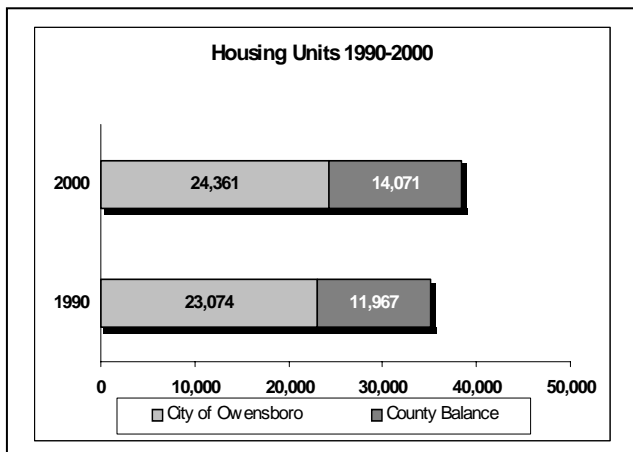


This section of the *Comprehensive Plan* will provide an overview of the housing in our community. Most of the information was taken from 2000 Census data and building permit information. Some of the information will be dated due to the age of the Census information.

EXISTING HOUSING STOCK

Census information for 2000 indicates there are **38,432** dwelling units in Daviess County, which included data through March 2000. This is an increase from 1990 census data of 3,391 housing units, or 9.7%. In 1990, 65.8% (23,074) of the housing units were located within the city limits of Owensboro compared to only 63.4% (24,361) of the total housing units being located within the city limits of Owensboro in 2000. Exhibit 481-G1 illustrates the number of housing units by area in 1990 and 2000.

Exhibit 481-G1: Total Dwelling Units by Area 1990-2000



Since March of 2000 through December 2005, building permits have been issued for a total of 1,188 dwelling units, bringing the total number of dwelling units in Daviess County to **39,620**. Of these additional permits, 548 additional dwelling units were located inside the city limits of Owensboro while 640 dwelling units were located in the balance of Daviess County. This brings the total dwelling units within the city limits to **24,909** or 62.9 % of the total dwelling units. Dwelling units outside of the city limits total 14,711 in 2005 or 37.1% of the total dwelling units. The City of Owensboro's percentage of all dwelling units in the county has declined from the 1990 to 2000 census period and has continued to decline slightly from 63.4% in 2000 to 62.9% in 2005. Although population has made a slight gain in recent years within the City of Owensboro as new subdivisions are annexed, the trend to build outside the city on existing county roadways continues as evidenced by the increase of dwelling units permitted there. Exhibit 481-G2 clearly indicates these trends.

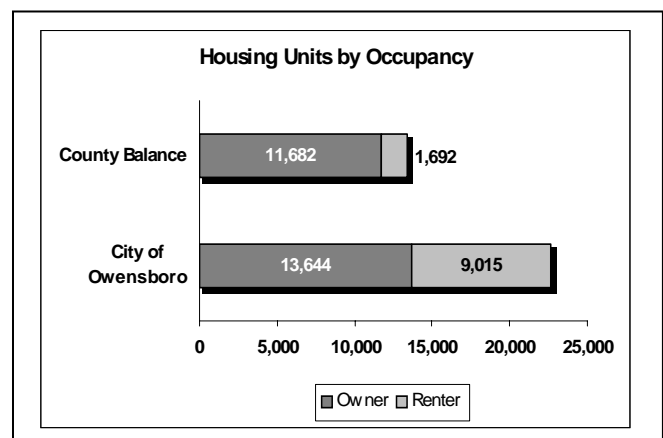
Exhibit 481-G2: Total Dwelling Units by Area 1990-2005



HOUSING TENURE

In 2000 there were 36,033 occupied dwelling units in Daviess County. Of those, 70.3% (25,326) were owner occupied as compared to 69% in 1990. In the City of Owensboro over 60.2% of the total units were owner occupied, while in the Daviess County balance homeowners occupied 83% of the units. Exhibit 481-G3 more fully illustrates the aforesaid information.

