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KETTERING, OH

HOUSING MARKET ANALYSIS

General Report

Prepared for:

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V. HOUSING MARKET ANALYSIS: REPORT INTRODUCTION

A. Description of the Study Area

The focus-area of this study is the area within the City of Kettering's boundaries. Supplementary research and analysis has been conducted of the Dayton Metropolitan Statistical Area (MSA), Montgomery County, Ohio and the United States for comparison purposes throughout the report. Due to the use of several Census studies (1960, 1970, 1980, 1990, 2000 and 2010), the study areas and data-points used for comparison purposes occasionally change due to a lack of data availability from older census counts.

B. Purpose

The purpose of this report is to provide an overview of the demographic, economic and housing trends in Kettering, Ohio while also covering key trends and challenges the community is and will be facing in the coming years. The importance of properly allocating limited resources with regards to housing development serves as the centerpiece of this report. The main analysis method of this report compares data points on a variety of topics relating to demographics, housing and economics in order to better illustrate what trends are impacting Kettering, Montgomery County, Ohio and the United States while also determining which trends are likely to cause the biggest challenges in the future.

In addition to illustrating key trends, this report also attempts to provide answers as to why certain trends are occurring, such as the recent decreases in Kettering's population and the rising share of the population currently living below the poverty line. Finally, a series of policy proposals are included with the goal(s) of strengthening positive trends and weakening/reversing negative trends.

C. Questions to be Answered

This report examines a variety of topics and issues related to housing. The specific questions to be answered are:

1. How has the local economy of Kettering fared in recent years?
2. What are the major trends in the housing market for the City of Kettering?
3. How can the City work to effectively meet the needs of the community on an individual and locational basis with regards to housing and economic development?

Throughout the analysis, some trends un-related to the initial goals of the project may be uncovered and require additional research and answers.

D. Major Reference Materials

The major reference materials for this report include:

1. Official United States Decennial Census Counts (1960, 1970, 1980, 1990, 2000, 2010)
2. Official Census Bureau American Community Survey estimates
3. Economic data available from the St. Louis Federal Reserve Bank's economic database (FRED) and the US Bureau of Labor Statistics
4. Department of Housing and Urban Development data (CHAS, others)
5. Official documents available from the City of Kettering, particularly financial documents such as budget and comprehensive annual financial reports (CAFRs)
6. Discussions and interviews with City staff members
7. Discussions and interviews with staff members of several local housing developments
8. Windshield tours of Kettering's neighborhoods
9. Previous reports conducted for the City of Kettering

E. Data Limitations

Prior to delving into the research below, it is important to note that many sources of data, while being accurate in many respects, are often at risk of being misleading due to sampling errors, particularly as the study areas becomes smaller (i.e., margins of error increase in size as the study area decreases in population from United States → Ohio → Montgomery County → Kettering → Census Tract → Block Group). This is especially true for data pulled from the US Census Bureau data through the American Community Survey due to the reliance on self-reporting as well as Kettering's relatively small population counts that can easily be skewed by only a few outliers. Regardless, margins of error from ACS data are included on many of the tables and graphs below, particularly for Kettering and the City's Census Tracts. Based on ACS reports, these margins of error are confident at the 90% level.

In addition to issues with large margins of error, data from the American Community Survey is continually collected throughout the year and does not represent a single "point-in-time" as official census counts do, so any variations in population, housing, income, employment, etc...throughout the year may skew the results. For example, comparisons of income data collected through the 2000 Census and the 2000 ACS found that income collected by the Census "was found to be about 4 percent higher than that in the 2000 ACS"¹. As a result of this limitation of the ACS when attempting to illustrate trends, additional resources on many topics are used when the need to uncover trends is more apparent.

Additionally, while many topics covered by both decennial Census counts and ACS data sound similar, the universes may be different. For example, gross rent and the share of household income going toward rent payments in the 2000 Census cover only "specified renter-occupied units", which exclude one-family renter-occupied units located on parcels that are more than

¹ US Census Bureau. *Comparing 2012 American Community Survey Data*. Retrieved on January 21, 2014 from: http://www.census.gov/acs/www/quidance_for_data_users/comparing_2012/

10 acres in size while the ACS data for the 2008-2012 collection period includes all renter-occupied units, not just those in the specified category. When issues such as this one arise, notations are included in the document in order to make the reader aware of potential issues.

When the analyst is concerned about a potentially misleading piece of data, alternative sources are often utilized in order to paint a more reliable picture. An example of where this is done later in this report is with median housing values for some of Kettering's Census Tracts. In Census Tract 210, which includes the Kettering Business Park and the Wiles Creek Neighborhood, the 2008-2012 American Community Survey data list of the housing value spread of the neighborhood includes 15 (+/-22) owner-occupied housing units valued in excess of \$1 million and two (+/-6) owner-occupied housing units valued between \$500,000 and \$999,999. Due to this major variation, housing sale value data from the Montgomery County Auditor is utilized in order to better illustrate housing values for Kettering's Census Tracts based on actual sales rather than on value estimates by the occupants.

Other data limitations are discussed in the applicable sections in this report.

F. Common Abbreviations Used

OO = Owner-Occupied
RO = Renter-Occupied
HU = Housing Unit
HO = Homeownership
ACS = American Community Survey
MOE = Margin of Error
MC or Mont. Co. = Montgomery County
MSA = Metropolitan Statistical Area
CT = Census Tract
BG = Block Group

G. Report Organization

This report is split into two key sections. First, the overall market analysis that compares Kettering to the Dayton MSA, Montgomery County, Ohio and the United States, among other areas, on a variety of topics related to housing, economics, income and employment. The second section of the report drills down to specific Census Tract-level data for Kettering. The data is much more limited with regards to both availability and accuracy at the CT level when compared to larger areas due to smaller sample sizes and larger margins of error. Some topics, such housing vacancy and the share of households considered low-to-moderate income go down to the Block Group level.

H. Methodology

Depending on the topic and the availability of data, different methodologies are employed throughout this document in order to paint the most accurate picture possible of the subject matter at hand.

Margins of Error

As has already been discussed, margins of error for data points can create significant issues when trying to compare data points over time. Whenever margins of error are included in the data (normally included with American Community Survey Data), they will be included on either the tables of the data in the form +/- 10 or +/- 9% or the graphs that depict the data in the form of standard error bars.

Inflation-Adjustments

At several points (housing costs, housing values, tax revenue, and grant revenue) in this document, dollar amounts are adjusted to inflation. Whenever adjustments for inflation are made, the analyst has used the same CPI-R-US adjustment factors that the US Census Bureau uses.²

The adjustment factors for the most commonly-inflation-adjusted dollar amounts are below:

Year	Adjustment Factor (to 2012 dollars)
1989	1.787911
1990	1.70303
1999	1.378014
2000	1.333333
2007	1.107389
2010	1.053092

2013 and 2014 dollars are converted to 2012 dollars through the use of the CPI calculator made available by the Bureau of Labor Statistics.³

Others

Where applicable throughout the document, methodologies used to come to certain conclusions (i.e. median sale values of residential properties in Kettering) will be expanded upon in the applicable sections.

² *PUMS Accuracy of the Data (2012)*, page 21. Retrieved on 12/1/2014:

http://www.census.gov/acs/www/Downloads/data_documentation/pums/Accuracy/2012AccuracyPUMS.pdf

³ CPI Calculator: <http://data.bls.gov/cgi-bin/cpicalc.pl>

VI. EXECUTIVE SUMMARY

A. Introduction

The summary of findings below is a quick summary of the key points in the areas of demographics, economics and housing uncovered while conducting the Housing Market Analysis for the City of Kettering. The embedded tables and graphs occasionally include Census Tract and/or Block Group data in addition to the comparisons between Kettering, Montgomery County, Ohio and the United States. The bulk of the detailed data tables and graphs are included in the Housing Market Analysis and companion Census Tract Drilldown Report.

B. Major Findings & Trends

After reviewing several housing, demographic, economic and social topics for the City of Kettering, Montgomery County, Ohio and the USA, several notable trends emerged regarding demographics, economics and housing. The narrative below serves as a summary of the key findings of the much larger Kettering Housing Market Analysis and Census Tract Drilldown report.

Population and Demographics

General Population

Kettering's population has fallen each decade since the 1970s, with the biggest decrease being between 1970 and 1980 when the population fell from 71,864 down to 61,186. However, the decrease between 1970 and 1980 was accompanied by an increase in the number of housing units as well as a decrease in the number of vacant housing units. Between 1980 and 1990, the population remained largely stable, decreasing by only 617 while the number of vacant housing units decreased slightly, falling from 1,039 down to 998. Between 1990 and 2000, Kettering's population decline accelerated, falling from 60,569 down to 57,502. In addition, the number of occupied housing units (households) dropped for the first time, from 26,098 down to 25,657. Between 2000 and 2010, the population decline slowed, falling from 57,502 down to 56,163, but the number of households decreased again from 25,657 down to 25,427. Due to Kettering having a largely built out landscape and the likely continuation of decreasing household sizes, Kettering's population is projected to continue to slowly decrease in the coming years due to the continued reduction in household sizes and slow rate of new housing construction.

Households

In addition to the rise in the number of vacant housing units and reduction in the number of households since 1990, average household sizes have fallen as well, from 2.3 people per household in 1990 down to 2.19 people per household in 2010. This decrease in average household sizes, coupled with a slow increase in the number of housing units and a decrease in the number of households contributed to a 4,406 decrease in population between 1990 and 2010. Few Census Tracts exhibited accelerated population declines between 2000 and 2010 when compared to the time between 1990 and 2000. However, CTs with large shares of rental units (205, 211 and 218) exhibited more rapid decreases in population when compared to other CTs in the City due to large reductions in the number of households in these areas, which, at the time, was a symptom of the high rental vacancy rates Kettering, Montgomery County, Ohio and the United States were experiencing at the time.

Average Household & Family Sizes								
Year	1990		2000		2010		% Change (1990-2010)	
Geography	HH	Family	HH	Family	HH	Family	HH	Family
Kettering	2.3	2.87	2.22	2.85	2.19	2.83	-4.8%	-1.4%
Mont. Co.	2.49	3.04	2.37	2.96	2.33	2.94	-6.4%	-3.3%
Ohio	2.59	3.12	2.49	3.04	2.44	3.01	-5.8%	-3.5%
United States	2.63	3.16	2.59	3.14	2.58	3.14	-1.9%	-0.6%

Source: 1990, 2000 and 2010 Decennial Census Counts

Families

One of the more striking demographic trends that has emerged in recent years is the changing share of households considered families. Between 1990 and 2010, the share of Kettering's households considered families decreased from 65.8% down to 58.9%. This compares to decreases from 68.3% down to 61.6% for Montgomery County, 70.8% down to 65% for Ohio, and 70.2% down to 66.4% for the United States. These changes coincide with reductions in average family and household sizes as well, which has contributed to Kettering's drop in population since the 1970 Census.

Households & Non-Family Households								
Year	1990		2000		2010		% Change (1990-2010)	
Geography	Total HHs (#)	Families (%)	Total HHs (#)	Families (%)	Total HHs (#)	Families (%)	HH #s	% Families
Kettering	26,098	65.8%	25,657	61.3%	25,427	58.9%	-2.6%	-10.5%
Mont. Co.	226,192	68.3%	229,229	65.4%	223,943	61.6%	-1.0%	-9.8%
Ohio	4,087,546	70.8%	4,445,773	67.3%	4,603,435	65.0%	+12.6%	-8.2%
USA	91,947,410	70.2%	105,480,101	68.1%	116,716,292	66.4%	+27.0%	-5.4%

Sources: 1990, 2000 and 2010 Decennial Census Counts

Note: "Families" are made up of two or more people living in the same housing unit who are related either by blood or marriage while a household is simply an occupied housing unit made up of any number of people. All families are considered "households", but all households are not considered families.

Population Age

Regarding age, Kettering's population has a higher median age than Montgomery County, Ohio and the United States, though the gaps between Kettering and the other areas have narrowed since 1990.

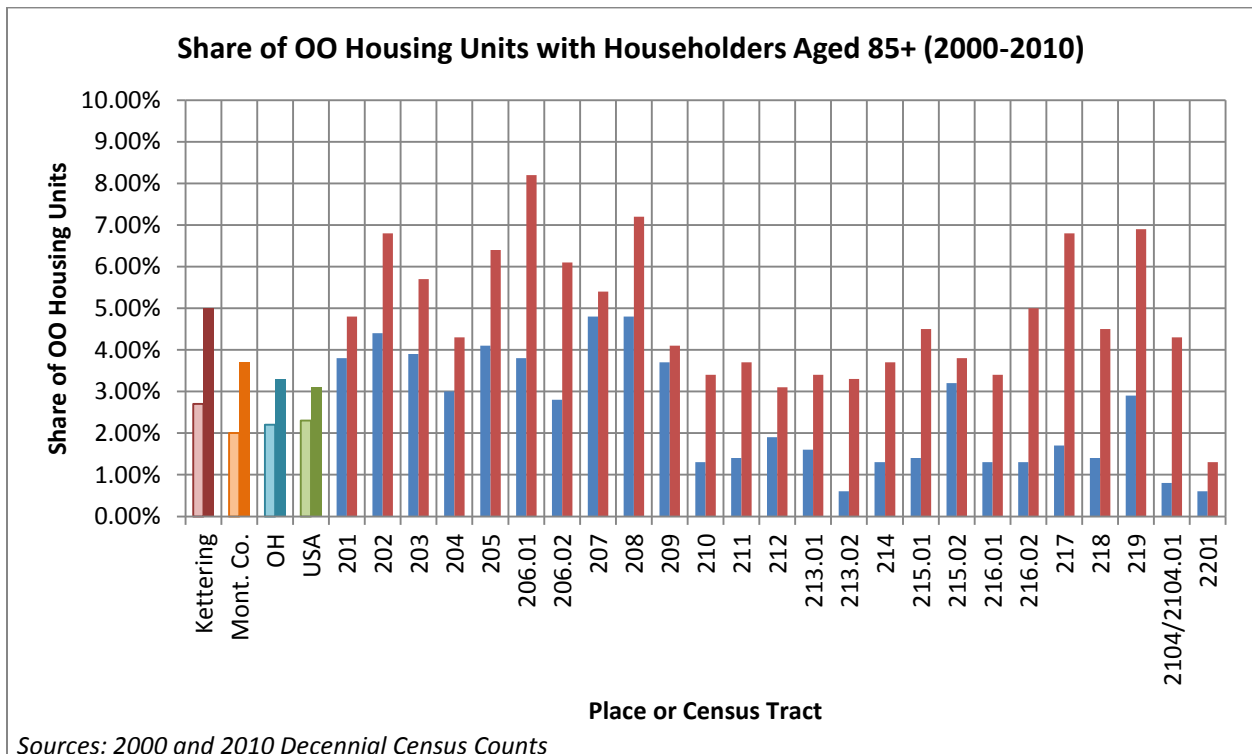
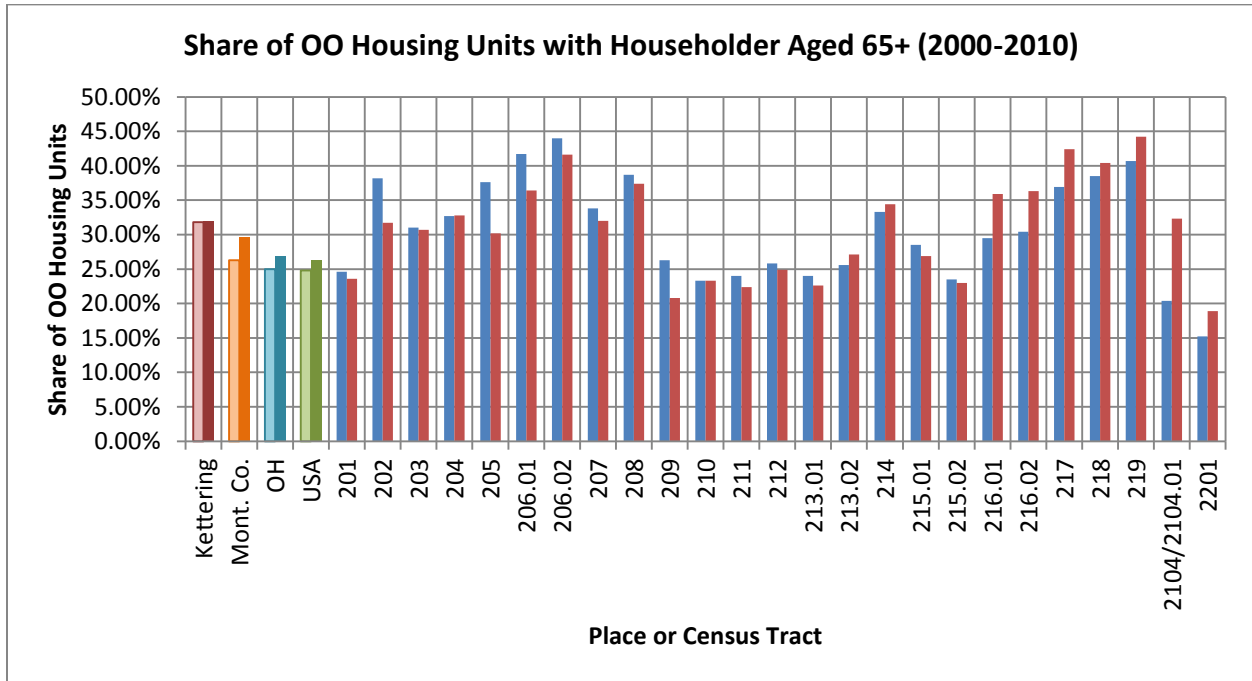
Median Ages (1990-2010)				
Geography Year	1990	2000	2010	% Change (1990-2010)
Kettering	36.6	38.9	40.9	+11.8%
Mont. Co.	33.3	36.4	39.2	+17.7%
Ohio	33.3	36.2	38.8	+16.5%
United States	32.9	35.3	37.2	+13.1%

Sources: 1990, 2000 and 2010 Decennial Census Counts

In addition, all areas studied have seen an increase in the share of householders of both owner-occupied and renter-occupied units who are 65 years of age or older. In 2010, 31.9% of Kettering's householders of owner-occupied units were 65+ years old and 5% of householders of owner-occupied housing units were 85+ years old. These shares are up from 31.8% and 2.7% in 2000. Renter-occupied households have also experienced a rise in the share of householders 65 years of age or older; from 17.9% in 2000 up to 18.2% in 2010 while the share of householders of renter-occupied units aged 85+ increased from 3.7% up to 4.5% over that same time. All of these rates are higher than to the County, State and Nation.

Certain Census Tracts exhibit much higher shares of elderly householders than others. For example, in 2010, CTs 202, 205, 206.01, 206.02, 208, 217 and 219 all had shares of owner-

occupied housing units with householders aged 85+ in excess of 6%. The growth in the share of elderly householders, particularly of owner-occupied single-family units, will present a challenge in the future if the owners of these properties become unable to maintain the properties or move away without leaving a responsible party behind to maintain or sell the property to a new owner.



Sources: 2000 and 2010 Decennial Census Counts

Racial & Ethnic Population

Kettering's population has grown more racially and ethnically diverse since 1990, though Kettering's racial minority and Hispanic ethnicity population shares remain lower than Montgomery County, Ohio and the United States. These changes have been accelerated by reductions in the number of white residents and increases in many racial minority populations, particularly Black and African American residents and those who identify as being two or more races.

Racial Makeup Changes, Minority Population Share (1990-2010)				
Geography Year	1990	2000	2010	% Change (1990-2010)
Kettering	2.22%	4.77%	7.44%	+235%
Mont. Co.	19.22%	23.43%	26.14%	+36%
Ohio	12.22%	15.04%	17.31%	+41.7%
United States	19.71%	24.86%	27.59%	+40%

Sources: 1990, 2000 and 2010 Decennial Census Counts

In addition, the number of non-Hispanic residents in Kettering has decreased while the Hispanic population has increased. These increases in racial and ethnic diversity have occurred in every Census Tract in Kettering since at least the year 2000. A key driver in these changes is likely the increasing affordability of housing in Kettering relative to other areas further outside of Dayton.

Ethnic Makeup Changes, Hispanic Population Share (1990-2010)				
Geography Year	1990	2000	2010	% Change (1990-2010)
Kettering	0.79%	1.11%	2.1%	+166%
Mont. Co.	0.79%	1.27%	2.28%	+189%
Ohio	1.29%	1.91%	3.07%	+138%
United States	8.99%	12.55%	16.35%	+82%

Sources: 1990, 2000 and 2010 Decennial Census Counts

One Census Tract (CT 218, Western Oak Creek) and one Block Group (CT 211, BG 1, Van Buren Apartments) in Kettering are considered to be racially concentrated with regards to the African American population due to the African American population share exceeding 13.3% in each area, while one additional Block Group, CT 204, BG 1, is considered generally racially concentrated due to having a 19% population share of racial minorities, but no particular racial minority group is concentrated within the Block Group. No Census Tracts or Block Groups are considered to be ethnically concentrated.

Economics

Household and Family Incomes

The most striking economic trends that have emerged in recent years are the decreasing family and household incomes observed in Kettering, Montgomery County, Ohio and the United States since the late 1990s along with rising poverty rates. The changes in income and poverty have turned Kettering into a community that more closely reflects the State and Nation, though Kettering still has lower rates of poverty, and Kettering's incomes tend to be either higher or equal to the other areas studied with the exception of median household incomes when compared to the United States based on 2008-2012 ACS data.

The tables below depict the changing inflation-adjusted median household and family incomes for Kettering, Montgomery County, Ohio and the United States for the years 1989 and 1999 along with 2008-2012 ACS estimates.

Real Median HH Income Trends (2012-Dollars)							
Place Year	1989	1999	% Change (1989-1999)	2008-2012	MOE	% Change (1999—2008-2012)	% Change (1989—2008-2012)
Kettering	\$61,694	\$62,081	+0.6%	\$50,187	+/- \$1,205	-19.2%	-18.7%
Mont. Co.	\$53,836	\$55,336	+2.8%	\$43,895	+/- \$569	-20.7%	-18.5%
Ohio	\$51,324	\$56,438	+10.0%	\$48,246	+/- \$160	-14.5%	-6.0%
USA	\$53,737	\$57,868	+7.7%	\$53,046	+/- \$85	-8.3%	-1.3%

Real Median Family Income Trends (2012-Dollars)							
Place Year	1989	1999	% Change (1989-1999)	2008-2012	MOE	% Change (1999—2008-2012)	% Change (1989—2008-2012)
Kettering	\$73,909	\$76,961	+4.1%	\$65,454	+/- \$2,608	-15.0%	-11.4%
Mont. Co.	\$64,488	\$68,999	+7.0%	\$56,707	+/- \$1,030	-17.8%	-12.1%
Ohio	\$61,417	\$68,952	+12.3%	\$61,163	+/- \$260	-11.3%	-0.4%*
USA	\$62,979	\$68,964	+9.5%	\$64,585	+/- \$190	-6.3%	-2.6%

Sources: 1990 and 2000 Decennial Census Counts and 2008-2012 ACS 5-yr estimates

*Changes fall within the MOE

Income decreases for renter-occupied households have been steeper than owner-occupied households, as is depicted on the tables below.

Real Median Household Incomes of Renter-Occupied Units (2012-Dollars)							
Place Year	1989	1999	% Change (1989-1999)	2008-2012	MOE	% Change (1999—2008-2012)	% Change (1989—2008-2012)
Kettering	\$42,534	\$41,094	-3.4%	\$30,371	+/- \$2,140	-26.1%	-28.6%
Mont. Co.	\$34,113	\$34,843	+2.1%	\$25,346	+/- \$658	-27.3%	-25.7%
Ohio	\$31,340	\$34,610	+10.4%	\$26,167	+/- \$177	-24.4%	-16.5%
USA	\$36,309	\$37,705	+3.9%	\$32,212	+/- \$59	-14.6%	-11.3%

Sources: 1990 and 2000 Decennial Census Counts and 2008-2012 ACS 5-yr estimates

Median household incomes of owner-occupied households have fallen as well, but the decreases have been less severe, suggesting that higher-income professions have fared somewhat better than lower-income professions in recent years.

Real Median Household Incomes of Owner-Occupied Housing Units (2012-Dollars)							
Place Year	1989	1999	% Change (1989-1999)	2008-2012	MOE	% Change (1999—2008-2012)	% Change (1989—2008-2012)
Kettering	\$72,620	\$76,226	+5.0%	\$65,388	+/- \$2,450	-14.2%	-10.0%
Mont. Co.	\$66,426	\$70,166	+5.6%	\$58,849	+/- \$729	-16.1%	-11.4%
Ohio	\$62,178	\$69,029	+11.0%	\$61,772	+/- \$174	-10.5%	-0.7%
United States	\$64,554	\$70,724	+9.7%	\$67,062	+/- \$104	-5.2%	+3.9%

Sources: 1990 and 2000 Decennial Census Counts and 2008-2012 ACS 5-yr estimates

Poverty Rates

The decreases in income have contributed to rising rates of poverty in Kettering, Montgomery County, Ohio and the United States since 1999. In 1999, Kettering's poverty rate stood at 4.6%, much lower than the County (11.3%), State (10.6%) and Nation (12.4%). However, due to economic weakness, job losses and income declines, by 2008-2012, Kettering's poverty rate stood at 10.7% (+/-1.3%).

Kettering's poverty rate remains lower than the County (16.8% (+/-0.7%)), State (15.4% (+/-0.2%)) and Nation (14.9% (+/-0.1%)). Census Tracts (209, 210, 211, 213.01, 215.01, 218) with the highest rates of poverty tend to be those with either high concentrations of multi-family rental housing or those areas with the smallest single-family houses, which are affordable to a wider range of the population and tend to have a higher propensity to be converted into rental properties than larger homes in the City.

Poverty Rates (Individuals)							
Place Year	1989	1999	% Change (1989-1999)	2008-2012	MOE	% Change (1999—2008-2012)	% Change (1989—2008-2012)
Kettering	4.20%	4.60%	+9.5%	10.70%	+/- 1.3%	+132.6%	+154.8%
Mont. Co.	12.60%	11.30%	-10.3%	16.80%	+/- 0.7%	+48.7%	+33.3%
Ohio	12.50%	10.60%	-15.2%	15.40%	+/- 0.2%	+45.3%	+23.2%
United States	13.10%	12.40%	-5.3%	14.90%	+/- 0.1%	+20.2%	+13.7%

Poverty Rates (Families)							
Place Year	1989	1999	% Change (1989-1999)	2008-2012	MOE	% Change (1999—2008-2012)	% Change (1989—2008-2012)
Kettering	2.80%	3.20%	+14.3%	7.60%	+/- 1.3%	+137.5%	+171.4%
Mont. Co.	9.80%	8.30%	-15.3%	12.50%	+/- 0.7%	+50.6%	+27.6%
Ohio	9.70%	7.80%	-19.6%	11.20%	+/- 0.1%	+43.6%	+15.5%
United States	10%	9.20%	-8.0%	10.90%	+/- 0.1%	+18.5%	+9.0%

Sources: 1990 and 2000 Decennial Census Counts and 2008-2012 ACS 5-yr estimates

Cost Burdened Households

Decreases in income have contributed to rising shares of households considered cost burdened with regards to housing. For example, based on 2008-2012 ACS data, 47.7% (+/-4.6%) of Kettering's rental housing units were considered cost burdensome to tenants, compared to 35.2% in 1999. One contributing factor in the large rises in the shares of cost burdensome rental units relative to owner-occupied housing units is that the median incomes of renters have fallen at much faster rates than those of homeowners in Kettering, Montgomery County, Ohio and the United States.

There have also been large increases in the share of owner-occupied housing units, both mortgaged and not mortgaged, considered cost burdensome to the tenants in Kettering, Montgomery County, Ohio and the United States in recent years. Based on 2000 Census data, in 1999, 20.7% of Kettering's mortgaged owner-occupied units were considered cost burdensome while 6.6% of the City's non-mortgaged owner-occupied units were considered cost burdensome. Based on 2008-2012 ACS data, these numbers have risen to approximately 27.7% (+/-3.0%) and 10.5% (+/-2.4%), respectively. A combination of rising housing costs and decreasing incomes have contributed to these changes.

HUD CHAS data, based on 2007-2011 ACS estimates, puts the total number of cost burdened households in Kettering at 7,270; with 3,540 of the housing units being owner-occupied and 3,750 being renter-occupied. 1,120 (6.7% of all OO units) of the cost-burdened owner-occupied households and 1,875 (21.3% of all RO units) of the renter-occupied households in this case pay 50% or more of their income toward housing costs, making for a total of 2,995 (11.7% of all households) severely cost burdened households. These rates are lower when compared to the County (15.3%), State (13.4%) and Nation (15.6%).

Foreclosures

Due to the collapse of the housing market and subsequent Great Recession beginning in 2007-2008, Kettering experienced a large spike in the number of foreclosure filings along with Ohio and the United States as a whole. In 2012, there were 296 foreclosure filings in the City of Kettering, 208 of which ended with Sheriff Sales being ordered. By 2014, this number had declined to 184, 87 of which ended with Sheriff's Sales being ordered and 34 of which are still open in the courts, suggesting that the foreclosure crisis is continuing to abate. As the number of foreclosures continues to decrease, the number of bank-owned, vacant houses should continue to decrease as the properties pass into the hands of new owners.

In 2012, several neighborhoods experienced high rates of foreclosure, including the Lanbury Plat (CT 202, BG 3), the southern portion of Southern Hills (CT 201, BG 3), CT 215.01, the Bataan Plat (CT 213.01, BG 1), Wiles Creek (CT 210, BG 1) and the Rolling Fields neighborhood (CT 213.02). In 2013, the hardest hit neighborhoods were CT 209 where several small apartment buildings fell into foreclosure, at least two of which are still vacant (526 and 550 Corona), Southern Hills, Bataan, the neighborhood north and east of the Van Buren Apartments (CT 211, BG 2), Aragon and Rolling Fields. In 2014, the foreclosure filings were much more spread throughout the City, with the main concentrated areas of foreclosures being the Bataan Plat

and the neighborhood north and east of the Van Buren Apartments. However, by 2014, all areas of the Kettering were experiencing lower foreclosure rates than in 2012, suggesting that the foreclosure crisis is continuing to abate city-wide.

Unemployment & Employment Sector Shares

Many of the issues with declining incomes and rising poverty rates stem from the relatively weak economy of the Dayton Area in recent years. Between 2000 and 2008-2012, the number of unemployed residents in Kettering rose from 1,008 up to 2,214 (+/-300). In addition, many high-paying jobs, such as those in the manufacturing sector, have evaporated, particularly those in the automotive industry. Between 1990 and 2008-2012, the share of Kettering residents employed in the manufacturing sector fell from 21.08% down to 10.7% (+/- 1.1%) while the share of residents employed in the retail sector remained largely unchanged at 13.2% (+/-1.2%), surpassing manufacturing as a share of employment for Kettering residents. During that same time, the total number of employed residents in Kettering dropped from 31,130 down to 27,764 (+/-673).



Employment Industry Key			
Index #	Industry	Index #	Industry
1	Agriculture, forestry, fishing, hunting, mining	8	Finance, insurance, real estate, and rental and leasing
2	Construction	9	Professional, scientific, management, administrative, and waste management services
3	Manufacturing	10	Educational, health and social services
4	Wholesale trade	11	Arts, entertainment, recreation, accommodation and food services
5	Retail trade	12	Other services (except public admin)
6	Transportation & warehousing, & utilities	13	Public administration
7	Information		

Sources: 1990 and 2000 Decennial US Census Counts and 2008-2012 ACS 5-yr estimates

Local Economic Conditions

Despite the weak economy, several major developments have been announced recently for the area that will add thousands of direct and indirect jobs to the area's economy. In addition, the Dayton MSA added 5,200 nonfarm payroll jobs in 2014 between January and December, or, +1.4%; a rate comparable to Ohio as a whole and lower than the United States, which added 72,700 (+1.4%) and 2,950,000 (+2.1%) nonfarm payroll jobs, respectively, between January and December of 2014.

Kettering's own employers come from a diverse range of industries: from medical care (Kettering Medical Center, smaller offices), education (Kettering City Schools, Kettering College, National College), call centers (GE, Limited), research (Community Tissue Center), manufacturing (Tenneco, Aviation Ground Equipment) and tech (Kodak, Mound Laser). Aside from the large drop in employment Kettering experienced between 1990 and 2001 due to the downsizing of both DESC and GM/Delphi, Kettering's employment trends largely followed those of the Metropolitan area until the Great Recession led to a large drop in employment. Some of the employers that have left the City in recent years, including Uniprise and Primestar, have done so due to the need to expand their operations and the lack of available space in the area necessary to suit their needs.

Immigration

Another factor that can influence poverty and income is a high rate of immigration, as immigrants tend to have lower incomes than the native-born population. However, Kettering has been slow to experience high rates of immigration when compared to other areas of the United States. In particular, Kettering's foreign-born population remained statistically unchanged between 2000 and 2010, changing from 1,558 (2.7%) to 1,441 (+/-289) (2.6% (+/-0.5%)).

General Housing

Housing Age

Kettering's housing stock tends to be older, on average, than Montgomery County, the Dayton MSA, Ohio and the United States due to the earlier build-out of the City. Nearly 89% of Kettering's housing units were built prior to 1980. Owner-occupied housing units tend to be older than renter-occupied units, with a median construction year of 1958 (+/-1) for OO units and 1964 (+/-1) for RO units. Census Tracts in the northern areas of Kettering tend to have older housing units than the southern areas, with Census Tracts 201 (1942 +/-1) and 211 (1950 +/-2) having the oldest median construction years.

The decade with the largest share of housing construction in Kettering was the 1950s, when nearly 1/3rd of the City's housing stock was built. Between the 1950s and 1960s, more than 50% of Kettering's housing units were built and a major drop-off in new construction occurred following the 1960s. Kettering's rate of construction is very concentrated when compared to the more spread out construction timeframes for Montgomery County, the Dayton MSA, Ohio and the United States. The age and type (many smaller ranch-style homes) of many of Kettering's housing units are two of the contributing factors holding down the housing values in some of Kettering's neighborhoods, such as the Lanbury, Aragon and Bataan Plats, the areas of CT 211 with single-family housing, Rolling Fields and the Flowerdale/Willowdale area of CT 216.01.

Housing Types

Kettering, Montgomery County, Ohio and the United States all have similar shares of 1-unit, detached housing units, but there are large variations among the other housing unit types. Kettering has the largest share of 3-4 unit buildings when compared to Montgomery County, Ohio and the United States, and this is evident when driving through the City and observing the large number of small apartment buildings peppered throughout the community, particularly in Census Tracts 201 (Old Lane area), 205 (senior housing south of Town & Country), 209 (Telford, Corona, San Rae area), 211 (Greenmont Village, Richman Heights, and the Van Buren Apartments area) and 217 (Croftshire area).

Several of these smaller 3-4 unit apartment buildings in Kettering have been converted into affordable housing by a several different affordable housing operators, such as Miami Valley Housing Opportunities, St. Vincent and Greater Dayton Premier Management.

Housing Tenure

Regarding housing tenure, there is a strong positive correlation between the share of single-unit, detached housing units and the homeownership rate. Based on 2010 Census Data, the homeownership rates of Kettering, Montgomery County, Ohio and the United States stood at 64.7%, 63.0%, 67.6% and 65.1%, respectively, all having experienced decreases in homeownership since the year 2000. These areas have 1-unit housing shares of approximately 67%, 66.3%, 68.5% and 61.7%, respectively.

Census Tracts in Kettering with the highest shares of 1-unit, detached housing units tend to have the highest rates of homeownership while those with large shares of multi-unit buildings tend to have low homeownership rates relative to the City as a whole.

Census Tracts with low rates of homeownership relative to the share of 1-unit detached housing units are usually those areas with the largest share of single-family housing units that have been converted into rental units. For example, in 2000, CT 210 (Wiles Creek) had a homeownership rate of 78.5% and a 96% share of 1-unit detached housing units. With limited new construction between 2000 and 2010, the homeownership rate of CT 210 declined to 73.1%, suggesting a large number of housing units converted from homeowner-occupied to renter-occupied. Other Census Tracts with low homeownership rates relative to their 1-unit, detached housing share are CTs 211 (43.6% 1-unit detached vs. 32% homeownership rate), 213.01 (93.4% 1-unit detached vs. 73.6% homeownership rate)* and 213.02 (89.8% 1-unit detached vs. 71.4% homeownership rate).

*Between 2000 and 2010, two Franklin Foundation multi-family housing buildings were built in CT 213.01, which contributed to the decrease in the homeownership rate of that neighborhood.

Housing Vacancy

The number of vacant housing units in Kettering has risen since 1990, from 988 up to 1,279 in the year 2000 and up to 2,175 in 2010. The increases in the number of vacant units between 1990 and 2000 was driven by an increase in the number of housing units for rent as well as seasonal, recreational or occasional use housing units. Between 2000 and 2010, the increase was driven by a combination of all vacant housing statuses aside from housing for migratory workers. While the increase in the number of vacant housing units in Kettering between 2000 and 2010 is troubling, particularly the increase in vacant housing units in the “other vacant” category, Kettering maintains a lower vacancy rate than Montgomery County, Ohio and the United States.

The tables below depict the changing number of vacant housing units in Kettering and Montgomery County between 1990 and 2010.

Statuses of Vacant Housing Units: Kettering				
Status Year	1990	2000	2010	% Change (1990-2010)
For Rent	553	633	1,023*	+85%
For Sale	212	222	410	+93.4%
Sold or rented, not occupied	N/A	78	126	+61.5%
Seasonal, Recreational or occasional use	40	145	154	+285%
For migratory workers	N/A	0	0	0%
Other Vacant	193	201	462	+138.4%
TOTAL	998	1,279	2,175	+118%
Vacancy Rate	3.7%	4.8%	7.9%	+114.1%
Homeowner Vacancy Rate	0.8%	1.3%	2.4%	+200%
Rental Vacancy Rate	6.0%	6.9%	10.2%*	+70%

Statuses of Vacant Housing Units: Montgomery County, OH				
Status Year	1990	2000	2010	% Change (1990-2010)
For Rent	7,604	8,658	12,375*	+62.7%
For Sale	1,836	2,684	4,213	+129.5%
Sold or Rented, Not Occupied	N/A	1,631	1,195	-26.7%
Seasonal, Recreational or occasional use	396	912	890	+124.7%
For Migratory Workers	N/A	9	2	-77.8%
Other Vacant	4,792	5,320	12,159	+153.7%
TOTAL	14,628	19,214	30,832	+110.8%
Vacancy Rate	6.1%	7.7%	12.1%	+99.3%
Homeowner Vacancy Rate	1.4%	1.8%	2.9%	+51.7%
Rental Vacancy Rate	8.2%	9.7%	12.9%*	+57.3%

Sources: 1990, 2000 and 2010 Decennial Census Counts

*A large increase in the rental vacancy rate occurred in the United States starting in the year 2000 and in Ohio starting in the early 1990s. Both rates have come down since the 2010 Census and it is likely that Kettering has experienced decreases in recent years as well.

The Census Tracts with the highest overall vacancy rates tend to be those with large shares of rental units, such as CTs 205 and 218, both of which are comprised predominately of multi-family housing units. However, many of the vacant housing units in these areas are “for rent” or “for sale”, suggesting that the vacant units at least have a responsible owner. Other Census Tracts, such as 201, 209, 210 and 211 have high shares of “other vacant” units, which suggests that several housing units in these areas may be vacant and without a responsible owner. However, since the 2010 Census, several housing units have been demolished in the Wiles Creek neighborhood (CT 210), suggesting that the “other” vacancy rate in that neighborhood has declined in the years since the 2010 Census.

Housing Absorption Rates (Home sales & new plats)

Home Sales & Inventory

Based on data provided by Zillow.com, there were 848 homes sold in Kettering in 2014, for an average sale pace of 71 homes per month, with sales spiking considerably during the summer before dropping off during the colder months. In December of 2014, 229 housing units were for sale according to Zillow. However, this number is likely smaller than the typical number at any given time during the year due to the holidays and the cold weather in December depressing the number of homes listed for sale. Assuming that the rate of sale of 71 homes per month were to remain constant, it would take only 3.23 months for all 229 homes to sell, which is a very fast absorption rate considering that some sources consider a 5-7 month absorption rate to represent a balanced market⁴. If the number (410) of homes for sale listed by the 2010 Census is used with the same number of sales for Kettering, the absorption rate becomes 5.78 months, which is a much more typical (and healthy) absorption rate.

On a regional basis, according to the Dayton Area Board of Realtors, with 13,156 total sales and 21,681 listing entries, the 2014 “inventory on hand hovered around the 5.5-month supply level for most of the year”⁵, which is considered healthy.

New Plats & Construction

Several plats of varying sizes and housing types have been approved and constructed in Kettering in recent decades, including Old Lane Village in CT 201 and the Villas at Kettering Pointe in CT 212. For Old Lane Village, which was platted in early 2001, according to data from the Montgomery County Auditor, 38 out of the 39 buildable lots were built on by the end of 2003, with one additional lot having a home built on it in 2005. The rapid construction of most of the plat within a few years suggests a strong demand for housing at the time.

The plat for the Villas at Kettering Pointe was approved in August of 2006, shortly before the housing crisis took hold nationwide and the credit markets dried up. Out of the 35 buildable

⁴ How Do You Calculate Absorption Rate? (2011, November 30). Retrieved February 3, 2015, from <http://www.realtor.com/advice/how-do-you-calculate-absorption-rate/>

⁵ Dayton Area Board of REALTORS®. (n.d.). Retrieved February 3, 2015, from <http://www.dabr.com/monthly-home-sales-releases-news-media-menu/home-sales-2014-press-menu/1273-dayton-area-home-sales-for-december-2014.html>

lots, 6 were built on in 2007, 7 in 2008, 3 in 2009, 1 in 2010, 0 in 2011, 2 in 2012, 2 in 2013 and 8 in 2014, leaving 6 vacant lots. One of these lots appears to have been built on so far in 2015, suggesting that 5 buildable lots remain. The slow pace of the build-out of the Villas at Kettering Pointe reflects the collapse of the housing market that occurred shortly after the plat was approved. However, the large increase in the number of lots built on in 2014 relative to previous years suggests that the local housing market has recovered somewhat in recent years.

Acorn Walk is another plat that was recently approved, though not all of the development is shovel-ready for new homes, several parcels have been platted and are ready for development. However, aside from a model double and the 24-unit Franklin Foundation building, no construction has occurred on the property. This is likely due to a combination of the \$150,000 price floor per unit (\$300,000 for single-family houses, \$150,000 per housing unit in the duplexes) imposed on the property as well as a still-depressed housing market.

