9.6%
median rooms			4.4		4.3				5.1		5.2	

# Appendix 2

## Employee Housing Survey - Questionnaire

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### Memorandum

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To: Employees of American National Insurance Company, GISD, City of Galveston, Galveston County, Landry's, and UTMB

From: Betty Massey, Chair of the Galveston Long Term Recovery Committee

Date: January 28, 2010

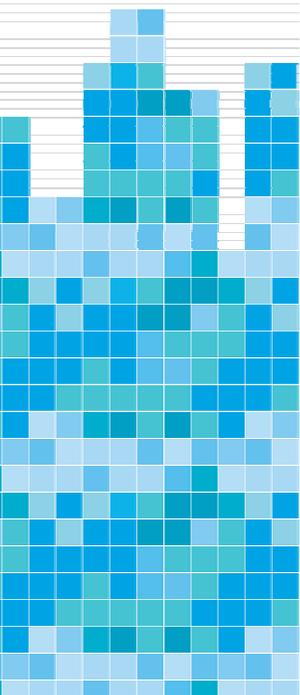
Re: Galveston Housing Market Survey

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As Galveston continues to recover from the devastation of Hurricane Ike, the City of Galveston and its Long Term Recovery Committee are conducting a housing market study so we have good information on the condition of our housing stock and we better understand both the supply and demand sides of the market.

Your answers to this survey are anonymous, and they will provide vital information to the City of Galveston as we continue on the road to recovery. We would like to get all responses in by February 11, 2010 and encourage you to please participate on this quick survey.

Thanks for your help.



**Objective**

The intent of this survey is to understand the potential housing demand of employees of major City of Galveston employers. The findings will provide insight on the demand requirements and the likelihood housing consumers would choose to live on Galveston Island. There is a desire in Galveston to:

- increase the population that both lives and works on the island and
- develop insight of appropriate housing mix, pricing strategy and community amenities

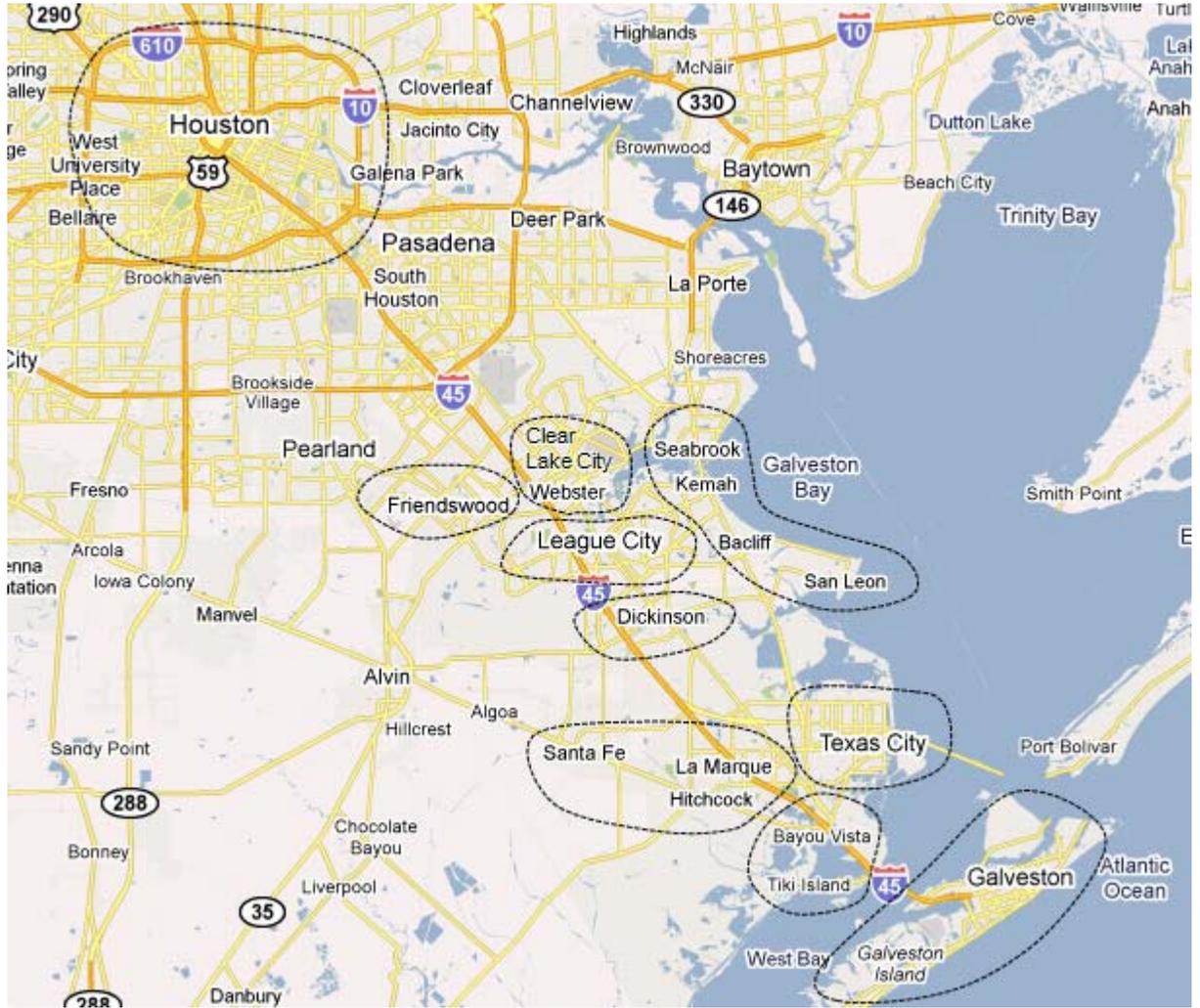
**Community Amenities and Factors**

1. Express the importance of the following factors in selecting a community and neighborhood in which you would like to live. (choose one for each question)