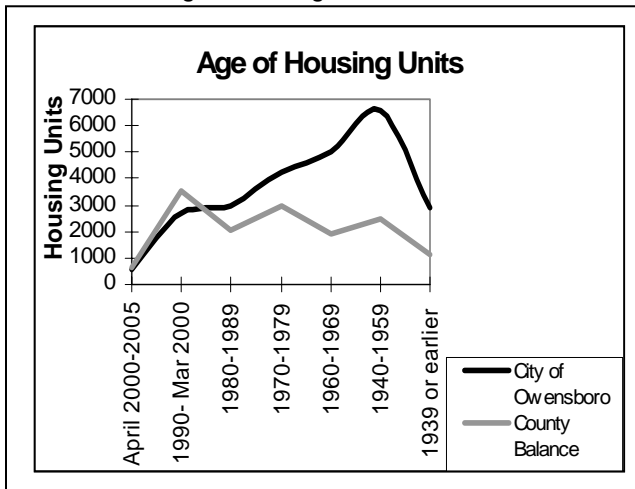
Exhibit 481-G3: Housing Units by Tenure in 2000



AGE OF HOUSING

In 2005, 32% of all housing units in Daviess County had been constructed since 1980, and 50% of all units had been constructed since 1970. Within the city limits, only 25% of housing units within the city were constructed since 1980, while 42% have been constructed since 1970. Discounting city housing units, 42% of housing units in the balance of the county were constructed since 1980 and 62% have been constructed since 1970. The neighborhoods that are considered low to moderate income, and make up the city's Community Development Block Grant program area, contain the highest concentration of older housing in the community. The entire county contains only 3% of housing units that predate 1939, with 12% of this amount being located within the city limits of Owensboro and only 8% located in the balance of Daviess County. The City of Owensboro's housing stock contains 46% of its units constructed between 1940 and 1960 compared to 30% in the remainder of the county constructed during this time period. There is nothing unusual about this situation. In most cities the older built-up areas will contain the oldest housing in the community. Exhibit 482-G1 demonstrates the age of housing in Owensboro and Daviess County.

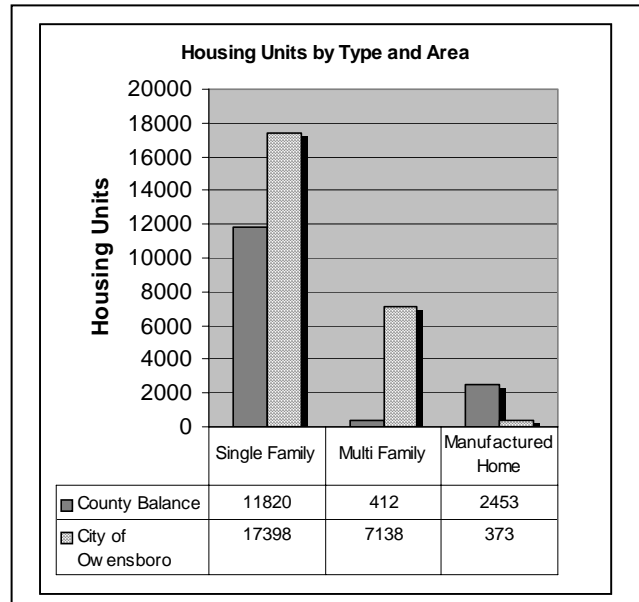
Exhibit 482-G1: Age of Housing in 2005



HOUSING TYPE AND OCCUPANCY

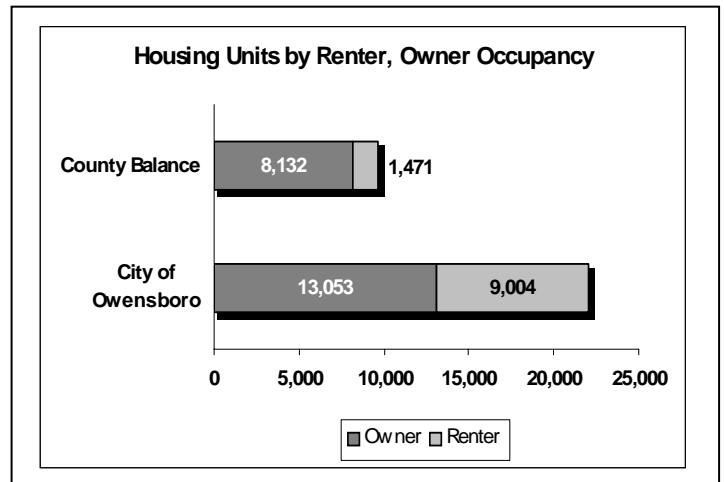
Of the 39,620 units that were permitted through December 2005 more than 70% (28,172 units) were single-family residences. Multi-family units made up the second largest category with 20% of the total or 8,033 units. Mobile home units accounted for 9% of the total or 3,753 units. Exhibit 482-G2 provides a tabular accounting and a visual representation of this information.