Market-Rate Rental Properties

Interviews and/or site visits have been conducted at several market-rate apartment complexes in Kettering that comprise approximately 4,100 rental units, including The Residenz, Georgetown, The Wynds, the Beaver Ridge Run Apartments, Thirty43, Heritage Knoll, Fox Hunt, the Commons at Kettering, Catham Village and Creekwood, among others. Based on these interviews, vacancies are not a major issue at any of the apartment complexes with overall vacancy rates ranging from 0% up to 17.1%, suggesting a healthy demand for many of the existing rental units in Kettering that are located within apartment complexes. The high vacancy rate of 17.1% is due to a fire in one of the buildings at the Highland Park Apartment complex which has taken 24 units out of commission; otherwise, all of the other 116 units at the development are rented. Aside from Highland Park, the next highest vacancy rate is at the Ketwood Apartments in CT 213.01, which has a vacancy rate of 12.9%, including 4 units in the process of being rehabilitated.

This suggests that many of the 1,023 vacant “for rent” units in Kettering based on the 2010 Census have become occupied, though the analysis is by no means a comprehensive analysis of all market-rate rental units in Kettering. However, based on continued releases of Census data since 2010 regarding rental vacancy rates in Ohio and the United States, rental vacancy rates have decreased each year since 2010 and continue to decrease today on both State and National levels.

The decreasing inflation-adjusted gross rent costs in Kettering that have occurred since 1990 (from \$771 in 1990 down to \$731 +/- \$21 based on 2008-2012 data) along with the fact that several apartment complexes offer some type of “move-in specials” (decreased rent, cable packages, etc...) and/or incentives for existing residents to suggest other people move into the complexes, suggests that the aging of the existing rental units and lack of population growth is contributing to an overall soft rental market.

Interestingly, after speaking with several leasing agents of apartment complexes throughout Kettering, students from the many nearby colleges and universities make up decent shares of

the renters in some of these complexes, with the rough estimate in one complex being that nearly 35% of the units are occupied by students (Georgetown) and another estimate being that students occupy 10%-16% of all of the units in the complex (Ketwood). With this in mind, the presence of colleges and universities in the area likely buttress the demand for market-rate rental properties in Kettering.

A variety of room and unit types are available on the market, ranging from 1 bedroom garden-style apartments up to three bedroom townhomes, with a heavy concentration of 1 bedroom and 2 bedroom apartments along with 2 bedroom townhomes. 1 and 2 bedroom apartments seem to be in the highest demand, with vacancies in these unit types being very low. Townhomes are in decent-demand as well, but there is an oversupply of 2 bedroom townhomes and 1 bedroom apartments within at least one larger apartment complex in Kettering.

Regarding amenities, many apartment developments include pools and clubhouses that can be used by tenants. Other common amenities are: playgrounds on the property, balconies, walk-out (sometimes private) patios, carpeting, on-site laundry and fitness facilities, full kitchens with dishwashers, and central air. One weakness mentioned while conducting the interviews are the occasional lack of in-unit washer and dryer hookups. Another apartment design feature of some developments (Creekwood and The Wynds) that reduces the asking price for certain units are apartment complexes where the first-floor units are half under-ground, resulting in no walk-out patio or balcony.

NOTE: Vacancy data was not available for every apartment complex. In addition, the vacancy data is based on the number of units available for rent, and units that are vacant due to maintenance issues are not always included. Also, the senior living apartments operated by Huber Management have considerable vacancy issues with the apartment units on the second floor of their 4-unit buildings.

Affordable Housing Demand

There are approximately 604 units of affordable housing in Kettering, including 198 units targeted to seniors. Of the 604 affordable units, 301 are 1 bedroom units, 198 are 2 bedroom units, 72 are 3 bedroom units, 19 are efficiency units and 14 have unknown floorplans. Based on discussions with the leasing agents and operators of many of these housing units, vacancy rates are very low with all unit types and many of the developments have waiting lists in excess of 2 years. For example, the 16 units of housing owned by GDPM have a waiting list of 641 people alone. Based on additional waiting list data for public housing provided by GDPM, of the 2,735 families on the public housing waiting list for all of GDPM, 54.6% are requesting 1 bedroom units, 33.8% are requesting 2 bedroom units, 10.1% are requesting 3 bedroom units and the remaining 1.5% are requesting units with 4+ bedrooms.

A variety of programs and financing mechanisms have been utilized in the financing and development of Kettering's existing affordable housing stock. 227 units are located in developments financed with the LIHTC (Trails of Oak Creek, Oakdale Apartments, Marshall/Eastway House), an additional 103 units were financed with the LIHTC while the units

are now eligible for Section 8, Eastway and MVHO subsidies (Courtyards of Kettering), 102 units are Section 8 units (The Terraces), 16 units are publically owned (four GDPM-owned buildings on Telford), nonprofits own and operate 49 units (St. Vincent Brownleigh Building and the buildings owned by MVHO), and 104 units (Franklin Foundation, Marshall/Eastway House) were developed with Section 202 financing and other grants targeted at boosting the construction of affordable housing for seniors. It should be noted that there is a fair amount of overlap with regards to the programs used to make developments affordable. For example, the Oakdale Apartments were assisted with the LIHTC, and the property is now Section 8 eligible.

Regarding future demand for affordable housing, when looking at demographic trends, senior housing, either through investments in existing homes that make them more livable for senior citizens or through the construction of subsidized senior housing units, will be a major requirement to meet the future affordable and livable housing needs of the community. In addition to senior housing, general affordable housing targeted to anyone who meets income standards will remain in high demand, especially within communities such as Kettering where the demand to live in the City is high. Based on the latest GDPM Housing Needs Assessment (included in this report as Appendix VIII), 93% of the households on the waiting lists for both public housing and the HCV program are in the extremely low income category (>30% of AMI) while 4 percent are in the very low-income category (30%-50% of AMI). 1 and 2 bedroom units are currently in the highest demand based on waiting list data provided by GDPM.

C. Conclusions

Kettering, Montgomery County, Ohio and the United States face major challenges with regards to decreasing incomes, rising poverty and an increase in the share of housing units considered cost burdensome to the tenants. All of these issues have become more common lockstep with the aging of the housing stock, which will become increasingly costly to maintain as time goes on.

Many of the existing housing-related issues stem from the weak economy and loss of jobs along with the replacement of many good-paying jobs with lower-paying ones. Due to suburban poverty being a relatively new issue, research into the most effective strategies for alleviating poverty in such areas is in its infancy relative to poverty alleviation programs geared toward more dense, walkable urban areas. However, the Brookings Institute has a resource regarding *Confronting Suburban Poverty in America* that can be used as a starting point for creating effective poverty-alleviation and affordable housing strategies. The Brookings Institute often discusses the importance of local partnerships and collaboration in between governmental and non-governmental organizations in order to leverage expertise and resources to meet local challenges. Partnerships between governmental and non-governmental groups will be a critical component of any community development strategy due to constrained monetary resources at all levels of government.

The relatively older age of Kettering's population is particularly worrisome due to the large share of owner-occupied housing units with householders who are 85 years of age or older. Not

only will this trend create increased demand for housing investments meant to make homes more livable for senior citizens, but as more years pass, an increasing number of these residents may leave their homes for other areas or pass away, which may create a glut of vacant housing units in the City if there is no responsible party left to sell or maintain the homes. This issue will become particularly troublesome for houses without a mortgage or any liens that can be foreclosed on by lending institutions. In order to meet this challenge in the coming years, Kettering must implement policies meant to accelerate the process for either removing blighted structures from the City's neighborhoods or transferring abandoned tax delinquent properties to new owners.

In addition, as the population ages, the demand for financing for livability improvements to homes, such as handicapped accessibility ramps, walk-in showers, grab bars, sight & sound accessibility features and hand railings, among others, will grow in demand.

Not all of the recent economic data is negative, however. In 2014, the Dayton MSA experienced strong employment growth in many employment sectors, including in many typically well-paying sectors, such as the goods producing and the education and health fields. It is too early to tell if this will be a sustained trend, but as employment opportunities grow for the area's residents, slack in the labor market should decrease and put upward pressure on wages. In addition, in 2013, both Ohio and the United States experienced upticks in real median household incomes, which may signal the beginning of a slow ascent in wages, though the real median incomes of both Ohio and the United States remain several thousand dollars below their pre-recession peaks. On a City-wide level, several schools have seen decreases in the shares of students receiving free or reduced-price lunches, suggesting rising incomes in these areas.

The data contained on the preceding pages is explained in much more detail in the full *Housing Market Analysis* that follows. The table of contents along with the lists of appendices, figures and tables are useful in guiding the reader to a particular topic of interest. A companion report, the *Census Tract Drilldown*, further breaks down many of the key points to the Census Tract (and occasionally block group) level for the City of Kettering.

VII. RECOMMENDATIONS

A. Introduction

The recommendations below cover a variety of issue-areas in Kettering and are meant to strengthen existing programs while creating additional programs with the overarching goals of strengthening positive local trends and weakening or reversing negative trends. Many of the proposals are small in scope but the overarching goal is that these programs, when taken collectively, will make a legitimate difference in strengthening neighborhoods and furthering affordable housing development in the City of Kettering.

B. Form partnerships to build available resources and skills for dealing with local issues

One major finding of this report regarding affordable housing and community development is that several developers and managers of affordable housing operate within Kettering and the region. Some examples include: Greater Dayton Premier Management (GDPM), CountyCorp, St. Vincent, Eastway, Miami Valley Housing Opportunities (MVHO), Franklin Foundation, and Neighborhood Housing Services (NHS).

As public resources continue to be restrained by budget cuts at all levels of government and rising costs, forming partnerships between two or more of these organizations may be able to leverage additional resources to **strengthen affordable housing availability and resources** in the area. For example, securing financing may be the strong suite of one organization while property management may be the strong suite of another. The Brookings Institution offers several suggestions and case studies regarding the importance of forming partnerships to address community challenges in suburban areas in their *Confronting Suburban Poverty in America* online resource⁶.

Programs designed to assist homeowners maintain and improve their homes should be a centerpiece of any community improvement initiative, and partnerships between Kettering and other organizations can assist in making home maintenance and improvements more affordable. As was stated in *Philadelphia: A New Urban Direction*:

*Aging buildings do not necessarily mean trouble if the population has sufficient resources to maintain them. More ominous is the fact that, because the population is aging, and because the income level of the population is likely to decrease, housing maintenance will be a major concern for Philadelphia's future. If elderly and low-income Philadelphians are unable to properly maintain their homes, their properties will retain little future value. Further neighborhood deterioration will be inevitable.*⁷

⁶ *Confronting Suburban Poverty in America*. Brookings Institute. Retrieved on December 5, 2014: <http://confrontingsuburbanpoverty.org/>

⁷ Philadelphia (Pa.). Office of the City Controller. *Philadelphia: a new urban direction* / Office of the City Controller, City of Philadelphia; Jonathan A. Sidel... [et al.]; Forward by Edward G. Rendell. – 2nd edition.

In previous years, Kettering operated the **Housing Enhancement Loan Program (HELP)** in partnership with Day Air Credit Union, a local for-profit private business. The main role of Kettering in the program was to assist applicants in reducing interest rates on home improvement loans by pre-paying down some of the interest costs on loans. Kettering would pay down 2% of the interest and Day Air would then discount an additional 0.5% of the interest costs. Homeowners were still required to apply for and qualify for loans from Day Air Credit Union for value-added home improvements such as room additions and kitchen remodels. One shortcoming of this program today is that many homeowners may be underwater on their mortgages or have very little equity in their homes with which to use as collateral for the loans.

Partnerships have also been formed between neighborhood non-profits and public organizations in the past. An excellent regional example of this occurring is in the **Ft. McKinley Neighborhood** of Harrison Township, which is benefitting from major housing and retail investments through a partnership with Harrison Township, CountyCorp, Montgomery County and the Ft. McKinley United Methodist Church. This jurisdictional/non-profit/faith-based partnership has allowed for the leveraging of hundreds of thousands of dollars targeted at demolitions of dilapidated structures and the construction of new housing units in the community.⁸

Partnerships can also form between departments of Kettering. An example of this occurring now is with the **Kettering Cares** program which is operated by the Volunteer Office with assistance from most of Kettering's other departments with the goal of furthering neighborhood revitalization through the use of volunteers. The program has so far targeted and completed two neighborhood areas (Richman Heights & Indianola) and is currently working on the third (Northern Southern Hills). As Kettering Cares continues to develop and build on the successes of previous neighborhoods, the program may be able to expand into assisting homeowners with more major housing improvements and renovations, such as painting, gutter and hand rail repairs, window replacements, and sidewalk repair, among others, much like the **Rebuilding Together Dayton** organization.

C. Improve marketing efforts of City assets and programs to attract new residents

There have been population declines for Montgomery County and Kettering for many decades. The negative perception of many areas of the County may be contributing to potential movers to the area not looking first at housing options within Montgomery County before moving on to areas in Miami, Greene and Warren Counties.

Effectively marketing Kettering's strengths (schools, parks & recreation, general public services, police and fire, fiscal stability, etc...) can attract more residents to Kettering. In Particular, Kettering should develop a strategy to attract military and civilian employees of WPAFB to the area. The Dayton Area is unique with regards to the presence of such a large (and growing)

⁸ *Project Neighborhood*. Harrison Township, Montgomery County, OH. Retrieved on December 31, 2014: <http://www.harrisontownship.org/project-neighborhood.html>

military base. In 2004, 22,000 people were employed on the base. By 2013, this number had grown to 29,000⁹. Alternative numbers put base employment at 26,270 in 2014, down from 26,912 in 2012 due to sequestration contributing to a base hiring freeze¹⁰. Regardless of which number is accurate, the base has grown by several thousand employees since 2004.

Marketing can also be used as a strategy for reducing the number of “for sale” and “for rent” properties in the City of Kettering. The City of Cincinnati has a **Real Estate Ambassador Program** that works to better acquaint real estate agents with Cincinnati’s amenities and history while also working to educate real estate agents about available funding for down payment assistance and home renovations.¹¹ A similar program to educate real estate agents in Kettering will be especially helpful with regards to the current **down payment assistance program** and a possible return of the **Home Enhancement Loan Program (HELP)**. By training and making more local real estate agents aware of the existing programs meant to assist prospective homebuyers in the area, Kettering may be able to increase the utilization of many existing programs, which in turn may help reduce the number of vacant for sale and for rent housing units in Kettering.

D. Update existing plans and create new plans for site-specific developments

Consider **updating** Kettering’s existing **comprehensive plan**, which was last updated in 2002. Major economic shocks have occurred since the plan was first created, which have contributed to a shift in the Dayton MSA’s economic climate. An update to the plan may uncover more trends while also bringing newer planning and economic development research into the fold to address many of the suburban neighborhood issues facing Kettering.

In addition to the comprehensive plan, the City of Kettering owns several pieces of property that will be instrumental in steering future development in the City with regards to housing and economic development. The remaining vacant land and building space at the **Kettering Business Park**, the **Prugh Property** and the property just west of the **E. Stroop/Wilmington** intersection are a few examples. The development of **site-specific plans** for these properties will be useful with regards to compiling different possibilities for the future development of the sites.

⁹ Montgomery County, Ohio Comprehensive Annual Financial Report, page 404. Retrieved on December 10, 2014 from: <http://www.mcoho.org/government/auditor/CAFR.pdf>

¹⁰ *Wright-Patt had \$4B Economic Impact Last Year: Base Hiring Freeze, Sequestration Caused \$160 million Drop from FY 2012*. By Barrie Barber, published on December 18, 2014, retrieved from: <http://www.daytondailynews.com/news/news/local/wright-patt-had-4b-economic-impact-last-year/njWHr/> on January 18, 2014.

¹¹ City of Cincinnati. *Cincinnati Real Estate Ambassador Program*. Retrieved on December 15, 2014 from: <http://www.cincinnati-oh.gov/community-development/neighborhood-development/real-estate-ambassadors/>

E. Determine the best areas for affordable housing development

In order to have a better and more visual understanding of the development potential of several properties in Kettering with regards to affordable housing, the City should conduct an analysis of any and all community development and P&D-owned properties for the purpose of determining the development potential of each lot. The best locations for the development of affordable housing, either through new construction or conversion of existing units, are based on several factors.

First, the parcels(s) will preferably be **owned by the City of Kettering** in order to eliminate the costly acquisition phase. In addition, any parcel(s) should have few or no environmental impediments to development, such as being located in the **floodway**.

The parcel(s) will preferably be **zoned for multi-family housing**. Alternatively, single-family houses can be developed, such as the proposed Franklin Foundation development on the lot at 2804 Gaylord.

For new construction, the parcel(s) should be **vacant** or contain **abandoned structures** that can either be redeveloped or removed entirely. If the property is not city-owned, it must be for sale by the owner, or the property must be 2+ years delinquent on taxes and abandoned in order to be eligible for acquisition through the Montgomery County Land Reutilization Corporation.

For conversion projects, the parcel(s) should contain **abandoned multi-family buildings**, preferably not too high in concentration.

The parcel(s) should be within $\frac{1}{4}$ a mile of the **nearest bus stop** with easy sidewalk access from the front door to the nearest bus stop in order to improve the transportation options for future tenants.

Preferably, the parcels will also be **located in redevelopment areas** of the City, such as lots on Wilmington Pike where surplus commercial/industrial buildings have been or are planned to be removed. An example of this are the vacant lots located south of El Rancho Grande on Wilmington Pike.

Use the metrics above, plus any other critical points, to create a matrix for sites where affordable housing can be developed. A sample matrix is included on the following page.

Affordable Housing Development Matrix			
Property Address: _____			
Potential Development: _____			
Potential Developers/Managers: _____			
Potential financing mechanism(s): _____			
Development Factors			
Is the Property City-owned?	Y _____	N Owner: _____	N/A
Does the property have any environmental impediments?	Y _____	N	N/A
Is the property for sale or eligible for acquisition through the land bank?	Y Est. Cost: \$ _____	N	N/A
Zoned multi-family?	Y Zoning: _____	N Zoning: _____	N/A
-Vacant Land?	Y	N _____	N/A
-Vacant/abandoned building?	Y	N Occupied by: _____	N/A
Within ¼ mile of the nearest bus stop?	Y	N	N/A
Located in redevelopment area?	Y Which area? _____	N	N/A

F. Expand the number of tools available to prevent foreclosures

The number of foreclosure filings against property owners in Kettering has been decreasing on an annual basis since at least 2012. However, the number of foreclosure filings remains higher than before the housing crisis began. While Kettering can do very little to counter the large number of foreclosures still occurring, continuing the **existing foreclosure counseling program** along with implementing an **emergency mortgage-assistance program** similar to the one operated in Cincinnati will be useful in preventing foreclosures in the future.

In Cincinnati, up to \$2,500 is available as a one-time payment to prevent a foreclosure from going through if a new revenue stream has been established by the homeowner.¹² If \$10,000 were to be allocated annually to such a program, assuming all of the funding is used, four foreclosures could be prevented in Kettering annually.

¹² City of Cincinnati. *Homeowner Preservation Initiative*. Retrieved on December 15, 2014 from : <http://www.cincinnati-oh.gov/community-development/housing-assistance/foreclosure-prevention/>

G. Reduce the number of problematic vacant properties through an aggressive code enforcement and demolition program

The number of vacant properties in Kettering nearly doubled between 2000 and 2010 from 1,279 vacant units up to 2,175. Much of the increase was driven by an increase in the number of units for rent (from 633 up to 1,023) or for sale (from 222 up to 410) or those units that have been sold or rented, but not occupied (from 78 up to 126). There were also 154 units of seasonally-occupied housing. These units should have a responsible party who can be contacted and held accountable for properly maintaining the property. However, the number of “other” vacant units increased from 201 up to 462 between 2000 and 2010. This compares to an increase from 193 up to 201 between 1990 and 2000. This abrupt increase relative to the previous decade suggests an increase in the number of abandoned housing units without a responsible owner.

Kettering’s code enforcement officers each have a list of “**problem**” **properties** that are often vacant and may be in limbo due to a foreclosure that was cancelled before the Sheriff’s sale or some other reason, leaving a now vacant structure with no responsible owner. Many similar problem properties have been addressed in the past through a variety of measures, including:

- Purchase → Demolition
- Nuisance abatement through the courts → Demolition
- Purchase → Rehab → Sell
- Find and hold the owner(s) accountable for maintaining the property → Owner-conducted and financed rehabilitation
- Foreclosure process initiated by lien holder → Property sells to new owner
- Other...

The steps above should continue to be utilized with a few major additions: first, the use of the **Montgomery County Land Reutilization Corporation**. The Montgomery County Land Bank can be a useful tool for relatively cheaply acquiring abandoned properties that are at least two years delinquent on taxes through the use of tax foreclosures either through the Board of Revisions or through the normal tax foreclosure process through the courts.

Kettering should use the land bank to acquire and demolish problem properties that are too far gone to be rehabilitated and re-occupied by a new tenant. Alternatively, Kettering may seek to acquire tax-delinquent and abandoned properties that can be rehabbed and sold as has been done in the past through the NSP. However, due to the limited resources of today, any purchase-rehabs should be focused in neighborhoods where each dollar put into a comprehensive rehabilitation project can stretch the furthest.

Second, the implementation of a **nuisance abatement ordinance** that allows Kettering staff to hire contractors to clean up vacant properties that have been cited for code violations and have not been addressed, and, in extreme circumstances, can be demolished after the owner is properly notified (traditional and certified mail, posting a notice on the property, newspaper publication) of the condemnation of the property and continues to not respond. Such a

program will allow Kettering to more rapidly respond to code violations on vacant and blighted properties. This will become especially important in the future if the number of abandoned properties increases due to the aging of the population and subsequent abandonment of fully-paid off homes.

H. Enact a vacant property registration requirement

Many cities in Ohio have enacted some form of a **vacant property registration requirement** along with a **registration fee**, which, in some cases, increases on a graduated scale based on the number of years the property has been vacant, which is the case of Ashtabula, OH. The purposes of these programs vary, but the overarching goal is to ensure that vacant properties are maintained properly while also allowing City staff to monitor the number and status of vacant properties in the cities, particularly properties going through the foreclosure process in order to better monitor properties at risk of becoming vacant and blighted. Many cities in Ohio require that properties be registered with the city within a certain number of days of the **initial foreclosure filing** in order to not only track the number of foreclosures, but also to immediately establish a responsible party for the maintenance and cleanliness of foreclosed properties if they do become vacant as the process continues.

Example vacant property registration programs include:

1. The City of Fairborn¹³
 - Fairborn’s vacant property registration program is geared toward monitoring abandoned, foreclosed properties. Foreclosing entities are required to register the property with Fairborn (it is the foreclosing entities responsibility to register the property). Once the property is registered, an interior/exterior inspection of the property is scheduled with Fairborn’s Code Official. If any violations are found, orders to correct them are issued. Such a program ensures that abandoned properties do not deteriorate to the point of being unsalvageable in the future without a public subsidy.
2. The City of Ashtabula¹⁴
 - Ashtabula’s vacant registration ordinance includes both residential and commercial structures and states that “Shifting the cost or burden of the existence of vacant residential and commercial structures from the general citizenry to the owners of the buildings is the intended result of this chapter.” Similarly to Fairborn’s ordinance, the burden of registering the property is on the property owner. However, the ordinance also states that a vacant property must

¹³ City of Fairborn Vacant Property Registration Ordinance: <http://www.safeguardproperties.com/~media/VPR%20Attachments/Ordinance/Fairborn%20OH%20VPR%20Ordinance.pdf> & registration form: <http://www.safeguardproperties.com/~media/VPR%20Attachments/Forms/Fairborn%20OH%20Registration%20Form.pdf>

¹⁴ City of Ashtabula Vacant Building Enforcement Ordinance: <http://cityofashtabula.com/wp-content/uploads/2013/05/vacant-building-enforcement-Ordinance.pdf> & Registration Form: <http://cityofashtabula.com/wp-content/uploads/2013/06/VACANT-BUILDING-LETTER.pdf>

be registered “not later than 30 days of being notified by the Division [of Planning and Community Development] of the requirement to register based on evidence of vacancy.” This last point is especially important because it gives Ashtabula’s code enforcement officers an extra tool for holding the owners of vacant properties accountable if the officers are the ones who originally discover a vacant property that is not registered.

- Vacant buildings in Ashtabula are also required to undergo interior and exterior inspections each year.
3. Others are listed and can be researched on the webpage of Safeguard Properties¹⁵, one of the several property management companies frequently hired by banks to maintain foreclosed properties.

I. Utilize the Montgomery County Land Reutilization Corporation for property transfers

The Real Estate Acquisition Program (REAP) is a program carried out in some cities in Montgomery County, including Dayton (Lot Links) and Riverside. Both communities allow eligible applicants to apply to acquire properties that are abandoned and at least two years delinquent on taxes. The properties can be vacant lots or include structures.

Eligibility requirements vary. In Riverside, the applicant must not be delinquent on any taxes in Montgomery County or have any habitual code violation issues. If the property and the applicant are determined to be eligible, the Montgomery County Treasurer is notified that the City wishes to acquire the property through the tax foreclosure process through either a memo (judicial process) or an affidavit of abandonment (board of revisions). The applicant must then put a \$2,000 deposit down for the property, which is used to finance the court costs of the tax foreclosure.

There are two avenues to acquire a property through tax foreclosures. The first is through the Board of Revisions (BOR) and the second is through the judicial process, which is similar to a typical foreclosure except the plaintiff in the foreclosure case is the MC Treasurer foreclosing for the delinquent taxes rather than a bank foreclosing for mortgage payments.

The BOR process tends to move faster, but there is almost no chance of receiving any of the delinquent taxes owed on the property because the BOR scrubs the taxes from the property entirely before transferring ownership of the property to the applying jurisdiction, which may then either transfer the property to an applicant through a quitclaim deed or some other instrument.

¹⁵ Safeguard Properties webpage regarding vacant property registration programs in Ohio:
http://www.safeguardproperties.com/Resources/Vacant_Property_Registration/oh.aspx?filter=vpr&city=&category=&page=all&sort=fees&dir=desc

The judicial process tends to take much longer and requires the property to go through two sheriff's sales before the property is transferred to the City, which may become problematic if the property is purchased by someone other than the applicant. However, one strength of the judicial process is that it can be used on abandoned properties that are still in decent shape in order to push the property into a sheriff's sale where a new owner is likely to purchase the property. However, if the property ends up not selling at one of the sheriff sales, the City must take ownership of the property.

J. Acknowledge the role of rental housing and work to improve the quality of rental housing by establishing a rental inspection program with the goal of ensuring that renters are guaranteed quality, sanitary and safe housing

The latest economic crisis has proven that homeownership is not affordable for every individual and family in the United States. Since the housing crisis began, homeownership rates have been falling across the United States, leading to a subsequent increase in the share of rental housing in many areas.

Many communities in Ohio have implemented programs and policies meant to ensure that the rental housing stock remains safe and of good quality for tenants. Examples of these programs include:

- Annual or biennial rental inspection programs
- Pre-Rental inspection requirements

Based on online reviews of many rental properties in Kettering, interior maintenance issues exist in many of Kettering's largest rental properties. Many tenants of rental properties in the City may be unaware that the City can conduct interior inspections of rental properties if the property owners are not maintaining the property in a safe manner. Outreach to tenants of rental properties may bring more interior issues to light in Kettering's numerous rental properties. A program of **outreach to tenants of rental units** will be especially beneficial due to the lack of available funding to finance improvements to rental properties. By holding owners of these properties accountable, the City can leverage private dollars to boost the quality of housing.

Several outreach options exist. Kettering currently conducts landlord and tenant workshops. Another option is to require that all landlords in Kettering include a **notation on their lease agreements** with tenants that interior property maintenance inspections are available from the City upon request, along with a phone number. However, this would be difficult to enforce and monitor.

An alternative, though much more labor intensive option, would be to require that all rental properties go through rental inspections on an annual or biennial schedule. The City of Centerville implemented a rental inspection program in 2006. The stated goal of the program *"is to ensure that high standards in our fine and varied housing stock continue to be met. Our mission is to perform fair, standardized, comprehensive inspections of Centerville properties in*

order to preserve the housing stock, promote high property values, eliminate health and safety hazards, and make the City of Centerville a more desirable community.”¹⁶

Other cities, such as Clayton, have **pre-sale and rental inspection requirements**. Clayton’s rental inspection program is limited and exempts any apartment buildings with more than 4 housing units and requires that an exterior inspection be conducted prior to the sale, lease or transfer of any residential property in the City.¹⁷

Due to the increasing importance of rental properties for Kettering’s overall housing stock, a **rental inspection program** that requires the occasional exterior and/or interior inspections of rental properties should be implemented, with a special focus on pre-rental inspections. Fee schedules can be determined based on the estimated costs of carrying out the program. The overarching goal of such a program would be to ensure that tenants of rental properties are able to live in a safe and sanitary environment while also preventing the deterioration of rental properties in the City.

K. Lobby for increased funding for the CDBG and HOME programs

The budgets of many intergovernmental revenue sharing programs have been cut in recent years, including the CDBG and HOME programs. These cuts have reduced the ability of Kettering and other cities to meet the housing and community development needs of their residents. As demand for the goods and services provided by these programs increases, resource allocations have been reduced dramatically in recent years. Kettering should join with other municipalities and counties in Ohio and other states to lobby members of congress and others to have the recent budget rollbacks of these programs restored.

Revenue sharing programs on the state-level have been cut or eliminated as well, putting additional strains on the City’s general fund and capital budgets.

L. Address predatory lending

Cities can do little to address the type of predatory lending that contributed to the severity of the housing and financial crisis, but some cities have implemented policies geared toward preventing lenders that are perceived as being predatory, such as fringe banking institutions, at times from expanding within their boundaries.

¹⁶ City of Centerville. *Residential Rental Inspection Program*. Retrieved on December 22, 2014 from: <http://www.centervilleohio.gov/centweb/content/view/674/938/>

¹⁷ City of Clayton. *Pre-Sale Inspection*. Retrieved on January 8, 2014 from: <http://www.clayton.oh.us/index.aspx?NID=326>

Several cities in Ohio have implemented programs meant to curb the ability of pay-day lenders to saturate the area either through density or distance requirements and even restrictions on interest rates that can be charged and loan timelines. Example cities include¹⁸:

1. Cleveland
 - a. Capped at 1 per 20,000 residents and must be 1,000 feet apart or more
2. Parma, OH
 - a. Capped at 1 per 10,000 residents
3. Xenia
 - a. Must be at least 5,000 feet between each lender and are restricted by zoning district

A similar policy should be implemented in Kettering in order to curb the saturation of the area with fringe banking institutions. Kettering's recently-proposed updated zoning code does include distance requirements for certain uses, including payday lenders.

M. Assist unemployed or underemployed residents in connecting with local employers

The loss of many good paying jobs in the Dayton Area due to the exodus of many manufacturing jobs in the automotive sector has contributed to major reductions in the median household and family incomes of thousands of local residents and families. While other issues (shrinking household sizes, reduced share of family-households, general stagnation of wages, more retirees and fewer wage earners) have likely contributed to the reduction in median household incomes, the loss of good-paying jobs is by far the largest contributing factor in reduced incomes.

In order to assist local residents in gaining better paying jobs, Kettering should take steps necessary to bring job fairs for local employers to bring and advertise more employment opportunities in Kettering at a variety of locations (schools, rec center) throughout the City. If such a program is able to assist even a few residents per year in finding gainful, full-time employment, the collective benefits of such a program over the following years would assist many individuals and families.

¹⁸ Consumer Federation of America. *Payday Lending Zoning Laws/Legislation*: retrieved from: http://www.consumerfed.org/pdfs/PDL_ZONING_LAWS_chart_11-11.pdf on December 31, 2014.

VIII. REPORT OVERVIEW

A. The City of Kettering

The City of Kettering is the largest suburb of Dayton, Ohio and is located south of Dayton. In 2012, the population was estimated to be 55,990¹⁹. While the community serves as a bedroom community for many major employment centers in Dayton, Cincinnati and Wright Patterson AFB, the City also has several large employers (Kettering Medical Center, GE Money, Limited Brands, Reynolds & Reynolds) of its own. Kettering is included as a part of the Dayton Metropolitan Area, which includes Montgomery, Greene and Miami Counties.

B. Census Tracts and Neighborhoods

Kettering is comprised of twenty-three Census Tracts that mostly fall within the borders of the City and two additional Census Tracts in Greene County that contain two small residential areas (Walden Village and Madison's Grant) of the City.

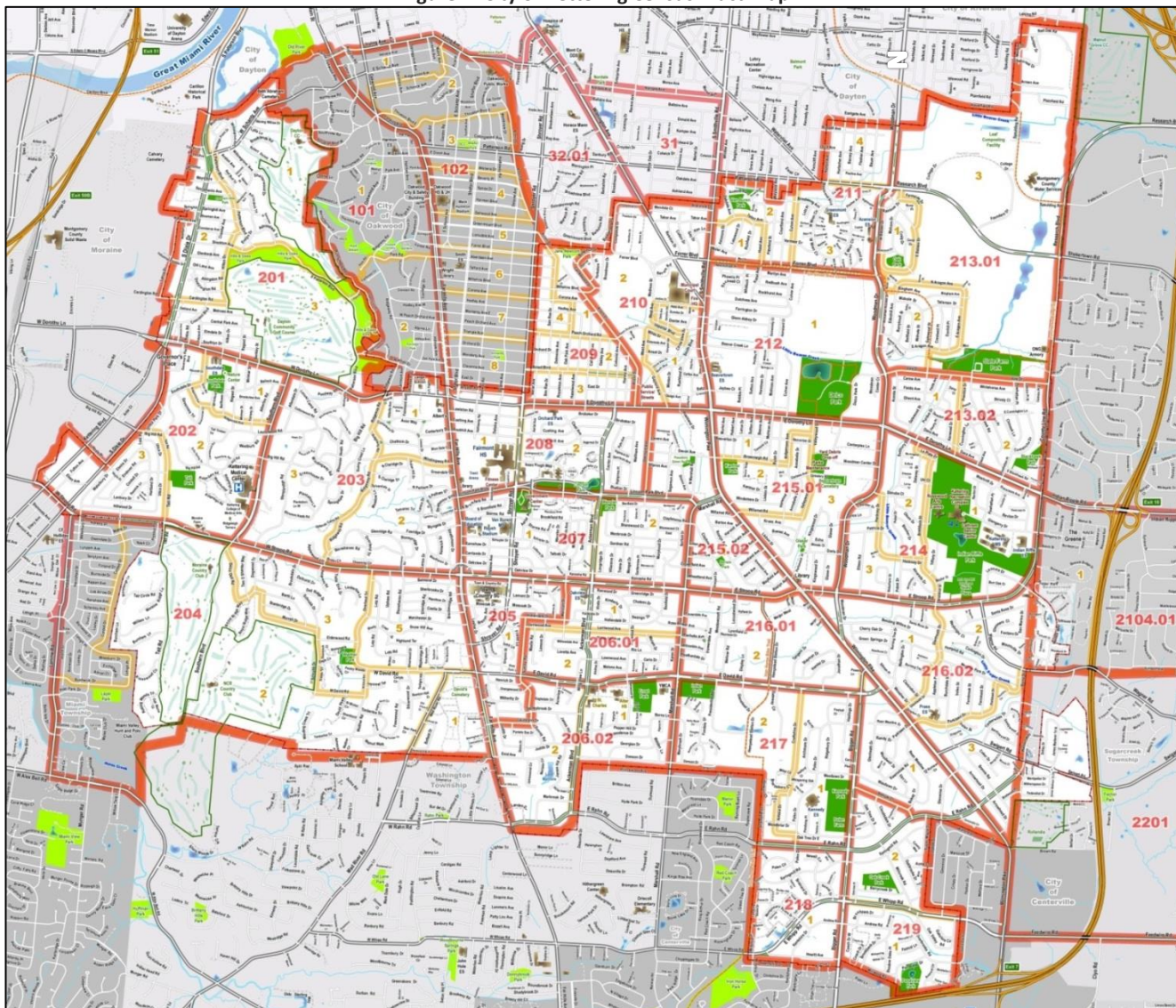
A wide range of residential, commercial and industrial developments are located within these Census Tracts. When determining the most optimal areas of the City for additional housing and/or redevelopment, it will be important to determine which of the existing developments are currently obsolete or approaching a state of being obsolete. Example projects in the past that have converted outdated commercial and/or industrial structures into uses more appropriate for today are Governor's Place (defunct retail shopping center to office via TIF financing), Kettering Crossing (industrial to retail and housing) and Kettering Pointe (defunct retail to smaller retail and single-family housing). In addition, the placement of National College in a retail shopping center shows how a major employment sector (education) of the "new economy" can successfully operate side-by-side with more common retail establishments.

A vast majority of Kettering has been built out, and there are few large vacant tracts of land that can be used for housing or economic development in the future, though some do exist and will be discussed later in this report. Due to this, many major developments in the future will require the redevelopment of greyfield sites.

NOTE: The bulk of this report focuses on the twenty-three census tracts that fall largely within Kettering's boundaries due to how the census tracts in Greene County contain very small sections of Kettering.

¹⁹ United States Census Population Estimates: http://www.census.gov/popest/data/cities/totals/2012/files/SUB-EST2012_39.csv

Figure 1: City of Kettering Census Tract Map



Above: Note the two CTs to the east in Greene County that include two small sections of Kettering. In addition, note how CT 204 includes a large residential area outside of Kettering's boundary. *Source: City of Kettering*

IX. NATIONAL, STATE AND LOCAL TRENDS

A. Population Characteristics

Population Growth Trends and Projections

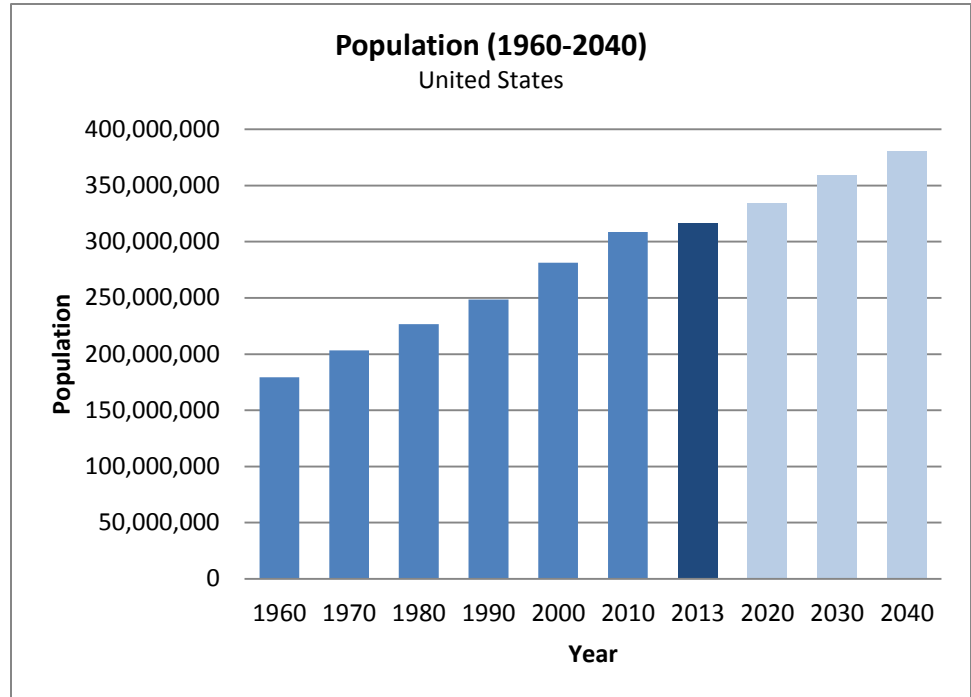
When compared to the United States, Ohio and Montgomery County, the City of Kettering has experienced steeper population declines. Since 1970, Kettering's population has fallen by 22.1%, with the bulk of that decline being concentrated in the 1970s when the City's population fell from 71,864 to 61,186 (-14.9%) while the County lost 11.6% of its population and the populations of Ohio and the United States grew by 8.6% and 55.5%, respectively, since 1970.

Population growth can be influenced by two key factors: mortality rates (births minus deaths) along with net migration (in migration minus out migration). Due to Kettering having an older overall population than the State, Nation and County and the low rate of in-migration for the Dayton-Area, Kettering's population is projected to continue falling at a slow rate along with Montgomery County.

Between 2010 and 2040, the nation, the state, the county and Kettering are projected to experience average population changes of +7.2%, +0.3%, -3.0% and -1.6% per decade.

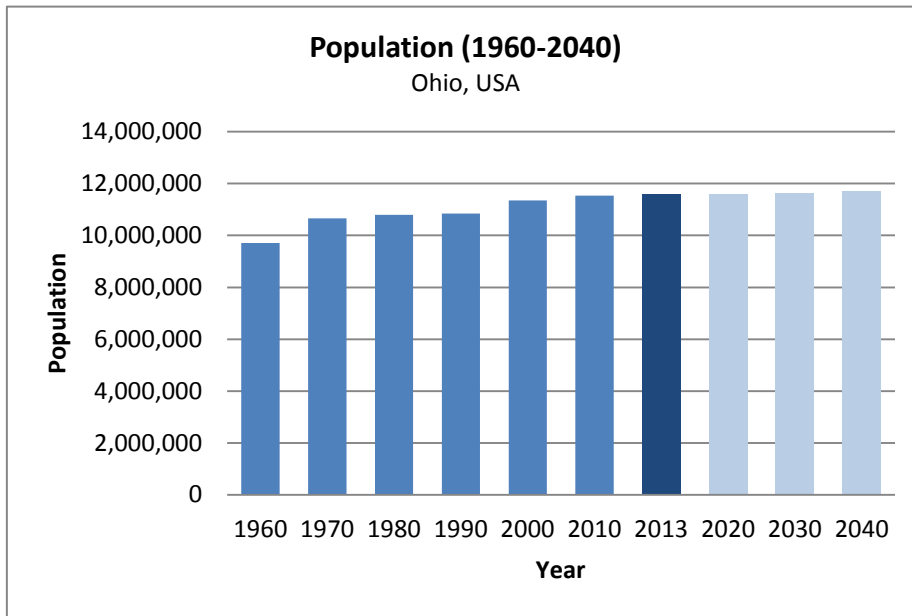
Figure 2: United States Population Numbers (1960-2014)

The population of the United States has been growing quickly for many decades at a rate much faster than Ohio, the Dayton Area and Kettering. The chart to the right depicts the population of the United States between 1960 and 2013 as well as the projected populations in 2020, 2030 and 2040.



Source: US Census Population Projections. Released and Retrieved in December, 2014.