	Must Have	Important	Not Important	Not Sure
1. Good quality public schools (K-12)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Good quality charter schools (K-12)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Good quality private schools (K-12)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Affordable housing prices	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. High quality infrastructure (sidewalks, streets, water, sewer)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Neighborhood with historic character	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Employment within a 30 minute drive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Employment within walking or biking distance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Friends and family within a 30 minute drive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Retail shopping within a 15 minute drive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Safety/security/low crime rate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Accessible public transportation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Walkable neighborhood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Cul-de-sac streets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Gulf/beaches/water within walking or biking distance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Outdoor recreation (Parks, playgrounds, trails) within walking or biking distance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Community with public swimming pool	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Sports arena/complex within a 30 minute drive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Interest in Locations**

2. General Locations. If you could find the right home at the right price, with the quality and amenities you desire, which communities would you consider living in?



	Would consider	Would not consider	Not sure
1. Clear Lake City/Webster	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Dickinson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Friendswood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Galveston Island	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Houston area	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. La Marque/Hitchcock/Santa Fe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. League City	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Seabrook/Kemah/Bacliff/San Leon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Texas City	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Tiki Island/Bayou Vista	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. Galveston Island Locations. If you could find the right home at the right price, with the quality and amenities you desire on Galveston Island, which island areas would you consider living in?



	Would consider	Would not consider	Not sure
1. East Beach to 6th Street	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. 6th Street to 61st Street	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. 61st Street to West End of Seawall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. West End of Seawall to San Luis Pass	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4. If you had to pick one of these communities for your next home, which would be your first choice?
- |  |  |
|--|--|
| <input type="checkbox"/> Clear Lake City/Webster | <input type="checkbox"/> La Marque/Hitchcock/Santa Fe    |
| <input type="checkbox"/> Dickinson               | <input type="checkbox"/> League City                     |
| <input type="checkbox"/> Friendswood             | <input type="checkbox"/> Seabrook/Kemah/Bacliff/San Leon |
| <input type="checkbox"/> Galveston Island        | <input type="checkbox"/> Texas City                      |
| <input type="checkbox"/> Houston area            | <input type="checkbox"/> Tiki Island/Bayou Vista         |
5. If you had to pick one Galveston Island area for your next home, which would be your first choice?
- East Beach to 6th Street
  - 6th Street to 61st Street
  - 61st Street to West End of Seawall
  - West End of Seawall to San Luis Pass
  - I would not consider Galveston Island for my next home
6. Have there been recent changes on Galveston Island affecting your desirability of living there?
- No meaningful changes have occurred affecting my desirability of living on Galveston
  - Yes, changes have happened that have positively affected my desirability of living on Galveston
  - Yes, changes have happened that have negatively affected my desirability of living on Galveston

7. If there have been changes, what are those changes?  
 \_\_\_\_\_  
 \_\_\_\_\_
8. If you previously lived on Galveston Island and have permanently moved out of the island was your decision to move related to storm impact or storm risk?  
 Yes                                       No                                       Not applicable
9. In the next two years, what are you more likely to do?  
 Remain in current residence  
 Move to a different residence in the same community  
 Move to a different community within the Houston-Galveston area  
 Move to a different community outside the Houston-Galveston area  
 Not sure
10. If you move to a new community, do you expect to own or rent?  
 Own                                       Rent                                       Not sure

**HOME TYPE OPPORTUNITIES**

11. Dwelling Styles. As you know, there are many different types and styles of homes. Assume each of these different home choices was offered at the price you wanted to pay, and included the floor plan you were most interested in purchasing, in the location you most desired. How likely would you consider purchasing each choice?

	Would consider	Would not consider	Not sure
1. Single family detached (1 – 2 stories, yard on all sides)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Patio homes (1 story detached home with a small yard)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Historic character or vintage home	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Duplex (2 units per building, attached)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Townhomes (3 or more units per building)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Downtown loft/flat	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Low-rise condominium (1 – 2 story building, each unit on one level)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Mid-rise condominium (3 – 5 story building, each unit on one level)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. High-rise condominium (5+ story building, each unit on one level)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

12. Dwelling Characteristics. Express the importance of the following characteristics in considering a home:

	Important	Not Important	Not sure
1. A newly constructed home?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. An existing resale home?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. A slab on grade home? (built at ground level)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. An elevated home? (built above ground level)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. A home with ADA disability access features (ramps, elevators)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. A home with green building features (energy efficient, built with materials attained in an environmentally responsible way)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