Exhibit 482-G2: Total Dwelling Units by Area & Type



In 2005 the City of Owensboro contained 60% of all the single-family units in the county and 95% of all the multi-family units but only 13% of the manufactured homes. Manufactured homes were concentrated outside of the Urban Service Area in the more remote areas of the county known as the Rural Service Area in the Comprehensive Plan. There were 10,475 renter occupied dwelling units in the community reported in the 2000 census. Of these units, 86% were within the city limits of Owensboro.

Exhibit 482-G3: Housing Units by Owner, Renter Occupancy



OWNER OCCUPANCY BY VALUE

Within Daviess County, fifty-three percent (53%) of the total owner occupied units have a value of between \$50,000 and \$99,999 according to the 2000 census information. Of that 53% or 11,235 housing units with that value, sixty-six percent (66%) are located within the city limits with 34% in the county balance. The next largest concentration by value is in the \$100,000 to \$149,000 category with nineteen percent (19%) in Daviess County split evenly between the city and the county balance. Only 13% of the total owner occupied housing units are shown having a value of \$150,000 to \$999,999 and no units are reported with a value of over \$1,000,000.00. There are 15% of owner occupied housing units in Daviess County with a value below \$50,000. The distribution of these units is higher within the City of Owensboro (74%) than in the county balance (26%) The following exhibits shows the distribution of owner occupied housing units by value by area and total for Daviess County.

The 2000 Census reports a median housing value of \$81,800. This is an increase of 31.8% from the previous 1990 census information which reported a median housing value of \$62, 041 which is the nominal figure reported of \$48,000 adjusted to 2000 dollars, according to the Kentucky Housing Needs Assessment Date Profile. The 1990 census actually reported a decline (-19.8%) in median price income from the median reported in 1980 of \$77,353, which is the nominal figure reported of \$38,700 adjusted to 2000 dollars. Housing values have recovered from previously declining values reported between 1980 and 1990.

VACANT HOUSING

A total of 2,399 vacant dwelling units existed in Daviess County in 2000. One hundred sixty nine (169) units were not for rent or sale and were held for occasional use or classified as "other vacants" in the Census. The 2000 US Census reports a homeowner vacancy rate of 1.7% and a rental vacancy rate of 7.9%, a slight increase in the vacancy rate reported in the 1990 census of 1.4% homeowner vacancy and 7.1% rental vacancy.

HOUSING MARKET

This portion of the study will provide an overview of the current housing market in the community. This information was provided by the Owensboro Board of Realtors and the Housing Authority of Owensboro.

SALES MARKET

Information supplied by the Owensboro Board of Realtors and presented in Exhibit 484-G1 and 484-G2 provide insights into current trends in the sales market. Observations concerning this data include:

- The average cost of a residential home has increased 4.7% from 2001 to 2005.
- Three bedroom units comprise the lion's share of the market in terms of units sold.
- Total units sold increased 37.3% from 2001 to 2005 with a dollar volume increase of 43.8%.