Figure 3: Ohio Population Numbers (1960-2040)

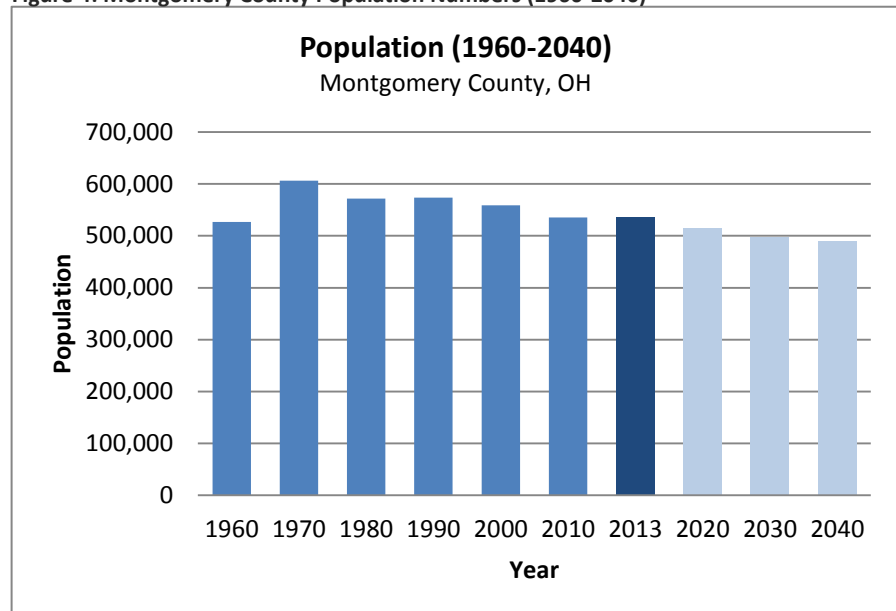


The State of Ohio has been experiencing very slow population growth and is projected to continue growing slowly in the coming decades²⁰ while the Dayton MSA (Montgomery, Greene, and Miami Counties) have been experiencing slow-to-negative population growth.²¹

Source: Ohio Office of Policy, Research and Strategic Planning

Despite the recent rise in Montgomery County’s population, projections between now and 2040 show that the county’s population will fall from 535,846 in 2013 down to 489,390 by 2040²². The chart to the right depicts changes in Montgomery County’s population from 1950-2013 followed by projected populations for the years 2020, 2030 and 2040.

Figure 4: Montgomery County Population Numbers (1960-2040)



Source: Ohio Office of Policy, Research and Strategic Planning

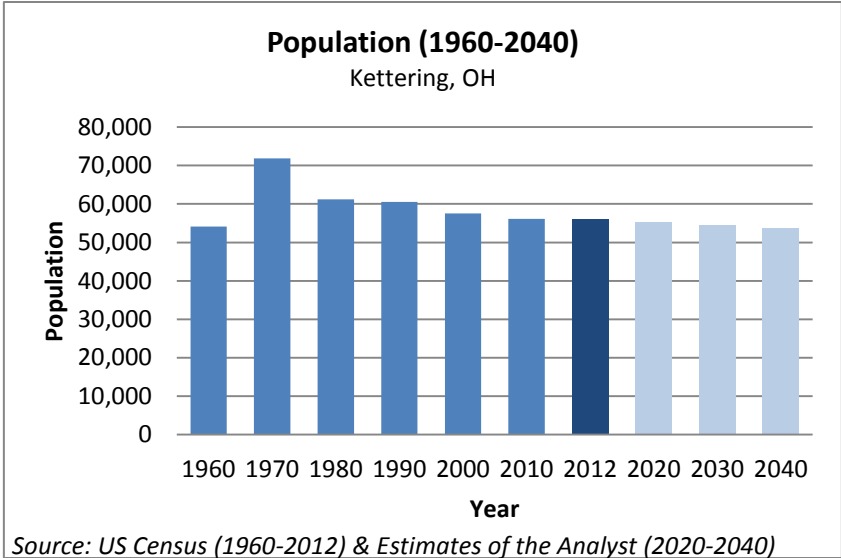
²⁰ Ohio Development Services Agency project that Ohio’s population will rise from 11,536,504 in 2010 up to 11,679,010 in 2040: <http://development.ohio.gov/files/research/P6090.pdf>

²¹ St. Louis Federal Reserve Economic Data includes data regarding population trends for the three counties that make up the Dayton MSA.

²² Ohio Office of Policy, Research and Strategic Planning: <http://development.ohio.gov/files/research/C1058.pdf>

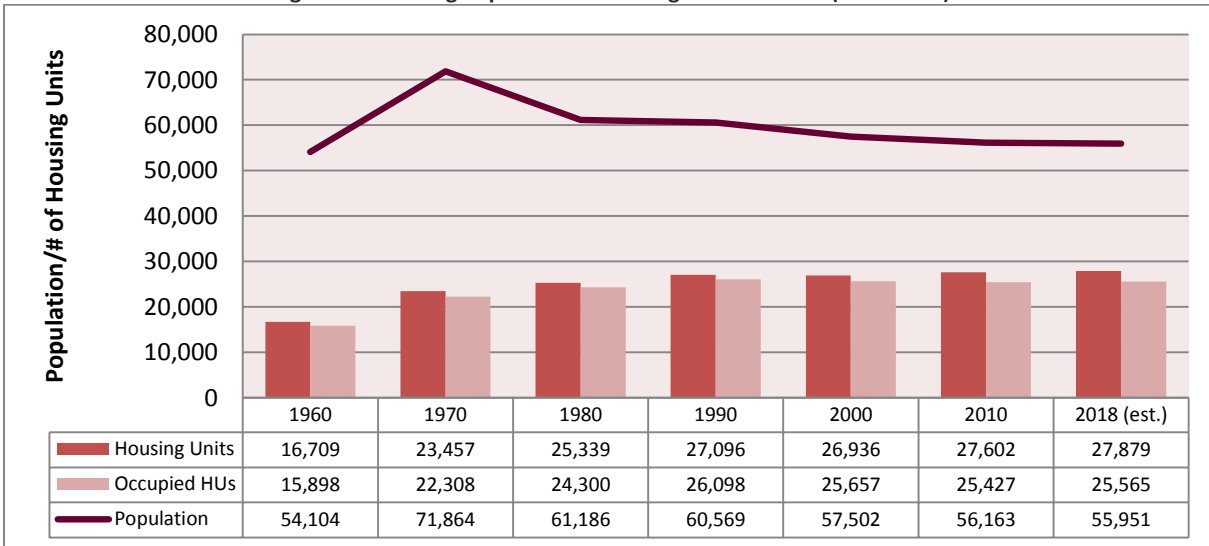
Figure 5: Kettering Population Numbers (1960-2040)

Kettering has followed a trend somewhat similar to Montgomery County with regards to population changes. After a major increase in population between 1960 and 1970 when the population of the City grew by 32.8% from 54,104 up to 71,864 followed by a major drop in population between 1970 and 1980 when the population fell by 14.7%, the population has been falling slowly.



Much of the early (1970-1990) population decline can be attributed to shrinking household sizes rather than a major exodus from the City by residents, though there has been a noticeable drop in residents aged 25-34 since the 1990 Census. According to the 1960 Census, there were 15,898 occupied housing units in the City with a median household size of 3.2 people. In 1970, there were 22,308 occupied housing units in Kettering with a median household size of 2.8 people. In 1980, there were 24,300 occupied housing units in Kettering with an average household size of 2.5 people per unit. The graph below illustrates the population and housing unit count change for Kettering between 1960 and 2010. Note how the number of occupied units rose between 1970 and 1980 despite a major reduction in overall population.

Figure 6: Kettering Population & Housing Unit Numbers (1960-2010)



Sources: US Census Bureau 1960-2010 Census Counts. 1970 population and housing unit data retrieved on 10-6-2014 from: <http://www.census.gov/prod/cen1990/cph2/cph-2-1-1.pdf>. 2018 estimates from the Wilmington Pike Corridor Market Analysis Improvement Committee Briefing by Market Metric\$ LLC

The 2020, 2030 and 2040 population projections for Kettering are based on the estimated population change between 2010 and 2012 (-0.3%). This same population trend is assumed to continue into the future. However, the rate of decrease will likely accelerate as the population continues to age.

Table 1: Population Trend Summary (Kettering, Montgomery County, Ohio and the United States)

Population Trends and Projections (1960-2040)								
Place	USA		Ohio		Mont. Co.		Kettering	
Year	Pop.	% Change	Pop.	% Change	Pop.	% Change	Pop.	% Change
1960	179,323,175	(X)	9,706,397	(X)	527,080	(X)	54,104	(X)
1970	203,211,926	+13.3%	10,657,423	+9.8%	606,148	+15.0%	71,864	+32.8%
1980	226,545,805	+11.5%	10,797,603	+1.3%	571,697	-5.7%	61,186	-14.7%
1990	248,709,873	+9.8%	10,847,115	+0.5%	573,809	+0.4%	60,569	-1.0%
2000	281,421,906	+13.2%	11,353,140	+4.7%	559,062	-2.6%	57,502	-5.1%
2010	308,745,538	+9.7%	11,536,504	+1.6%	535,153	-4.3%	56,163	-2.3%
2012 (est.)	(X)	(X)	(X)	(X)	(X)	(X)	55,990	-0.3%
2013 (est.)	316,128,839	+2.4%	11,570,808	+0.3%	535,846	+0.1%	(X)	(X)
2020 (est.)	334,503,000	+5.8%	11,574,870	+0.0%	513,830	-4.1%	55,292	-1.2%
2030 (est.)	359,402,000	+7.4%	11,615,100	+0.3%	496,650	-3.3%	54,435	-1.6%
2040 (est.)	380,219,000	+5.8%	11,679,010	+0.6%	489,390	-1.5%	53,592	-1.6%

Above: Cells highlighted in green delineate the fastest population growth during the decade while those highlighted in red depict the fastest population decline during the decade.

Sources: US Decennial Census Counts for 1960-2010 Data for the United States, Ohio, Mont. Co. and Kettering Census Quickfacts for 2012 and 2013 estimates for the United States, Ohio, Mont. Co. and Kettering Census population projections for 2020-2040 data for the United States:

<http://www.census.gov/population/projections/data/national/2014/summarytables.html> (Table 9)

Ohio Development Services Agency data for Ohio and Montgomery County data:

Ohio: <http://development.ohio.gov/files/research/P6001.pdf>

Montgomery County: <http://development.ohio.gov/files/research/P6058.pdf>

Population Age Breakdown (1990-2010)

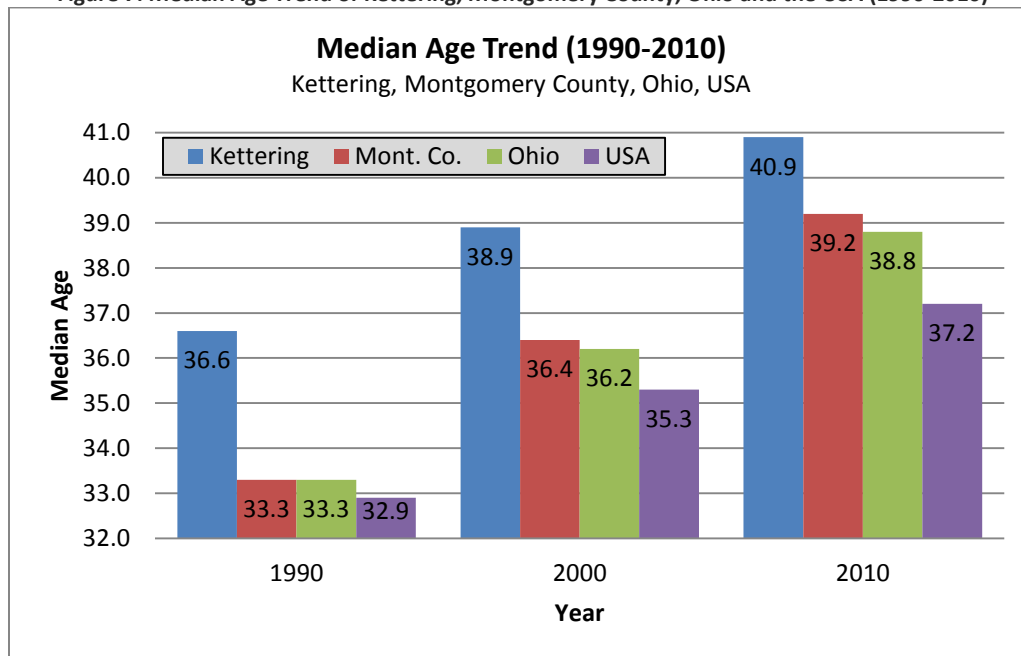
Summary of Age Breakdown:

When compared to the United States, Ohio and Montgomery County, the City of Kettering has an older overall population. The median age for Kettering was 40.9 at the 2010 Census (38.9 for males and 43 for females) compared to 39.2 for Montgomery County (37.5 for males and 40.7 for females), 38.8 for the State of Ohio (37.4 for males and 40 for females) and 37.2 for the United States (35.8 for males and 38.5 for females). However, while Kettering has a higher median age than the County, State and Nation, the gap between the median ages for each place except for the United States has been narrowing since at least the 1990s. The age gap between Kettering and the United States has remained the same.

One reason for Kettering's older overall population is that the share of Kettering's population aged 0-17 was 21.0% at the 2010 Census, compared to 23.0%, 23.7% and 24.0% for the County, State and the Nation. At the same time, the share of Kettering's population aged 65+ made up 18.0% of the population, compared to 15.1%, 14.1% and 13.0% for the County, State and Nation.

The chart below depicts the median ages for Kettering, Montgomery County, Ohio and the United States between 1990 and 2010 based on official census figures. While Kettering has always had the highest median age, the gap between the median ages has narrowed since the 1990 Census.

Figure 7: Median Age Trend of Kettering, Montgomery County, Ohio and the USA (1990-2010)



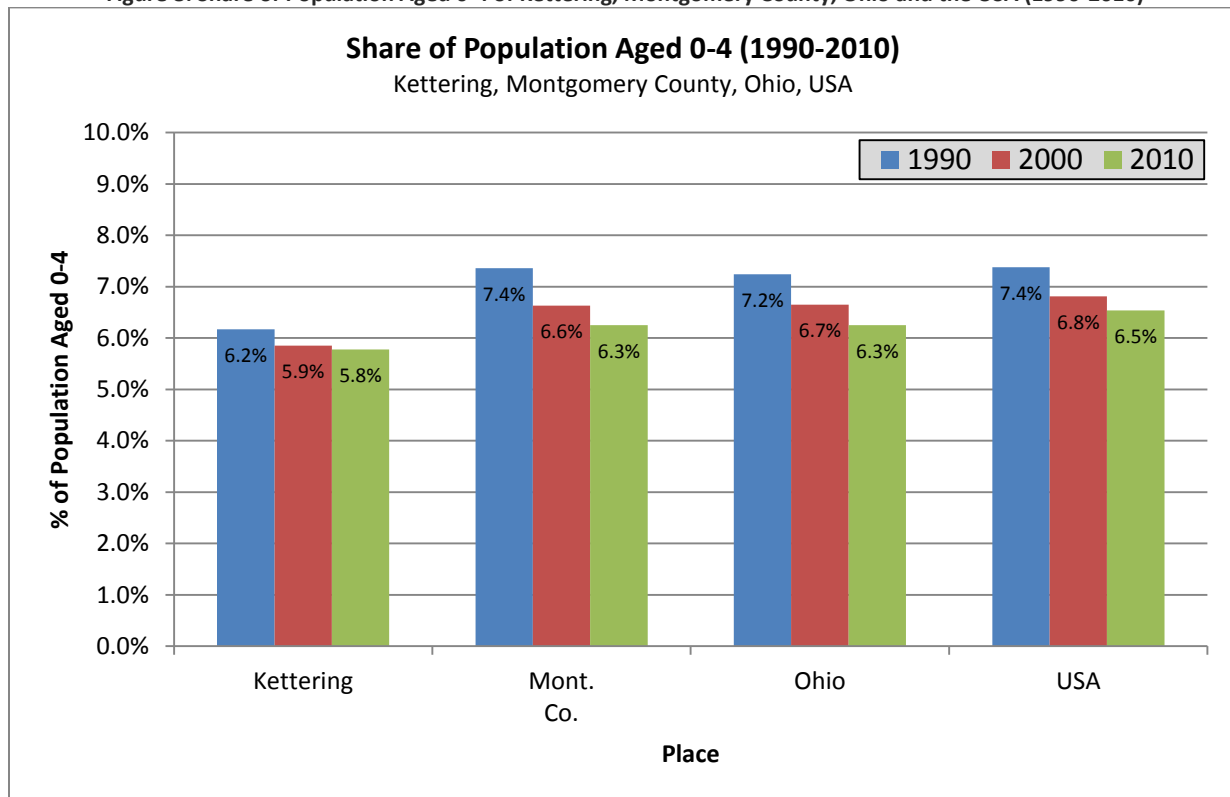
Sources: 1990, 2000 and 2010 official US Census Bureau Counts

The charts below illustrate population age trends for Kettering, Montgomery County, Ohio and the United States for the following age groups:

- 0-4
- 5-17
- 18-64
 - 18-24
 - 25-44
 - 45-64
- 65+

As the median age chart illustrated, Kettering, Montgomery County, Ohio and the United States are becoming older overall, and the charts below better illustrate why this is the case. Below, each area has experienced a continuous decline in the shares of the population aged 0-4.

Figure 8: Share of Population Aged 0-4 of Kettering, Montgomery County, Ohio and the USA (1990-2010)

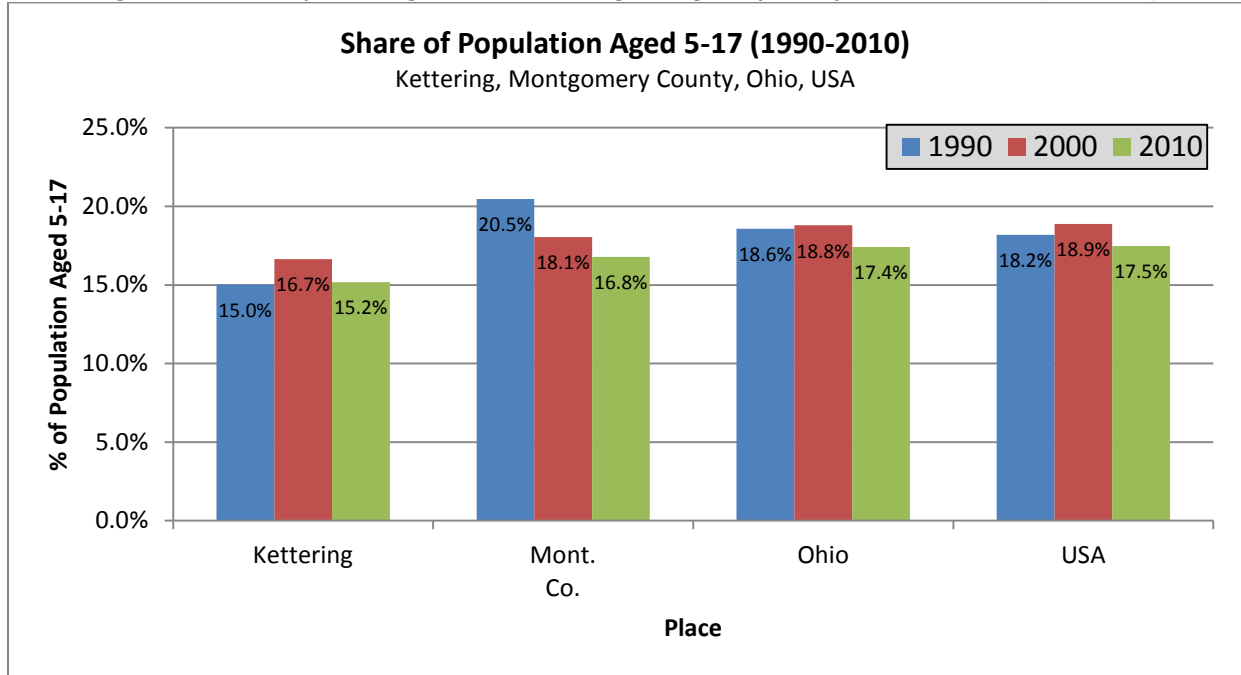


Sources: 1990, 2000 and 2010 official US Census Bureau Counts

The declining share of the population aged 0-4 in Kettering, Montgomery County and Ohio is due to an actual decline in the population of people aged 0-4 whereas the individuals aged 0-4 in the USA grew in population between 1990 and 2010 from 18,354,443 up to 20,201,362. This suggests that a combination of low birth rates, an older overall population and out-migration of young families from Kettering, Montgomery County and Ohio are the primary causes of the decreasing population shares of individuals aged 0-4 while the decreasing share in the United States is driven by the more rapid growth of other age groups.

With the exception of Kettering, each area has seen a decline in the share of the population aged 5-17.

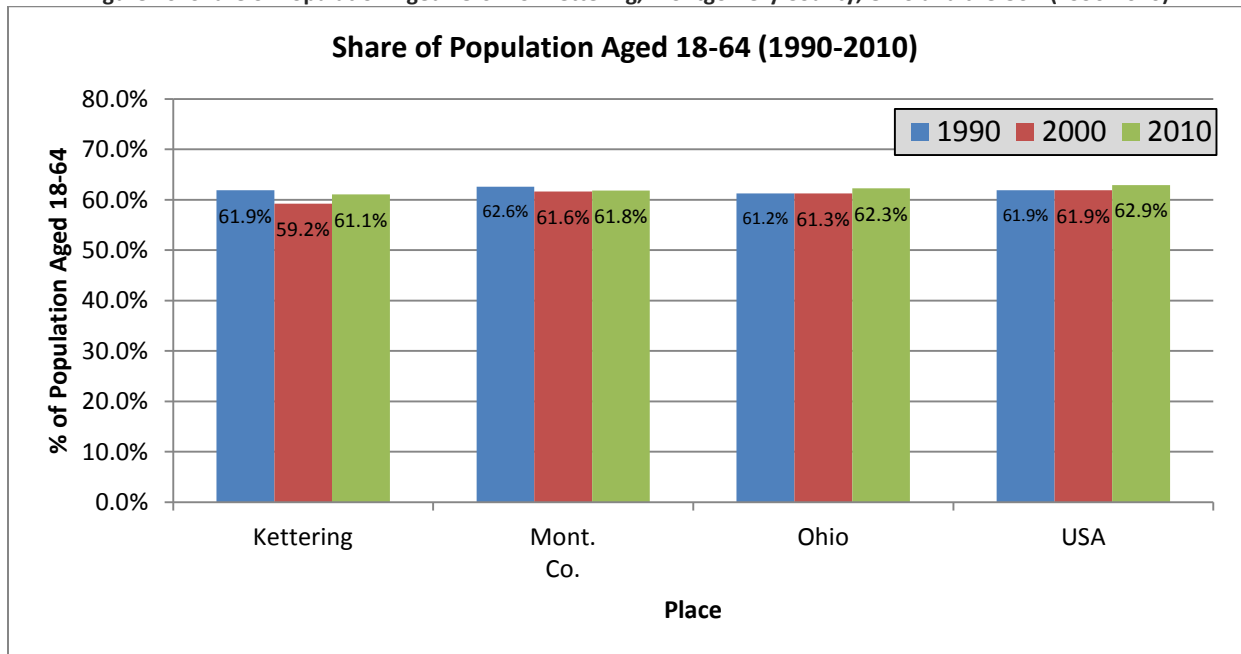
Figure 9: Share of Population Aged 5-17 for Kettering, Montgomery County, Ohio and the USA (1990-2010)



Sources: 1990, 2000 and 2010 official US Census Bureau Counts

The share of the population aged 18-64 has largely stayed flat. Due to the large age range of this group, it is broken down into smaller age groups on the following pages.

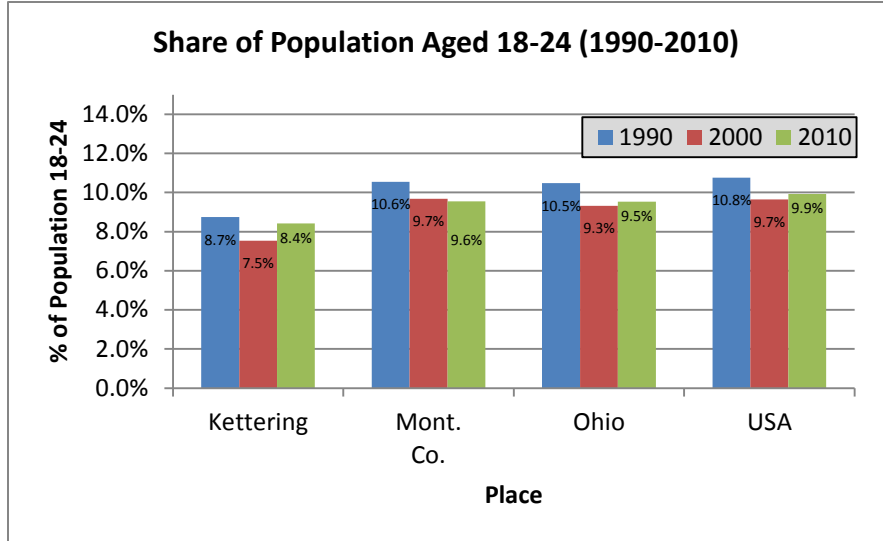
Figure 10: Share of Population Aged 18-64 for Kettering, Montgomery County, Ohio and the USA (1990-2010)



Sources: 1990, 2000 and 2010 official US Census Bureau Counts

Figure 11: Share of Population Aged 18-24 for Kettering, Montgomery County, Ohio and the USA (1990-2010)

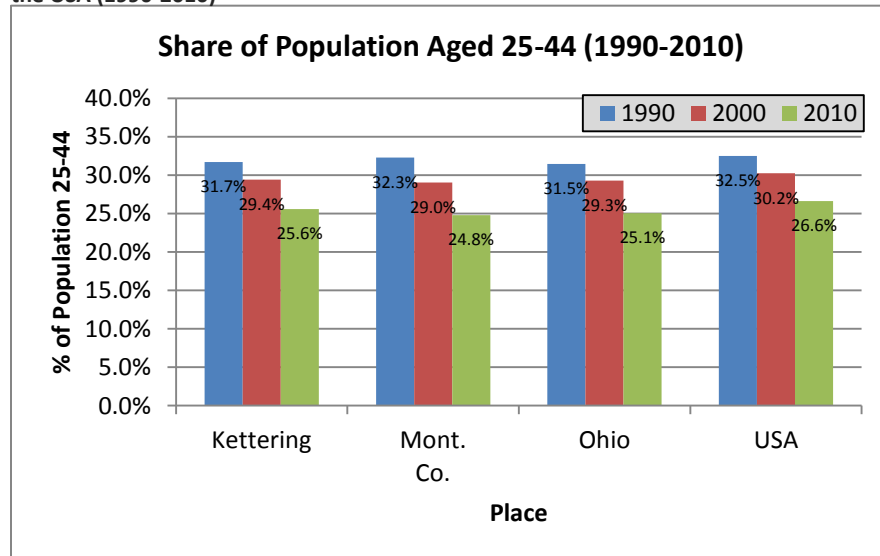
The largest population group in each area is the group aged 18-64. As such, in order to get a better snapshot of the age breakdown for each place, this group has been broken down into three sub-groups: those aged 18-24, 25-44 and 45-64.



The chart to the right illustrates the trend of those aged 18-24 in Kettering, Montgomery County, Ohio and the USA.

Those aged 18-24 make up a noticeably lower percentage of Kettering's population than the other areas. However, the gap between Kettering and each other area has been narrowing since at least the 1990 Census.

Figure 12: Share of Population Aged 25-44 for Kettering, Montgomery County, Ohio and the USA (1990-2010)

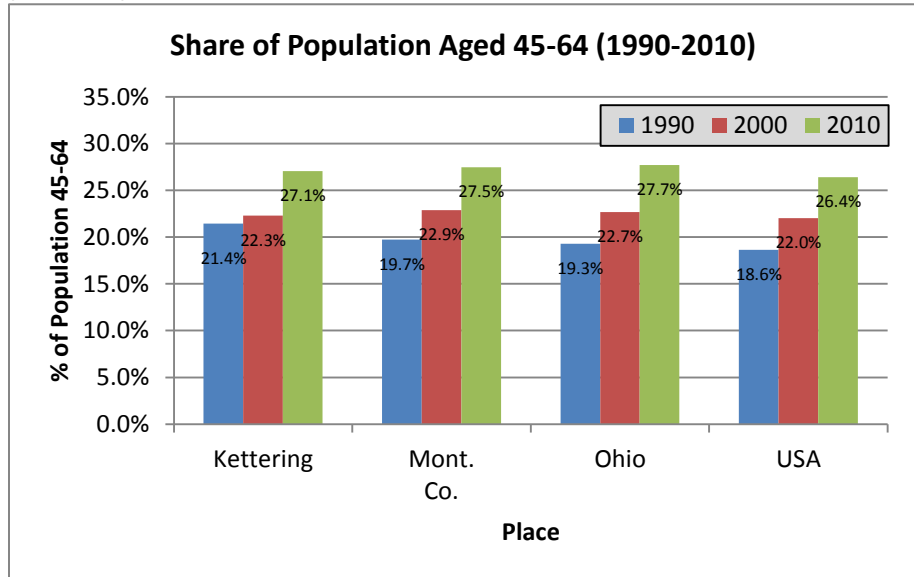


The chart to the left illustrates the share of the population aged 25-44. Each area studied experienced a continuous decline in this age group between 1990 and 2010, with the steepest declines being in Montgomery County.

In 1990, those aged 25-44 in Kettering made up a smaller share of the population when compared to every other area except for Ohio (31.7% vs. 31.5%). By 2010, the share of Kettering's population aged 25-44 made up a slightly larger share of the population than in both Montgomery County and Ohio, but not of the United States.

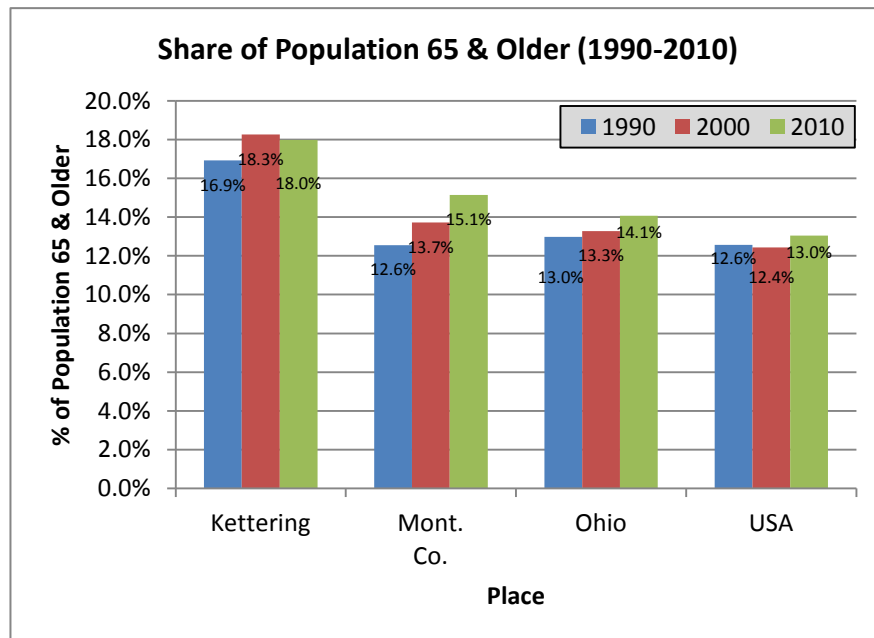
Figure 13: Share of Population Aged 45-64 for Kettering, Mont. Co, Ohio and the USA (1990-2010)

The chart to the right illustrates the share of the populations in Kettering, Montgomery County, Ohio and the United States aged 45-64. In 1990, those aged 45-64 in Kettering made up a much larger share of the population than Montgomery County, Ohio and the United States. However, by 2010, the share of Montgomery



County's and Ohio's populations aged 45-64 exceeded Kettering, and the gap between Kettering and the United States narrowed from 21.4% (Kettering) vs. 18.6% (USA) to 27.1% (Kettering) vs. 26.4% (USA).

Figure 14: Share of Population Aged 65+ for Kettering, Mont. Co., Ohio and the USA (1990-2010)



The chart to the left illustrates the share of the populations of Kettering, Montgomery County, Ohio and the United States aged 65 and older. While the gap between Kettering and the other areas studied is still wide, it has narrowed since the 1990 Census.

The reason for decrease in the share of the population aged 65 and older in Kettering between 2000 and 2010 is the fact that Kettering had

a much larger share of individuals aged 55-69 in 1990 when compared to the other areas studied. As these people have aged and either moved or passed away, the share of the population aged 65 and older has decreased.

Table 2: Population Age Summary for 1990 (Aged 0-4, 5-17, 18-64 and 65+)

1990 Population Age Summary								
Age Group	Young Population (0-4)		School Age (5-17)		Working Age (18-64)		Retirement Age (65+)	
	Pop.	%	Pop.	%	Pop.	%	Pop.	%
Kettering	3,738	6.2%	9,106	15.0%	37,476	61.9%	10,249	16.9%
Mont. Co.	42,232	7.4%	100,408	20.5%	359,161	62.6%	72,008	12.6%
Ohio	785,149	7.2%	2,014,595	18.6%	6,640,410	61.2%	1,406,961	13.0%
USA	18,354,443	7.4%	45,249,989	18.2%	153,863,610	61.9%	31,241,831	12.6%
Average Gap*	(X)	-1.2%	(X)	-4.0%	(X)	0.0%	(X)	+4.2%

Table 3: Population Age Summary for 2000 (Aged 0-4, 5-17, 18-64 and 65+)

2000 Population Age Summary								
Age Group	Young Population (0-4)		School Age (5-17)		Working Age (18-64)		Retirement Age (65+)	
	Population	%	Population	%	Population	%	Population	%
Kettering	3,363	5.9%	9,576	16.7%	34,065	59.2%	10,498	18.3%
Mont. Co.	37,054	6.6%	100,925	18.1%	344,386	61.6%	76,697	13.7%
Ohio	754,930	6.7%	2,133,409	18.8%	6,957,044	61.3%	1,507,757	13.3%
USA	19,175,798	6.8%	53,118,014	18.9%	174,136,341	61.9%	34,991,753	12.4%
Average Gap*	(X)	-0.8%	(X)	-1.9%	(X)	-2.3%	(X)	+5.1%

Table 4: Population Age Summary for 2010 (Aged 0-4, 5-17, 18-64 and 65+)

2010 Population Age Summary								
Age Group	Young Population (0-4)		School Age (5-17)		Working Age (18-64)		Retirement Age (65+)	
	Population	%	Population	%	Population	%	Population	%
Kettering	3,247	5.8%	8,523	15.2%	34,293	61.1%	10,100	18.0%
Mont. Co.	33,446	6.3%	89,833	16.8%	330,833	61.8%	81,041	15.1%
Ohio	720,856	6.3%	2,009,895	17.4%	7,183,738	62.3%	1,622,015	14.1%
USA	20,201,362	6.5%	53,980,105	17.5%	194,296,087	62.9%	40,267,984	13.0%
Average Gap*	(X)	-0.6%	(X)	-2.1%	(X)	-1.3%	(X)	+3.9%

* “Average Gap” refers to the average difference between the percentages of each population group between Kettering and the other areas studied. Between 1990 and 2010, the gap between Kettering and the other areas narrowed in all age groups except for those aged 18-64. The tables below illustrate the population breakdowns for those aged 18-64. As is the case with the other age groups, the gap in the percentage of each age group as a share of the population between Kettering and the other areas studied has narrowed.

Table 5: 1990 Population Age Summary (Aged 18-24, 25-44, 45-64)

1990 Population Summary (18-64)						
Age Group	18-24		25-44		45-64	
	Population	Percent	Population	Percent	Population	Percent
Kettering	5,291	8.7%	19,201	31.7%	12,984	21.4%
Mont. Co.	60,561	10.6%	185,303	32.3%	113,297	19.7%
Ohio	1,136,418	10.5%	3,411,043	31.5%	2,092,949	19.3%
USA	26,737,766	10.8%	80,754,835	32.5%	46,371,009	18.6%
Average Gap*	(X)	-1.9%	(X)	-0.4%	(X)	+2.2%

Table 6: 2000 Population Age Summary (Aged 18-24, 25-44, 45-64)

2000 Population Summary (18-64)						
Age Group	18-24		25-44		45-64	
	Population	Percent	Population	Percent	Population	Percent
Kettering	4,337	7.5%	16,919	29.4%	12,809	22.3%
Mont. Co.	54,064	9.7%	162,327	29.0%	127,995	22.9%
Ohio	1,056,544	9.3%	3,325,210	29.3%	2,575,290	22.7%
USA	27,143,454	9.7%	85,040,251	30.2%	61,952,636	22.0%
Average Gap*	(X)	-2.0%	(X)	-0.1%	(X)	-0.2%

Table 7: 2010 Population Summary (Aged 18-24, 25-44, 45-64)

2010 Population Summary (18-64)						
Age Group	18-24		25-44		45-64	
	Population	Percent	Population	Percent	Population	Percent
Kettering	4,726	8.4%	14,367	25.6%	15,200	27.1%
Mont. Co.	51,116	9.6%	132,734	24.8%	146,983	27.5%
Ohio	1,099,491	9.5%	2,889,790	25.1%	3,194,457	27.7%
USA	30,672,088	9.9%	82,134,554	26.6%	81,489,445	26.4%
Average Gap*	(X)	-1.3%	(X)	+0.1%	(X)	-0.1%

* “Average Gap” refers to the average difference between the percentages of each population group between Kettering and the other areas studied. Between 1990 and 2010, the gap between Kettering and the other areas narrowed in all age groups.

Population Age Distribution

Population Age Distribution Summary:

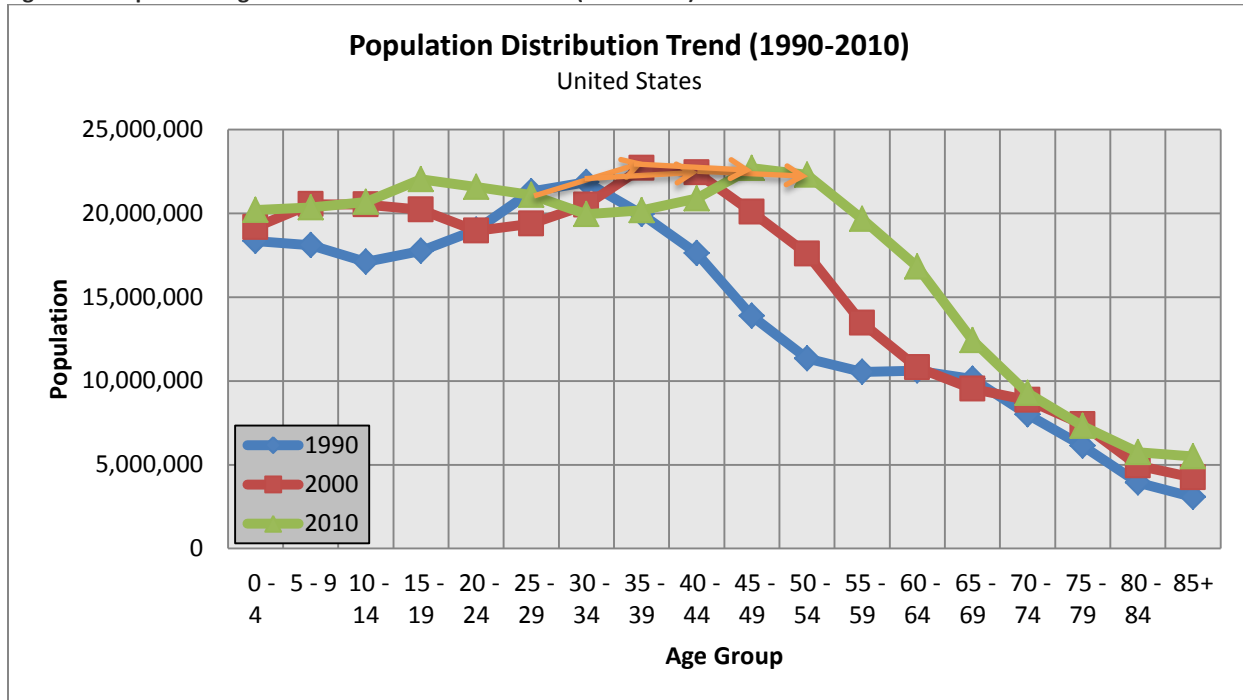
The graphs on the following pages illustrate the changing population age distributions between 1990 and 2010 for the United States, Ohio, Montgomery County and Kettering. In each case, there is a noticeable aging of the population. However, while the populations of the United States and Ohio appear to be aging-in-place, with little noticeable net out-migration of any age groups, both Montgomery County and Kettering have experienced noticeable declines in the population groups aged 24-29 and 30-34 in 1990.

This is likely a reflection of the declining job prospects in the Dayton Area and subsequent moving-away of many working-age individuals and families. Another factor may be the aging housing stock in Kettering and lack of certain in-demand housing amenities many families are looking for when shopping around for houses.

Considering that the Dayton MSA's population declined from 844,000 to 842,000 between 1990 and 2010 while housing construction continued at a rapid pace, with 36,437 (+/-926) units added between 1990 and 1999 and 30,498 (+/-944) units added between 2000 and 2009, the continued sprawling of the Dayton Area has also played a role in attracting many residents of Dayton and many first-ring suburbs to areas further out.

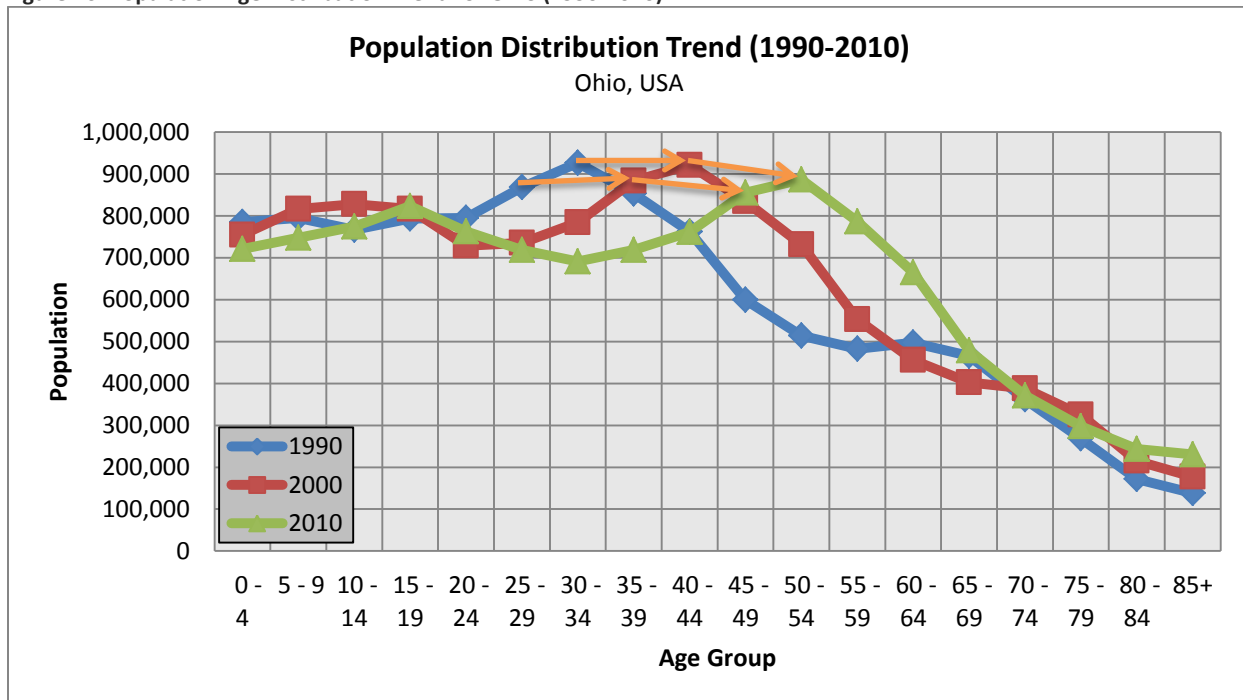
NOTE: See [Appendix I](#) of this report for population pyramids for Kettering, Montgomery County, Ohio and the United States side-by-side for the years 1990, 2000 and 2010. The sources for the data used in the population distribution graphs below are the 1990, 2000 and 2010 US Census Counts. Also included in Appendix I are population projections through the year 2040 for Montgomery County, Ohio and the United States as well as projections for the City of Kettering up to 2018.