13. If you were to buy a home what size home would you most likely purchase, excluding garage? (choose one)
- |  |  |
|--|--|
| <input type="checkbox"/> less than 1,500 square feet | <input type="checkbox"/> 3,000 - 3,500 square feet |
| <input type="checkbox"/> 1,500 - 2,000 square feet   | <input type="checkbox"/> 3,000 - 3,500 square feet |
| <input type="checkbox"/> 2,500 - 3,000 square feet   | <input type="checkbox"/> No preference             |
| <input type="checkbox"/> 3,000 - 3,500 square feet   |  |
14. What would be your preference in number of bedrooms? (choose one)
- |                            |                                    |  |
|----------------------------|------------------------------------|--|
| <input type="checkbox"/> 1 | <input type="checkbox"/> 3         | <input type="checkbox"/> No preference |
| <input type="checkbox"/> 2 | <input type="checkbox"/> 4 or more |  |
15. What would be your preference in number of bathrooms? (choose one)
- |                            |  |
|----------------------------|--|
| <input type="checkbox"/> 1 | <input type="checkbox"/> 3 or more     |
| <input type="checkbox"/> 2 | <input type="checkbox"/> No preference |
16. What would be your preference in the location of the master bedroom? (choose one)
- |                                      |                                      |  |
|--------------------------------------|--------------------------------------|--|
| <input type="checkbox"/> First floor | <input type="checkbox"/> Upper floor | <input type="checkbox"/> No preference |
|--------------------------------------|--------------------------------------|--|
17. What would be your preference in the number of stories? (choose one)
- |                                    |                                    |  |
|------------------------------------|------------------------------------|--|
| <input type="checkbox"/> One-story | <input type="checkbox"/> Two-story | <input type="checkbox"/> No preference |
|------------------------------------|------------------------------------|--|
18. What would be your preference in garage size? (choose one)
- |                                |  |
|--------------------------------|--|
| <input type="checkbox"/> 1 car | <input type="checkbox"/> 3 car or more |
| <input type="checkbox"/> 2 car | <input type="checkbox"/> No preference |
19. What would be your preference in purchase price? (choose one)
- |  |  |  |
|--|--|--|
| <input type="checkbox"/> Less than \$100,000   | <input type="checkbox"/> \$150,000 - \$200,000 | <input type="checkbox"/> \$250,000 - \$300,000 |
| <input type="checkbox"/> \$100,000 - \$150,000 | <input type="checkbox"/> \$250,000 - \$250,000 | <input type="checkbox"/> More than \$300,000   |
20. If you were to rent what monthly rental payment could you afford to pay? (choose one)
- |  |  |  |
|--|--|--|
| <input type="checkbox"/> Less than \$500 | <input type="checkbox"/> \$751 - \$1,000   | <input type="checkbox"/> More than \$1,500 |
| <input type="checkbox"/> \$501 - \$750   | <input type="checkbox"/> \$1,001 - \$1,500 | <input type="checkbox"/> Not applicable    |

**INTEREST IN BUYING A HOME IN THE NEXT TWO YEARS**

21. If you could find the type of home you wanted in the community you desired, at the price you were most interested in paying, how likely would you be to purchase a home in the next two years?
- |                                 |                                     |                                   |
|---------------------------------|-------------------------------------|-----------------------------------|
| <input type="checkbox"/> Likely | <input type="checkbox"/> Not likely | <input type="checkbox"/> Not sure |
|---------------------------------|-------------------------------------|-----------------------------------|
22. If you were on the market to purchase a home in the next two years how likely would you be to purchase a home on Galveston Island?
- |                                 |                                     |                                   |
|---------------------------------|-------------------------------------|-----------------------------------|
| <input type="checkbox"/> Likely | <input type="checkbox"/> Not likely | <input type="checkbox"/> Not sure |
|---------------------------------|-------------------------------------|-----------------------------------|

Please give a reason for your answer: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

23. Do you think you could qualify for a home mortgage?
- |                                 |                                     |                                   |
|---------------------------------|-------------------------------------|-----------------------------------|
| <input type="checkbox"/> Likely | <input type="checkbox"/> Not likely | <input type="checkbox"/> Not sure |
|---------------------------------|-------------------------------------|-----------------------------------|

**RESPONDENT INFORMATION**

24. Are you a head of household?  
 Yes  No
25. What best describes where you currently live and work? (choose one)  
 Work on Galveston Island and live on-island  Work off Galveston Island and live off-island  
 Work on Galveston Island and live off-island  Work off Galveston Island and live on-island
26. What is the name of your employer?  
 American National Insurance Company  Galveston Independent School District  
 City of Galveston  Landry's  
 Galveston County  UTMB  
 Other (please specify) \_\_\_\_\_
27. What is the zip code of your home or principal residence? (5 digit code) \_\_\_\_\_
28. Do you currently own or rent your residence?  
 Own  Rent  Other
29. What type of home is your current residence?  
 Single-family detached (yard on all sides)  Apartment building  
 Duplex (2 units per building, attached)  Condominium  
 Townhome (3 or more units per building)  Mobile home  
 Downtown loft/flat  
 Other (please specify) \_\_\_\_\_
30. What is your age?  
 under 25  45 - 54  over 75  
 25 - 34  55 - 64  
 35 - 44  65 - 74
31. What is your Gender?  
 Male  
 Female
32. What is the highest level of education you have completed?  
 Less than high school  
 High school  
 Some college, tech or vocational school  
 Four year college degree  
 Post-graduate degree
33. What is your occupation category? (choose one)  
 Clerical  Managerial/Professional  
 Craftsperson  Sales  
 Labor  Service  
 Other (please specify) \_\_\_\_\_

34. What is your annual household income? (combined income of yourself and other people living in your home)
- less than \$35,000                       \$75,001 - \$100,000                       more than \$150,000
- \$35,001 - \$50,000                       \$100,001 - \$125,000
- \$50,001 - \$75,000                       \$125,001 - \$150,000
35. How many persons live in your home including yourself?
- 1     3     5 or more
- 2     4
36. How many children under the age of 18 live in your home?
- None     2     4 or more
- 1     3
37. If you live with a spouse or significant other what is the zip code of their work? If unknown what is the City?
- Not applicable
- Zip code or City: \_\_\_\_\_
38. How many houses, including rental property, do you currently own?
- None     2     4 or more
- 1     3
39. If you rent, what is your monthly rental payment?
- less than \$500     \$751 - \$1,000     more than \$1,500
- \$501 - \$750     \$1,001 - \$1,500     Don't rent