Exhibit 483-G1: Owner Occupied Housing Units by Value

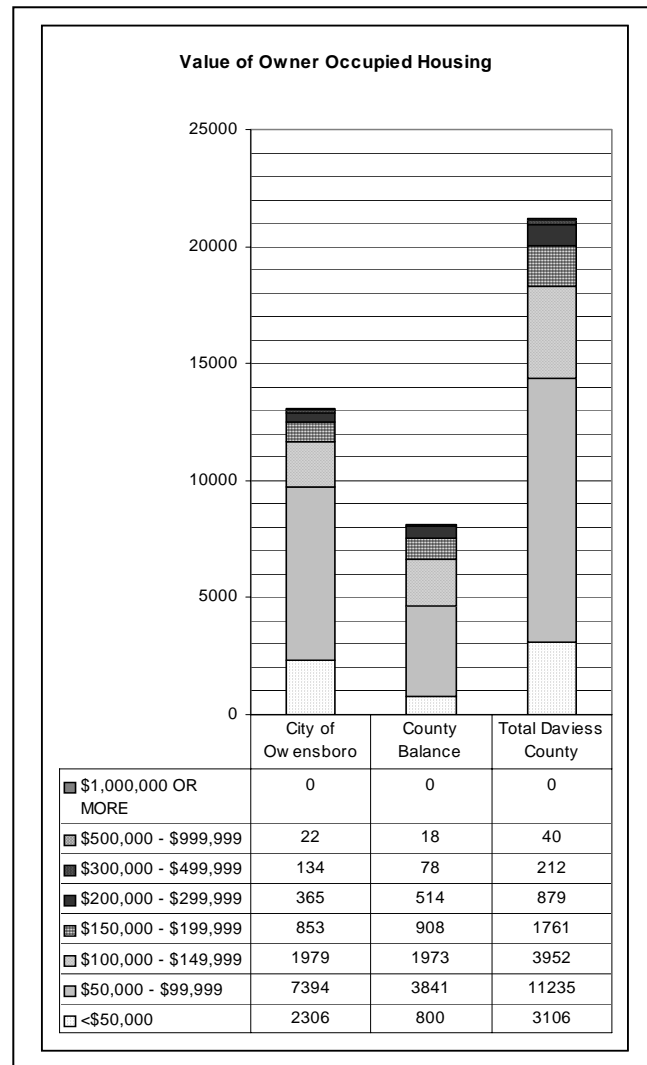


Exhibit 483-G2: Sales by Bedroom Size

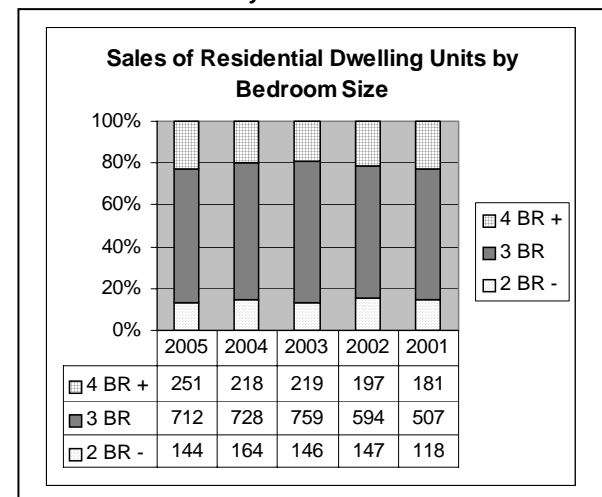
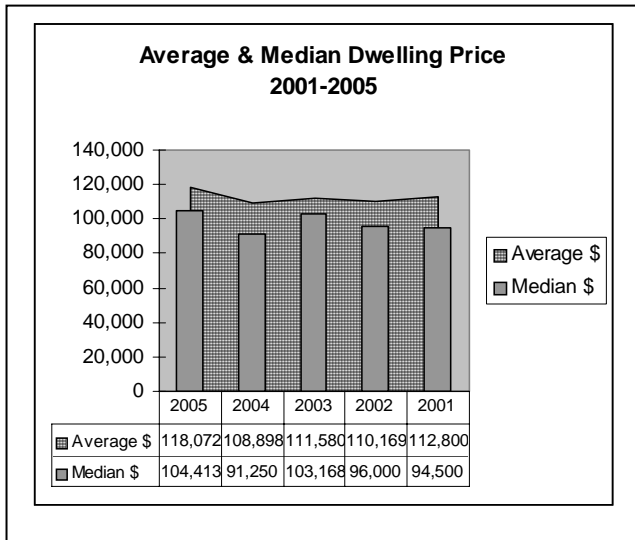


Exhibit 484-G1: Average and Median Home Price, 2001-2005



Average days on the market have ranged from 120 days in 2004 to 126 days in 2002.