Figure 15: Population Age Distribution Trend for the USA (1990-2010)



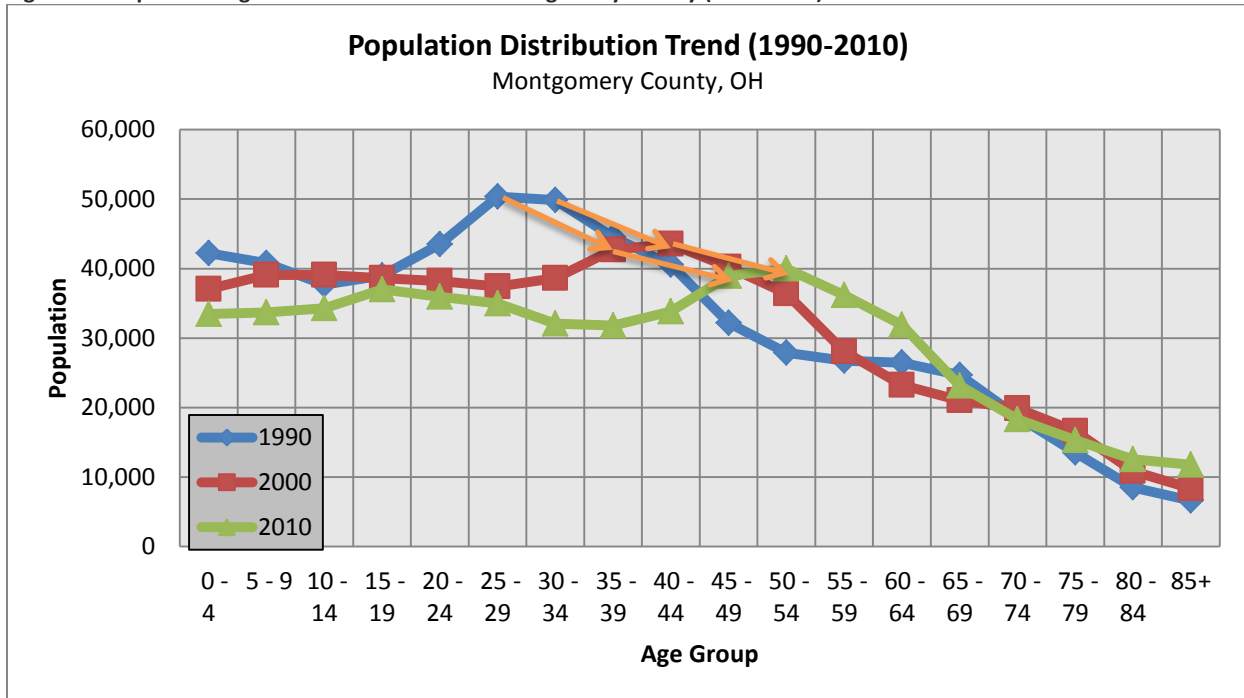
Above: The arrows begin at the age groups 25-29 and 30-34 and move over in ten-year increments showing how those groups have changed in size since 1990. The groups have slightly increased in size. Sources: 1990, 2000 and 2010 Official Decennial Census Counts

Figure 16: Population Age Distribution Trend for Ohio (1990-2010)



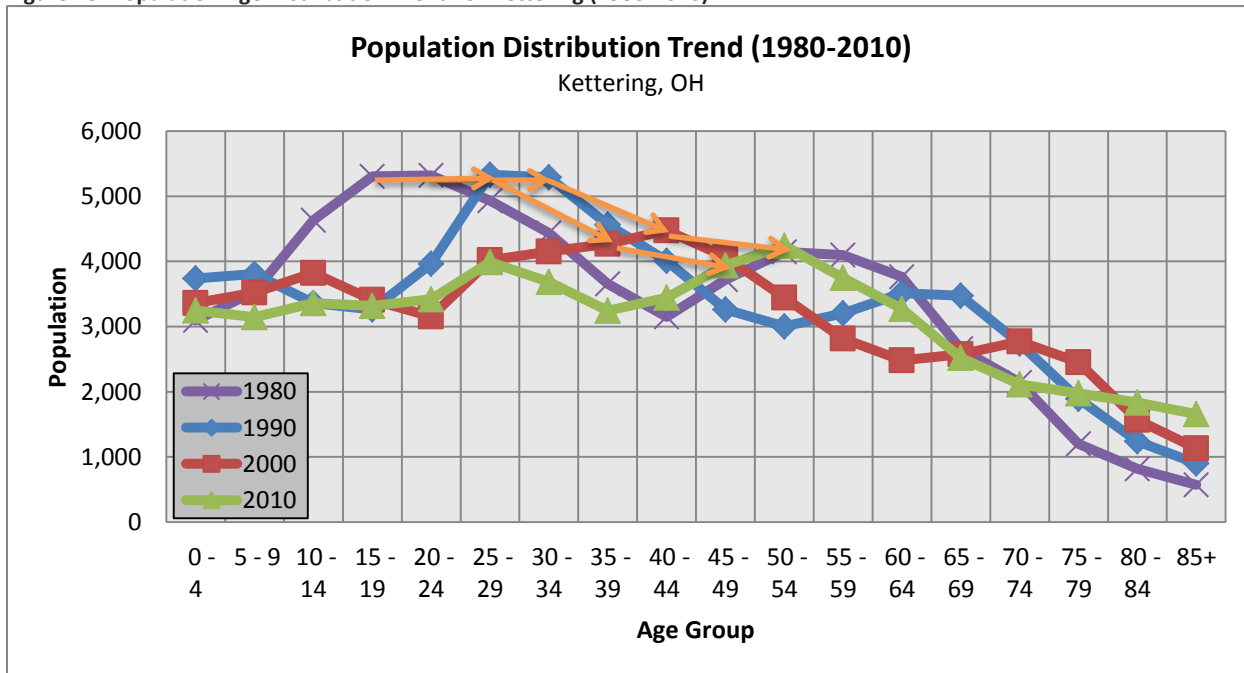
Above: The arrows begin at the age groups 25-29 and 30-34 and move over in ten-year increments showing how those groups have changed in size since 1990. The groups have slightly decreased in size. Sources: 1990, 2000 and 2010 Official Decennial Census Counts

Figure 17: Population Age Distribution Trend for Montgomery County (1990-2010)



Above: The arrows begin at the age groups 25-29 and 30-34 and move over in ten-year increments showing how those groups have changed in size since 1990. The groups have noticeably decreased in size. Sources: 1990, 2000 and 2010 Official Decennial Census Counts

Figure 18: Population Age Distribution Trend for Kettering (1980-2010)

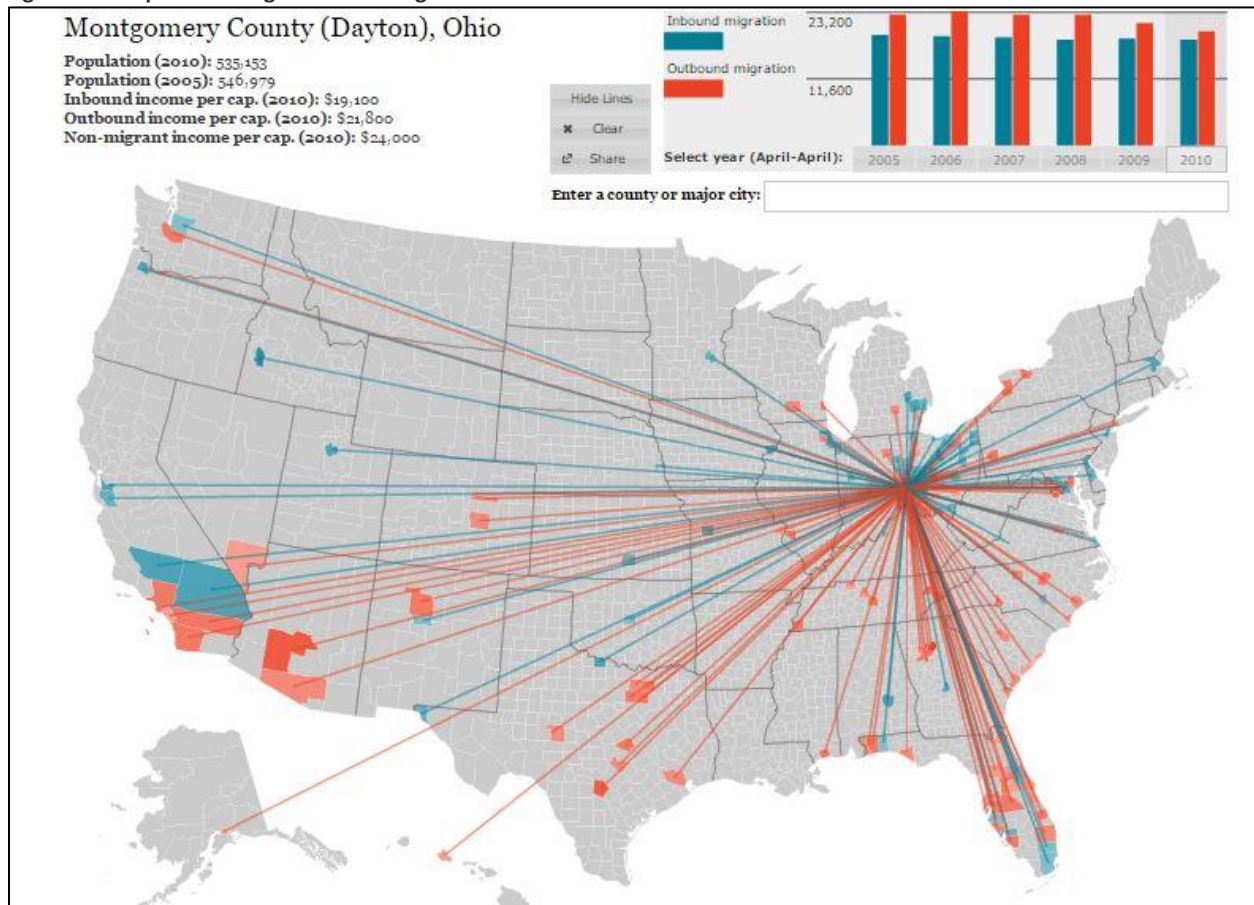


Above: The arrows begin at the age groups 25-29 and 30-34 and move over in ten-year increments showing how those groups have changed in size since 1980. The groups have noticeably decreased in size, though the decrease decelerated between 2000 and 2010. Sources: 1980, 1990, 2000 and 2010 Official Decennial Census Counts

Mapping Outmigration

Mapping outmigration at the city-level is difficult, but there are sources of data that illustrate county-level movement of the population. In the case of Montgomery County, between 2005 and 2010, outbound migration has exceeded inbound migration each year, though the gap between out-migration and in-migration narrowed. The map below is an example of the maps available that illustrate the counties from which Montgomery County is attracting residents as well as where residents from Montgomery County are moving. Most of the movers remain in Ohio, with Greene, Miami, Butler, Warren and Franklin County being nearby counties that tend to attract a large number of residents from Montgomery County.

Figure 19: Graphic showing out and in-migration for Mont. Co. in 2010



Source: Pulled from <http://www.forbes.com/special-report/2011/migration.html> on December 22, 2014

Blue lines connect Montgomery County to counties that take fewer residents from Montgomery County than they send while red lines connect Montgomery County to other counties that take more residents than the send.

The table below depicts some of the counties in Ohio with several hundred movers between Montgomery County and the county listed. Large shares of the movers both into and out of Montgomery County stay within the Dayton and Cincinnati Metropolitan Statistical Areas.

Table 8: Out and Inbound migration for Montgomery County and Select Other Counties in 2010

Outbound & Inbound Migration from & to Montgomery County in 2010		
County	Outbound from MC (Per Capita Income)	Inbound to MC (Per Capita Income)
Warren	1,691 (\$28,700)	1,323 (\$20,100)
Miami	1,246 (\$19,600)	1,107 (\$17,500)
Greene	3,070 (\$20,700)	3,465 (\$20,400)
Franklin	823 (\$22,000)	570 (\$18,500)
Hamilton	557 (20,700)	498 (\$19,100)
Clark	684 (\$16,200)	760 (\$15,300)
Butler	746 (\$20,400)	900 (\$16,700)
Preble	389 (\$16,500)	415 (\$16,100)

Source: Data Pulled from <http://www.forbes.com/special-report/2011/migration.html> on December 22, 2014

Overall, the per capita income of individuals and families moving to Montgomery County in 2010 was \$19,100 while those moving from Montgomery County had an overall per capita income of \$21,800. In addition, in every year from 2005 to 2010, the per capita income of out-migrants from Montgomery County exceeded the income per capita of the inbound population.

Table 9: Per capita incomes of outbound and inbound population to and from Mont. Co. (2005-2010)

Per Capita Incomes of Outbound and Inbound Population from and to Montgomery County (2005-2010)		
Year	Outbound from MC Per Capita Income (overall)	Inbound to MC Per Capita Income (overall)
2005	\$23,000	\$20,000
2006	\$23,800	\$21,500
2007	\$25,400	\$20,700
2008	\$25,400	\$20,700
2009	\$23,500	\$19,900
2010	\$21,800	\$19,100

Source: Data Pulled from <http://www.forbes.com/special-report/2011/migration.html> on December 22, 2014

Racial Makeup

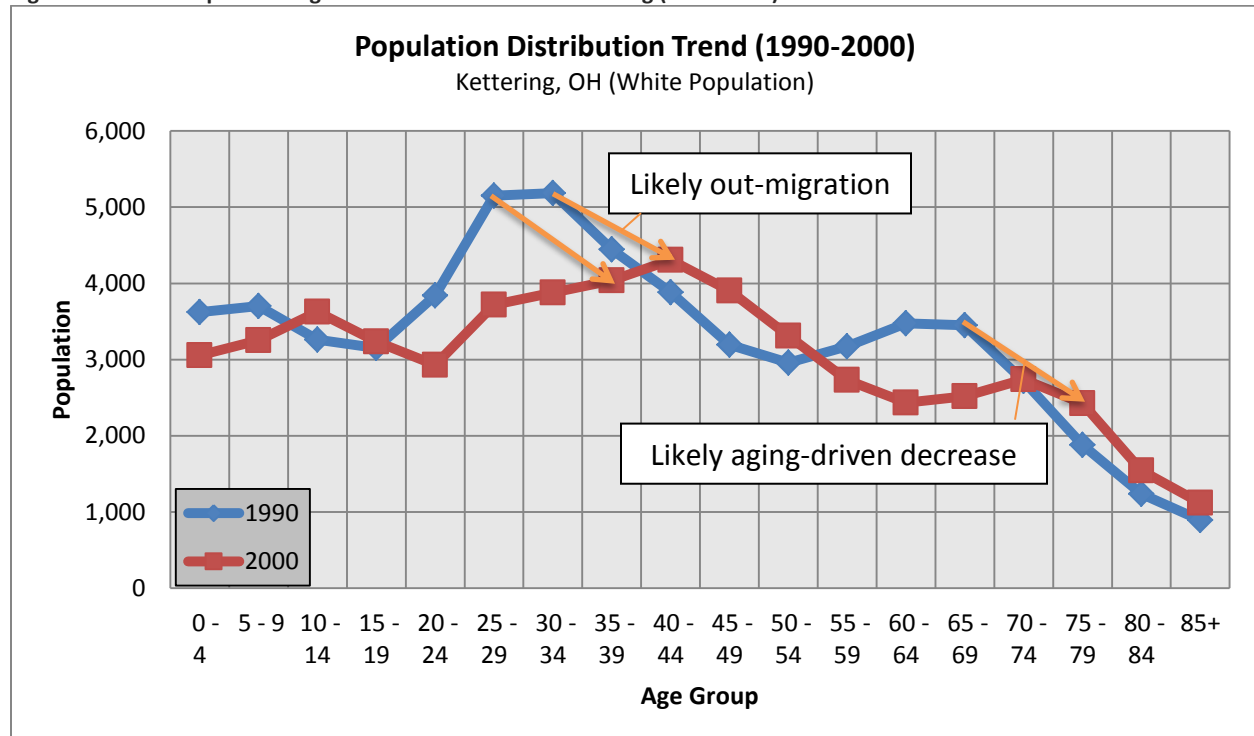
Summary of Racial Makeup Data:

When compared to the United States, Ohio and Montgomery County, the City of Kettering is less diverse, with 92.56% of the population being white in 2010 compared to 73.86% for the County, 82.69% for Ohio and 72.41% for the United States. However, all of the areas studied have seen large increases in the shares of minority populations in recent decades, including Kettering.

The increases in racial diversity in Kettering and Montgomery County between 1990 and 2010 along with Ohio between 2000 and 2010 have been driven by two factors: an increase in the population numbers of racial minorities relative to the white population along with population decreases in the white population. In the United States, all racial groups have grown in population since 1990.

The decrease in the white population in Kettering is driven by two main factors: out-migration along with passing away of many elderly residents. The graph below is a population distribution for the white population between 1990 and 2000. Unfortunately, the Official 2010 Decennial Census did not include detailed data regarding age groups by race or ethnic group.

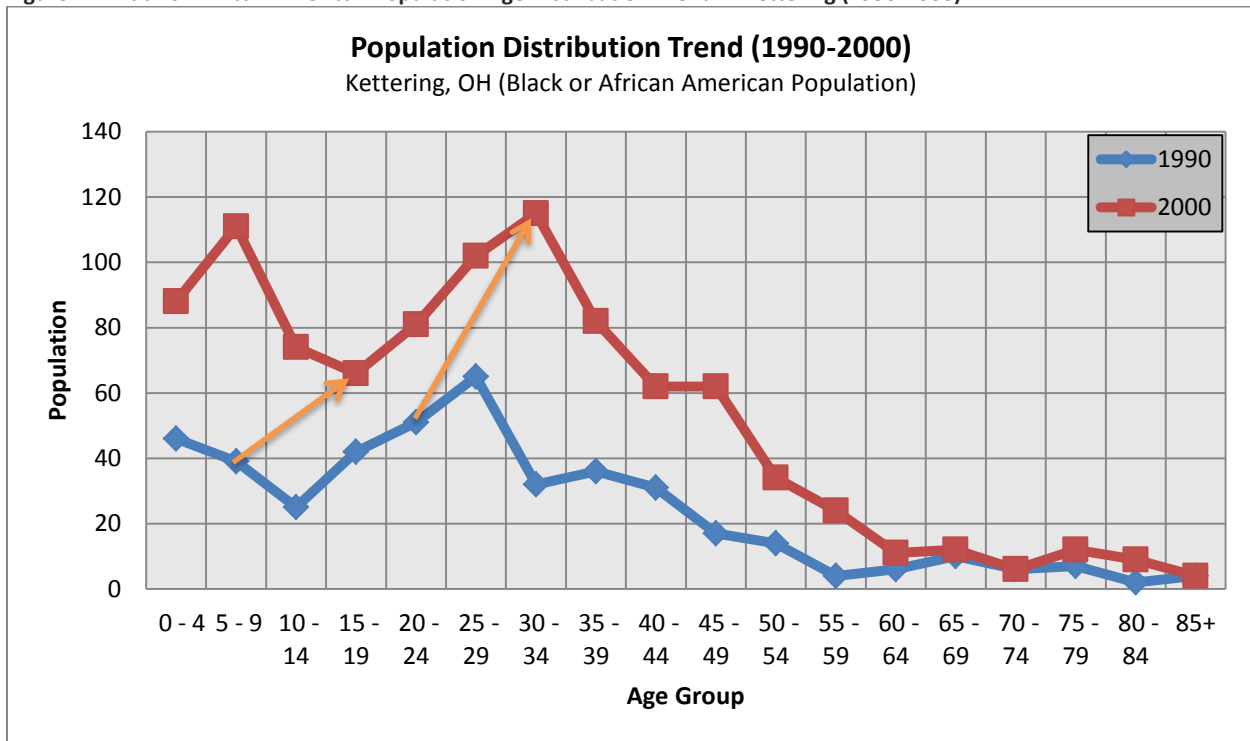
Figure 20: White Population Age Distribution Trend for Kettering (1990-2000)



Sources: 1990 and 2000 Decennial Census Counts

The African American population distribution change over the same time presents an entirely different picture of a relatively young population group experiencing rapid in-migration.

Figure 21: Black or African American Population Age Distribution Trend in Kettering (1990-2000)



Sources: 1990 and 2000 Decennial Census Counts

Other racial minority populations have experienced similar population shifts in recent decades. It is difficult to determine specifically which factors are contributing to the rapid increase in racial diversity in Kettering. A major pull-factor for Kettering is the affordability of the housing, both rental and owner-occupied, relative to areas further out from Dayton. According to the 2000 Census, out of 417 African American-headed households, 315 (75.5%) lived in rental units while 102 (24.5%) lived in owner-occupied units. In 2010, out of 810 African-American-headed households, 664 (82%) of African-American headed households were in rental units while 146 (18%) were in owner-occupied housing units.

Figure 22: White Racial Population Share for Kettering, Mont. Co, Ohio and the USA (1990-2010)

The chart to the right illustrates the trend in white racial share between 1990 and 2010 for Kettering, Montgomery County, Ohio and the United States. Each area has experienced a reduction in the total white share. In the case of Kettering and Montgomery County, each decline can be attributed to a drop in population for the race while the shift-share for Ohio and the United States can be attributed to other races experiencing faster gains in population. However, Ohio's white population did experience a decline of 106,016 between 2000 and 2010.

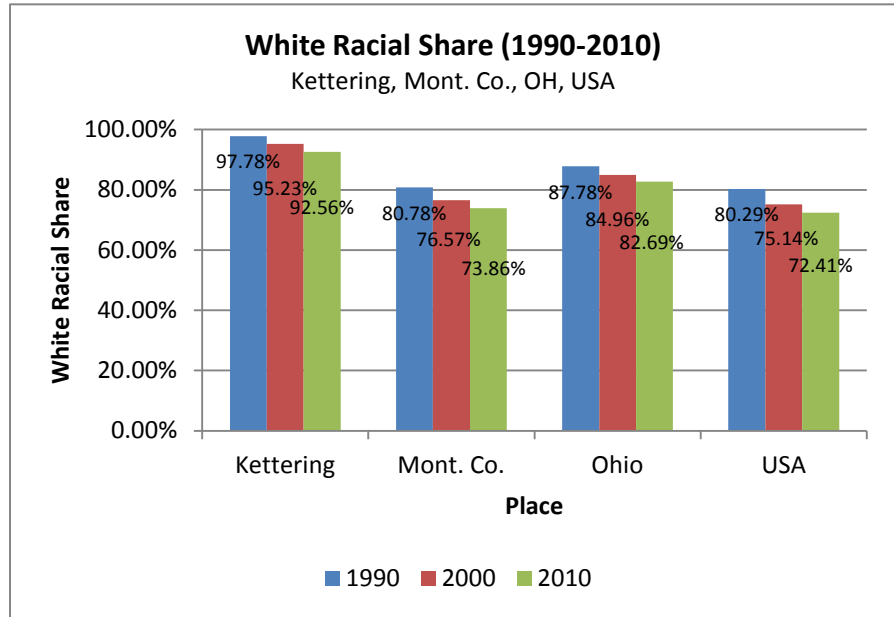
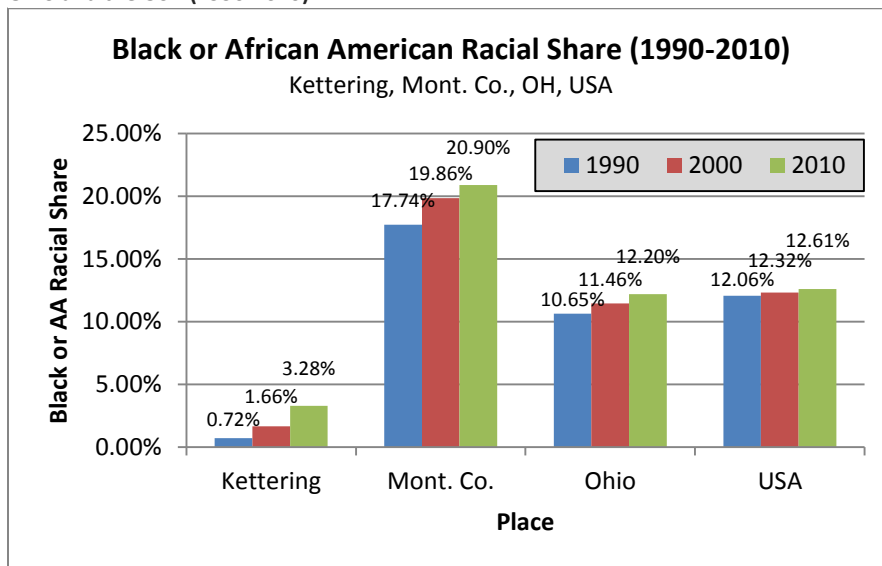


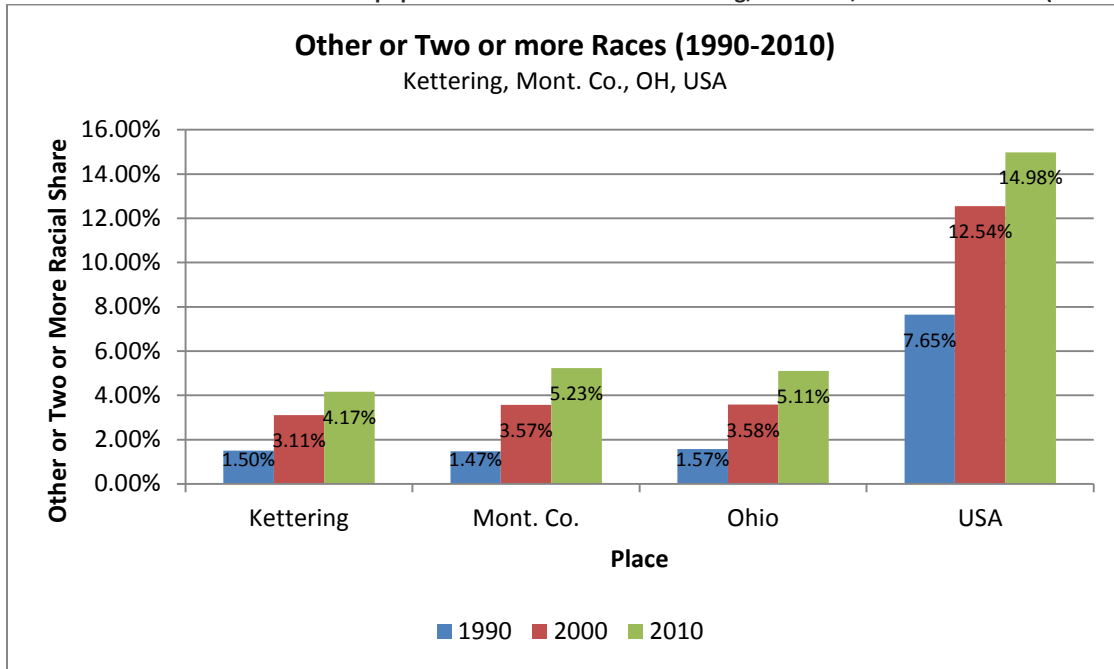
Figure 23: Black or African American Racial Population Share for Kettering, Mont. Co, Ohio and the USA (1990-2010)



The chart to the right illustrates the trend in the Black or African American racial share between 1990 and 2010. Each area has experienced an increase in the total Black or African American racial share due to population increases relative to other races along with declines in populations for other races.

The share of the population that identifies as “other” or two or more races has risen considerably since 1990, particularly in the United States.

Figure 24: "Other" or "Two or more" Races population share trends for Kettering, Mont. Co, Ohio and the USA (1990-2010)



Sources: 1990, 2000 and 2010 Official US Census Bureau Counts

Only the 2010 Census outlines the most common racial makeups for individuals identifying as two or more races. For Kettering, they are: White; American Indian and Alaska Native (236), White; Asian (269), White; Black or African American (436) and White; some other race (67).

The charts and tables on the following pages further breakdown the racial changes for Kettering, Montgomery County, Ohio and the United States between 1990 and 2010.

Table 10: Racial Population Change in Kettering, Ohio (1990-2010)

Racial Population Change (1990-2010)						
Kettering, OH						
Year	1990		2000		2010	
Race Topic	Pop.	% Change	Pop.	% Change	Pop.	% Change
White	59,222	(X)	54,757	-7.54%	51,982	-5.07%
Black or African American	437	(X)	955	+118.54%	1,840	+92.67%
American Indian	79	(X)	105	+32.91%	106	+0.95%
Asian or Pacific Islander	746	(X)	809	+8.45%	764	-5.56%
Two or More races	N/A	(X)	687	N/A	1,173	+70.74%
Other	85	(X)	189	+122.35%	298	+57.67%
Total Population	60,569	(X)	57,502	-5.06%	56,163	-2.33%

Sources: 1990, 2000 and 2010 Official US Census Bureau Counts

Table 11: Racial Population Change in Montgomery County, OH (1990-2010)

Racial Population Change (1990-2010)						
Montgomery County, OH						
Year	1990		2000		2010	
Race Topic	Pop.	% Change	Pop.	% Change	Pop.	% Change
White	463,551	(X)	428,084	-7.65%	395,272	-7.66%
Black or African American	101,817	(X)	111,030	+9.05%	111,870	+0.76%
American Indian	1,065	(X)	1,258	+18.12%	1,242	-1.27%
Asian or Pacific Islander	5,886	(X)	7,537	+28.05%	9,450	+25.38%
Two or More races	N/A	(X)	8,435	N/A	12,847	+52.31%
Other	1,490	(X)	2,718	+82.42%	4,472	+64.53%
Total Population	573,809	(X)	559,062	-2.57%	535,153	-4.28%

Sources: 1990, 2000 and 2010 Official US Census Bureau Counts

Table 12: Racial Population Change in Ohio (1990-2010)

Racial Population Change (1990-2010)						
Ohio, USA						
Year	1990		2000		2010	
Race Topic	Pop.	% Change	Pop.	% Change	Pop.	% Change
White	9,521,756	(X)	9,645,453	+1.30%	9,539,437	-1.10%
Black or African American	1,154,826	(X)	1,301,307	+12.68%	1,407,681	+8.17%
American Indian	20,358	(X)	24,486	+20.28%	25,292	+3.29%
Asian or Pacific Islander	91,179	(X)	135,382	+48.48%	196,299	+45.00%
Two or More races	N/A	(X)	157,885	N/A	237,765	+50.59%
Other	58,996	(X)	88,627	+50.23%	130,030	+46.72%
Total Population	10,847,115	(X)	11,353,140	+4.67%	11,536,504	+1.62%

Sources: 1990, 2000 and 2010 Official US Census Bureau Counts

Table 13: Racial Population Change in the United States (1990-2010)

Racial Population Change (1990-2010)						
United States						
Year	1990		2000		2010	
Race Topic	Pop.	% Change	Pop.	% Change	Pop.	% Change
White	199,686,070	(X)	211,460,626	+5.90%	223,553,265	+5.72%
Black or African American	29,986,060	(X)	34,658,190	+15.58%	38,929,319	+12.32%
American Indian	1,959,234	(X)	2,475,956	+26.37%	2,932,248	+18.43%
Asian or Pacific Islander	7,273,662	(X)	10,641,833	+46.31%	15,214,265	+42.97%
Two or More races	N/A	(X)	6,826,228	N/A	9,009,073	+31.98%
Other	9,804,847	(X)	15,359,073	+56.65%	19,107,368	+24.40%
Total Population	248,709,873	(X)	281,421,906	+13.15%	308,745,538	+9.71%

Sources: 1990, 2000 and 2010 Official US Census Bureau Counts

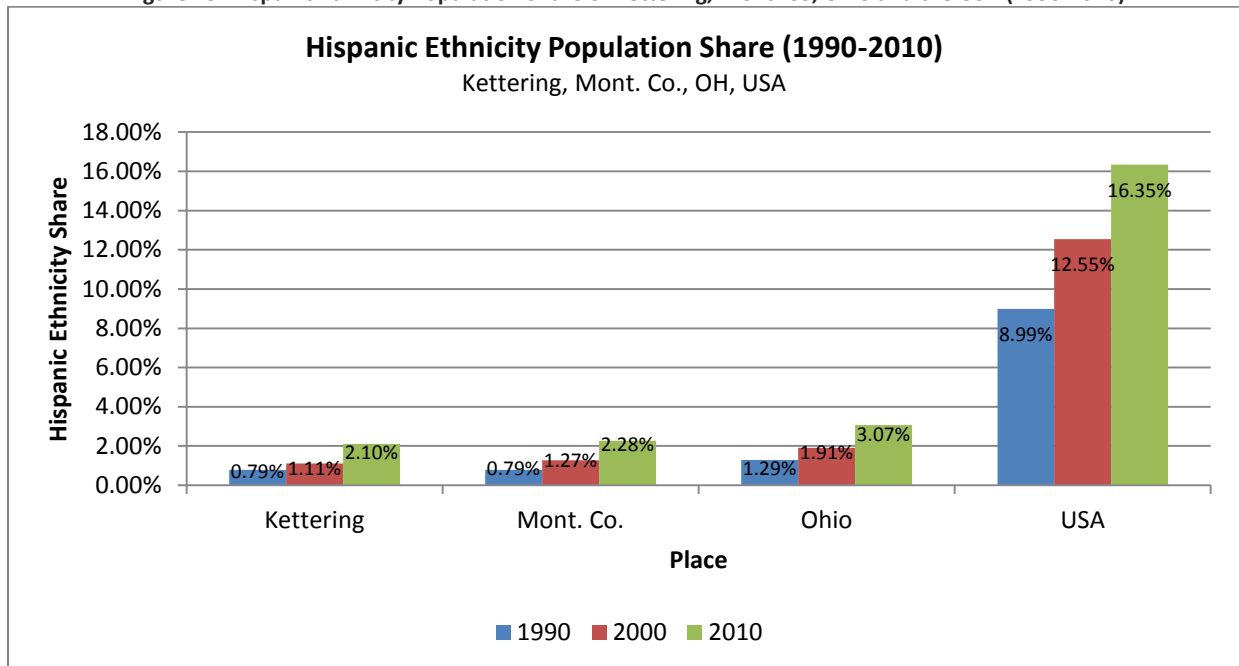
Ethnic Makeup (Hispanic Origin)

Summary of Ethnic Makeup Findings (Hispanic Origin):

When compared to the United States, Ohio and Montgomery County, the City of Kettering has a smaller share of Hispanic individuals, with 2.1% of the population identifying as Hispanic in 2010 compared to 2.28% in the County, 3.07% in Ohio and 16.35% in the United States. However, all of the areas studied have seen large increases in their shares of Hispanic individuals between 1990 and 2010 and this trend is likely to continue into the future due to rapid immigration from Hispanic countries, especially on national and state-wide levels.

The chart below illustrates the population share of Hispanic individuals in Kettering, Montgomery County, Ohio and the United States between 1990 and 2010. Kettering, Montgomery County and Ohio have noticeably lower Hispanic population shares than the United States due to a large percentage of Hispanic individuals being located in the southern areas of the United States. However, the percentage growth in the Hispanic populations for Kettering, Montgomery County and Ohio accelerated between 2000 and 2010 when compared to 1990 to 2000, suggesting a growing trend of increasing Hispanic populations in Ohio.

Figure 25: Hispanic Ethnicity Population Share of Kettering, Mont. Co, Ohio and the USA (1990-2010)



Sources: 1990, 2000 and 2010 official US Census Bureau Counts

Table 14: Hispanic and Non-Hispanic Population Trends for Kettering, Mont. Co, Ohio and the USA (1990-2010)

Ethnic Change: Hispanic Origin (1990-2010)						
Kettering, OH						
Year	1990		2000		2010	
Ethnicity Topic	Pop.	% Change	Pop.	% Change	Pop.	% Change
Not of Hispanic Origin	60,092	(X)	56,862	-5.38%	54,985	-3.30%
Hispanic Origin	477	(X)	640	+34.17%	1,178	+84.06%
Total Population	60,569	(X)	57,502	-5.06%	56,163	-2.33%
Ethnic Change: Hispanic Origin (1990-2010)						
Montgomery County, OH						
Year	1990		2000		2010	
Ethnicity Topic	Pop.	% Change	Pop.	% Change	Pop.	% Change
Not of Hispanic Origin	569,270	(X)	551,966	-3.04%	522,976	-5.25%
Hispanic Origin	4,539	(X)	7,096	+56.33%	12,177	+71.60%
Total Population	573,809	(X)	559,062	-2.57%	535,153	-4.28%
Ethnic Change: Hispanic Origin (1990-2010)						
Ohio, USA						
Year	1990		2000		2010	
Ethnicity Topic	Pop.	% Change	Pop.	% Change	Pop.	% Change
Not of Hispanic Origin	10,707,419	(X)	11,136,017	+4.00%	11,181,830	+0.41%
Hispanic Origin	139,696	(X)	217,123	+55.43%	354,674	+63.35%
Total Population	10,847,115	(X)	11,353,140	+4.67%	11,536,504	+1.62%
Ethnic Change: Hispanic Origin (1990-2010)						
United States						
Year	1990		2000		2010	
Ethnicity Topic	Pop.	% Change	Pop.	% Change	Pop.	% Change
Not of Hispanic Origin	226,355,814	(X)	246,116,088	+8.73%	258,267,944	+4.94%
Hispanic Origin	22,354,059	(X)	35,305,818	+57.94%	50,477,594	+42.97%
Total Population	248,709,873	(X)	281,421,906	+13.15%	308,745,538	+9.71%

Sources: 1990, 2000 and 2010 Decennial US Census Counts

Household Characteristics

Household Characteristics Summary:

Since 1990, the number and types of households have changed in Kettering, Montgomery County, Ohio and the United States. In both Kettering and Montgomery County, there has been a decrease in the number of households, a sign of the decreasing populations in these two areas. In Both Ohio and the United States, there have been increases in the number of households.

In addition the changes in the number of households, characteristics of those households have changed as well. In all areas studied, the shares of households considered families have decrease in all areas studied. There have also been decreases in the shares of households with children under the age of 18, and decrease in the share of husband & wife families. Female headed households, both with and without children, have increased in share.

The contributing factors of these changes are complex, but a central cause is the aging of the population due to an increase in the number of elderly householders, many of whom live alone.

The table on the following pages compares the changing household and family breakdowns for Kettering, Montgomery County, Ohio and the United States.

Table 15: Household types of Kettering, Mont. Co, Ohio and the USA (1990-2010)

Household Types (Percent of All Households)												
Geography	Kettering			Mont. Co.			Ohio			United States		
Topic	1990	2000	2010	1990	2000	2010	1990	2000	2010	1990	2000	2010
Total Households	26,098	25,657	25,427	226,192	229,229	223,943	4,087,546	4,445,773	4,603,435	91,947,410	105,480,101	116,716,292
Family Households	65.8%	61.3%	58.9%	68.3%	65.4%	61.6%	70.8%	67.3%	65.0%	70.2%	68.1%	66.4%
-With own Children under 18	26.6%	26.9%	24.1%	31.6%	29.6%	26.3%	33.8%	31.7%	28.1%	33.6%	32.8%	29.8%
-Husband & Wife Family	55.1%	48.7%	43.4%	52.0%	46.3%	41.6%	56.1%	51.4%	47.2%	55.1%	51.7%	48.4%
--With Own Children under 18	21.1%	19.4%	15.4%	22.6%	19.1%	15.1%	25.8%	22.4%	18.2%	25.6%	23.5%	20.2%
Female householder, no husband present (Family)	8.5%	9.5%	11.3%	13.2%	13.8%	15.3%	11.7%	12.1%	13.1%	11.6%	12.2%	13.1%
-With own Children under 18	4.6%	5.9%	6.5%	7.8%	8.4%	8.8%	6.7%	7.3%	7.5%	6.6%	7.2%	7.2%
Average HH Size	2.3	2.22	2.19	2.49	2.37	2.33	2.59	2.49	2.44	2.63	2.59	2.58
Non-Family Households	34.2%	38.7%	41.1%	31.7%	35.9%	38.4%	29.2%	32.7%	35.0%	29.8%	31.9%	33.6%
Householder Living Alone	30.0%	33.4%	34.9%	27.0%	30.4%	32.2%	25.0%	27.3%	28.9%	24.6%	25.8%	26.7%
-Female	18.7%	20.0%	20.5%	15.9%	17.3%	18.2%	15.2%	15.8%	16.1%	14.5%	14.6%	14.8%
-65 Years and Over	11.7%	12.8%	13.1%	9.5%	10.1%	11.3%	10.2%	10.0%	10.4%	9.6%	9.2%	9.4%
--Female	9.6%	10.1%	9.8%	7.5%	7.9%	8.1%	8.1%	7.8%	7.5%	7.5%	7.1%	6.7%
General												
Householder 65 Years and Over	25.8%	27.2%	27.1%	20.7%	21.8%	24.3%	22.3%	21.9%	23.2%	21.7%	21.0%	22.1%
Average Family Size	2.87	2.85	2.83	3.04	2.96	2.94	3.12	3.04	3.01	3.16	3.14	3.14

Sources: 1990, 2000 and 2010 Decennial Census Counts

B. Housing Characteristics

Housing Age

Housing Age Summary:

When compared to the United States, Ohio and Montgomery County, the City of Kettering has an older overall housing stock. The median construction year of housing units in Kettering is 1960 (+/-1) based on ACS 2008-2012 5-yr estimates compared to 1965 (+/-1) for Montgomery County, 1966 (+/-2) for the Dayton Metropolitan Area, 1967 (+/-1) for the State of Ohio and 1974 (+/-1) for the United States.

This is due, in part, to 32.7% (+/-1.4%) of Kettering's housing units being built in the 1950s, compared to 17.7%, 16.2%, 14.6% and 11.1%, respectively, for the County, MSA, State and Nation.