**REASONS FOR LIVING IN/VISITING GALVESTON ISLAND**

40. If you live or have lived on Galveston Island, what are the reasons you decided to make your home there? (choose any that apply)
- Not applicable. I have not lived on Galveston Island
- Shorter work commute
- Liked the historic character
- Liked the housing choices
- Proximity to water, beaches and natural resources
- Proximity to restaurants and entertainment
- Proximity to family/relatives
- Proximity to medical care
- Other (please specify) \_\_\_\_\_

41. Would you consider the following more as an advantage or disadvantage of living on Galveston Island?

	Advantage	Disadvantage	Neither
1. Proximity to work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Age of community, historic character	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Quality of schools (K-12)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Housing choices	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Cost of living (not including cost of housing)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Cost of housing (including flood and windstorm insurance)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Proximity to water and beaches	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Proximity to retail and shops	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Proximity to restaurants and entertainment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Proximity to family/relatives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

42. Would Galveston Island become a housing choice for you if:

	Likely	Not Likely	Not sure
1. it had commuter rail to the Houston area	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. it had other public transit options available	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

43. Is there anything that you can think of that would make Galveston Island a more enjoyable and desirable place in which to make your home?

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44. Besides work, for what other reasons do you regularly visit Galveston Island? (choose any that apply)

- |   |  |   |
|---|--|---|
| <input type="checkbox"/> Beach                        | <input type="checkbox"/> Moody Gardens | <input type="checkbox"/> Strand             |
| <input type="checkbox"/> Restaurants                  | <input type="checkbox"/> Fishing       | <input type="checkbox"/> Church             |
| <input type="checkbox"/> Entertainment                | <input type="checkbox"/> Shops         | <input type="checkbox"/> Events, Mardi Gras |
| <input type="checkbox"/> Visit family                 | <input type="checkbox"/> Recreation    |   |
| <input type="checkbox"/> Visit friends                | <input type="checkbox"/> Pleasure/fun  |   |
| <input type="checkbox"/> Other (please specify) _____ |  |   |



# Appendix 3

## Employee Housing Survey - Analysis

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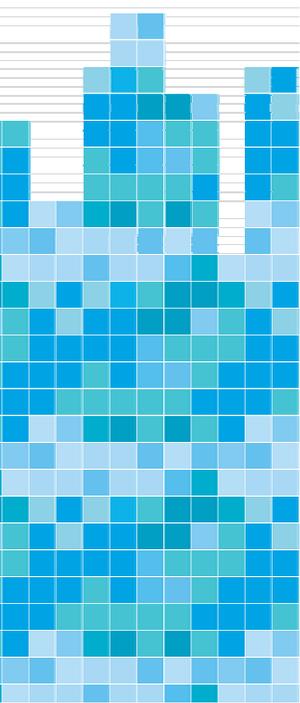
### COMMUNITY AMENITIES

Among all respondents the most important community factors were:

- 98% said safety/security/low crime rate was a must have or important (80%, 18% respectively)
- 98% said high quality infrastructure was a must have or important (66%, 32, respectively)
- 96% said affordable housing prices were a must have or important (62%, 34% respectively)
- 94% said a walkable neighborhood was a must have or important (56%, 38% respectively)
- 93% said good public schools were a must have or important (71%, 22% respectively)
- 87% said employment within 30 minute drive was a must have or important (41%, 46% respectively)
- 82% said outdoor recreation within walking or biking distance was a must have or important (31%, 51% respectively)
- These responses were very similar for the subgroup of employees who work on-island but live off-island.

Among those who work on-island but live off-island there were certain answers that stood out.

- 66% said employment within walking or biking distance was not important
- 63% said cul-de-sac streets were not important
- 58% said beaches/water within walking or biking distance was not important
- 53% said a sports arena/complex within 30 minutes was not important
- 52% said historic neighborhood character was not important



**INTEREST IN LOCATIONS**

General Locations

When presented with a list of communities and asked if they would consider living in them if they found the right price home with the qualities and amenities they desired, the top three that would be considered among different subgroups were:

Work on-island, live off-island	Work on-island, live on-island	All Respondents
82% League City	90% Galveston Island	71% Galveston Island
67% Friendswood	50% League City	63% League City
66% Clear Lake/Webster	45% Clear Lake/Webster	55% Clear Lake/Webster
46% said Galveston Island		

When asked which would be their first choice if they had to pick one community for their next home, the top three were:

Work on-island, live off-island	Work on-island, live on-island	All Respondents
28% League City	62% Galveston Island	40% Galveston Island
14% Le Marque/Hitchcock/Santa Fe	9% Clear Lake/Webster	17% League City
11% Galveston Island	8% League City	10% Clear Lake/Webster
11% Friendswood		

League City, Friendswood and Clear Lake City/Webster were repeatedly mentioned as high consideration communities. Galveston Island gets high consideration only after incorporating respondents who work on-island and live on-island. This subgroup appears to be very loyal to living on Galveston.