MORTGAGE MARKET

There are a wide variety of conventional mortgage funds available in the Owensboro area. Government mortgage programs are also available in the community from the Federal Housing Administration (FHA), the Veterans Administration (VA), the Farmers Home Administration (FmHA), and the Kentucky Housing Corporation (KHC). Generally loan terms are between 25 and 30 years. Income restrictions, veteran status, limits on purchase price, ownership status of the buyer, location standards, as well as other various requirements, will determine a person's ability to obtain mortgage financing from one of these government mortgage programs. Other costs that are associated with government and conventional mortgage financing include survey fees, title fees, appraisal fees, recording fees and, at times, insurance fees.

RENTAL MARKET

The early 1980s saw a significant expansion in the rental market due to the favorable treatment rental investments received under the 1981-tax act. By the mid eighties the market had become over-built and the favorable tax preference was substantially reduced with the passage of the 1986 tax act. Because the market was over-built, vacancy rates soared, particularly for one- and two-bedroom units. Hence, rents have remained too low to stimulate much new rental construction during the latter part of the decade.

David Condon, Director of The Housing Authority feels that the current market situation, in terms of financially assisted housing is almost at its maximum capacity. The public housing operation

has a short waiting list – most qualified applicants can be housed within a few weeks of completion of the application process. The Housing Choice Voucher Program (formerly Section 8) has a similarly short waiting list. The totally number of financially assisted housing units is estimated to be about 35% of the total rental market.

According to Mr. Condon, the rental market may also have been affected by the aggressive marketing of homes to first time buyers by private developers and the historically low interest rates of recent years. He believes that additional financially assisted housing units are not necessary until the area shows a sustained population growth.

The Housing Authority of Owensboro annually does rent surveys as part of the administrative requirements for the Voucher program. The allowable rents are based on HUD's Fair Market Rents (FMR's) and the pay standard adopted by the HAO. The rents shown on the chart are the typical contract rents paid to Voucher landlords, and are not necessarily "market" rents.

Exhibit 484-T1

BEDROOM SIZE	APARTMENT RENT RANGE	HOUSE RENT RANGE	UTILITY RANGE
1 Bedroom	\$275-350	\$300-\$375	\$85-\$100
2 Bedroom	\$375-450	\$400-\$475	\$100-\$120
3 Bedroom	\$450-525	\$525-600	\$115-\$145
4 Bedroom	Not Available	\$550-625	\$135-160

ASSISTED RENTAL HOUSING MARKET

The Housing Authority has 289 Baseline vouchers. The number of each type of bedroom is not static, and can change from month to month. The Voucher program is no longer only a "unit" based operation. It has also become "budget based", meaning that Voucher agencies receive a specific amount of money from HUD to pay out in Housing Assistance Payments.

The HAO waiting lists for public housing and the voucher program are very short and almost all persons who pass screening and are found eligible can be housed in a short time; typically less than a month for public housing and up to 3 months for the voucher program. The Kentucky Housing Corporation has orally stated to Mr. Condon, that the vast majority of their vouchers in Daviess County are located within the City of Owensboro, and they have spoken in terms indicating several hundred vouchers in Owensboro, although Mr. Condon does not have the exact number within the city.

GRADD has some voucher properties, and new financially assisted properties have come on line or are in the process of coming on line, including the Friendship House which will increase the total of assisted units for the elderly to 62.

There are twelve different providers of assisted housing in the community, managing twenty-two different projects or programs.

HOUSING NEEDS

Housing needs can be a very difficult area to determine. Historically, the City and Housing Authority have taken the approach that as long as the assisted housing that is available is filled, then we need more assistance. Once significant vacancies begin to occur or demand for homeowner assistance declines, then we probably do not have critical needs in terms of housing assistance. Except for special needs populations, the latter situation has been the reality in the community for rental assistance; hence, no additional assisted units have been sought. This is not true for homeowner assistance. The assistance programs offered by the city, state, and federal governments do not appear to lack demand as much as adequate funding resources or adequate program designs that permit potential applicants to participate.