Renter-occupied units in Kettering have a median construction year of 1964 (+/- 2) compared to 1958 (+/- 1) for owner-occupied units. Renter-occupied units in Montgomery County have a median construction year of 1967 (+/- 1) compared to 1964 (+/- 1) for owner-occupied units. In the Dayton MSA, the median construction years for owner and renter-occupied units are 1966 (+/- 2) and 1969 (+/- 2), respectively. In Ohio, the median construction year for both owner-occupied units and renter-occupied units is 1967 (+/- 1). In the United States as a whole, owner-occupied units have a median construction year of 1977 (+/- 1) compared to 1974 (+/- 1) for renter-occupied units.

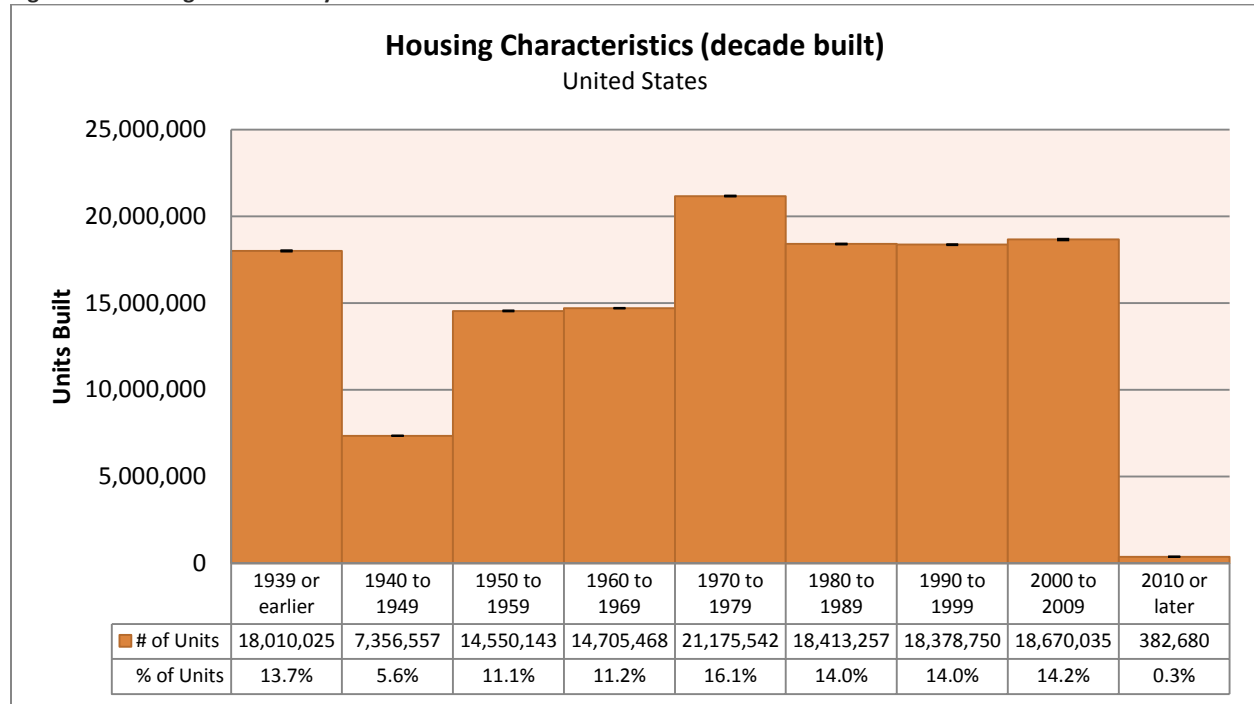
Due to Kettering lacking much developable land, this means that if the City wishes to see an increase in newer housing unit construction, a combination of the following must occur:

-Rezone surplus non-residential property for residential and/or mixed-uses, remove the existing defunct buildings and construct new housing units. This has already been done in Kettering with the Kettering Pointe and Kettering Crossing Developments along Wilmington Pike and Forrer.

-Demolish defunct and dilapidated housing units, particularly side-by-side single-family units or multi-tenant structures on large parcels to clear the way for the development of housing more appropriate for today's market demand.

The peak of housing unit construction in the United States occurred in the 1970s.

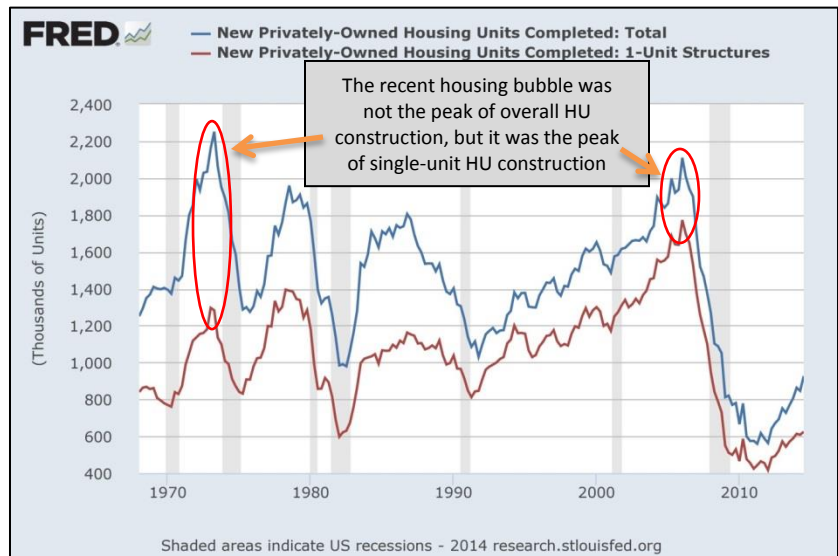
Figure 26: Housing Units built by Decade for the United States



Source: US Census Bureau's ACS 2008-2012 5-yr Estimates

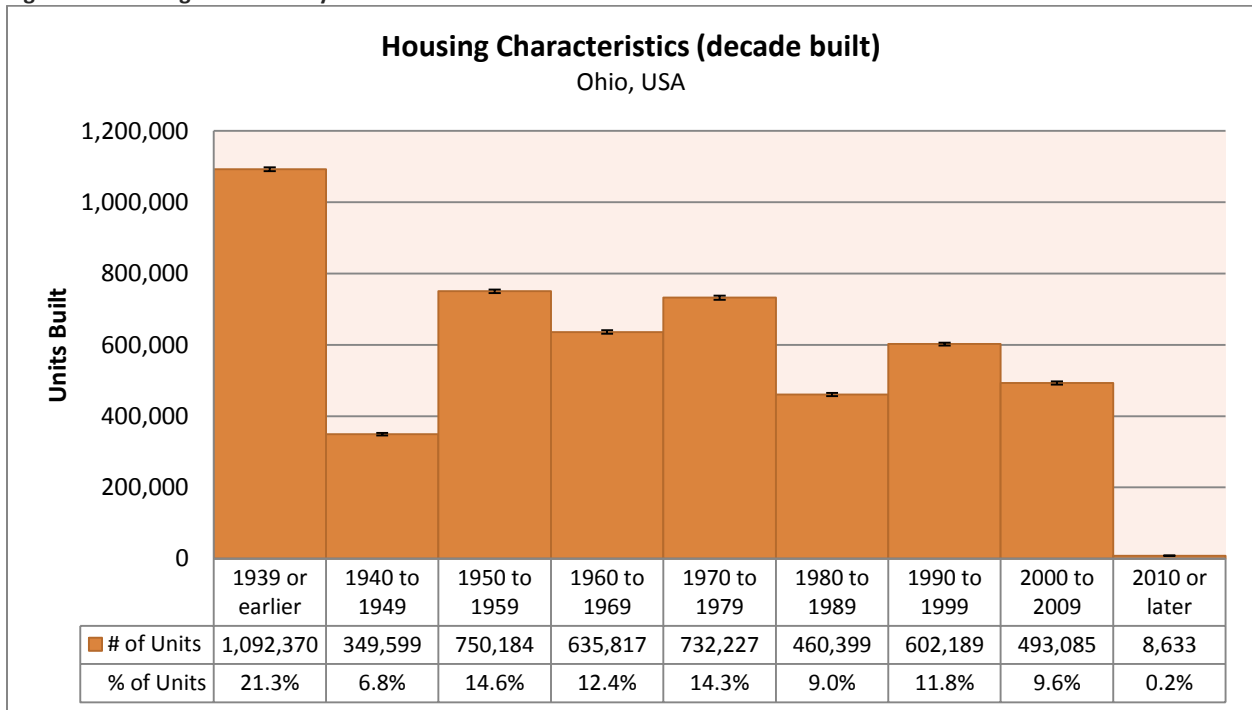
Figure 27: Total & Single-Unit Housing Unit Construction in the United States (1968-2014)

However, the recent housing bubble was the peak of single-family/unit housing construction in the United States, suggesting that a larger percentage of housing unit construction in previous decades came from structures with two or more units. The chart to the right depicts total housing unit completions by quarter along with single-unit structure completions. Note how the gap between total units completed and single-unit structures completed narrowed considerably during the 1990s-2000s and has just recently begun to widen again, suggesting that an increasing percentage of new housing units constructed are in multi-tenant buildings.



The State of Ohio has an older housing stock than the United States due to a plurality of the housing units having been constructed in 1939 or earlier. After the decade of the 1940s which saw a drop in housing construction due in-part to rationing during World War II, Ohio experienced a sustained period of strong housing construction that saw at least 460,000 housing units constructed each decade, with the peak being in the 1950s when 750,184 housing units were constructed.

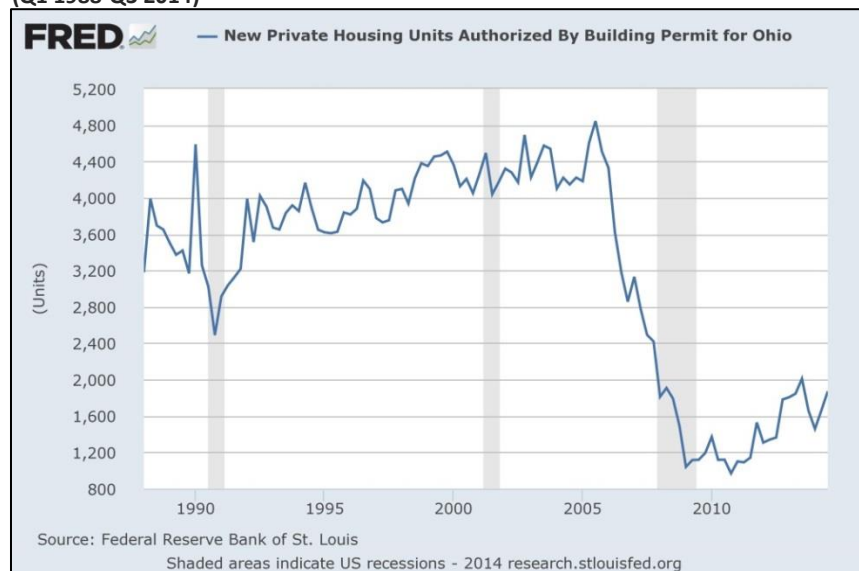
Figure 28: Housing Units built by Decade for Ohio



Source: US Census Bureau's ACS 2008-2012 5-yr Estimates

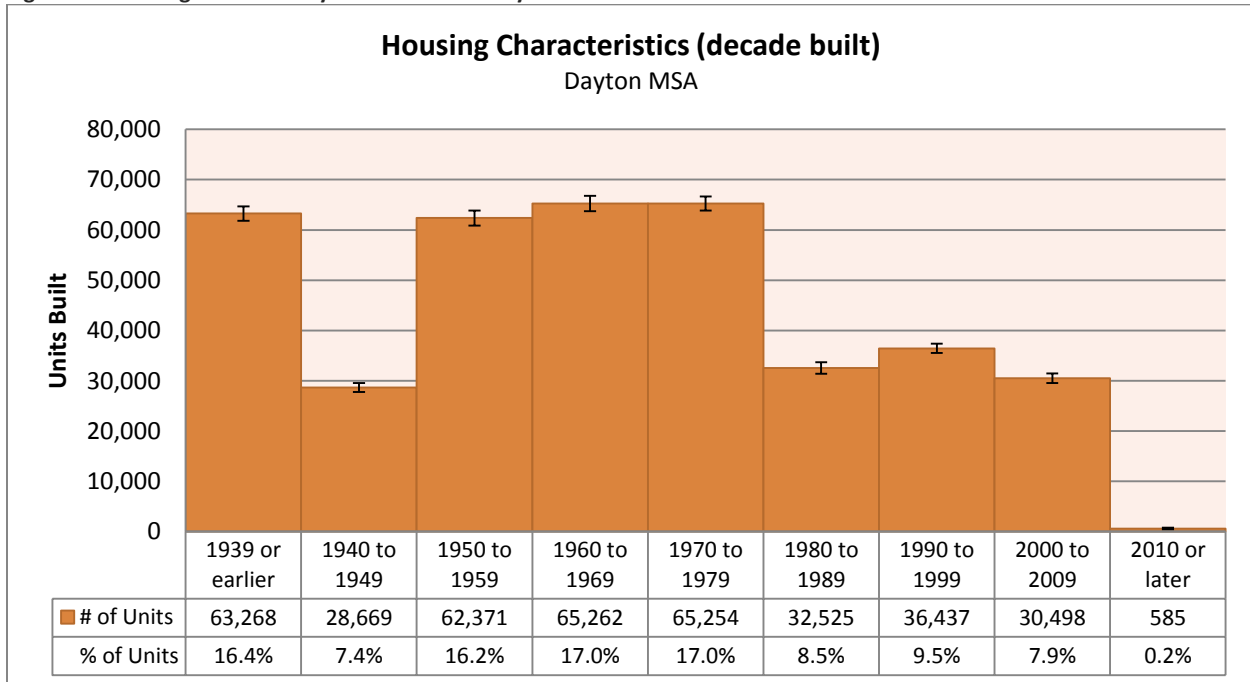
A large drop off in housing construction has occurred in Ohio since the bursting of the housing bubble. There has been a small increase in housing construction in the state since 2010, but the housing construction market remains depressed and there is little indication that a pickup will occur. This is due to the state's stagnant population and a lack of strong demand for new housing.

Figure 29: Quarterly New Private Housing Units Authorized by Building Permit for Ohio (Q1 1988-Q3 2014)



As a whole, the Dayton MSA experienced a sustained period of strong housing unit construction between 1950 and the late 1970s before a large drop in construction occurred. This drop in construction is a reflection of two key realities for the area: a deterioration of the area’s economic climate with regards to the manufacturing sector and a loss of developable land in areas of high residential demand (near major transportation corridors such as I-70, I-75 and I-675). Both of the two previous factors have contributed to a stagnant/slightly declining population, which further depresses the demand for new housing units in the Dayton Area.

Figure 30: Housing Units built by Decade for the Dayton MSA

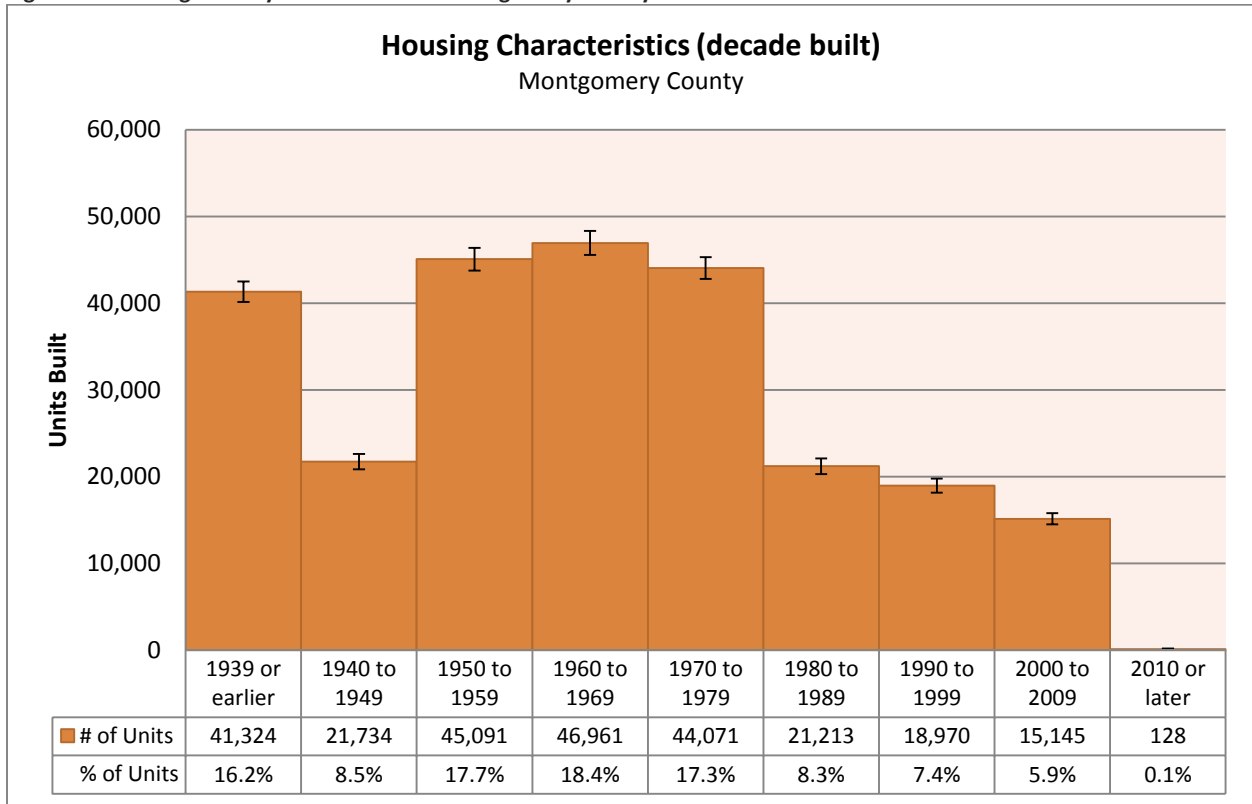


Source: US Census Bureau’s ACS 2008-2012 5-yr Estimates

Interestingly, while the drop in housing construction between the 1970s and 1980s was significant, the more than 30,000 units continued to be built each decade, despite the largely stagnant population. This suggests that the Dayton MSA has continued to experience decreasing average household sizes and further urban sprawl.

Montgomery County is the Dayton MSA’s largest county with regards to population and total housing units. New construction in the County has been steadily falling since the 1980s after a large drop-off occurred following the 1970s. This decrease in construction is due to two major factors: a lack of developable land, a lack of demand for new housing due to a weak economy and stagnant/declining population.

Figure 31: Housing units by decade built for Montgomery County

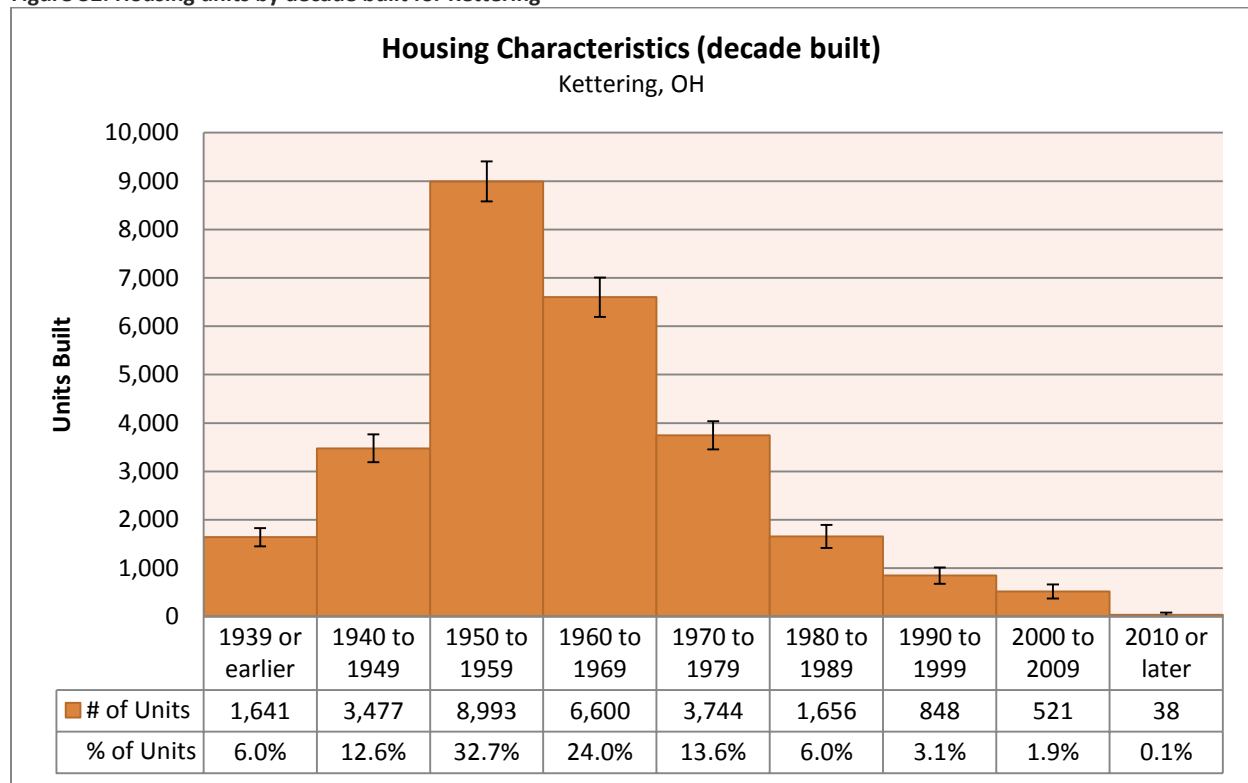


Source: US Census Bureau’s ACS 2008-2012 5-yr Estimates

As discussed earlier, the 1950s and 60s were the two major decades for housing construction within the City of Kettering. Since then, a drop-off in construction has occurred due to the build out of the community and lack of easily developable land.

In order to add a sizable number of new housing units to the City, it will be necessary to rezone surplus business property for residential or mixed-uses. This has already been done with the large vacant lot on E. Stroop Road, and past projects that have converted defunct uses into uses more applicable in today’s economy such as Kettering Crossing and Kettering Pointe²³, both of which included retail and housing development on sites that were previously occupied by business or industrial uses.

Figure 32: Housing units by decade built for Kettering



Source: US Census Bureau’s ACS 2008-2012 5-yr Estimates

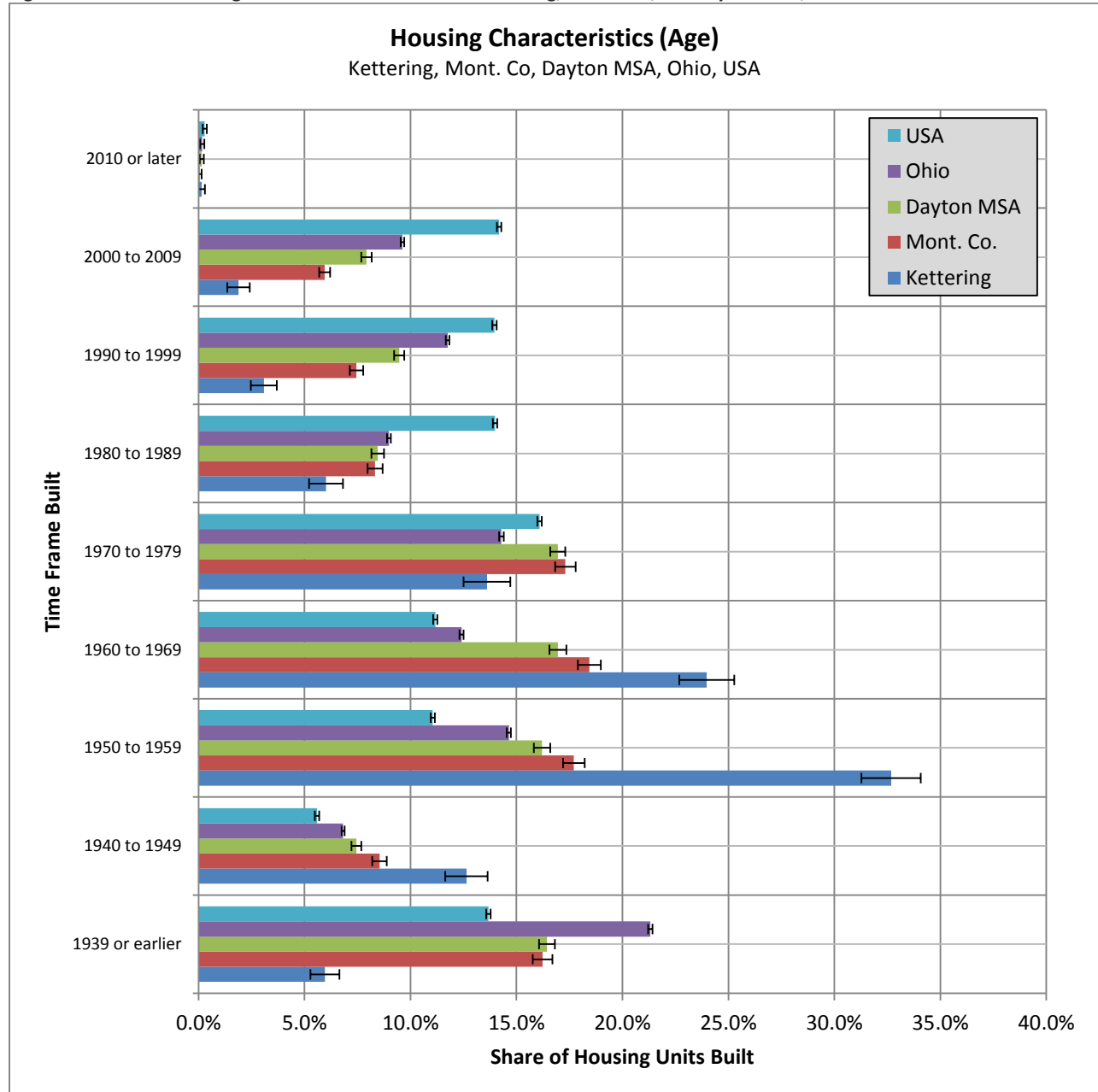
The age of Kettering’s housing is one of the biggest challenges the community will face in the coming years. Coupled with the deterioration of older housing units, many of the housing units built in the 1950s are smaller ranch-style homes with three bedrooms and one bathroom that are not as in-demand as newer styles of construction. This issue became more apparent when Kettering’s Community Development Division was selling NSP-funded houses on the open market. The new-construction homes sold to buyers much faster than the purchase-rehab homes did, though all of the homes eventually did sell.

²³ Kettering Development Corporation website regarding the Kettering Pointe and Kettering Crossing projects on Wilmington Pike: http://www.ketteringdevelopmentcorp.com/?page_id=111

Housing Age Summary:

The United States, Ohio, the Dayton MSA and Montgomery County have all experienced more spread out timelines for housing development than Kettering. As the graph below shows, nearly 1/3rd of Kettering’s housing units were built in one decade (1950s) while the next largest percentage of housing unit construction share is the 1960s in Montgomery County which saw 18.4% of the County’s housing units constructed. Margins of error are included.

Figure 33: Share of Housing units built each decade for Kettering, Mont. Co., the Dayton MSA, Ohio and the USA



Source: Census Bureau’s ACS 2008-2012 5-yr estimates

Housing Unit Types

Housing Unit Type Summary:

The housing stocks of the USA, Ohio, the Dayton MSA, Montgomery County and Kettering are all made up of mostly 1-unit attached and detached housing units. Ohio and the United States also have large numbers of mobile/modular homes.

71.57% (66.98% detached, 4.59% attached) of Kettering's housing stock is made up of single-unit buildings. This is compared to: 72.51% (66.32% detached, 6.19% attached) for Montgomery County, 74.89% (69.56% detached, 5.33% attached) for the Dayton MSA, 73.13% (68.49% detached, 4.64% attached) for Ohio and 67.49% (61.7% detached, 5.79% attached) for the United States.

If mobile/modular homes are included in the 1-unit housing mix, the breakdown of 1-unit structures would be as follows:

~USA: 74.01% (+/-0.09%)

~Ohio: 77.07% (+/-0.17%)

~Dayton MSA: 76.48% (+/-0.46%)

~Montgomery County: 73.89% (+/-0.58%)

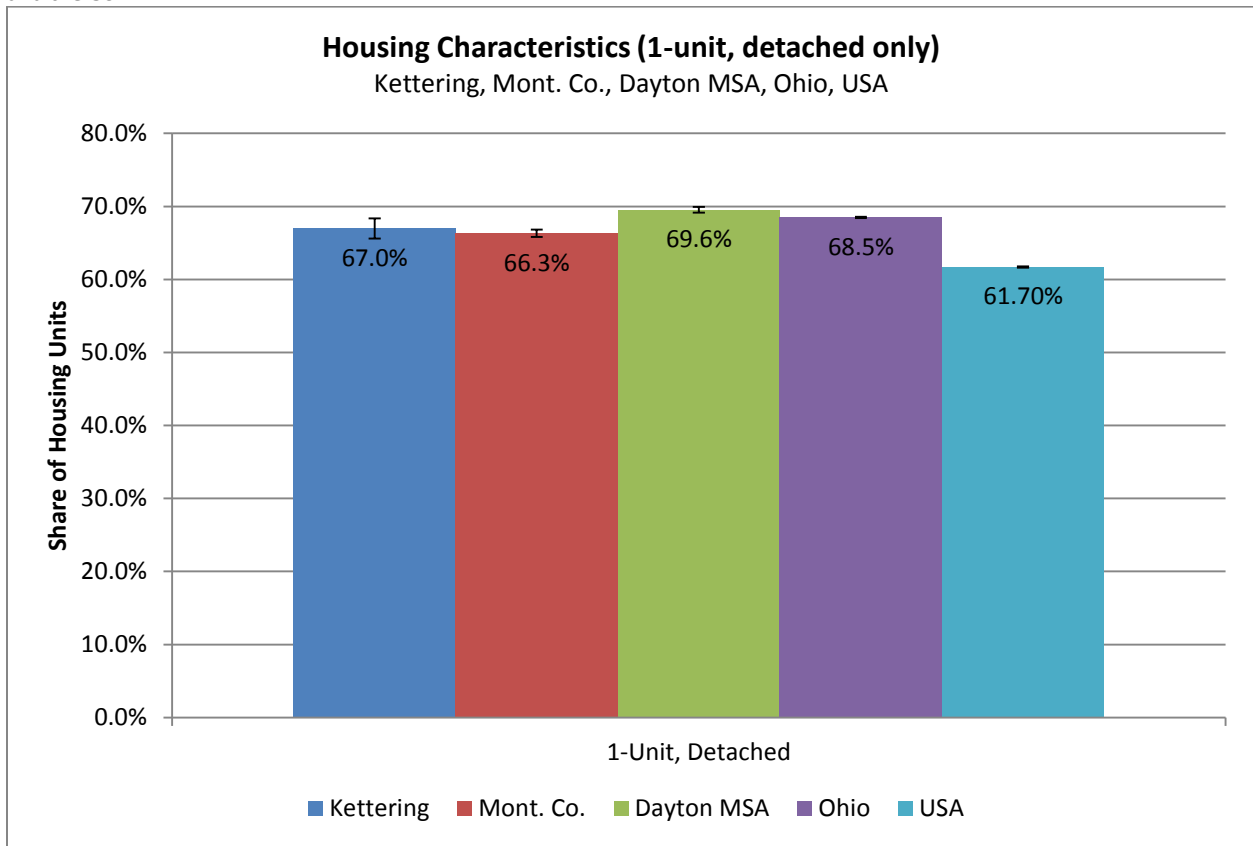
~Kettering: 71.81% (+/-2.41%)

One unique feature of Kettering's housing stock is the large percentage (9.36%) of housing units that are made up of 3 to 4 unit buildings. This is apparent when driving through the city as several smaller multi-tenant buildings are peppered throughout the City's neighborhoods, even frequently side-by-side with single-family housing units.

The remaining housing units are spread between buildings with 2 or more units, mobile homes and boats, RVs or vans.

The graphs below illustrate the housing unit breakdowns for the United States, Ohio, the Dayton MSA, Montgomery County and Kettering. The first chart shows a breakdown of only the 1- unit detached buildings and the following chart excludes single-unit detached housing units in order to better illustrate which housing unit types are dominant outside of single-family detached dwellings.

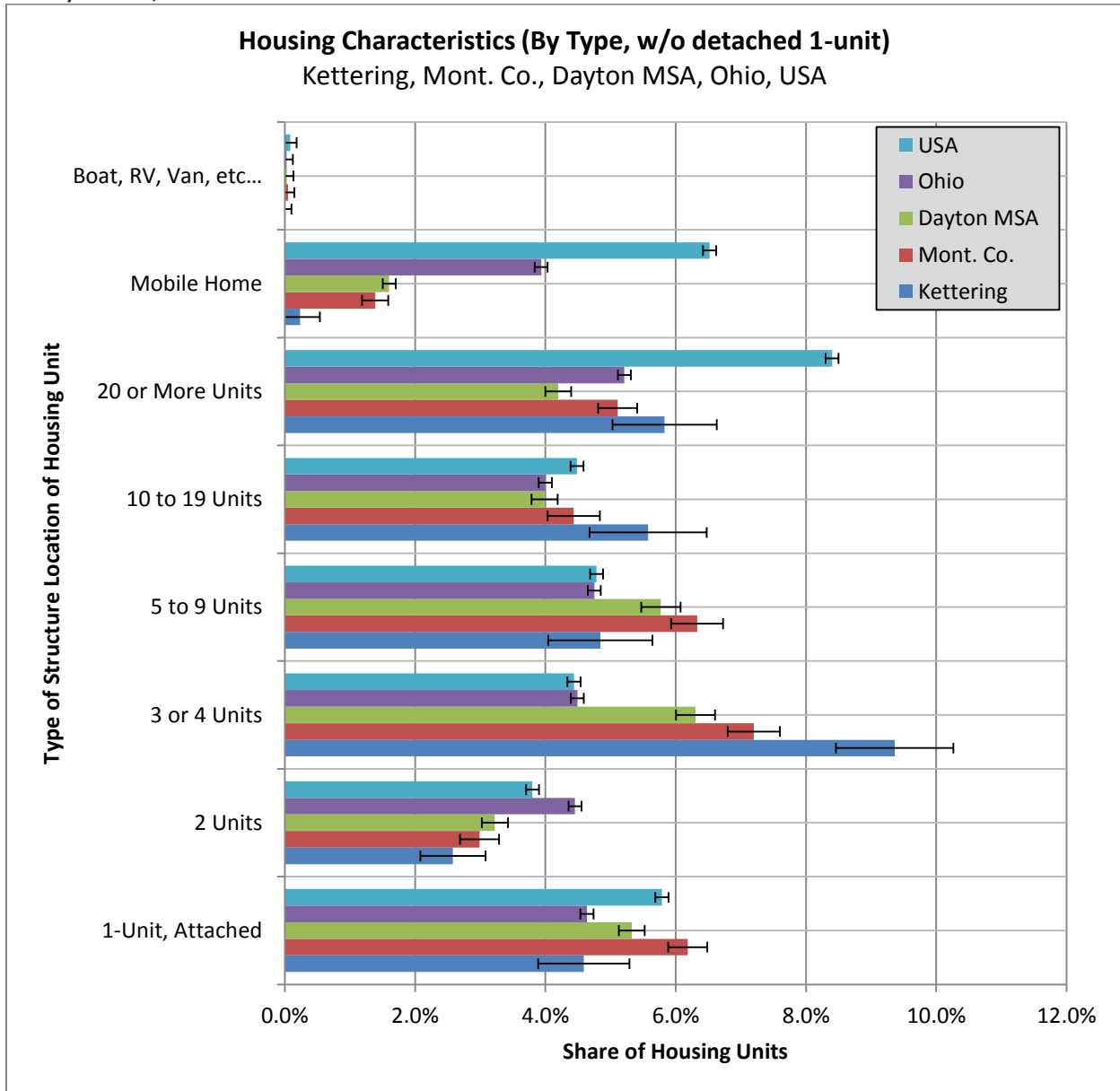
Figure 34: Share of Housing Units comprised of 1-unit, detached buildings for Kettering, Mont. Co., the Dayton MSA, Ohio and the USA



Source: Census Bureau's ACS 2008-2012 5-yr estimates

The United States has the lowest share of 1-unit detached housing units when compared to the other areas studied. This is due to the large share of buildings containing 20 or more units that are located throughout many of the larger cities in the United States that are much lower in number in the Dayton Area on a relative basis. The graph on the following page illustrates the breakdown of the remaining housing unit types.

Figure 35: Share of Housing Units comprised of housing types other than 1-unit, detached buildings for Kettering, Mont. Co., the Dayton MSA, Ohio and the USA



Source: Census Bureau's ACS 2008-2012 5-yr estimates

The graph above shows that Kettering's housing stock is unique in the area of 3 to 4 unit apartment buildings. These buildings present both an opportunity and a challenge. Regarding the opportunity, smaller multi-tenant buildings can be relatively cheaply purchased and converted into affordable housing units for a variety of tenants, as has been done within Kettering by St. Vincent's, Miami Valley Housing Opportunities and Greater Dayton Premier Management. Regarding the challenges, the aging of these structures can present significant issues if they are not properly maintained by the owners, in addition, many of the 3-4 unit buildings contain only 1-bedroom units, which limit housing options for families in Kettering.

Housing Tenure

Tenure Summary:

Homeownership has been declining across the United States since 2005-2006 after a sustained increase that began in the mid-1990s. This decline has impacted the United States, Ohio, Montgomery County and Kettering as each area has seen a decline in their homeownership rates in recent years. Between 2000 and 2010, Kettering's homeownership rate fell from 66.6% down to 64.7% and American Community Survey estimates from data gathered between 2011 and 2013 estimate that the homeownership rate fell further to 60.4% (+/- 1.6%). However, significant inconsistencies in the 2011-2013 ACS data when compared to the more scientific 2010 Census suggest that the 2011-2013 3-yr homeownership rate estimate is highly inaccurate.

The reasons for the decreases in homeownership rates between 2000 and 2010 are complex. In the cases of Ohio and the United States, the decreases in homeownership rates between 2000 and 2010 occurred despite an increase in the number of owner-occupied housing units due to the number of renter-occupied units increasing more rapidly. Both Kettering and Montgomery County experienced a decrease in the number of owner-occupied housing units along with an increase in the number of renter-occupied units between 2000 and 2010.

The housing/foreclosure crisis has played, and continues to play, the key role in the declining rates of homeownership around the United States.

While high rates of homeownership are typically viewed in a positive light, the latest financial crisis has proven that there is an optimal rate of homeownership that is somewhere below 100%. Kettering’s homeownership rate declined to an estimated 60.4% (+/- 1.6%) based on 2011-2013 ACS estimates after rising to 66.6% in 2000 and falling to 64.7% in 2010. Kettering followed a trend similar to Montgomery County and Ohio between 1990 and 2010 based on official Census counts. However, the ACS estimates for the years 2011-2013 show that Kettering’s homeownership rate has declined at a much faster rate than the United States, Ohio and Montgomery County, though inaccurate data from the ACS may be the primary cause.

The chart below depicts the annual homeownership rates between 1984 and 2013 for the United States and Ohio. The chart shows the sustained increase starting in the mid-1990s followed by the major decline beginning around 2005. As of the latest annual update, the homeownership rate has yet to stabilize for either area over a sustained period of time. In addition, ACS data collected during 2011-2013 (3-year estimates) for Kettering, Montgomery County, Ohio and the United States all estimate continued declines in the homeownership rate when compared to the 2010 Census.

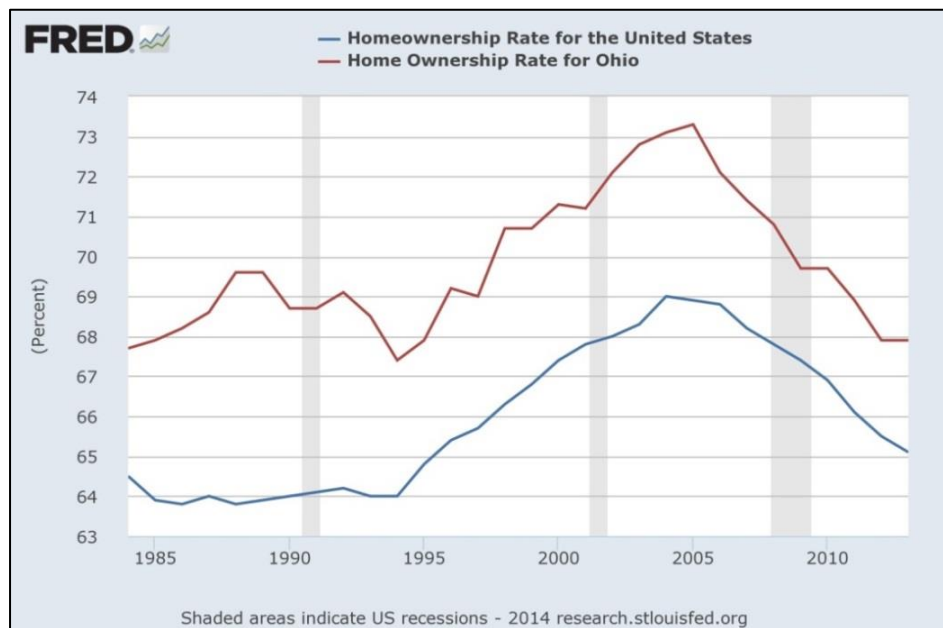
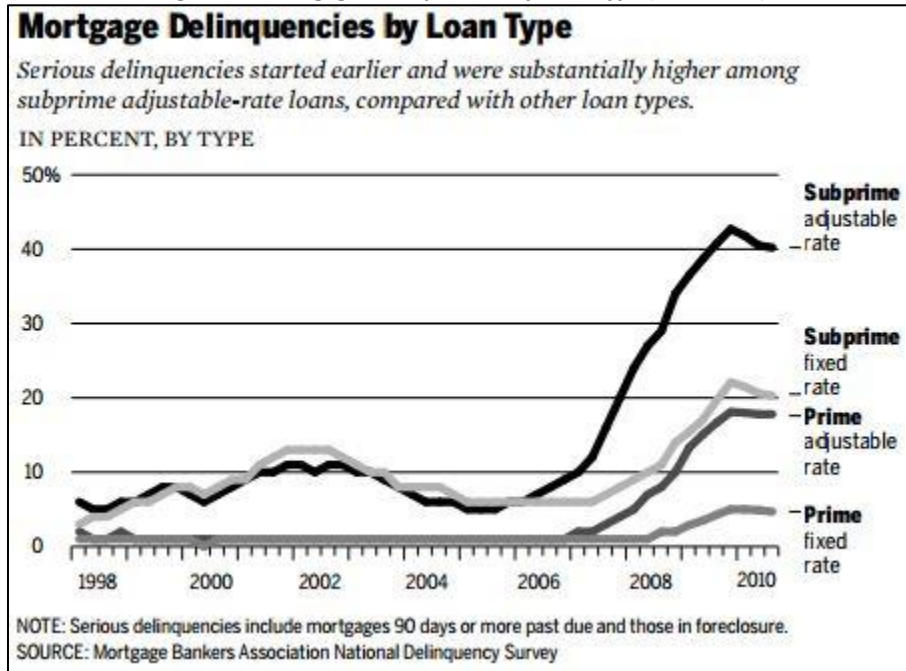


Figure 36: Homeownership Rate Trend for Ohio and the United States (1984-2013)

The reason for the decrease in homeownership since 2005 is complicated and far beyond the scope of this document to explain, but a major contributing factor to the decrease was unraveling of the securitized mortgage market and collapse of much of the subprime mortgage market in 2007 and 2008. In 2004, 2005 and 2006, subprime mortgages made up 20.9%, 22.7% and 23.5%, respectively, of the total mortgage market each year before falling to 9.2% in 2007 and 1.7% in 2008.²⁴ This decrease in the subprime mortgage share was preceded by an increase in delinquencies on adjustable rate and fixed-rate subprime mortgages. Many of the subprime mortgages that allowed many people to become homeowners in the first place were issued through a very complex financing system of “exotic” financing tools such as collateralized debt obligations (CDOs) and credit default swaps that allowed the issuers of the debt to outsource the risk of potential default, creating a system fraught with moral hazard.