Galveston Island Locations

When presented with a list of Galveston Island areas and asked if they would consider living in them if they found the right price home with the qualities and amenities they desired, the top three were:

Work on-island, live off-island	Work on-island, live on-island	All Respondents
52% 61st to West End of Seawall	73% 6th to 61 <sup>st</sup>	62% 61st to West End of Seawall
39% West End of Seawall to San Luis Pass	70% 61st to West End of Seawall	57% 6th to 61st
38% 6th to 61 <sup>st</sup>	44% East Beach to 6th	39% West End of Seawall to San Luis Pass

When asked what would be their first choice if they had to pick one Galveston Island area for their next home, the top three were:

Work on-island, live off-island	Work on-island, live on-island	All Respondents
20% 6th to 61 <sup>st</sup>	45% 6th to 61 <sup>st</sup>	34% 6th to 61 <sup>st</sup>
20% 61st to West End of Seawall	30% 61st to West End of Seawall	26% 61st to West End of Seawall
15% West End of Seawall to San Luis Pass	11% West End of Seawall to San Luis Pass	12% West End of Seawall to San Luis Pass
40% would not consider Galveston		

Respondents who work on but live off the island indicate a preference to live between 61<sup>st</sup> Street and the west end of the Seawall, although, there is a significant proportion that would also consider the urban core between 6<sup>th</sup> and 61<sup>st</sup> Street. Employees who live on the island have a higher preference for the urban core.

Desirability of Living on Island

When asked if there had been recent changes on Galveston Island **negatively or positively** affecting their desirability of living there nearly half of the respondents said recent changes had not affected their desirability.

Work on-island, live off-island	Work on-island, live on-island	All Respondents
11% positive	19% positive	15% positive
35% negative	38% negative	37% negative
54% desirability not affected	43% desirability not affected	48% desirability not affected

Among those whose desirability has been affected negatively reasons include: risk of storm related damage, safety concerns and perception of high crime rate, perception of underperforming schools and higher cost of living.

Among those whose desirability has been affected positively reasons include: better attitude towards neighborhood improvements, tearing down eyesore buildings and homes, improved community involvement, lower crime rate since the storm and replenishing beaches.

Among respondents who work on-island but live off-island:

- Approximately 16% (68 respondents) said their decision to move out of the island permanently was due to storm impact or storm risk.
- Approximately 66% said in the next two years they are more likely to remain in their current residence or move within the same community (59%, 7% respectively).
- Approximately 17% said in the next two years they are more likely to move to a different community within the Houston-Galveston area.
- 82% said if they move to a new community they expect to own and only 7% said they expect to rent.

**HOME TYPE PREFERENCES**

Dwelling Styles

When presented with a list of different home style choices and asked which ones they would consider purchasing if they were offered within their desired price range, floor plan and location; respondents had a strong inclination towards low density detached homes. The answers among respondents who work on-island but live off-island were consistent with overall responses. The only slight differences were in historic character homes, duplexes, and townhomes; respondents who work on-island and live on-island were more likely to consider these style homes.

Dwelling Styles	Work on-island, live off-island	Work on-island, live on-island	All Respondents
Single-family detached	92%	91%	91%
Patio home (detached, small yard)	54%	60%	58%
Historic character	43%	52%	48%
Duplex	11%	19%	16%
Townhome	22%	30%	27%
Downtown loft/flat	28%	34%	32%
Low-rise Condo (1 - 2 stories)	21%	23%	23%
Mid-rise Condo (2 - 5 stories)	17%	21%	19%
High-rise Condo (5+ stories)	18%	21%	20%

Dwelling Characteristics

When asked about the importance of certain structure characteristics in considering a home respondents who live off-island have an inclination towards newly constructed and slab on grade homes while respondents who live on-island have an inclination towards existing resale and elevated homes. A higher percentage of those who live on-island say green building features are important. Overall, none of the structure characteristics are overwhelmingly considered important.

Dwelling Characteristics (% that said they are important)	Work on-island, live off-island	Work on-island, live on-island	All Respondents
Newly constructed	56%	41%	47%
Existing resale	38%	45%	43%
Slab on grade	47%	30%	37%
Elevated	41%	60%	51%
ADA disability access	15%	18%	17%
Green building features	55%	63%	59%

Home Size

When asked if they were to buy a home what size would they most likely purchase, the two most popular answers were 1,500 – 2,000 sq. ft. (38% of respondents) and 2,000 – 2,500 sq. ft. (26% of respondents). For 2,500+ sq. ft. homes there is a higher demand from those who live off-island. For homes less than 1,500 sq. ft. there is a higher demand from those who live on-island.

Home Size (Square Feet)	Work on-island, live off-island	Work on-island, live on-island	All Respondents
Less than 1,500	4%	11%	7%
1,500 – 2,000	36%	39%	38%
2,000 – 2,500	26%	26%	26%
2,500 – 3,000	19%	10%	14%
3,000 +	9%	7%	8%
No preference	6%	7%	7%

Bedroom

When asked the preference in number of bedrooms, three bedrooms was the most popular answer (57% of respondents). In addition, respondents who live on-island are more likely to demand two bedroom homes than those who live off-island, whereas, those who live off-island are more likely to demand four bedroom homes.

Bedroom	Work on-island, live off-island	Work on-island, live on-island	All Respondents
1	0%	0%	0%
2	8%	17%	13%
3	55%	59%	57%
4 or more	36%	22%	28%
No preference	1%	2%	2%

Bathroom

When asked the preference in number of bathrooms, two was clearly the most popular answer (71% of respondents). Respondents who live off-island are inclined to want more bathrooms in their homes.