Exhibit 485-T1 provides an overview of some of the indicators of housing need in the community. All information came from 2000 Census reports.

Exhibit 485-T1: Income and Poverty Status, 1999

Daviess County	Number	% of Total
Households:	36,076	100.0
with earnings	28,326	78.5
receiving social security	10,409	28.9
with public assistance income	1,153	4.4
MEDIAN HOUSEHOLD INCOME	\$36,813	
Families:	25,016	100.0
below poverty level	2,364	9.4
with related children under 18	1,857	14.6
female householder, no husband	1,219	4.9
MEDIAN FAMILY INCOME	\$41,333	
Individuals:	91,545	100.0
below poverty level	11,024	12.3
related children under 18 years	3,566	15.6
related children 5 to 17	2,260	13.5
18 to 64 years	7,347	11.1
65 years and over	1,344	11.4

Source: KY State Data Center, Census of Population and Housing, 2000

Since the private sector and market forces will build or renovate most of the owner housing our community will need, we must concentrate government efforts on those persons that are unable to afford housing or improvements without some type of assistance.

Homeless & Emergency Shelter Facilities

There are several organizations presently providing temporary housing for the homeless, OASIS, Boulware Center, and the Daniel Pitino Shelter, St. Joseph’s Peace Mission and Birthright. Kentucky Housing Corporation has plans to construct a “Recover Kentucky” facility, which would house approximately 100 homeless men with substance abuse problems. Kentucky Housing Corporation also has plans to provide housing for other “special needs” populations.

The Owensboro Area Shelter and Information Services, Inc. (OASIS) is the sole provider of emergency shelter for homeless victims of domestic violence and their children for the Daviess County area. OASIS has a 70-bed capacity. Thirty-two beds are restricted for emergency shelter for victims of domestic violence and 38 beds are available for individuals and families who require services beyond the emergency phase. The facility is at 100% capacity and provides temporary housing for 30 days to a maximum of one year.

The Boulware Center located in Owensboro, is the region’s oldest homeless shelter and houses men, women, and children. The Boulware Center has beds for 35 persons and may house as many as 40. The Boulware Center has been approved to operate the homeless shelter at a new location on Benita Avenue and will be able to accommodate 90 residents at that location.

The Daniel Pitino Shelter located in Owensboro opened in 1994 to serve homeless families, women, and children. The Pitino Shelter offers both emergency and transitional housing. The McAuley Medical Center, a soup kitchen, and legal services are also located in this facility.

HOUSING STRATEGY

To the average citizen, residential areas are probably the most important part of the community. This is where most people spend the majority of their time and form their major impressions of the community. The goals for residential areas that are included in Section 110 of this plan include avoiding the introduction of urban activities which would have a detrimental effect on residential activity; providing protection from heavy through traffic; and, making many kinds of housing compatible. The realization of these goals is achieved by assuring sound neighborhood design during the development or redevelopment process.

Since the adoption of Community Directions in 1978 by the Planning Commission and local legislative bodies, this concept of sound neighborhood design and the broad strategies detailed in the classification system (see Exhibit 486-T1) have guided all of our specific housing and community development programs and policies. The remaining discussion will focus on past and present efforts as well as future directions we may take to address our housing needs in the community.

Exhibit 486-T1: Neighborhood Classification System

Neighborhood Type	Neighborhood Characteristics	Recommended Strategies
Sound	<ul style="list-style-type: none"> ◆ Low vacancy rates ◆ Housing stock in a sound condition ◆ Few 2-year vacancies ◆ Moderate to high income index 	<ul style="list-style-type: none"> ◆ Code Enforcement ◆ Establishment of neighborhood associations
Transitional	<ul style="list-style-type: none"> ◆ Buildings mostly sound ◆ Scattered examples of deteriorated or dilapidated housing ◆ Loss of homeowners ◆ Above average vacancy rates ◆ Gain in renters 	<ul style="list-style-type: none"> ◆ Code Enforcement ◆ Spot Rehab ◆ Some building clearance
Deteriorating	<ul style="list-style-type: none"> ◆ High number of unsound housing units ◆ High number of jobless households ◆ Excessive rental vacancies ◆ Overall vacancy rate high ◆ Low home-ownership rates 	<ul style="list-style-type: none"> ◆ Concentrated Code Enforcement ◆ Rehabilitation ◆ Clearance of dilapidated units ◆ Neighborhood Redevelopment Plans

PAST AND PRESENT EFFORTS

Since the private sector has and will continue to meet most of our housing needs, and the Planning Commission has and will continue to assure sound neighborhood planning in our newly developing areas through their review of subdivision plats and rezoning requests, our task has been to develop and utilize our existing resources to serve the housing needs of those left out of the marketplace. A listing of the public actions that have been or are being pursued is provided herein.