²⁴ *The Financial Crisis Inquiry Report: Final Report of the National Commission on the Causes of the Financial and Economic Crisis in the United States*, page 70

Figure 37: Mortgage Delinquencies by Loan Type (1998-2010)



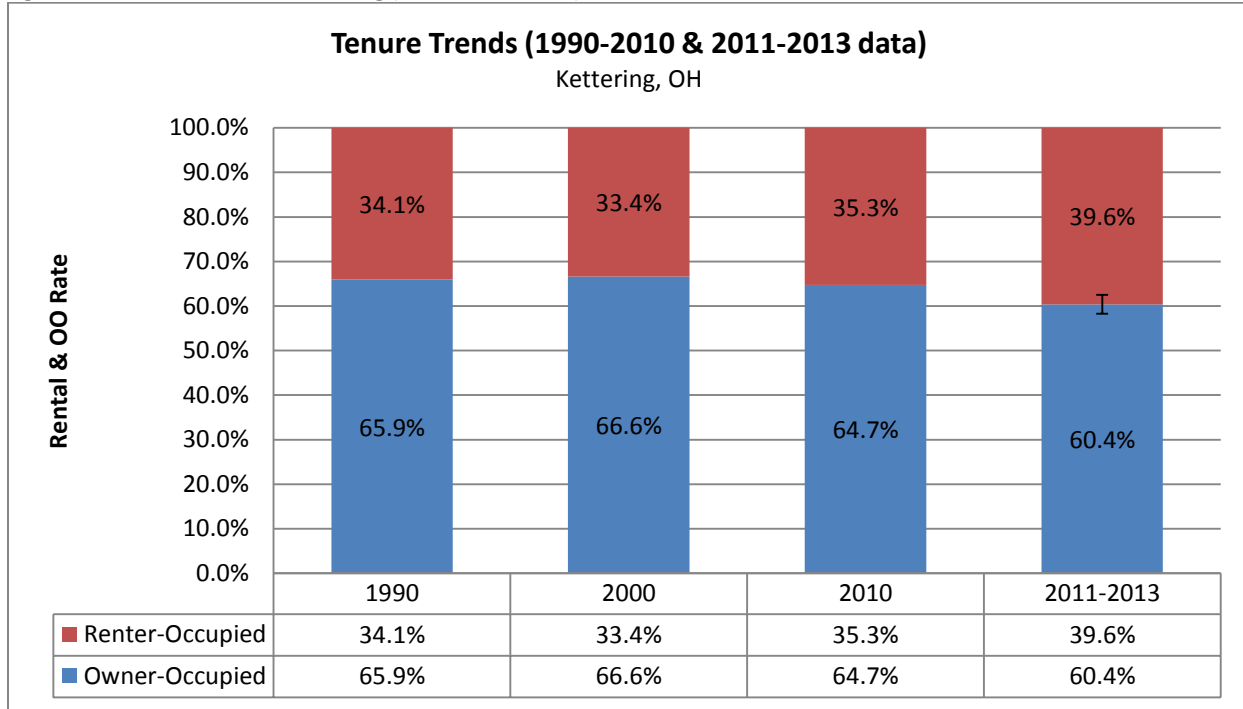
Source: *The Financial Crisis Inquiry Report: Final Report of the National Commission on the Causes of the Financial and Economic Crisis in the United States*

The dramatic increase in mortgage delinquencies and subsequent foreclosures caused many individuals and families to lose their homes. Ohio was one of the hardest hit states by the foreclosure crisis, and the Dayton Area, including Kettering, have been hit by a high number of foreclosures as well. Though, foreclosure filings in Kettering have been decreasing in recent years and will be discussed in more detail in the economic section of this report.

As more time passes and the economy continues to improve, the number of foreclosure filings should continue to decrease before stabilizing at a rate more typical in previous non-crisis years. In addition, the number of existing vacant, bank-owned properties will steadily decrease as banks offload foreclosed properties at a faster rate than they acquire them through new foreclosure filings.

The chart below depicts the homeownership and rental rates for the City of Kettering between 1990 and 2010 followed by data collected through the ACS between 2011 and 2013. The 1990, 2000 and 2010 data points are from official decennial Census counts while the 2011-2013 data point is from the Census Bureau’s American Community Survey data collected between 2011 and 2013.

Figure 38: Tenure Trends for Kettering (1990—2011-2013)



Sources: 1990, 2000 and 2010 Figures from official Census counts, 2012 data from ACS 2011-2013 3-yr estimates

The table below depicts the numbers from which the chart above is based. Note the major increase (+849 units) in the number of renter-occupied units and the major decrease (-1,491) in owner-occupied units along with the decline (-943) in the number of total housing units based on ACS data gathered in 2011, 2012 and 2013. This strongly suggests that the 2011-2013 ACS homeownership rate estimate is inaccurate when compared to the 2010 Census count.

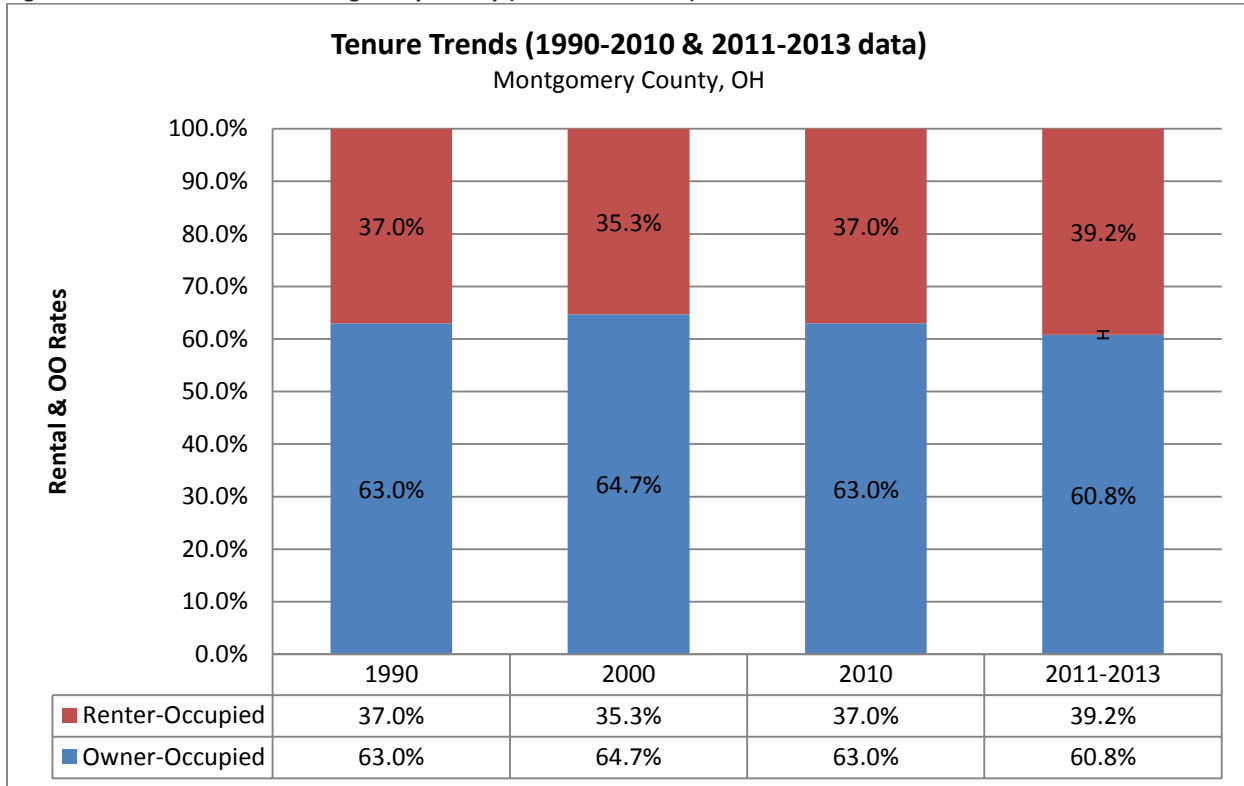
Table 16: Housing Tenure data for Kettering (1990-2010 & 2011-2013)

Kettering Tenure Data (1990-2010 & 2011-2013)								
Topic	Housing Units		Occupied HUs		Owner-Occupied		Renter-Occupied	
Year	#	% Change	#	% Change	#	% Change	#	% Change
1990	27,096	(X)	26,098	(X)	17,206	(X)	8,892	(X)
2000	26,936	-0.6%	25,657	-1.7%	17,088	-0.7%	8,569	-3.6%
2010	27,602	+2.5%	25,427	-0.9%	16,459	-3.7%	8,968	+4.7%
2011-2013	26,659	-3.4%	24,785	-2.5%	14,968	-9.1%	9,817	+9.5%
MOE	+/-625	(X)	+/-573	(X)	+/-518	(X)	+/-474	(X)

Above: The red numbers represent those pulled from the 2011-2013 ACS estimates. Note the major changes when compared to the more scientific 2010 Census numbers.

The chart below depicts the homeownership and rental rates for Montgomery County between 1990 and 2011-2013. The 1990, 2000 and 2010 data points are from official decennial Census counts while the 2011-2013 data point is from the Census Bureau’s American Community Survey data collected between 2011 and 2013.

Figure 39: Tenure Trends for Montgomery County (1990—2011-2013)



Sources: 1990, 2000 and 2010 Figures from official Census counts, 2012 data from ACS 2011-2013 3-yr estimates

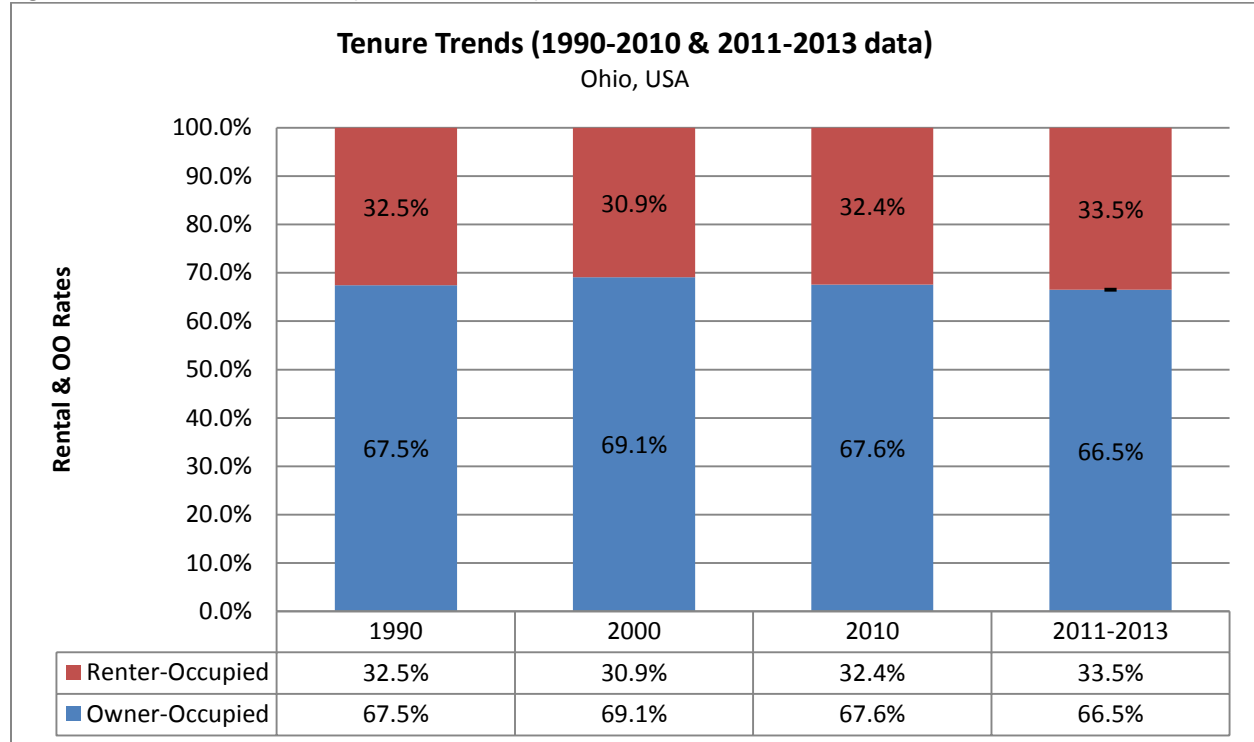
The table below depicts the numbers from which the chart above is based.

Table 17: Housing Tenure data for Montgomery County (1990-2010 & 2011-2013)

Montgomery County Tenure Data (1990-2010 & 2011-2013)								
Year	Housing Units		Occupied HUs		Owner-Occupied		Renter-Occupied	
	#	% Change	#	% Change	#	% Change	#	% Change
1990	240,820	(X)	226,192	(X)	142,428	(X)	83,764	(X)
2000	248,443	+3.2%	229,229	+1.3%	148,251	+4.1%	80,978	-3.3%
2010	254,775	+2.6%	223,943	-2.3%	141,022	-4.9%	82,921	+2.4%
2011-2013	254,022	-0.3%	221,546	-1.1%	134,737	-4.5%	86,809	+4.7%
MOE	+/-466	(X)	+/-1,896	(X)	+/-1,832	(X)	+/-1,855	(X)

The chart below depicts the homeownership and rental rates for the State of Ohio between 1990 and 2010 followed by data collected between 2011 and 2013 through the ACS. The 1990, 2000 and 2010 data points are from official decennial Census counts while the 2011-2013 data point is from the Census Bureau’s American Community Survey data collected between 2011 and 2013.

Figure 40: Tenure Trends for Ohio (1990—2011-2013)



Sources: 1990, 2000 and 2010 Figures from official Census counts, 2012 data from ACS 2011-2013 3-yr estimates

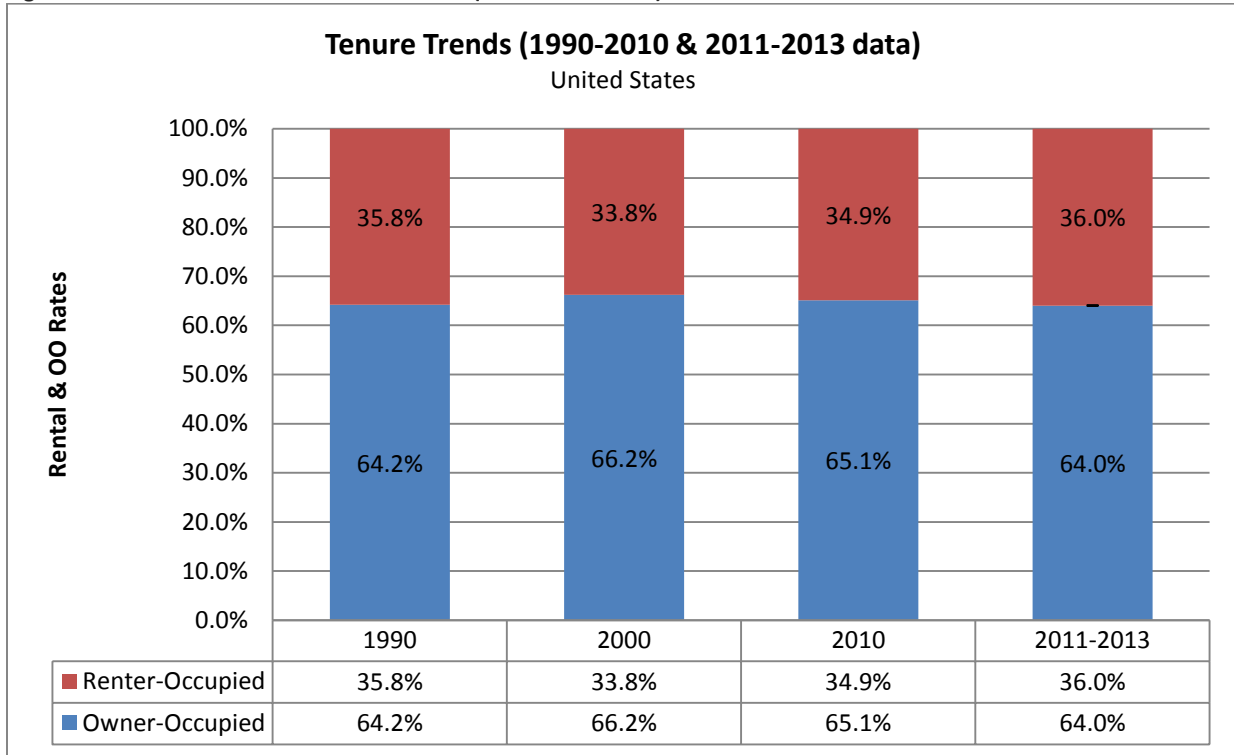
The table below depicts the numbers from which the chart above is based.

Table 18: Housing Tenure data for Ohio (1990-2010 & 2011-2013)

Ohio Tenure Data (1990-2010 & 2011-2013)								
Topic	Housing Units		Occupied HUs		Owner-Occupied		Renter-Occupied	
Year	#	% Change	#	% Change	#	% Change	#	% Change
1990	4,371,945	(X)	4,087,546	(X)	2,758,131	(X)	1,329,415	(X)
2000	4,783,051	+9.4%	4,445,773	+8.8%	3,072,522	+11.4%	1,373,251	+3.3%
2010	5,127,508	+7.2%	4,603,435	+3.6%	3,111,054	+1.3%	1,492,381	+8.7%
2011-2013	5,124,040	-0.1%	4,551,497	-1.1%	3,027,953	-2.7%	1,523,544	+2.1%
MOE	+/-445	(X)	+/-7,330	(X)	+/-10,179	(X)	+/-8,076	(X)

The chart below depicts the homeownership and rental rates for the United States between 1990 and 2011-2013. The 1990, 2000 and 2010 data points are from official decennial Census counts while the 2011-2013 data point is from the Census Bureau’s American Community Survey data collected between 2011 and 2013.

Figure 41: Tenure Trends for the United States (1990—2011-2013)



Sources: 1990, 2000 and 2010 Figures from official Census counts, 2012 data from ACS 2011-2013 3-yr estimates

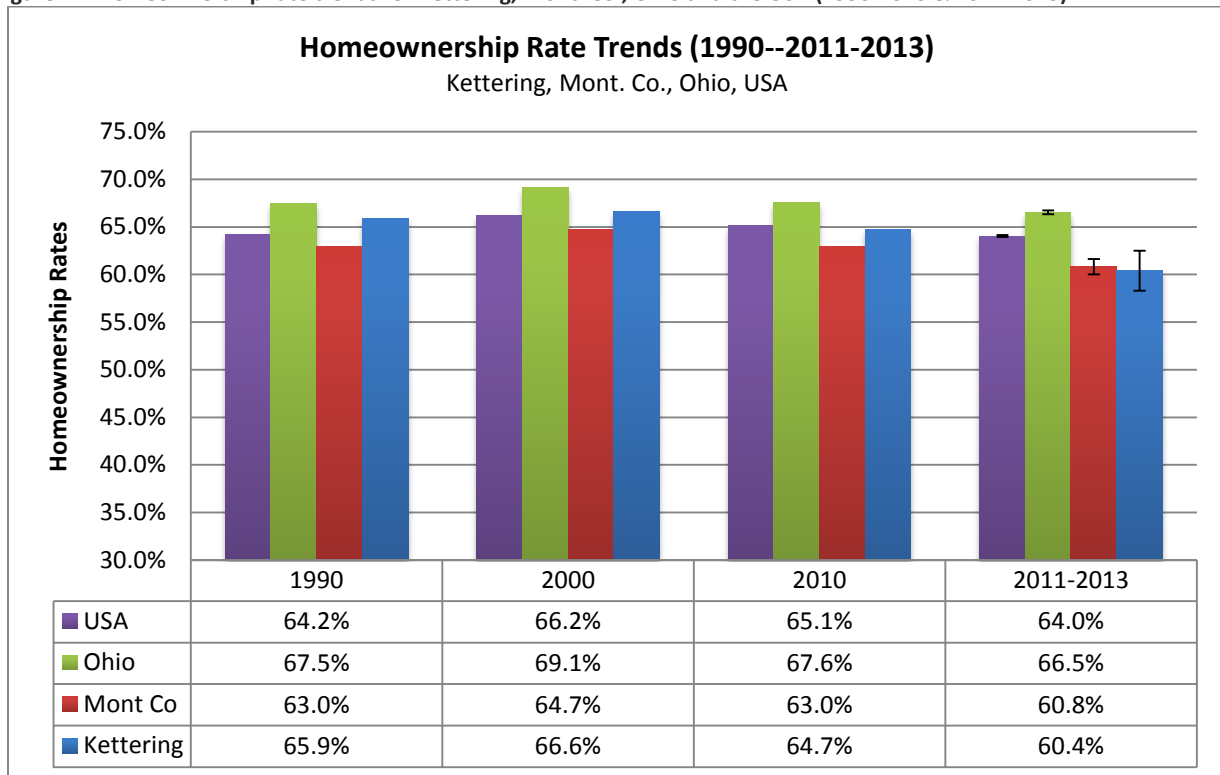
The table below depicts the numbers from which the chart above is based.

Table 19: Housing Tenure data for the United States (1990-2010 & 2011-2013)

United States Tenure Data (1990-2010 & 2011-2013)								
Year	Housing Units		Occupied HUs		Owner-Occupied		Renter-Occupied	
	#	% Change	#	% Change	#	% Change	#	% Change
1990	102,263,678	(X)	91,947,410	(X)	59,031,378	(X)	32,916,032	(X)
2000	115,904,641	+13.3%	105,480,101	+14.7%	69,815,753	+18.3%	35,664,348	+8.4%
2010	131,704,730	+13.6%	116,716,292	+10.7%	75,986,074	+8.8%	40,730,218	+14.2%
2011-2013	132,393,354	+0.5%	115,731,304	-0.8%	74,108,664	-2.5%	41,622,640	+2.2%
MOE	+/-3,627	(X)	+/-94,964	(X)	+/-150,588	(X)	+/-74,002	(X)

The graph below compares the homeownership rate trends of Kettering, Montgomery County, Ohio and the United States between 1990 and 2010 plus the 2011-2013 data point.

Figure 42: Homeownership rate trends for Kettering, Mont. Co., Ohio and the USA (1990-2010 & 2011-2013)



Sources: 1990, 2000 and 2010 Figures from official Census counts, 2011-2013 data from ACS 2011-2013 3-yr estimates

As the chart above shows, if the 3-yr (2011-2013) ACS estimates are assumed to be accurate, Kettering experienced a much more rapid decline in homeownership than the other areas studied. However, based on the charts on the preceding pages, the data points regarding the number of housing units and the tenure of those units in Kettering are unlikely to be accurate due to the dramatic drop in total housing units (-943) and owner-occupied housing units (-1,491) along with the rise in rental-occupied units (+849) when compared to the much more scientific 2010 Census numbers.

While housing units were demolished in Kettering between 2011 and 2013, 943 housing units were not removed. As an example, between 2000 and 2006, 63 demolition permits were issued by the City of Kettering while 191 new residential construction permits were issued. Between 2011 and 2013, 71 new residential construction permits were issued for 94 new housing units.

Homeownership Deficit

As the data in the housing unit type section of this report illustrates, Kettering, Montgomery County, Ohio and the United States all have unique breakdowns of different housing unit types. 1-unit buildings, including attached and detached 1-unit buildings along with mobile homes, tend to have a much higher propensity to be owner-occupied than multi-unit buildings. As such, it is important to consider the housing unit breakdowns for each community when comparing homeownership rates due to some areas having higher shares of housing unit types that are typically owner-occupied than others. To recap the breakdowns for single-unit housing types for each area studied are as follows:

United States (74.01% single-unit)

- ❖ 61.7% 1-unit detached
- ❖ 5.79% 1-unit attached
- ❖ 6.52% mobile/modular homes

Ohio (77.07% single-unit)

- ❖ 68.49% 1-unit detached
- ❖ 4.64% 1-unit attached
- ❖ 3.88% mobile/modular homes

Montgomery County (73.91% single-unit)

- ❖ 66.32% 1-unit detached
- ❖ 6.19% 1-unit attached
- ❖ 1.4% mobile/modular homes

Kettering (71.81% single-unit)

- ❖ 66.98% 1-unit detached
- ❖ 4.59% 1-unit attached
- ❖ 0.24% mobile/modular homes

Source: US Census Bureau ACS 2008-2012 5-yr Estimates

Note: The data above is subject to sampling error, particularly with modular homes in Kettering where the margin of error is larger than the total number of estimated mobile homes.

Due to ACS 5-yr estimates being used for the housing unit type breakdown in this report, the analyst has chosen to use the same source for the most recent homeownership data, which is the reason for the differing homeownership rates below when compared to the ACS 2011-2013 3-year estimates used above.

Table 20: Homeownership Deficits for Kettering, Mont. Co., Ohio and the USA (2008-2012 ACS estimates)

Homeownership Deficit							
Place Topic	1-Unit #s	MOE	1-Unit Share	MOE	HO Rate	MOE	Deficit
Kettering	19,760	+/-541	71.81%	+/-1.39%	62.7%	+/-1.4%	-9.11%
Mont. Co.	188,159	+/-1,440	73.89%	+/-0.55%	62.6%	+/-0.5%	-11.29%
Ohio	3,949,364	+/-8,818	77.07%	+/-0.17%	68%	+/-0.2%	-9.07%
USA	97,423,741	+/-113,447	74.01%	+/-0.09%	65.5%	+/-0.2%	-8.51%

Who Rents and Who Owns?

Summary of Who Rents & Owns:

Between 2000 and 2010, the number of renter-occupied households increased in Kettering from 8,569 up to 8,968, in Montgomery County from 80,921 up to 82,921, in Ohio from 1,373,251 up to 1,492,381 and in the United States from 35,664,348 up to 40,730,218. This compares to changes in the number of owner-occupied housing units in Kettering from 17,088 down to 16,459, in Montgomery County from 148,251 down to 141,022, in Ohio from 3,072,522 up to 3,111,054 and in the United States from 69,815,753 up to 75,986,074.

During that time, there were also changes in the makeup of these renter and owner-occupied households with regards to household sizes, along with the ages, racial makeup and median incomes of the householders.

Householders of both owner and renter-occupied units now tend to be older, more racially diverse and have lower median incomes than before.

The table below depicts changes in the shares of renter and owner-occupied households with regards to household sizes. Since 2000, renter-occupied households have been growing larger while owner-occupied households have been shrinking.

Table 21: Share of Households by Household Size for Kettering, Mont. Co., Ohio and the USA (2000-2010)

Who Rents? Who Owns?								
Household Sizes								
Geography	Kettering		Mont. Co.		Ohio		United States	
Topic Year	2000	2010	2000	2010	2000	2010	2000	2010
Occupied Units	25,657	25,427	229,229	223,943	4,445,773	4,603,435	105,480,101	116,716,292
-Owner-Occupied	17,088	16,459	148,251	141,022	3,072,522	3,111,054	69,815,753	75,986,074
-Renter-Occupied	8,569	8,968	80,978	82,921	1,373,251	1,492,381	35,664,348	40,730,218
Household Sizes (% of Owner-Occupied Households)								
1-Person HH	25.1%	27.5%	24.0%	26.6%	20.9%	22.9%	20.3%	21.7%
2-Person HH	40.0%	39.9%	37.9%	38.4%	36.5%	38.0%	35.6%	36.3%
3-Person HH	15.3%	15.0%	16.4%	15.5%	17.2%	16.2%	17.1%	16.5%
4-Person HH	12.8%	11.3%	13.6%	11.8%	15.5%	13.7%	15.7%	14.5%
5-Person HH	5.1%	4.4%	5.6%	5.1%	6.7%	6.0%	7.0%	6.7%
5-Person HH	1.3%	1.3%	1.7%	1.7%	2.1%	2.1%	2.5%	2.6%
7+ Person HH	0.5%	0.5%	0.8%	0.9%	1.0%	1.1%	1.6%	1.8%
Average HH Size (OO)	2.39	2.32	2.48	2.4	2.62	2.54	2.69	2.65
Household Sizes (% of Renter-Occupied Households)								
1-Person HH	49.9%	48.3%	42.0%	41.9%	41.7%	41.3%	36.6%	36.2%
2-Person HH	26.9%	27.0%	26.4%	26.1%	26.5%	25.9%	26.7%	26.1%
3-Person HH	12.5%	12.4%	14.9%	14.6%	14.7%	14.6%	15.4%	15.3%
4-Person HH	6.5%	7.4%	9.5%	9.7%	9.9%	9.9%	11.2%	11.4%
5-Person HH	2.9%	3.0%	4.5%	4.6%	4.6%	5.0%	5.7%	6.1%
6-Person HH	0.8%	1.2%	1.7%	1.8%	1.7%	2.0%	2.5%	2.7%
7+ Person HH	0.4%	0.6%	0.9%	1.2%	1.0%	1.3%	2.0%	2.2%
Average HH Size (RO)	1.9	1.96	2.18	2.2	2.19	2.24	2.4	2.44

Sources: 2000 and 2010 Decennial Census Counts

One major driving force behind the shrinking of household sizes is the increase in the share of housing units, both owner-occupied and renter-occupied, with householders aged 85 years or older. The table below depicts the breakdown of owner-occupied and renter-occupied housing units based on the age of the householder. In addition, the shares of households that are families are declining as well.

Table 22: Share of Households by the age of the Householder for Kettering, Mont. Co., Ohio and the USA (2000-2010)

Who Rents? Who Owns?								
Age of Householder								
Geography	Kettering		Mont. Co.		Ohio		United States	
Topic Year	2000	2010	2000	2010	2000	2010	2000	2010
Occupied Units	25,657	25,427	229,229	223,943	4,445,773	4,603,435	105,480,101	116,716,292
-Owner-Occupied	17,088	16,459	148,251	141,022	3,072,522	3,111,054	69,815,753	75,986,074
-Renter-Occupied	8,569	8,968	80,978	82,921	1,373,251	1,492,381	35,664,348	40,730,218
Age of Householder (% of Owner-Occupied Households)								
15 to 24 years	1.0%	1.1%	1.2%	1.1%	1.3%	1.1%	1.4%	1.1%
25 to 34 years	11.9%	11.7%	11.7%	9.6%	12.2%	10.0%	11.9%	9.9%
35 to 44 years	20.4%	14.3%	21.3%	15.2%	22.5%	16.8%	22.7%	17.4%
45 to 54 years	19.7%	20.8%	22.5%	22.3%	22.9%	23.2%	22.9%	23.4%
55 to 64 years	15.1%	20.2%	16.9%	22.2%	16.1%	22.0%	16.3%	21.7%
65 years and over	31.8%	31.9%	26.3%	29.6%	25.0%	26.9%	24.8%	26.3%
-65 to 74 years	16.4%	14.3%	14.6%	15.2%	13.6%	14.2%	13.4%	14.3%
-75 to 84 years	12.7%	12.5%	9.7%	10.7%	9.3%	9.4%	9.1%	8.9%
85 years and over	2.7%	5.0%	2.0%	3.7%	2.2%	3.3%	2.3%	3.1%
Age of Householder (% of Renter-Occupied Households)								
15 to 24 years	13.9%	12.2%	14.4%	11.5%	14.5%	12.3%	12.7%	11.1%
25 to 34 years	28.3%	23.9%	27.6%	24.0%	27.2%	24.1%	27.9%	25.6%
35 to 44 years	19.1%	17.3%	21.6%	18.4%	21.2%	18.2%	22.7%	19.7%
45 to 54 years	13.5%	16.2%	14.8%	17.9%	14.3%	17.6%	15.0%	17.4%
55 to 64 years	7.2%	12.2%	8.1%	13.1%	7.8%	12.5%	8.1%	11.9%
65 years and over	17.9%	18.2%	13.6%	15.2%	15.0%	15.5%	13.6%	14.3%
-65 to 74 years	6.6%	7.1%	6.1%	6.9%	6.4%	6.8%	6.0%	6.6%
-75 to 84 years	7.7%	6.7%	5.3%	5.1%	6.0%	5.2%	5.2%	4.7%
-85 years and over	3.7%	4.5%	2.2%	3.2%	2.6%	3.4%	2.3%	3.0%

Sources: 2000 and 2010 Decennial Census Counts

The racial makeup of householders has followed the overall population trend and grown more diverse between 2000 and 2010. The largest changes occurred with rental properties, likely due to the relative affordability of renting over owning. However, there continues to be an under-representation of racial minority owner-occupied householders in all areas studied relative to the total population shares of racial minority groups.

Table 23: Share of Households by the race of the Householder for Kettering, Mont. Co., Ohio and the USA (2000-2010)

Who Rents? Who Owns?								
Race of Householder								
Geography	Kettering		Mont. Co.		Ohio		United States	
Topic Year	2000	2010	2000	2010	2000	2010	2000	2010
Occupied Units	25,657	25,427	229,229	223,943	4,445,773	4,603,435	105,480,101	116,716,292
-Owner-Occupied	17,088	16,459	148,251	141,022	3,072,522	3,111,054	69,815,753	75,986,074
-Renter-Occupied	8,569	8,968	80,978	82,921	1,373,251	1,492,381	35,664,348	40,730,218
Race of Householder (% of Owner-Occupied Households)								
White Alone	97.9%	97.0%	84.1%	83.2%	91.3%	90.6%	85.5%	83.5%
Black or African American	0.6%	0.9%	14.0%	14.1%	6.8%	6.9%	7.9%	8.2%
Asian or Pacific Islander	0.9%	1.0%	0.9%	1.3%	0.7%	1.1%	2.4%	3.6%
Other or Two or More Races	0.6%	1.2%	1.0%	1.4%	1.2%	1.4%	4.1%	4.6%
Race of Householder (% of Renter-Occupied Households)								
White Alone	92.1%	88.3%	67.2%	62.9%	74.7%	69.7%	67.4%	64.6%
Black or African American	3.7%	7.4%	28.6%	32.0%	20.4%	22.6%	18.0%	19.3%
Asian or Pacific Islander	1.4%	1.4%	1.4%	1.6%	1.8%	2.0%	4.2%	5.0%
Other or Two or More Races	3.1%	2.9%	2.8%	3.4%	3.2%	2.1%	10.3%	11.1%

Sources: 2000 and 2010 Decennial Census Counts

Median HH Incomes by tenure have followed trends similar to the overall median HH incomes. However, renter-occupied households have experienced much larger income declines percentage-wise than owner-occupied households in all areas studied.

Interestingly, while Kettering’s overall median HH income is lower than the United States, the median HH incomes of Kettering’s owner-occupied households are much higher than Montgomery County and Ohio while remaining within the margin of error for the United States. This suggests that decreasing incomes of renter-occupied households in Kettering have played a disproportionate role in decreasing the overall median household incomes for the City. A major contributing factor to the decreases in the incomes of renter-occupied units is the falling gross monthly rental costs in Kettering in recent years.

Table 24: Median HH Incomes by Tenure for Kettering, Mont. Co., Ohio and the USA (1999—2008-2012)

Who Rents? Who Owns?								
Median HH Incomes by Tenure (2012-Dollars)								
Geography	Kettering		Mont. Co.		Ohio		United States	
Topic Year	1999	2008-2012	1999	2008-2012	1999	2008-2012	1999	2008-2012
Owner-Occupied	\$76,226	\$65,388 (+/- \$2,450)	\$70,166	\$58,849 (+/- \$729)	\$69,029	\$61,772 (+/- \$174)	\$70,724	\$67,062 (+/- \$104)
Renter-Occupied	\$41,094	\$30,371 (+/- \$2,140)	\$34,843	\$25,346 (+/- \$658)	\$34,610	\$26,167 (+/- \$177)	\$37,705	\$32,212 (+/- \$59)

Sources: 2000 and 2010 Decennial Census Counts

Registered Rental Properties

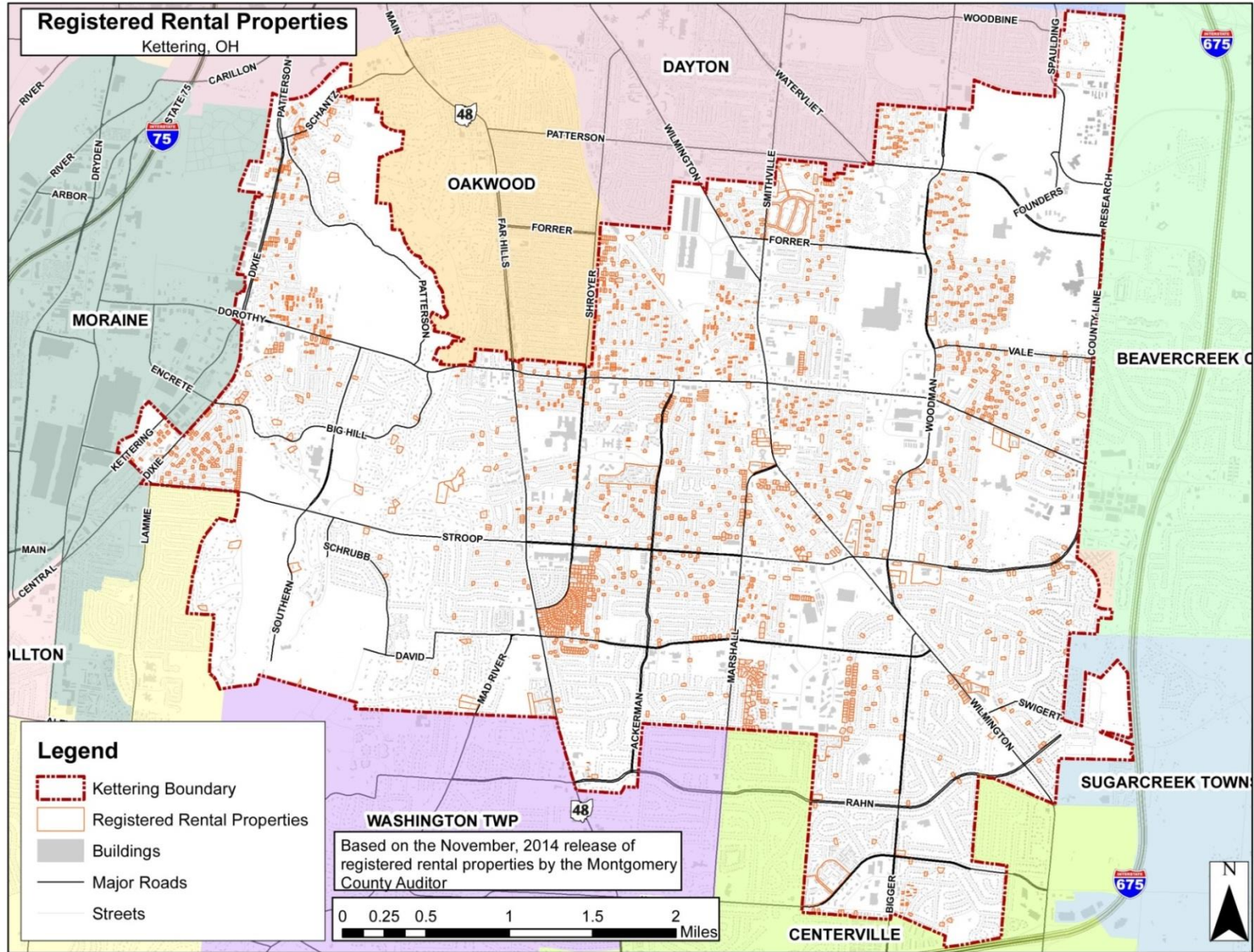
Registered Rental Properties Summary:

According to a recent (released November 1, 2014) Montgomery County Rental Registration table, there are a total of 5,505 registered rental units within the City of Kettering located on 1,950 properties. The map on the following page depicts the location of these registered properties.

There is a noticeable concentration of registered rental properties south of Town & Country where Huber Management and Don Wright Realty own several hundred rental units spread among four-unit senior living apartments, and duplexes and single-family homes that can be rented by individuals and families of any age group. There are also several rental properties in Newcom Knolls (Aragon Plat), Rolling Fields, Richman Heights, the Bataan Plat and Census Tract 209 (includes Telford Avenue).

Greenmont Village, which includes 500 housing units, is not a registered rental property but is considered to be rental by the US Census, which is one of the reasons the number of registered rental properties in Kettering is so much lower than the census numbers for rental housing units. In addition, many rental property owners are not registering their rental properties with the County Auditor. For example, based on the listing used in this case, none of the senior living four-unit apartment buildings located south of Town & Country and north/west of Shroyer are registered with the county as rental properties.

Figure 43: Map of registered rental properties in Kettering



Vacancy Trends & Statuses

Vacancy Trends & Statuses Summary:

Vacancy rates have trended upwards in Kettering, Montgomery County, Ohio and the United States since 1990, with the largest increase being between 2000 and 2010, which is a reflection of the housing bubble that saw a boost in housing unit construction without a major boost in population growth to absorb the additional housing units.