Bathroom	Work on-island, live off-island	Work on-island, live on-island	All Respondents
1	1%	2%	1%
2	66%	74%	71%
3 or more	32%	22%	26%
No preference	1%	2%	2%

Master Bedroom

When asked the preference in location of master bedroom, first floor was the most common answer, 52%.

Master Bedroom	Work on-island, live off-island	Work on-island, live on-island	All Respondents
First floor	61%	43%	52%
Upper floor	13%	19%	16%
No preference	26%	38%	32%

Stories

When asked the preference in number of stories, one-story was the most common answer, 48%.

Stories	Work on-island, live off-island	Work on-island, live on-island	All Respondents
One-story	54%	42%	48%
Two-stories	23%	28%	25%
No preference	23%	30%	27%

Garage Size

When asked the preference in garage size, two was by far the most common answer, 72%.

Garage Size	Work on-island, live off-island	Work on-island, live on-island	All Respondents
1 car	2%	8%	5%
2 car	72%	72%	72%
3 car or more	22%	14%	17%
No preference	4%	7%	5%

Purchase Price

When asked the preference in purchase price, 35% of the respondents said \$100,000 - \$150,000 followed by 26% who said \$150,000 - \$200,000. Respondents who live off-island are inclined to choose higher price ranges.

Purchase Price	Work on-island, live off-island	Work on-island, live on-island	All Respondents
Less than \$100,000	17%	21%	19%
\$100,000 - \$150,000	32%	37%	35%
\$150,000 - \$200,000	30%	24%	26%
\$200,000 - \$250,000	14%	10%	12%
More than \$250,000	7%	8%	8%

Rent Affordability

When asked if they were to rent what monthly rent they could afford to pay, 26% said \$750 - \$1,000 followed by 25% of the respondents who said \$500 - \$750. Respondents who live off-island are inclined to choose slightly higher rental ranges.

Rent Affordability	Work on-island, live off-island	Work on-island, live on-island	All Respondents
Less than \$500	5%	7%	6%
\$500 - \$750	23%	26%	25%
\$750 - \$1,000	27%	26%	26%
\$1,000- \$1,500	19%	16%	17%
More than \$1,500	6%	5%	6%
Not applicable	20%	20%	20%

**INTEREST IN BUYING A HOME IN THE NEXT TWO YEARS**

Purchase in the Next Two Years

When asked how likely they were to purchase a home in the next two years, a significant portion of those surveyed 47% or 568 respondents said likely. This response was similar for those who live on and off the island.

Purchase in the Next Two Years	Work on-island, live off-island	Work on-island, live on-island	All Respondents
Likely	45%	49%	47%
Not Likely	35%	30%	32%
Not Sure	20%	21%	21%

Purchase in the Next Two Years on Galveston Island

When asked if they were to purchase a home in the next two years how likely would they be to purchase a home on Galveston Island, 69% of respondents who live off-island said Not Likely while 57% of respondents who live on-island said Likely. There is a stronger desire among current Galveston residents to buy homes on the island.

Purchase in the Next Two Years on Galveston Island	Work on-island, live off-island	Work on-island, live on-island	All Respondents
Likely	10%	57%	36%
Not Likely	69%	25%	44%
Not Sure	21%	18%	20%

Qualify for a Home Mortgage

When asked if they thought they could qualify for a home mortgage a majority of all respondents believe they would likely qualify, 78%.

Qualify for a Home Mortgage	Work on-island, live off-island	Work on-island, live on-island	All Respondents
Likely	82%	77%	78%
Not Likely	6%	9%	8%
Not Sure	12%	14%	14%

**RESPONDENT PROFILE**

Head of Households

The majority of all respondents are head of household, 78%. This was similar across employee subgroups.

Own vs. Rent

The majority of all respondents, 72%, said they own their current residence while 24% said they rent. There is a slightly higher percent among respondents who live off-island who own their homes, 77%.

Own vs. Rent	Work on-island, live off-island	Work on-island, live on-island	All Respondents
Own	77%	70%	72%
Rent	19%	26%	24%
Other	4%	4%	4%

Type of Home

The majority of all respondents, 78%, said their current home is single-family detached followed by 9% who said apartment building. This was similar across employee subgroups.

Type of Home	Work on-island, live off-island	Work on-island, live on-island	All Respondents
Single-family detached	80%	77%	78%
Duplex	1%	4%	3%
Townhome	3%	3%	3%
Loft/flat	1%	1%	1%
Apartment building	10%	8%	9%
Condominium	1%	3%	2%
Mobile	1%	0%	1%
Other	3%	4%	3%

Age

The largest segment of all respondents, 31%, are age 45 – 54. Respondents who live off-island tend to be slightly younger than those who live-on island.

Age	Work on-island, live off-island	Work on-island, live on-island	All Respondents
Under 25	3%	3%	4%
25 – 34	20%	14%	16%
35 – 44	21%	20%	21%
45 – 54	32%	31%	31%
55 – 64	20%	27%	23%
Over 65	4%	5%	5%

Gender

The majority of all respondents are female, 65%. This was similar across employee subgroups.

Education

Among respondents who live off-island there is a higher segment with some college or vocational education, 43%. However, among those who live on-island there is a higher segment with four year college and post-graduate degrees, 57%. Respondents who live on-island have higher education levels.

Education	Work on-island, live off-island	Work on-island, live on-island	All Respondents
Less than High School	1%	2%	2%
High School	11%	11%	11%
Some College, Tech or Vocational	43%	30%	36%
Four year College degree	25%	31%	29%
Post-graduate degree	20%	26%	22%

Occupation

The largest segment of all respondents, 47%, said their occupation category is managerial or professional followed by 15% who said it is clerical. Occupation category responses were similar across employee subgroups.