- ◆ Redevelopment plans have been prepared, adopted, and implemented for all the neighborhoods in the deteriorating category of our classification system, as well as for several of our transitional neighborhoods.
- ◆ The zoning ordinance has been completely revised to remove hindrances to redevelopment in our older areas and to provide greater flexibility of neighborhood design. Examples include: planned residential developments, zero lot-line options, building setback averaging, and the creation of a townhouse zone that allows development on lots as small as 2,000 square feet.
- ◆ Community Development Block Grant funds have been used for over twenty five years to implement the capital improvement needs identified in our redevelopment plans and to fund a variety of rehabilitation programs.
- ◆ The Housing Authority of Owensboro completed modernization of all its public housing stock during the 1990's.
- ◆ The city has sought and received rehabilitation funds that are workable for the community, which has increased the supply of safe, decent, sanitary dwellings for low- to moderate-income persons.

- ◆ Through Community Development funds, local matches, and McKinney Homeless Act funds, improvements have been made at our transient shelters.
- ◆ Agreements have been reached with local financial institutions and the Kentucky Housing Corporation to provide for leveraging or permanent financing.
- ◆ Block-by-block code enforcement in areas requiring this action and constant monitoring of other areas.
- ◆ Principally through Community Development funds, improvements have been made at neighborhood service facilities -- day care centers, recreation or youth centers, senior centers.

These past and present actions have significantly improved the housing opportunities for all citizens of the community, particularly those of low- to moderate- income. Rental assistance needs are currently being met. Adequate transient housing is available. The number of substandard dwellings is down. The task before us is to build on our past successes and meet any identified needs with solutions that seek to help those persons willing and able to help themselves.

FUTURE DIRECTIONS

Reviewing the list of past and present efforts may lead one to believe there is not a lot left to be done. This is not the case. The problem with housing is like everything else built by man; it requires continuous maintenance and vigilance. The various forces that shape the supply and cost of housing seem incomprehensible. Government officials can impact only a small portion of the total housing picture.

The remainder of this document will establish the framework for meeting the existing housing needs in the community and any future needs that may surface.

Institutional Structure

The Housing Authority of Owensboro is the primary provider of rent assisted housing in the community. The City of Owensboro Community Development Department is responsible for developing rehabilitation programs and strategies within the City of Owensboro. Non-profits presently serving housing needs in the community include Habitat for Humanity, Elsmere Community Housing Development Corporation, and the Homeless Council of the Ohio Valley. Virtually all the traditional sources of mortgage financing in the community have shown a willingness to invest in all portions of the community as long as prudent lending practices are followed. The Owensboro Board of Realtors is implementing an Affirmative Marketing Agreement. Local builders and developers have in the past sought out and received virtually all types of assistance that serve the needs of low- to moderate-income persons.

The cooperation and coordination among these various actors in the housing market is strong. No compelling reason presently exists to change the institutional structure that serves the housing needs in the community.

Resources

Households with lower incomes cannot afford anywhere near the cost of a median price home. The greatest need is to increase home-ownership opportunities for those persons in the aforesaid income range. Other needs include providing additional transitional housing, decreasing the rate of unsound housing, increasing the supply of standard affordable housing, and improving shelter facilities and supportive services.

The private sector's contribution toward meeting these needs usually comes in the form of donations and the provision of permanent and construction financing. The expected amount of donations is very difficult to gauge and is often a result of direct solicitation by an organization trying to implement a particular project. In the past, the willingness to provide financing has not been a major obstacle in the community.

The greatest burden for serving the identified housing needs will fall on the public sector. Solutions will be a direct result of the resources available.