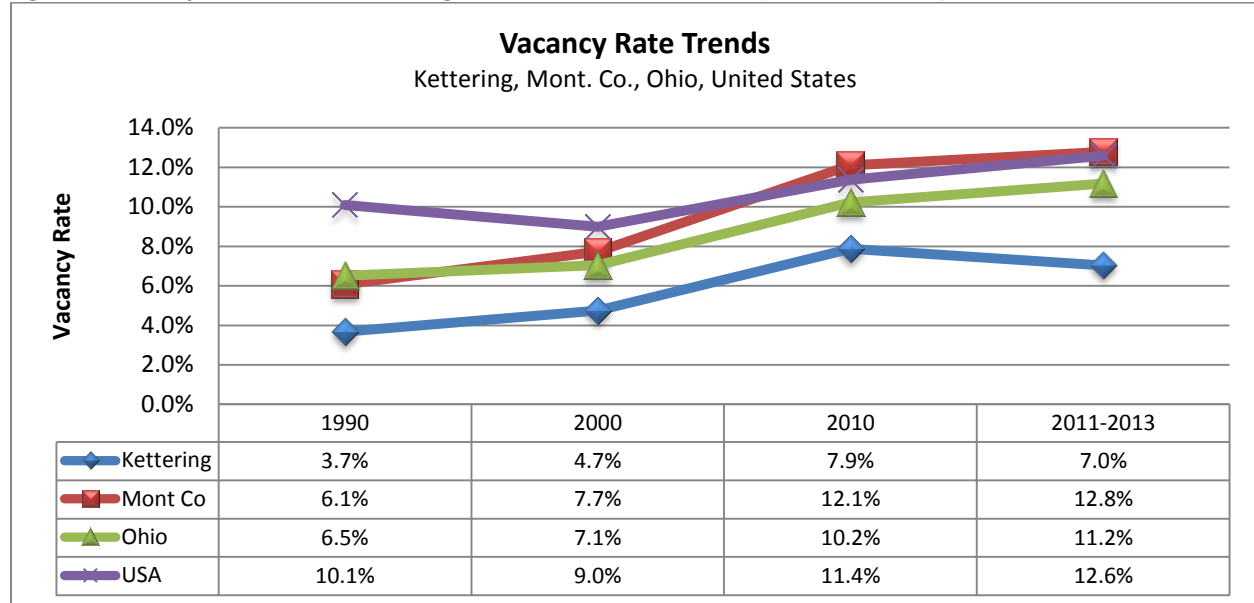
Raw vacancy numbers tell little about the condition of a city's neighborhoods since there are several different statuses for vacant units; including: for sale or rent, sold/rented but not occupied, seasonal use, for migratory workers, and, most importantly, "other." Vacant housing units in the "other" category may be those that are without a responsible owner and are at risk of adding blight to neighborhoods. In Kettering, an increase in the number of "other" vacant housing units occurred between 2000 and 2010, from 201 units up to 462. This increase may be due to a variety of factors, including: aging of the population and the moving away or passing away of existing residents and the foreclosure crisis. Census Tracts 201 (Southern Hills), 209 (West of Wiles Creek) and 210 (Wiles Creek) all have "other" vacancy rates of 2.9%+ compared to Kettering's overall rate of 1.7% in 2010.

As has been discussed, the number of foreclosure filings in Kettering has been decreasing since at least 2012. If this trend continues, the number of vacant properties due to foreclosures should continue to work their way through the process, resulting in a reduction in the number of housing units vacant due to foreclosures.

After reviewing census data on the number of vacant housing units and the statuses of those units, the analyst spoke with the Code Enforcement Division of the Planning & Development Department in order to collect a list of the most problematic properties, most of which are vacant, in Kettering along with the statuses and next steps to be taken regarding those vacant units.

With regards to housing vacancy rates, Ohio, Montgomery County and Kettering have all followed similar vacancy trends since the 1990 Census Counts, but Kettering has always maintained a lower vacancy rate than the other areas.

Figure 44: Vacancy Rate Trends for Kettering, Mont. Co., Ohio and the USA (1990—2011-2013)



Sources: Official Census Counts for 1990, 2000 and 2010 data. Census Bureau American Community Survey 2011-2013 3-yr estimates for 2011-2013 data point.

The decline in the vacancy rate in Kettering between the 2010 Census and the 2011-2013 data is due to the ACS estimating that the number of housing units in the City declined by 943 while the number of occupied housing units declined by only 642. Despite this inaccurate data from the ACS release, even in prior years, Kettering has maintained a lower vacancy rate than Montgomery County, Ohio and the United States as a whole. The large increase in vacancy between 2000 and 2010 can be partially attributed to the housing bubble during that time that did not coincide with an uptick in the population growth rate to absorb the additional housing units.

Table 25: Total Housing Unit and Vacant Housing Unit Numbers for Kettering, Mont. Co., Ohio and the USA (1990--2011-2013)

Vacant Housing Data (1990—2011-2013)								
Kettering, Mont. Co., Ohio, United States								
Year	Kettering		Mont. Co.		Ohio		USA	
	HUs	Vacant	HUs	Vacant	HUs	Vacant	HUs	Vacant
1990	27,096	998	240,820	14,628	4,371,945	284,399	102,263,678	10,316,268
2000	26,936	1,279	248,443	19,214	4,783,051	337,278	115,904,641	10,424,540
2010	27,602	2,175	254,775	30,832	5,127,508	524,073	131,704,730	14,988,438
2011-2013	26,659	1,874	254,022	32,476	5,124,040	572,543	132,393,354	16,662,050
MOE	+/-625	+/-366	+/-466	+/-1,762	+/-445	+/-7,421	+/-3,627	+/-96,863

Sources: 1990, 2000 and 2010 Decennial Census Counts and 2011-2013 ACS Estimates

The charts below depict the status of the vacant units between 1990 and 2010. 2011-2013 ACS data is not included due to ACS data not including data regarding the status of vacant units aside from owner and rental vacancy rates. Percentage-wise, Kettering has experienced the largest increase in vacant housing units, but the “other” vacant category increased by a larger percentage in Montgomery County than in Kettering.

Table 26: Statuses of vacant housing units for Kettering (1990-2010)

Statuses of Vacant Housing Units: Kettering				
Status Year	1990	2000	2010	% Change (1990-2010)
For Rent	553	633	1,023	+85.0%
For Sale	212	222	410	+93.4%
Sold or rented, not occupied	N/A	78	126	+61.5%
Seasonal, Recreational or occasional use	40	145	154	+285%
For migratory workers	N/A	0	0	0%
Other Vacant	193	201	462	+138.4%
TOTAL	998	1,279	2,175	+118%
Vacancy Rate	3.7%	4.8%	7.9%	+114.1%
Homeowner Vacancy Rate	0.8%	1.3%	2.4%	+200%
Rental Vacancy Rate	6.0%	6.9%	10.2%	+70%

Sources: 1990, 2000 and 2010 Decennial Census Counts

Table 27: Statuses of vacant housing units for Montgomery County (1990-2010)

Statuses of Vacant Housing Units: Montgomery County, OH				
Status Year	1990	2000	2010	% Change (1990-2010)
For Rent	7,604	8,658	12,375	+62.7%
For Sale	1,836	2,684	4,213	+129.5%
Sold or Rented, Not Occupied	N/A	1,631	1,195	-26.7%
Seasonal, Recreational or occasional use	396	912	890	+124.7%
For Migratory Workers	N/A	9	2	-77.8%
Other Vacant	4,792	5,320	12,159	+153.7%
TOTAL	14,628	19,214	30,832	+110.8%
Vacancy Rate	6.1%	7.7%	12.1%	+99.3%
Homeowner Vacancy Rate	1.4%	1.8%	2.9%	+51.7%
Rental Vacancy Rate	8.2%	9.7%	12.9%	+57.3%

Sources: 1990, 2000 and 2010 Decennial Census Counts

Table 28: Statuses of vacant housing units for Ohio (1990-2010)

Statuses of Vacant Housing Units: Ohio, USA				
Status Year	1990	2000	2010	% Change (1990-2010)
For Rent	110,288	125,095	184,143	+67%
For Sale	34,945	48,404	78,089	+123.5%
Sold or rented, not occupied	N/A	33,182	27,389	-17.5%
Seasonal, Recreational or occasional use	37,820	47,239	58,591	+54.9%
For migratory workers	N/A	355	346	-2.5%
Other Vacant	101,346	83,003	175,515	+73.2%
TOTAL	284,399	337,278	524,073	+84.3%
Vacancy Rate	6.5%	7.1%	10.2%	+57%
Homeowner Vacancy Rate	1.3%	1.6%	2.4%	+84.6%
Rental Vacancy Rate	7.5%	8.3%	10.9%	+45.3%

Sources: 1990, 2000 and 2010 Decennial Census Counts

Table 29: Statuses of vacant housing units for the United States (1990-2010)

Statuses of Vacant Housing Units: United States				
Status Year	1990	2000	2010	% Change (1990-2010)
For Rent	3,094,021	2,614,652	4,137,567	+33.7%
For Sale	1,202,151	1,204,318	1,896,796	+57.78%
Sold or rented, not occupied	N/A	702,435	627,857	-10.62%
Seasonal, Recreational or occasional use	3,081,174	3,578,718	4,649,298	+50.89%
For Migratory Workers	N/A	25,498	24,161	-5.24%
Other Vacant	2,938,922	2,298,919	3,652,759	+24.29%
TOTAL	10,316,268	10,424,540	14,988,438	+45.29%
Vacancy Rate	10.1%	9.0%	11.4%	+12.88%
Homeowner Vacancy Rate	2.1%	1.7%	2.4%	+14.3%
Rental Vacancy Rate	8.5%	6.8%	9.2%	+8.2%

Sources: 1990, 2000 and 2010 Decennial Census Counts

Table 30: Overall percent-changes in vacant housing unit categories for Kettering, Mont. Co., Ohio and the USA (1990-2010)

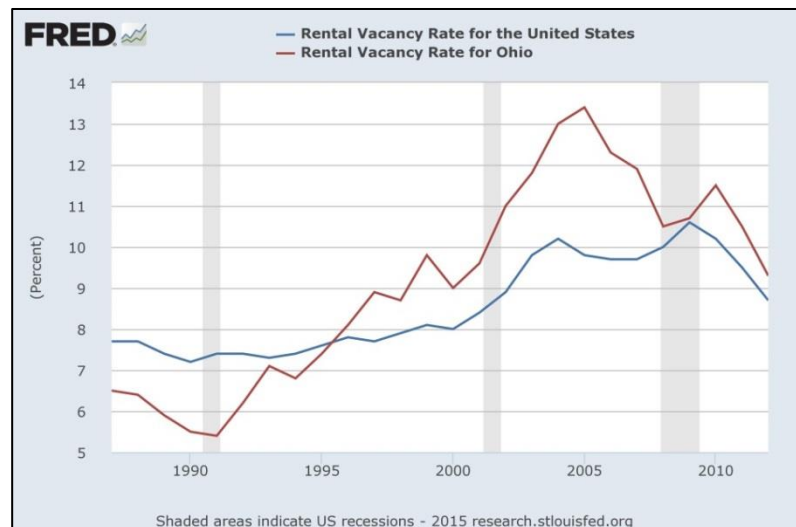
Overall % Changes in Vacant Housing Units & Vacancy Rates (1990-2010)				
Status Place	Kettering	Mont. Co.	Ohio	USA
For Rent	+85.0%	+62.7%	+67.0%	+33.7%
For Sale	+93.4%	+129.5%	+123.5%	+57.8%
Sold or rented, not occupied	+61.5%	-26.7%	-17.5%	-10.6%
Seasonal, Recreational or occasional use	+285.0%	+124.7%	+54.9%	+50.9%
For migratory workers	0%	-77.8%	-2.5%	-5.2%
Other Vacant	+138.4%	+153.7%	+73.2%	+24.3%
TOTAL CHANGE (#)	+118.0%	+110.8%	+84.3%	+45.3%
Vacancy Rate (%)	+114.1%	+99.3%	+57.0%	+12.9%
Rental Vacancy Rate (%)	+70.0%	+57.3%	+45.3%	+8.2%
Homeowner Vacancy Rate (%)	+200.0%	+51.7%	+84.6%	+14.3%

Above: Cells highlighted in yellow delineate which area has experienced the largest percentage increase in each vacancy status. Due to the relatively small number of units in Kettering, an increase of only a few units in most categories easily results in a rate increase that exceeds the County, State and Nation. Regardless, Montgomery County experienced the largest increase in the “other” and “for sale” categories while Kettering experienced the largest increase in all other statuses. Vacant units for migratory workers have declined in all areas.

Rental Vacancy Rates

Due to the rapid rise in vacant units “for rent” seen between 2000 and 2010 in Kettering, Montgomery County, Ohio and the United States, it is important to note that 2010 was a year of high rental vacancy rates in both Ohio and the United States due to the housing bubble leading to an accelerated rate of housing unit construction meant predominately for owner-occupancy without a subsequent boost in population growth, which contributed to the high rental vacancy rates around the country.

However, with the considerable reduction in housing construction since 2005-2006, rental vacancy rates have come down in both Ohio and the United States in recent years, as is illustrated on the chart to the right, which shows rental vacancy rates in both Ohio and the United States between 1988 and 2013.



Source: US. Bureau of the Census, *Rental Vacancy Rate for the United States [USRVAC]* and *Ohio [OHRVAC]*, retrieved from FRED, Federal Reserve Bank of St. Louis. February 22, 2015

In addition, a survey of several market-rate apartment developments comprising approximately 4,100 units was conducted as a part of this study in order to better understand how and if rental vacancy rates have changed in the years since the 2010 Census. Based on interviews with leasing officers of several market-rate apartment developments around the City, most apartment complexes in Kettering have vacancy rates under 7%-8%, with several having vacancy rates below 3%. The highest vacancy rates are present in the Huber Management-owned 4-unit senior living buildings located south of Town & Country due to the second floor units having high vacancy rates. Refer to [Appendix IX](#) for a table detailing the surveyed apartment complexes in Kettering.

Housing Costs—Gross Rent Distribution & Owner-Occupied Housing Costs

Housing Cost Burden Summary:

Housing, both rental-occupied and owner-occupied, has become more cost burdensome in Kettering, Montgomery County, Ohio and the United States since 1989.

Montgomery County, Ohio and the United States all experienced slight decreases in the share of cost burdensome rental housing units between 1989 and 1999 before all areas studied experienced large increases in the share of cost-burdensome rental housing between 1999 and the 2008-2012 ACS estimates.

Owner-occupied housing cost burdens have been increasing in all areas studied since at least 1989, with a large uptick occurring after 1999. Though, the increases in the share of cost-burdensome owner-occupied housing have been much less severe than the increases seen in the area of rental housing.

Despite the increase in the share of cost burdensome housing, Kettering continues to have lower or equal (within the margin of error) shares of cost-burdensome rental and owner-occupied (mortgaged) housing units than Montgomery County, Ohio and the United States and lower shares of cost burdensome owner-occupied (non-mortgaged) housing units than Montgomery County, Ohio and the United States.

The main reason for the increase in the percentage of housing units considered cost burdensome is not entirely due to the increasing costs of housing, but rather due to falling real median incomes. Across the board, median HH incomes have declined at rates much higher than real housing costs, both rental and owner-occupied, since late 1990s. This suggests that the key reason for the recent increase in the share of cost-burdensome housing has been decreasing incomes rather than rapidly rising housing costs.

Determining why real incomes are falling and working to reverse that trend will be the key in reducing the percentage of housing units considered cost burdensome to the tenants. The section of this report covering economic conditions discusses changes in employment numbers and makeup along with changes in the labor force and the number of unemployed individuals, all of which play an important role in real incomes.

According to HUD, an individual or a family paying 30% or more of their income on housing “are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care”²⁵. Using this definition, the graphs and tables below depict the trends in cost burdensome housing units in the areas studied.

²⁵ Department of Housing & Urban Development: Affordable Housing
http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/affordablehousing/

NOTE:

The data on the following pages regarding housing cost burdens as well as owner and rental costs in dollar amounts for the years 1989 and 1999 depict the share of specified renter and owner-occupied housing units considered non-cost-burdensome and cost-burdensome based on the 1990 and 2000 Census Counts.

Specified owner and renter-occupied housing units are defined as:

1. Specified owner-occupied housing units are the total number of owner occupied housing units described as either a one family home detached from any other house or a one family house attached to one or more houses on less than 10 acres with no business on the property.
2. Specified renter-occupied housing units are the total number of renter-occupied units that exclude one-family homes on 10 acres or more.

Due to these definitions excluding some renter and owner-occupied housing units, there are discrepancies between the number of owner and renter-occupied units when compared to owner and renter occupied housing data provided in the tenure section of this report.

The 2008-2012 data from the American Community Survey includes all rental and owner-occupied units, including those that would have been considered non-specified by the 1990 and 2000 Census Counts. As such, there is a variation between the actual number of rental and owner-occupied units vs. those that are included in the analysis of rental and owner housing costs for the 1990 and 2000 Census Counts. The variation in the number of units is fairly small in Kettering and Montgomery County, but the variation grows considerably for Ohio and the United States, which may skew the 2008-2012 data points for median gross rents and owner costs as well as the share of rental and owner-occupied units considered cost burdensome due to the influx of non-specified OO and RO units used in the analysis.

The best way to view the data on the following pages is to compare the changes between 1990 and 2000 while looking at 2008-2012 as a separate data point.

Below, charts depicting the changing share of rental housing in Kettering, Montgomery County, Ohio and the United States that is considered cost-burdensome along with median HH incomes of renter-occupied units during the same times. Out of the areas studied, only Kettering experienced an increase in the share of cost burdensome rental housing between 1989 and 1999 and this was likely due to the decrease in the median HH incomes of renter-occupied housing units during that same time. All areas studied experienced large increases in their shares of cost-burdensome rental housing between 1999 and 2008-2012.

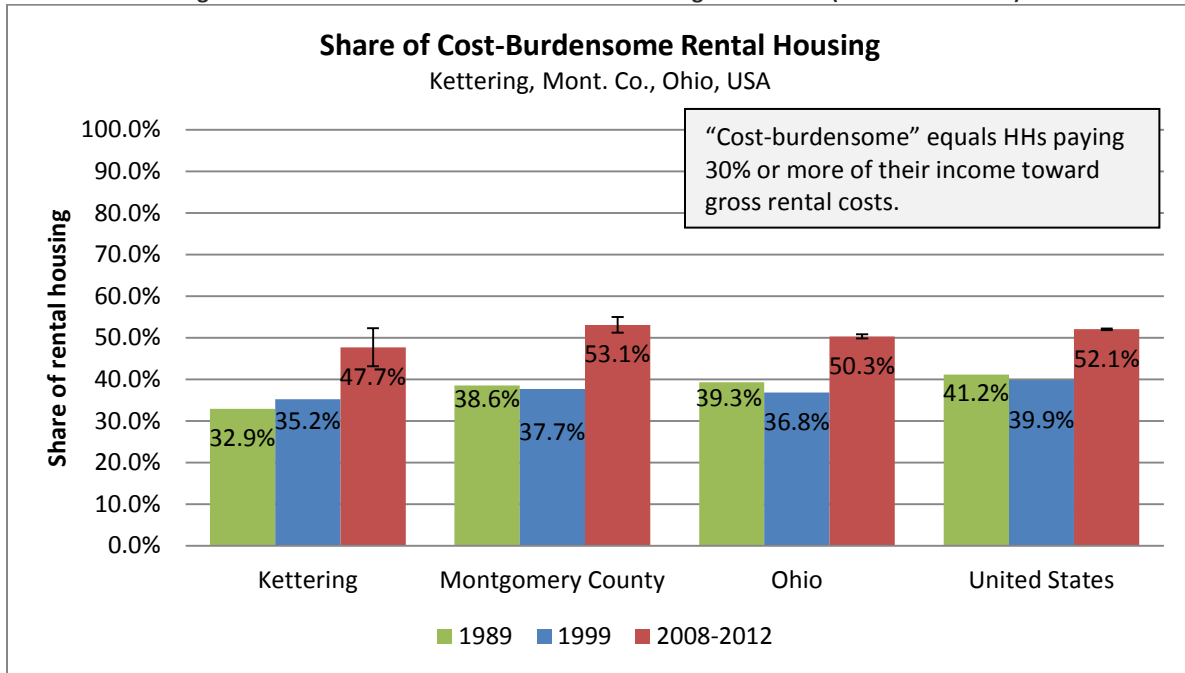
Table 31: Share of Cost Burdensome Rental Housing (1989–2008-2012)

Share of Cost Burdensome Rental Housing (>30% of income paid) (1989, 1999, & 2008-2012)							
Place Year	1989	% Change	1999	% Change (1989-1999)	2008-2012	MOE	% Change (1999–2008-2012)
Kettering	32.9%	(X)	35.2%	+7.0%	47.7%	+/-4.6%	+35.5%
Mont. Co.	38.6%	(X)	37.7%	-2.2%	53.1%	+/-1.9%	+40.9%
Ohio	39.3%	(X)	36.8%	-6.3%	50.3%	+/-0.5%	+36.6%
United States	41.2%	(X)	39.9%	-3.2%	52.1%	+/-0.2%	+30.6%
Median Gross Monthly Rent Costs (2012-dollars) (1990, 2000, & 2008-2012)							
Place Year	1990	% Change	2000	% Change (1990-2000)	2008-2012	MOE	% Change (2000–2008-2012)
Kettering	\$771	(X)	\$760	-1.5%	\$731	+/- \$21	-3.8%
Mont. Co.	\$686	(X)	\$700	+2.0%	\$715	+/- \$8	+2.1%
Ohio	\$644	(X)	\$687	+6.7%	\$710	+/- \$3	+3.4%
United States	\$761	(X)	\$803	+5.4%	\$889	+/- \$1	+10.8%
Real Median Household Incomes of Renter-Occupied Units (2012-Dollars) (1989, 1999, 2008-2012)							
Place Year	1989	% Change	1999	% Change (1989-1999)	2008-2012	MOE	% Change (1999–2008-2012)
Kettering	\$42,534	(X)	\$41,094	-3.4%	\$30,371	+/- \$2,140	-26.1%
Mont. Co.	\$34,113	(X)	\$34,843	+2.1%	\$25,346	+/- \$658	-27.3%
Ohio	\$31,340	(X)	\$34,610	+10.4%	\$26,167	+/- \$177	-24.4%
United States	\$36,309	(X)	\$37,705	+3.9%	\$32,212	+/- \$59	-14.6%

Sources: 1990 and 2000 Census Counts and 2008-2012 ACS 5-yr estimates

Despite Kettering being the only area studied to have experienced an increase in the share of cost burdensome rental housing units between 1989 and 1999, Kettering has continually had the lowest share of cost-burdensome rental housing units when compared to the County, State and Nation, though the gap between Kettering and the other areas studied has narrowed since 1989 and now falls within the margin of error for Montgomery County and Ohio.

Figure 45: Share of Cost Burdensome Rental Housing Unit Trends (1989—2008-2012)



Sources: 1990 and 2000 Census Counts and 2008-2012 ACS 5-yr estimates

Due to decreasing gross rent costs, the increase in cost burdensome rental units in Kettering is likely due to a combination of decreasing incomes of existing tenants and/or the turnover of existing units to lower-income tenants.

The tables in [Appendix III](#) further breakdown gross rent costs as a percentage of HH income for Kettering, Montgomery County, Ohio and the United States for the years 1989 and 1999 and the time between 2008 and 2012. In all areas studied, a large increase in rental housing units considered cost burdensome occurred between 1999 and the 2008-2012 ACS estimates after each area saw relatively minor adjustments in each category between 1989 and 1999. This further suggests that the Great Recession and subsequent loss of jobs and income has been the key contributing factor in the increase of rental housing units considered cost burdensome.

While the share of cost-burdensome rental housing declined in Montgomery County, Ohio and the United States between 1989 and 1999 before all areas experienced large increases, none of the areas studied experienced a decrease in the share of cost burdensome owner-occupied housing (mortgaged and not mortgaged) between 1989 and 2008-2012. The tables below depict the shares of mortgaged owner-occupied housing units considered cost burdensome in the areas studied between 1989 and 2008-2012. While the share of cost-burdensome mortgaged OO units increased between 1989 and 2008-2012, the increase was less severe than with renter-occupied housing units.

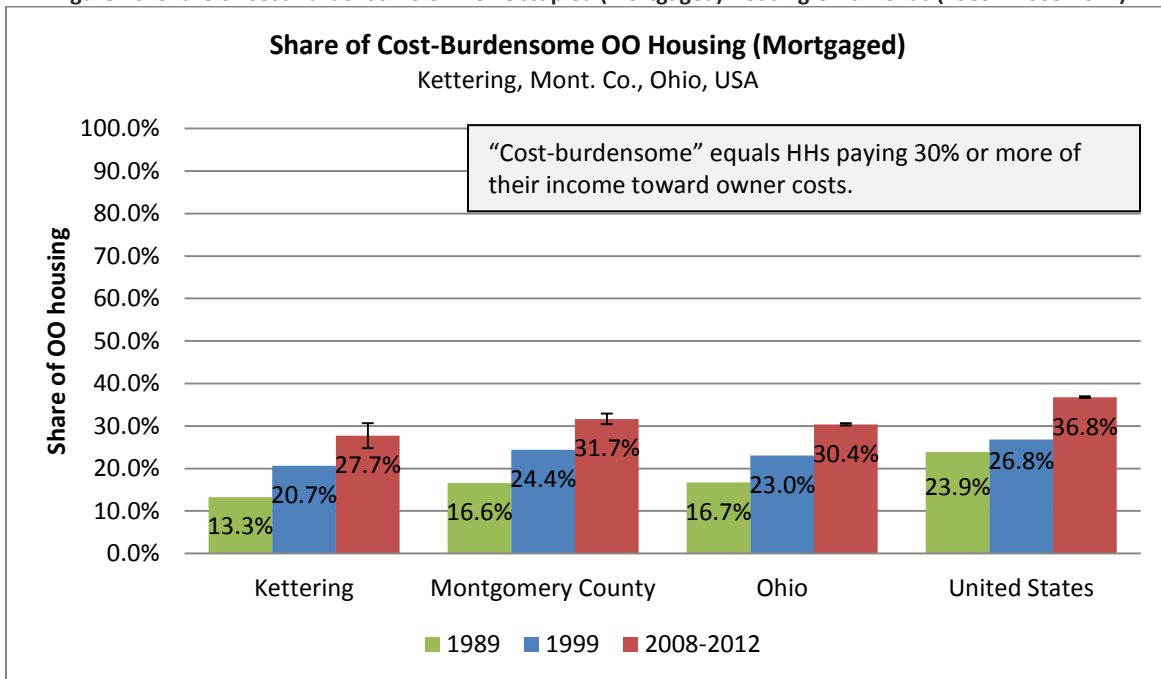
Table 32: Share of Cost Burdensome mortgaged, owner-occupied housing units (1989–2008-2012)

Share of Cost Burdensome Mortgaged Owner-Occupied Housing (1989, 1999, & 2008-2012)							
Place Year	1989	% Change	1999	% Change (1989-1999)	2008-2012	MOE	% Change (1999–2008-2012)
Kettering	13.3%	(X)	20.7%	+55.3%	27.7%	+/-3.0%	+34.1%
Mont. Co.	16.6%	(X)	24.4%	+47.4%	31.7%	+/-1.2%	+29.6%
Ohio	16.7%	(X)	23.0%	+38.0%	30.4%	+/-0.3%	+31.9%
United States	23.9%	(X)	26.8%	+12.1%	36.8%	+/-0.20%	+37.3%
Median Monthly Owner Costs of OO Units (Mortgaged, 2012-dollars) (1989, 1999, & 2008-2012)							
Place Year	1990	% Change	2000	% Change (1990-2000)	2008-2012	MOE	% Change (2000–2008-2012)
Kettering	\$1,166	(X)	\$1,356	+16.3%	\$1,302	+/--\$26	-4.0%
Mont. Co.	\$1,107	(X)	\$1,313	+18.7%	\$1,258	+/--\$13	-4.2%
Ohio	\$1,116	(X)	\$1,327	+19.0%	\$1,303	+/--\$3	-1.8%
United States	\$1,316	(X)	\$1,499	+13.9%	\$1,559	+/--\$2	+4.0%
Real Median Household Incomes of Owner-Occupied Housing Units (2012-Dollars) (1989, 1999, 2008-2012)							
Place Year	1989	% Change	1999	% Change (1989-1999)	2008-2012	MOE	% Change (1999–2008-2012)
Kettering	\$72,620	(X)	\$76,226	+5.0%	\$65,388	+/--\$2,450	-14.2%
Mont. Co.	\$66,426	(X)	\$70,166	+5.6%	\$58,849	+/--\$729	-16.1%
Ohio	\$62,178	(X)	\$69,029	+11.0%	\$61,772	+/--\$174	-10.5%
United States	\$64,554	(X)	\$70,724	+9.7%	\$67,062	+/--\$104	-5.2%

Sources: 1990 and 2000 Census Counts and 2008-2012 ACS 5-yr estimates

The chart below illustrates the trends in the share of mortgaged owner-occupied housing units considered cost burdensome between 1989 and 2008-2012.

Figure 46: Share of Cost Burdensome Owner-Occupied (mortgaged) Housing Unit Trends (1989—2008-2012)



Sources: 1990 and 2000 Decennial Census Counts and 2008-2012 ACS 5-yr estimates

As with mortgaged owner-occupied housing units, non-mortgaged owner-occupied housing units have grown more cost burdensome since the late 1980s. The tables below depict the shares of non-mortgaged owner-occupied housing units considered cost burdensome in the areas studied between 1989 and 2008-2012. Kettering and Montgomery County both experienced minor increases in the share of cost burdensome non-mortgaged OO housing between 1989 and 1999, which correlates with both areas experiencing slower growth in real HH incomes relative to the increases in owner-occupied (non-mortgaged) housing costs.

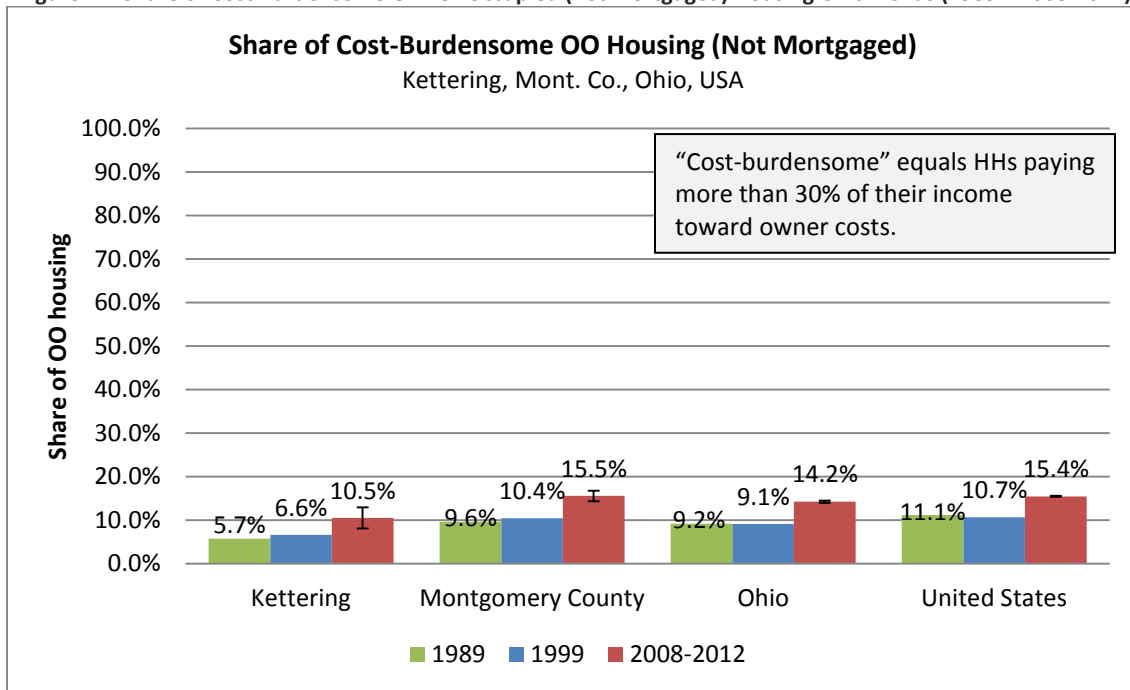
Table 33: Share of cost burdensome non-mortgaged, owner-occupied housing (1989–2008-2012)

Share of Cost Burdensome Non-Mortgaged Owner-Occupied Housing (1989, 1999, & 2008-2012)							
Place Year	1989	% Change	1999	% Change (1989-1999)	2008-2012	MOE	% Change (1999–2008-2012)
Kettering	5.7%	(X)	6.6%	+15.6%	10.5%	+/-2.4%	+59.2%
Mont. Co.	9.6%	(X)	10.4%	+8.5%	15.6%	+/-1.2%	+49.0%
Ohio	9.2%	(X)	9.1%	-0.9%	14.2%	+/-0.3%	+56.3%
United States	11.1%	(X)	10.7%	-4.2%	15.4%	+/-0.10%	+44.8%
Median Owner Costs of OO Units (Non-Mortgaged) (1990, 2000, & 2008-2012)							
Place Year	1990	% Change	2000	% Change (1990-2000)	2008-2012	MOE	% Change (2000–2008-2012)
Kettering	\$406	(X)	\$459	+13.1%	\$487	+/- \$13	+6.1%
Mont. Co.	\$386	(X)	\$440	+13.8%	\$470	+/- \$6	+6.9%
Ohio	\$367	(X)	\$398	+8.7%	\$438	+/- \$2	+10.0%
United States	\$374	(X)	\$407	+8.8%	\$449	+/- \$2	+10.5%
Real Median Household Incomes of Owner-Occupied Housing Units (2012-Dollars) (1989, 1999, 2008-2012)							
Place Year	1989	% Change	1999	% Change (1989-1999)	2008-2012	MOE	% Change (1999–2008-2012)
Kettering	\$72,620	(X)	\$76,226	+5.0%	\$65,388	+/- \$2,450	-14.0%
Mont. Co.	\$66,426	(X)	\$70,166	+5.6%	\$58,849	+/- \$729	-16.1%
Ohio	\$62,178	(X)	\$69,029	+11.0%	\$61,772	+/- \$174	-10.5%
United States	\$64,554	(X)	\$70,724	+9.7%	\$67,062	+/- \$104	-5.2%

Sources: 1990 and 2000 Decennial Census Counts and 2008-2012 ACS 5-yr estimates

The charts below illustrate the trends in the share of non-mortgaged owner-occupied housing units considered cost burdensome and non-cost-burdensome between 1989 and 2008-2012.

Figure 47: Share of Cost Burdensome Owner-Occupied (not mortgaged) Housing Unit Trends (1989—2008-2012)



Sources: 1990 and 2000 Decennial Census Counts and 2008-2012 ACS 5-yr estimates

Housing Costs—Dollar Amounts

Housing Costs (Dollar Amounts) Summary:

As discussed above, owner-occupied (mortgaged) monthly housing costs have fallen in inflation-adjusted terms since 2000 in Kettering and Montgomery County while they have risen in Ohio and the United States. However, the decreases in Kettering and Montgomery County both fall within the margins of error, suggesting that owner-occupied (mortgaged) housing costs were essentially flat between 2000 and 2008-2012. Owner-occupied (Non-mortgaged) monthly housing costs have risen across the board since 1990.

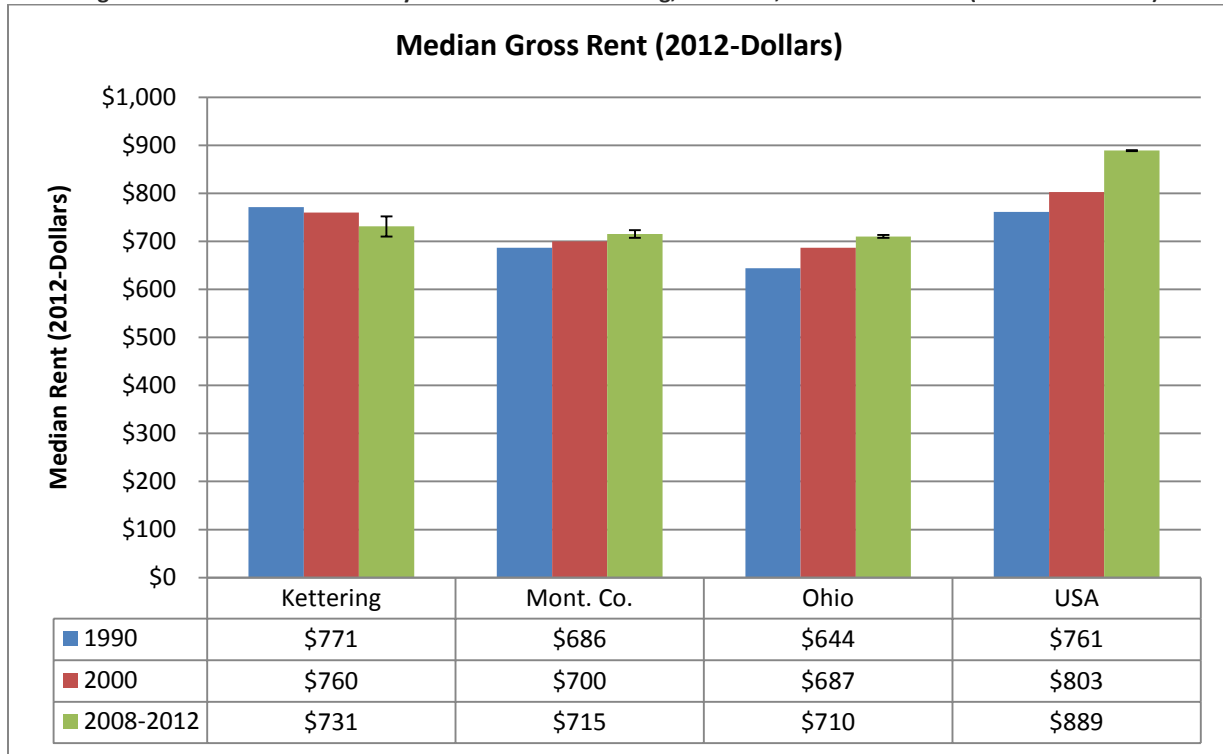
Rental-occupied gross rent costs have fallen in Kettering and they have increased in Montgomery County, Ohio and the United States since 1990. The decreasing rent costs in Kettering are likely being driven by a lack in construction of new rental units, resulting in a slowly depreciating rental stock. However, the decreases in gross rent costs in Kettering have been minor, falling from \$771 in 1990 down to \$731 (+/-21) based on 2008-2012 ACS data.

During the same time, real median household and family incomes have declined at much faster rates in Kettering, Montgomery County, Ohio and the United States, when compared to changes in housing costs, which is one of the contributing factors to the rising share of housing units across the nation considered cost-burdensome to the occupants.

NOTE: For tables depicting the renter-occupied housing cost spreads for Kettering, Montgomery County, Ohio and the United States in dollar amounts between 1990 and 2008-2012, refer to **Appendix III.**

The graph below illustrates the median monthly gross rent costs for Kettering, Montgomery County, Ohio and the United States between 1990 and 2008-2012.

Figure 48: Median Gross Monthly Rent Trends for Kettering, Mont. Co, Ohio and the USA (1990—2008-2012)



Median Gross Monthly Rent Costs (2012-Dollars)							
(1990 and 2000 Census Counts & 2008-2012 ACS Data)							
Place Year	1990	2000	% Change (1990-2000)	2008-2012	MOE	% Change (2000—2008-2012)	% Change (1990—2008-2012)
Kettering	\$771	\$760	-1.4%	\$731	+/- \$21	-3.8%	-5.2%
Mont. Co.	\$686	\$700	+2.0%	\$715	+/- \$8	+2.1%	+4.2%
Ohio	\$644	\$687	+6.7%	\$710	+/- \$3	+3.4%	+10.3%
USA	\$761	\$803	+5.5%	\$889	+/- \$1	+10.7%	+16.8%

Sources: 1990 and 2000 Census Counts and 2008-2012 ACS 5-yr Estimates

The decreases in inflation-adjusted gross rent costs in Kettering and the slower cost increases in Montgomery County are likely a symptom of aging rental housing stocks, driven primarily by the lack of construction of new rental units in these areas when compared to Ohio and the United States since the 1970s. Built-out communities have fewer value-stabilizers than larger study areas due to the lack of available land to continually add newer, more highly valued units over time. Nearly 10% of Kettering’s housing stock is made up of 3-4 unit buildings, many of which are several decades old.

Inconsistencies in the data may also contribute to the shifting median rents. See page 104 regarding differences between the 1990 and 2000 Census counts when compared to the ACS regarding median rents, owner costs and housing cost burdens. The tables below depict the median gross rents by the decade the units were constructed for Kettering, Montgomery County, Ohio and the United States. Note the upticks in median rents as the age of the rental units decreases. So long as rental housing construction remains strong in an area, the overall median rents will be pulled higher.

Table 34: Median Gross rental costs for Kettering by decade unit was built

Median Monthly Rental Costs by Year Built (2012-Dollars)					
Kettering, OH					
Decade Built	Units Built	MOE	% of Rentals	Median Rent	MOE
Built 1939 or earlier	572	+/-151	6.0%	\$560.00	+/--\$95
Built 1940 to 1949	1,249	+/-193	13.2%	\$560.00	+/--\$35
Built 1950 to 1959	2,097	+/-244	22.1%	\$777.00	+/--\$35
Built 1960 to 1969	1,942	+/-220	20.5%	\$739.00	+/--\$82
Built 1970 to 1979	2,146	+/-247	22.7%	\$727.00	+/--\$31
Built 1980 to 1989	901	+/-156	9.5%	\$793.00	+/--\$41
Built 1990 to 1999	329	+/-99	3.5%	\$801.00	+/--\$136
Built 2000 to 2009	227	+/-107	2.4%	\$527.00	+/--\$469
Built 2010 or later	13	+/-16	0.1%	(X)	(X)
TOTAL	9,476	+/-372	100%	\$731.00	+/--\$21

Source: 2008-2012 ACS 5-yr Estimates, Median gross rent by year structure built and Tenure by year structure built

More than 60% of Kettering's rental units were built between 1950 and 1979 and the highest median rent from that time period is \$777 (+/--\$35).

The data from Montgomery County presents a similar picture:

Table 35: Median Gross rental costs for Montgomery County by decade unit was built

Median Monthly Rental Costs by Year Built (2012-Dollars)					
Montgomery County, OH					
Decade Built	Units	MOE	% of Rentals	Median Rent	MOE
Built 1939 or earlier	12,617	+/-758	15.1%	\$719.00	+/--\$21
Built 1940 to 1949	7,004	+/-506	8.4%	\$655.00	+/--\$27
Built 1950 to 1959	11,983	+/-759	14.4%	\$718.00	+/--\$24
Built 1960 to 1969	13,850	+/-673	16.6%	\$703.00	+/--\$23
Built 1970 to 1979	16,532	+/-891	19.8%	\$695.00	+/--\$17
Built 1980 to 1989	9,893	+/-695	11.9%	\$728.00	+/--\$19
Built 1990 to 1999	6,690	+/-564	8.0%	\$735.00	+/--\$27
Built 2000 to 2009	4,728	+/-446	5.7%	\$805.00	+/--\$47
Built 2010 or later	41	+/-31	0.1%	\$1,094.00	+/--\$439
TOTAL	83,338	+/-1,328	100.00%	\$715.00	+/--\$8

Source: 2008-2012 ACS 5-yr Estimates, Median gross rent by year structure built and Tenure by year structure built

51.6% of Montgomery County’s rental housing units were built during the highlighted timeframes and the highest median rent for these units is \$719 (+/- \$21).