Occupation	Work on-island, live off-island	Work on-island, live on-island	All Respondents
Clerical	18%	14%	15%
Craftsperson	2%	1%	2%
Labor	3%	4%	4%
Managerial/Professional	49%	46%	47%
Sales	1%	1%	1%
Service	5%	5%	5%
Other	22%	29%	26%

Annual Household Income

Among respondents who live off-island the largest segment, 24%, said their household income is \$75,000 - \$100,000. Among respondents who live on-island the largest segment, 26%, said their household income is \$50,000 - \$75,000. Respondents who live off-island have higher income levels.

Annual Household Income	Work on-island, live off-island	Work on-island, live on-island	All Respondents
Less than \$35,000	9%	14%	12%
\$35,000 - \$50,000	17%	17%	17%
\$50,000 - \$75,000	18%	26%	22%
\$75,000 - \$100,000	24%	17%	20%
\$100,000 - \$125,000	13%	11%	12%
\$125,000 - \$150,000	9%	7%	8%
More than \$150,000	10%	8%	9%

Household Size

Among respondents who live off-island 54% said their household size is three or more compared to 41% among those who live on-island. Generally, respondents who live off-island have large household sizes.

Household Size	Work on-island, live off-island	Work on-island, live on-island	All Respondents
1	12%	17%	15%
2	34%	42%	38%
3	25%	17%	20%
4	18%	13%	16%
5 or more	11%	11%	11%

Children under age of 18

Among respondents who live off-island 43% said they have 1 – 3 children under age 18 living at home compared to 33% among those who live on-island. However, the majority of all respondents, 60%, said they had no children living at home.

Children under age of 18	Work on-island, live off-island	Work on-island, live on-island	All Respondents
None	56%	64%	60%
1	21%	17%	19%
2	16%	11%	14%
3	6%	5%	5%
4 or more	1%	3%	2%

Houses Owned

Among respondents who live off-island 58% said they own one house compared to 50% among those who live on-island. However, among respondents who live on-island 19% said they own 2 or more houses compared to 15% of those who live off-island. Among all respondents 30% don't own a house.

Houses Owned	Work on-island, live off-island	Work on-island, live on-island	All Respondents
None	27%	31%	30%
1	58%	50%	53%
2	12%	14%	13%
3	1%	3%	2%
4 or more	2%	2%	2%

Rent Paid

Among respondents who live off-island the largest segment, 42%, said their monthly rent is \$500 - \$750. Among respondents who live on-island the largest segment, 35%, said their monthly rent is \$750 - \$1,000. Generally, respondents who live on-island have higher rents.

Rent Paid	Work on-island, live off-island	Work on-island, live on-island	All Respondents
Less than \$500	10%	13%	12%
\$500 - \$750	42%	32%	36%
\$750 - \$1,000	27%	35%	31%
\$1,000- \$1,500	15%	17%	16%
More than \$1,500	6%	3%	5%

Zip Code of Home The 20 most common home zip codes of respondents were:

Zip Code/City	Employee Count	Zip Code/City	Employee Count	Zip Code/City	Employee Count
77550 (City of Galveston)	272	77510 (Santa Fe)	45	77650 (Port Bolivar)	9
77551 (City of Galveston)	263	77591 (Texas City)	41	77598 (Webster)	7
77554 (City of Galveston)	113	77546 (Friendswood)	16	77089 (Houston)	5
77573 (League City)	88	77563 (Hitchcock)	14	77586 (Seabrook)	4
77590 (Texas City)	70	77511 (Alvin)	11	77518 (Bacliff)	4
77568 (La Marque)	52	77062 (Houston)	11	77581 (Pearland)	2
77539 (Dickinson)	47	77517 (Santa Fe)	10		

Zip Code of Spouse/Partner Work Location The 5 most common work locations of respondent's spouses were:

Zip Code/City	Count	Zip Code/City	Count
77550 - 77555 (City of Galveston)	348	77568 (La Marque)	11
77590 (Texas City)	58	77539 (Dickinson)	8
77573 (League City)	25		

**REASONS FOR LIVING IN/VISITING GALVESTON ISLAND**

Reasons for Living in Galveston

When asked if they live or have lived on Galveston Island, what are the reasons they decided to make their home there, the three most common reasons are shorter work commute, proximity to water/beaches/nature and proximity to family/relatives.

Reasons for Living in Galveston	Work on-island, live off-island	Work on-island, live on-island	All Respondents
Shorter work commute	50%	62%	57%
Proximity to water, beaches, nature	31%	52%	46%
Proximity to family/relatives	31%	33%	33%
Like the historic character	17%	33%	28%
Proximity to restaurants/entertainment	15%	22%	20%
Proximity to medical care	12%	22%	19%
Like the housing choices	8%	16%	13%

Advantage vs. Disadvantage

When presented with a list of factors and asked whether they consider them advantages or disadvantages of living on Galveston Island responses were similar across employee subgroups. The top answers were:

**ADVANTAGES**

- 90% Proximity to work
- 79% Proximity to water and beaches
- 67% Proximity to restaurants and entertainment
- 59% Age of Community

**DISADVANTAGES**

- 71% Cost of housing (incl. flood and windstorm insurance)
- 51% Housing choices
- 49% Quality of schools (K-12)
- 

Rail or Public Transportation

Among respondents who live off-island:

- 62% said even if there was commuter rail to the Houston area it was "not likely" Galveston Island would become a housing choice for them. 18% said they were not sure
- 67% said even if there were other public transit options available it was "not likely" Galveston Island would become a housing choice for them. 17% said they were not sure

Making Galveston More Desirable

When asked if there is anything that would make Galveston Island a more desirable place in which to live, common answers given by respondents who live off-island were:

- Improve conditions related to abandon and rundown houses
- Stronger code enforcement on poorly maintained properties
- Reduce crime, make island safer
- Bring gambling
- Match quality and prices of homes on the mainland
- Improve paving, streets and general infrastructure
- Create quality shopping opportunities and improve schools

Reasons for Visiting Galveston

Among respondents who live off-island when asked besides work what other reasons do they regularly visit Galveston Island the ten most common reasons are:

Reasons for Visiting Galveston		Reasons for Visiting Galveston	
Restaurants	57%	Entertainment	34%
Beaches	49%	Moody Gardens	34%
Events, Mardi Gras	43%	Visit friends	32%
Strand	37%	Visit family	30%
Pleasure/fun	34%	Fishing	25%



# Appendix 4

## Available Public Funding Sources for Housing Redevelopment

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- *HOME Investment Partnership Programs:* Provides federal grants, through HUD to states, local governments, and Indian tribes to implement local housing strategies designed to increase homeownership and affordable housing opportunities for low- and very low-income Americans. The funds may be used for site acquisition, site improvements, demolition, housing rehabilitation, new construction, relocation and for assistance to first-time homebuyers. HOME is the largest Federal block grant to State and local governments designed exclusively to create affordable housing for low-income households. Each year it allocates approximately \$2 billion among the States and hundreds of localities nationwide. Funds are provided to local communities, often in partnership with nonprofits.
- *Neighborhood Stabilization Program I & II:* NSP was established for the purpose of stabilizing communities that have suffered from foreclosures and abandonment. The program realizes its goal through the purchase and redevelopment of foreclosed and abandoned homes and residential properties. NSP1, a term that references the NSP funds authorized under Division B, Title III of the Housing and Economic Recovery Act (HERA) of 2008, provides grants to all states and selected local governments on a formula basis. NSP2, a term that references the NSP funds authorized under the American Recovery and Reinvestment Act (the Recovery Act) of 2009, provides grants to states, local governments, nonprofits and a consortium of nonprofit entities on a competitive basis. The Recovery Act also authorized HUD to establish NSP-TA, a \$50 million allocation made available to national and local technical assistance providers to support NSP grantees.
- *Low-Income Housing Tax Credit:* LIHTC is a tax credit created under the Tax Reform Act of 1986 that gives incentives for the utilization of private equity in the development of affordable housing aimed at low-income Americans. Developers must apply to receive a portion of the State's allocated tax credits. Several institutions have programs that raise capital for and invest funds in LIHTC projects, such as LISC's National Equity Fund.
- *HOPE II and III:* Hope for Homeownership of Multifamily Units (HOPE II) and Hope for Homeownership of Single-Family Homes (HOPE III) provide grants to private nonprofit organizations and public agencies working with private nonprofits to allow these organizations to finance eligible homebuyers' direct purchase and rehabilitation of eligible properties. Properties must be owned by HUD, Veterans Administration, Farmers Home Administration, Resolution Trust Corporation, or state or local governments.
- *Section 8 Rental Assistance Programs:* Administered, by HUD, the Section 8 Rental Voucher Program increases affordable housing choices for very low-income households by allowing families to choose privately owned rental housing. The public housing authority (PHA) generally pays the landlord the difference between 30% of household income and the PHA-determined payment standard-about 80% to 100% percent of the fair market rent.

- *Section 8 Homeownership Program:* In 2001, HUD expanded its rental assistance program to support homeownership for low-income households. This program can be particularly beneficial for rural residents, as the affordable housing stock in rural areas is often very limited. The local housing authority has the option to participate in this program and will receive vouchers that can be distributed to individuals. Housing authorities are charged with establishing their own criteria for eligibility. This program is not widely used, and it is greatly facilitated by nonprofit organizations who serve as a conduit between low-income residents and the voucher-granting authorities.
  
- *National Trust for Historic Preservation:* The National Trust Preservation Fund offers several types of financial assistance to nonprofit organizations, public agencies, for-profit companies, and individuals involved in preservation-related projects. In 2005, the fund provided almost \$17 million in financial assistance and direct investment to support preservation in cities, towns, and rural areas all over the United States.
  
- *Historic Preservation Tax Credits:* The Federal Historic Preservation Tax Credit Program provides federal income-tax incentives for the rehabilitation of historic income-producing properties. Under the provisions of the Tax Reform Act of 1986, a 20% tax credit is available for the substantial rehabilitation of commercial, agricultural, industrial, or rental residential buildings that are certified as historic. The credit may be subtracted directly from federal income taxes owed by the owner.
  
- *New Markets Tax Credits:* NMTC program was established in 2000 as part of the Community Renewal Tax Relief Act of 2000. The goal of the program is to spur revitalization efforts of low-income and impoverished communities across the United States and Territories. The NMTC Program provides tax credit incentives to investors for equity investments in certified Community Development Entities, which invest in low-income communities. The credit equals 39% of the investment paid out over seven years. A Community Development Entity must have a primary mission of investing in low-income communities and persons. The Community Development Financial Institutions (CDFI) Fund in the Department of the Treasury is authorized to allocate up to \$19.5 billion in tax credit authority to Community Development Entities (CDE).