Table 36: Median Gross rental costs for Ohio by decade unit was built

Median Monthly Rental Costs by Year Built (2012-Dollars)					
Ohio, USA					
Decade Built	Units	MOE	% of Rentals Built	Median Rent	MOE
Built 1939 or earlier	313,485	+/-3,826	21.5%	\$688.00	+/- \$4
Built 1940 to 1949	103,441	+/-2,115	7.1%	\$693.00	+/- \$9
Built 1950 to 1959	185,122	+/-2,862	12.7%	\$726.00	+/- \$5
Built 1960 to 1969	193,338	+/-3,096	13.3%	\$678.00	+/- \$5
Built 1970 to 1979	244,858	+/-3,419	16.8%	\$667.00	+/- \$5
Built 1980 to 1989	155,674	+/-2,919	10.7%	\$711.00	+/- \$7
Built 1990 to 1999	148,328	+/-2,370	10.2%	\$779.00	+/- \$7
Built 2000 to 2009	110,297	+/-2,302	7.6%	\$843.00	+/- \$8
Built 2010 or later	2,883	+/-353	0.2%	\$946.00	+/- \$40
TOTAL	1,457,426	+/-7,561	100.00%	\$710.00	+/- \$3

Source: 2008-2012 ACS 5-yr Estimates, Median gross rent by year structure built and Tenure by year structure built

For Ohio, 51.6% of the rental units in the state were built during the highlighted timeframes, with the highest median rent being only \$688 (+/- \$4). However, until recently, tens of thousands of rental units were being constructed each decade.

Table 37: Median Gross rental costs for the United States by decade unit was built

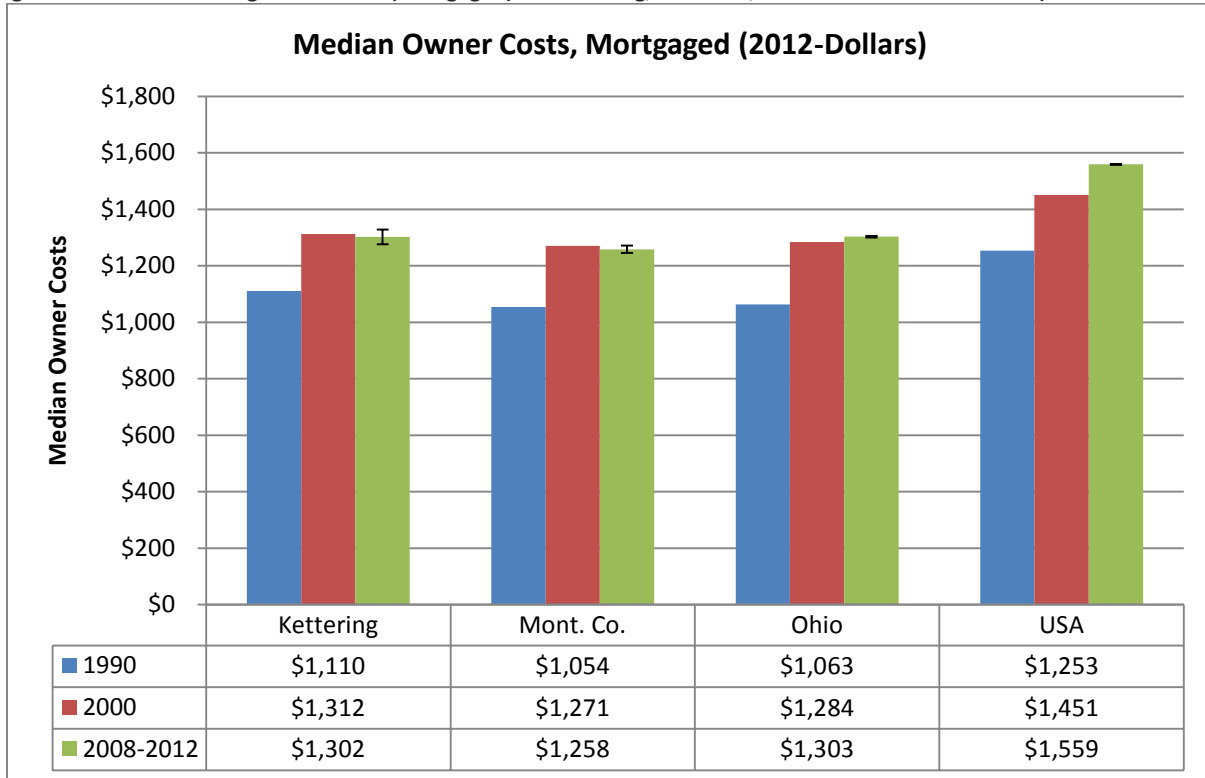
Median Monthly Rental Costs by Year Built (2012-Dollars)					
United States					
Decade Built	Units	MOE	% of Rentals	Median Rent	MOE
Built 1939 or earlier	6,136,096	+/-36,719	15.4%	\$880.00	+/- \$2
Built 1940 to 1949	2,417,347	+/-12,642	6.1%	\$865.00	+/- \$3
Built 1950 to 1959	4,080,739	+/-18,632	10.3%	\$887.00	+/- \$2
Built 1960 to 1969	4,723,171	+/-17,776	11.9%	\$862.00	+/- \$2
Built 1970 to 1979	7,087,569	+/-25,526	17.8%	\$832.00	+/- \$2
Built 1980 to 1989	5,676,339	+/-20,130	14.3%	\$865.00	+/- \$2
Built 1990 to 1999	4,701,465	+/-18,874	11.8%	\$913.00	+/- \$2
Built 2000 to 2009	4,788,975	+/-17,784	12.1%	\$1,055.00	+/- \$3
Built 2010 or later	130,440	+/-2,928	0.3%	\$1,016.00	+/- \$16
TOTAL	39,742,141	+/-115,303	100.00%	\$889.00	+/- \$1

Source: 2008-2012 ACS 5-yr Estimates, Median gross rent by year structure built and Tenure by year structure built

For the United States, 47.6% of the rental units in the country were built during the highlighted timeframes, with the highest median rent being \$880 (+/- \$2). In addition, until recently, each decade saw more than a 10% increase in the number of rental units.

The graph below illustrates the median owner-occupied (mortgaged) costs for Kettering, Montgomery County, Ohio and the United States between 1990 and 2008-2012. Aside from the increase in owner-costs for the United States between 2000 and 2008-2012, the trends are very similar.

Figure 49: Median housing owner costs (mortgaged) for Kettering, Mont. Co, Ohio and the United States (1990—2008-2012)



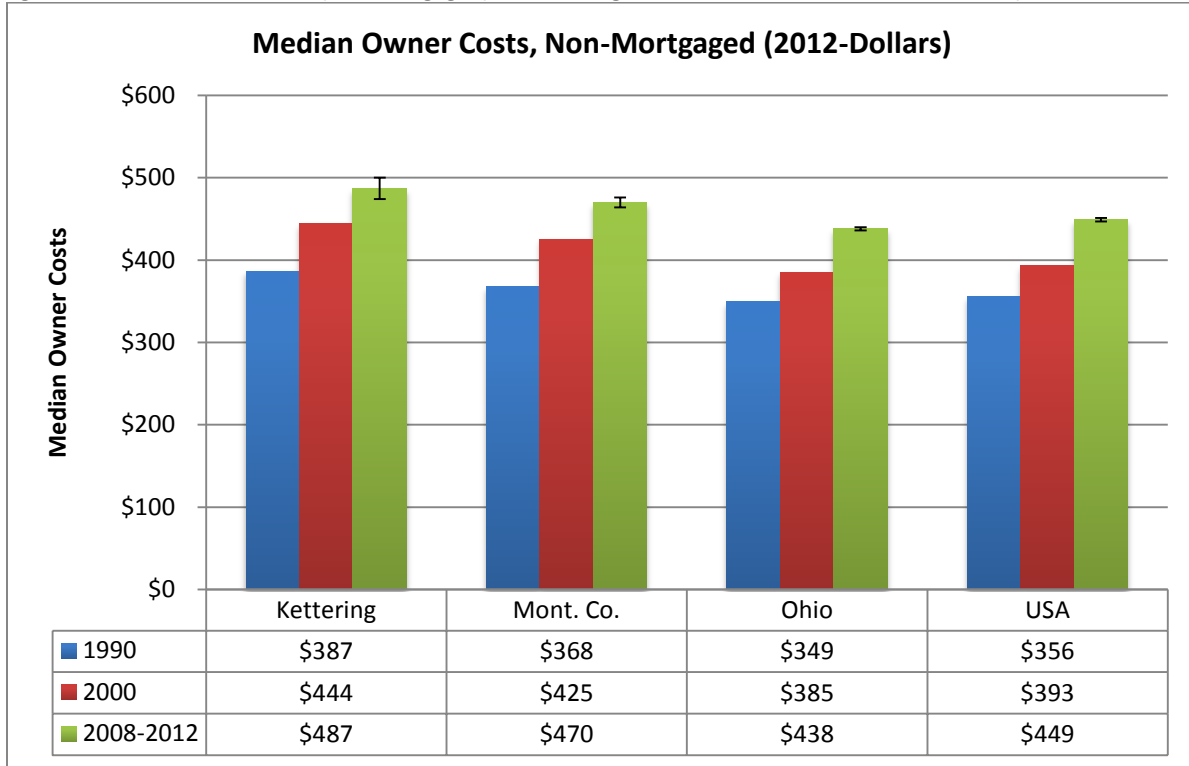
Median Gross Monthly Owner Costs, Mortgaged (2012-Dollars)							
(1990 and 2000 Census Counts & 2008-2012 ACS Data)							
Place Year	1990	2000	% Change (1990-2000)	2008-2012	MOE	% Change (2000—2008-2012)	% Change (1990—2008-2012)
Kettering	\$1,110	\$1,312	+18.2%	\$1,302	+/- \$26	-0.8%*	+17.3%
Mont. Co.	\$1,054	\$1,271	+20.6%	\$1,258	+/- \$13	-1.0%*	+19.4%
Ohio	\$1,063	\$1,284	+20.8%	\$1,303	+/- \$3	+1.5%	+22.6%
USA	\$1,253	\$1,451	+15.8%	\$1,559	+/- \$2	+7.4%	+24.4%

Sources: 1990 and 2000 Census Counts and 2008-2012 ACS 5-yr Estimates

*Changes fall within the margin of error.

The graph below illustrates the median owner-occupied (non-mortgaged) housing costs for Kettering, Montgomery County, Ohio and the United States between 1990 and 2008-2012. Kettering, Montgomery County, Ohio and the United States all followed similar trends.

Figure 50: Median Owner Costs (non-mortgaged) for Kettering, Mont. Co, Ohio and the United States (1990—2008-2012)



Median Gross Monthly Owner Costs, Non-Mortgaged (2012-Dollars)							
(1990 and 2000 Census Counts & 2008-2012 ACS Data)							
Place Year	1990	2000	% Change (1990-2000)	2008-2012	MOE	% Change (2000—2008-2012)	% Change (1990—2008-2012)
Kettering	\$387	\$444	+14.7%	\$487	+/- \$13	+9.7%	+25.8%
Mont. Co.	\$368	\$425	+15.5%	\$470	+/- \$6	+10.6%	+27.7%
Ohio	\$349	\$385	+10.3%	\$438	+/- \$2	+13.8%	+25.5%
USA	\$356	\$393	+10.4%	\$449	+/- \$2	+14.3%	+26.1%

Sources: 1990 and 2000 Census Counts and 2008-2012 ACS 5-yr Estimates

Increases in costs for non-mortgaged owner-occupied units are driven by housing costs aside from mortgage payments, such as utility payments, insurance, taxes and maintenance. Due to decreasing property values, the likely causes in the rising costs are utility and insurance payments. Utility payments have been particularly volatile in recent years due to rapidly changing prices of home heating fuels.

Rent vs. Buy Analysis

Rent vs. Buy Analysis Summary:

By using the same basic form as in a housing study conducted for the City of Middletown²⁶, a rent vs. buy analysis has been conducted for the purpose of determining whether it is more affordable to rent or buy a home in Kettering.

Due to the large sum of money due at occupancy when purchasing a home along with costly built-in maintenance costs, home ownership tends to be much less affordable than renting and the required down payment and closing costs continue to be a major impediment to affordable owner-occupied housing. However, depending on the value of the home, monthly mortgage payments along with required insurance and sinking fund (home repairs) can be affordable for a wide variety of households with differing incomes.

Below, two tables are presented that illustrate some of the basic required costs associated with renting and owning homes in Kettering. The first table compares the median gross monthly rent costs to the costs of purchasing and paying down an \$115,000 dollar home while the second table compares the median gross monthly rental costs to the costs of paying down an \$80,000 dollar home. The estimates for property tax payments are likely to be slightly inflated due to the lack of inclusion of some potential tax rollbacks that some occupants may qualify for. This inflation of property tax payments is offset by keeping the marginal tax rate for the mortgage interest deduction at 28% rather than at a lower rate. The owner-occupied housing section assumes an interest rate of 3.9% on a 30-year fixed-rate mortgage.

The last row in each table lists the lowest household incomes required for the housing costs to not exceed 30% of household income. For rental units, household incomes between \$29,164 and \$30,849 would be sufficient to afford monthly rental payments of between \$727 and \$769, which are the lower and upper bound estimates for median gross rent costs in Kettering, including estimated insurance costs, for 2008-2012. For owner-occupancy, the home costing \$115,000 would require a minimum household income of \$45,974 to be considered non-cost burdensome to the tenants while a household income of \$33,676 would be sufficient for the payments of the \$80,000 home to be considered non-cost burdensome. Of course, there are many additional costs that are difficult to quantify come with owning a home. These include: general maintenance costs, such as yard maintenance equipment and paint along with major maintenance costs, such as roof and major appliance replacements. In addition, taxes can easily reduce take-home pay by 20% or more for many households before any child or earned income tax credit payments are taken into account.

²⁶ A Market Conditions Study of Middletown, Ohio. March 25, 2013, retrieved on 12/22/2014 from: <http://www.cityofmiddletown.org/docs/commsvc/ll/Middletown%20OH%20Market%20Conditions%20Report.pdf>

The relative affordability of homes costing approximately \$80,000 is important due to a large number of the home sales in Kettering in recent years being valued around \$80,000. This will be discussed in greater detail in the housing sale value section of this report.

Table 38: Rent vs. Buy Analysis (\$115,000 home vs. median gross rent costs)

Rent vs. Buy Analysis (\$115,000 home vs. median rents)				
Inputs		Ownership	Rental	Notes
Median Price		\$115,000	(X)	Based on MC Auditor Sales data
Closing Costs	3%	\$3,450	(X)	
Down payment	10%	\$11,500	(X)	
Principal		\$103,500	(X)	
Interest Rate	3.90%		(X)	
Amortization Period	30		(X)	
Monthly Payment		\$488	(X)	Based on total mortgage costs of \$175,744
Annual Payment		\$5,856	(X)	
Real Estate Taxes		\$3,409	(X)	Assumes market value of \$115,000. Would be likely be lower with rollbacks factored in
Private Mortgage Insurance	0.50%	\$517.50	(X)	
Homeowner's Insurance		\$644	(X)	Avg cost for Ohio
Utilities		\$1,000	(X)	Estimated utilities
Maintenance and Repairs	3%	\$3,450	(X)	
Tax Benefit			(X)	
Marginal Tax bracket	28%		(X)	
Annual Interest		\$4,037	(X)	
Annual Tax Savings		(\$1,130)	(X)	
Rental Costs			\$710 - \$752	Median of \$731 (+/-21) per month
Annual Rent			\$8,520 - \$9,024	
Insurance (Renter)			\$200	
Total Annual Cost		\$13,746	\$8,720 - \$9,224	
Total Monthly Cost		\$1,146	\$727 - \$769	Compared to the median mortgaged owner cost of \$1,302 and median gross rent costs of \$710
Differential per year	\$4,522 - \$5,026			
Differential per month	\$377 - \$419			
Cash Due at Occupancy		\$14,950	\$744 - \$796	Security deposit plus first months renters insurance
Income required to be non-cost burdensome*		\$45,974.18	\$29,164 - \$30,849	

Template Source: A Market Conditions Study of Middletown, Ohio by Novogradac & Company LLP. Page 43:

<http://www.cityofmiddletown.org/docs/commsvc/II/Middletown%20OH%20Market%20Conditions%20Report.pdf>

*Based on simple math and does not take into account income and payroll taxes or any other possible debt payments the household(s) may have.

Table 39: Rent vs. Buy Analysis (\$80,000 home vs. median gross rent costs)

Rent vs. Buy Analysis (\$80,000 home vs. median rents)				
Inputs		Ownership	Rental	Notes
Median Price		\$80,000	(X)	Estimated sales price
Closing Costs	3%	\$2,400	(X)	
Down payment	10%	\$8,000	(X)	
Principal		\$72,000	(X)	
Interest Rate	3.90%		(X)	
Amortization Period	30		(X)	
Monthly Payment		\$340	(X)	Based on total mortgage cost of \$122,256
Annual Payment		\$4,080	(X)	
Real Estate Taxes		\$2,371	(X)	Assumes market value of \$80,000. Would likely be lower with rollbacks factored in
Private Mortgage Insurance	0.50%	\$360.00	(X)	
Homeowner's Insurance		\$644	(X)	Average homeowners insurance rate for Ohio
Utilities		\$1,000	(X)	Estimated utilities
Maintenance and Repairs	3%	\$2,400	(X)	
Tax Benefit			(X)	
Marginal Tax bracket	28%		(X)	
Annual Interest		\$2,808	(X)	
Annual Tax Savings		(\$786)	(X)	
Rental Costs			\$710 - \$752	Median of \$731 (+/-21) per month
Annual Rent			\$8,520 - \$9,024	
Insurance (Renter)			\$200	\$17 per month
Total Annual Cost		\$10,069	\$8,724 - \$9,228	
Total Monthly Cost		\$839	\$727 - \$769	Compared to the median mortgaged owner cost of \$1,302 and median gross rent costs of \$710
Differential per year	\$840 - \$1,344			
Differential per month	\$70 - \$112			
Cash Due at Occupancy		\$10,400	\$744 - \$796	Security deposit plus first months renters insurance
Income required to be non-cost burdensome*		\$33,676	\$29,164 - \$30,849	

Template Source: A Market Conditions Study of Middletown, Ohio by Novogradac & Company LLP. Page 43:

<http://www.cityofmiddletown.org/docs/commsvc/II/Middletown%20OH%20Market%20Conditions%20Report.pdf>

*Based on simple math and does not take into account income and payroll taxes or any other possible debt payments the household(s) may have.

HUD's Four Housing Problems (inadequate facilities, 1+ person per room, cost burdens)

HUD's Four Housing Problems Summary:

According to HUD, the "four housing problems are: incomplete kitchen facilities, incomplete plumbing facilities, more than 1 person per room, and cost burden greater than 30%" while the "four severe housing problems are: incomplete kitchen facilities, incomplete plumbing facilities, more than 1 person per room, and cost burden greater than 50%"²⁷.

While information on the previous pages shows that the burden of housing costs is a major problem, the other housing problems impact fewer housing units, with Kettering having fewer housing units displaying the four housing problems than the County, State and Nation. Kettering also has the largest share of housing considered affordable to tenants when compared to the County, State and Nation, though Kettering falls within the margin of error for the share of cost burdensome rental units with the County, State and Nation while also falling within the margin of error for cost burdensome mortgaged, owner-occupied housing with the County and State.

Despite this, providing decent housing is one of HUD's key goals and is also one of the areas where Kettering can make the largest impact through the utilization of low-interest and deferred loans and grants for repairs along with code enforcement, particularly of rental properties.

²⁷ HUDUser CHAS data: http://www.huduser.org/portal/datasets/cp/CHAS/data_querytool_chas.html

The following table is based 2007-2011 5-yr ACS data along with HUD CHAS data relating to the number of housing units that lack complete plumbing and/or kitchen facilities out of all occupied housing units.

Table 40: Severe Housing cost burdens & substandard kitchen and plumbing facilities for Kettering, Mont. Co, Ohio and the USA

Four Housing Problems—HUD				
Number of Units (% of total, RO or OO Units)				
Place	Kettering	Mont. Co.	Ohio	USA
Occupied Housing Units	25,560	223,545	4,554,005	115,991,440
Owner-Occupied	16,770	142,995	3,126,405	76,776,100
Renter-Occupied	8,790	80,550	1,427,600	39,215,345
Housing Cost Burden <30%				
Owner-Occupied	13,150 (78.4%)	106,475 (74.5%)	2,358,220 (75.4%)	54,340,460 (70.8%)
Renter-Occupied	4,935 (56.2%)	40,430 (50.2%)	756,335 (53%)	20,423,815 (52.1%)
Housing Cost Burden >30% to =<50%				
Owner-Occupied	2,420 (14.4%)	22,555 (15.8%)	479,995 (15.4%)	13,070,805 (17%)
Renter-Occupied	1,855 (21.1%)	17,525 (21.8%)	295,535 (20.7%)	8,588,215 (21.9%)
Housing Cost Burden >50%				
Owner-Occupied	1,120 (6.7%)	13,280 (9.3%)	272,250 (8.7%)	8,838,965 (11.5%)
Renter-Occupied	1,875 (21.3%)	20,945 (26%)	337,410 (23.6%)	9,293,640 (23.7%)
Cost Burden Not available (OO)	75 (0.4%)	680 (0.5%)	15,950 (0.5%)	525,900 (0.7%)
Cost Burden Not Available (RO)	125 (1.4%)	1,650 (2%)	38,320 (2.7%)	909,640 (2.3%)
Lacking Complete Plumbing Facilities	69 (.3%) +/- 68	900 (.4%) +/- 262	21,229 (.5%) +/- 980	639,418 (.6%) +/- 9,675
Lacking Complete Kitchen Facilities	117 (.5%) +/- 80	1,690 (.8%) +/- 300	41,687 (.9%) +/- 1,434	1,000,070 (.9%) +/- 9,944
Units with more than 1 person per room	172 (.7%) +/- 78	2,361 (1.1%) +/- 385	56,031 (1.2%) +/- 1,668	3,633,750 (3.1%) +/- 17,994

NOTE: The data above is from the 2007-2011 collection period and pulled from HUD's CHAS tables and the 2007-2011 ACS data available from the American Factfinder. HUD CHAS tables are available here:

http://www.huduser.org/portal/datasets/cp/CHAS/data_querytool_chas.html

Cells highlighted in green delineate the place with the smallest percentage of cost burdensome housing and of housing units that are lacking plumbing or kitchen facilities and of housing units with more than one tenant per room. Red cells delineate areas that have the highest percentages in each category.

Due to CHAS data from the Department of Housing and Urban Development being based on the 2007-2011 ACS estimates, the data above is pulled from the same source. Few housing units in

Kettering lack complete plumbing and kitchen facilities when compared to the Montgomery County, Ohio and the USA. If the housing units lacking adequate kitchen and plumbing facilities can be located, a goal of fully stamping out substandard housing stock within the City can be a goal of the Community Development Division in the coming years.

With regards to housing affordability, the share of housing units in Kettering that are considered cost burdensome (30%+ of HH income goes to housing costs) tends to be lower than in Montgomery County, Ohio and in the United States. In all areas studied, the shares of renter-occupied units with cost burdens exceeding 50% of income are greater than 20% of all renter-occupied units.

Housing Price Indexes

The Dayton MSA and Ohio did not experience a housing price bubble comparable to the nation as a whole. Despite this, the region has seen a decline in housing values since the peak of 2005 and, based on house price indexes of all transactions, no trend showing an increase in values has emerged as of 2014, though the last few quarters have shown upticks in value for Ohio and many MSAs in the state, including the Dayton MSA. The graphs below illustrate the house price indexes for Ohio, the United States and several MSAs in Ohio. The data shows that the Dayton MSA tended to trend with most areas studied until the early 2000s and has recently underperformed Ohio and the United States. When compared to other MSAs in Ohio, Dayton has tended to follow a similar trend, though the recent housing price recovery many MSAs have experienced recently has not yet taken hold in Dayton.

Figure 51: All-Transactions housing price indexes for the Dayton MSA, Ohio and the United States (1975-2014)

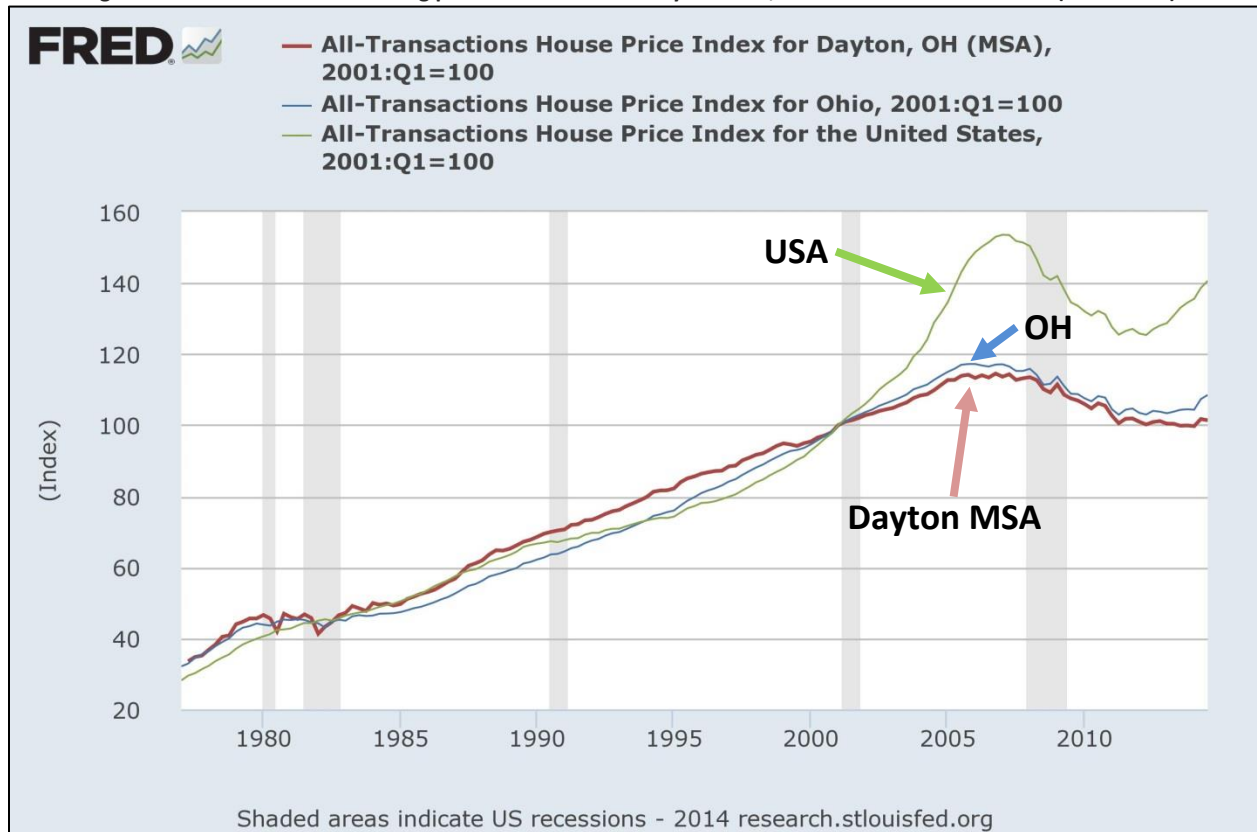


Figure 52: All-Transactions housing price indexes for the Dayton, Columbus, Cleveland and Cincinnati MSAs (1975-2014)

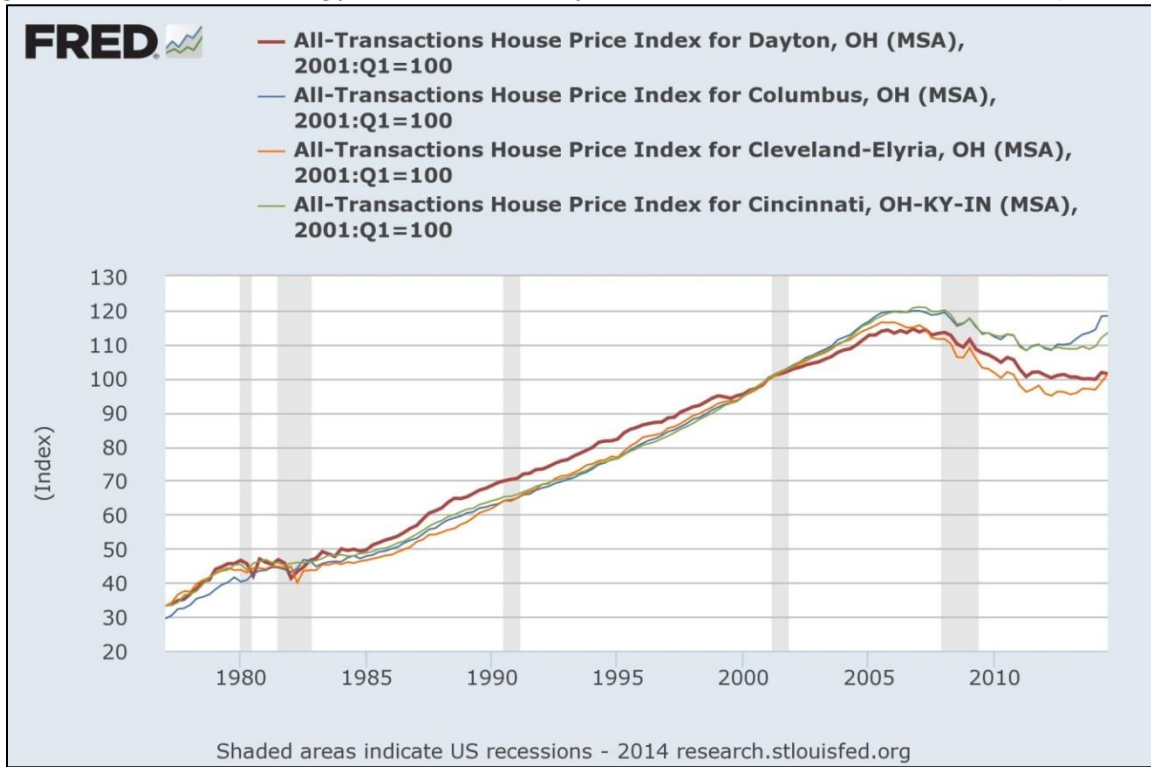
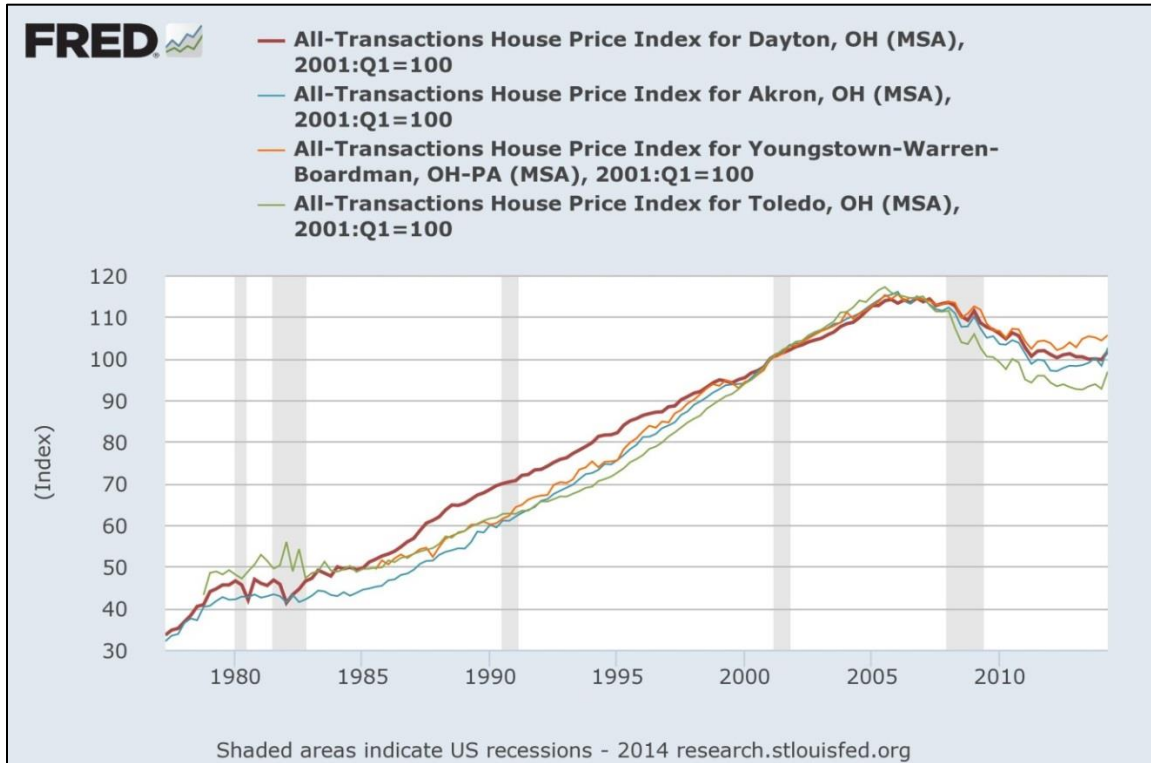


Figure 53: All-Transactions housing price indexes for the Dayton, Akron, Youngstown and Toledo MSAs (1975-2014)



Absent a major increase in demand for the existing housing stock in the Dayton MSA, the value of housing in the area is unlikely to increase substantially in inflation-adjusted terms

Despite the recent weakness of the housing values of the local area, many positive stories have emerged regarding increasing sales prices in the State of Ohio and the local area. For example, home prices in Ohio increased 3.8% in January of 2015 compared to January of 2014²⁸. In the Dayton region, average home sale prices in January of 2015 increased to \$129,328, a boost of 18% when compared to January of 2014 while median sales prices increased to \$108,000, up 25.5% when compared to January of 2014.²⁹

²⁸ Ohio home prices zip ahead. (2015, March 4). *Dayton Business Journal*. Retrieved March 4, 2015, from http://www.bizjournals.com/dayton/blog/morning_call/2015/03/ohio-home-prices-zip-ahead.html

²⁹ Dayton Area Home Sales for January 2015. (2015, January 1). Retrieved March 4, 2015, from <http://www.dabr.com/site-map-site-map-menu/articles-site-map-menu/296-press-category/home-sales/home-sales-2015/1282-dayton-area-home-sales-for-january-2015.html>

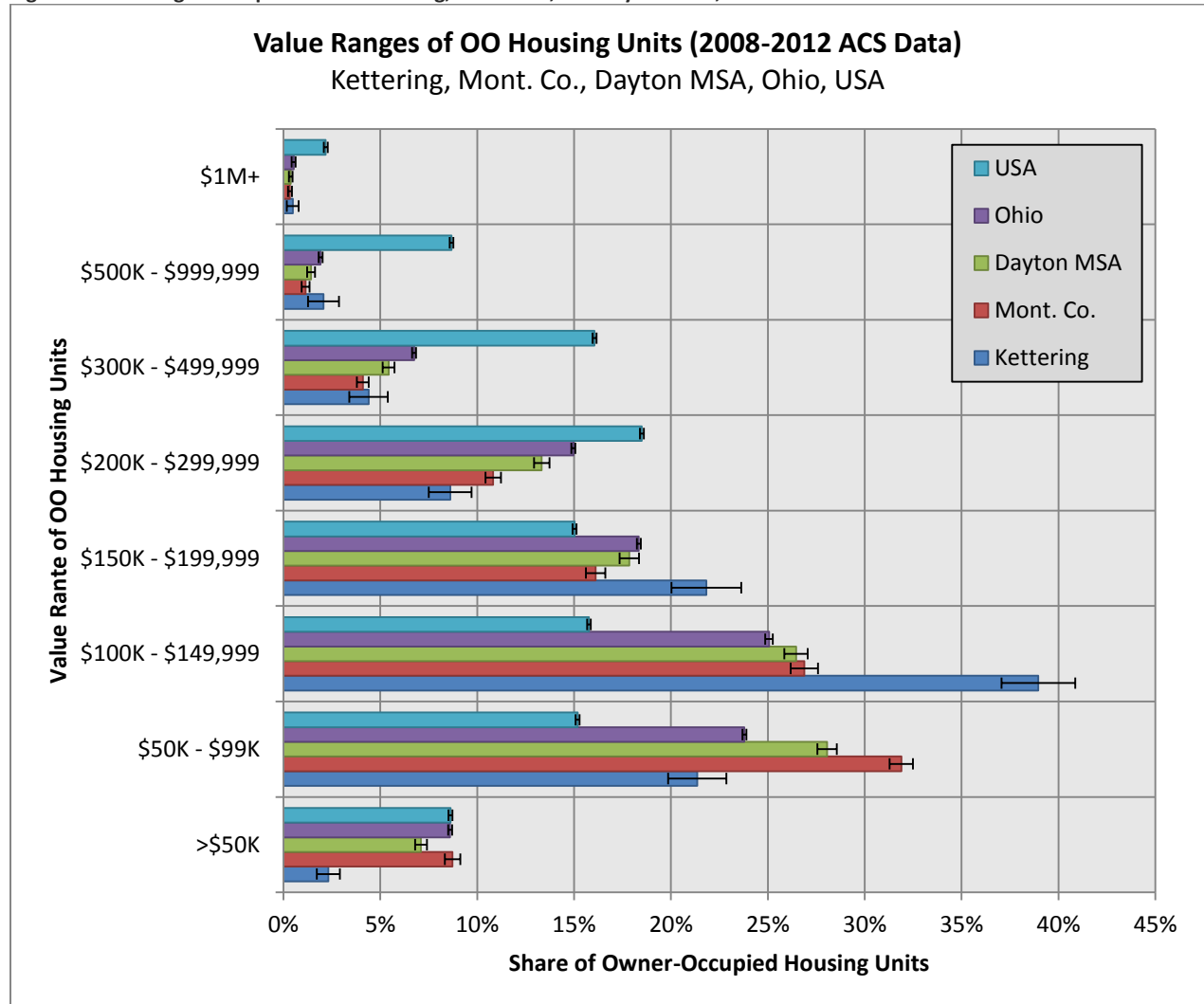
Housing Value Spreads

Housing Value Spread Summary:

According to 2008-2012 5-year estimates from the US Census Bureau's American Community Survey, Kettering continues to have a healthy spread of housing values, with a plurality (39% +/- 1.9%) of owner-occupied housing units valued between \$100,000 and \$149,000. This compares to a plurality of Montgomery County's (32% +/-0.6%) and the Dayton MSA's (28.1% +/-0.5%) OO housing units being valued between \$50,000 and \$99,000, a plurality (25.1% +/-0.2%) of the Ohio's OO housing units being valued between \$100,000-\$149,000 and a plurality (18.5% +/-0.1%) of the OO housing units in the United States being valued between \$200,000 and \$299,999.

This further strengthens Kettering's position as a predominately middle class city.

Figure 54: Housing value spreads for Kettering, Mont. Co., the Dayton MSA, Ohio and the United States



Source: US Census Bureau ACS 2008-2012 5-year estimates

The table below summarizes the housing value spreads for each area studied. The highlighted cells delineate the largest shares in each value cohort. The data shows that the bulk of Kettering’s owner-occupied housing units have values that fall in the middle, with Montgomery County having larger shares of housing valued at the lower end of the spectrum while the United States has the largest shares of the highest valued homes (\$200,000+).

Owner-Occupied Housing Units: Value Spread Summary (% of Owner-Occupied Housing Units valued in each value spread)					
Value Place	Kettering	Mont. Co.	Dayton MSA	Ohio	USA
>\$50,000	2.3% (+/- 0.60%)	8.7% (+/- 0.40%)	7.1% (+/- 0.30%)	8.6% (+/- 0.10%)	8.6% (+/- 0.10%)
\$50,000-\$99,999	21.4% (+/- 1.50%)	31.9% (+/- 0.60%)	28.1% (+/- 0.50%)	23.8% (+/- 0.10%)	15.2% (+/- 0.10%)
\$100,000-\$149,000	39.0% (+/- 1.9%)	26.9% (+/- 0.70%)	26.5% (+/- 0.60%)	25.1% (+/- 0.20%)	15.8% (+/- 0.10%)
\$150,000-\$199,999	21.8% (+/- 1.80%)	16.1% (+/- 0.50%)	17.9% (+/- 0.50%)	18.3% (+/- 0.10%)	15.0% (+/- 0.10%)
\$200,000-\$299,999	8.6% (+/- 1.10%)	10.8% (+/- 0.40%)	13.3% (+/- 0.40%)	15.0% (+/- 0.10%)	18.5% (+/- 0.10%)
\$300,000-\$499,999	4.4% (+/- 1.00%)	4.1% (+/- 0.30%)	5.4% (+/- 0.30%)	6.7% (+/- 0.10%)	16.1% (+/- 0.10%)
\$500,000-\$999,999	2.1% (+/-0.80%)	1.1% (+/- 0.20%)	1.4% (+/- 0.20%)	1.9% (+/- 0.10%)	8.7% (+/- 0.10%)
\$1,000,000+	0.5% (+/- 0.30%)	0.3% (+/- 0.10%)	0.4% (+/- 0.10%)	0.5% (+/- 0.10%)	2.2% (+/- 0.10%)
Median Value (2008-2012)	\$133,100 (+/--\$2,097)	\$115,800 (+/--\$1,042)	\$125,900 (+/--\$982)	\$133,700 (+/--\$321)	\$181,400 (+/--\$169)

Above: A summary of the housing value shares for the areas studied. The highlighted cells depict the areas with the largest share of each housing value spread. If the margins of error overlap, more than one cell in is highlighted.

Median Housing Value Trends (Self-Reported Census Data)

Median Housing Values Summary:

According to the US Census Bureau's ACS 2008-2012 ACS 5-yr estimates, Kettering's median housing value was \$133,100 (+/- \$2,097), which is higher than the Dayton MSA's median housing value of \$125,900 (+/- \$982) and Montgomery County's median housing value of \$115,800 (+/- \$1,042), within the margin of error of Ohio's median housing value of \$133,700 (+/- \$321) and much lower than the median housing value of the United States of \$181,400 (+/- \$169).

Kettering, Montgomery County, the Dayton MSA and Ohio have experienced declines in median housing values since the 2000 Census, but Kettering, Montgomery County, Ohio and the United States all had higher median housing values based on 2008-2012 ACS data when compared to the 1990 Census.

The large increases in housing values starting in the late 1990s and expanding into 2005-2006 were fueled partially by artificial demand for new housing due to a massive increase in available financing for housing purchases. Once the available financing for housing developments dried up, the bubble burst and housing values returned closer to the mean, as is typically the case for economic bubbles.

Until the demand for housing in the area increases due to a growing population and/or increasing number of households, housing values are unlikely to increase at a rate much faster than inflation in the coming years. This will continue to dampen property tax revenue, which is discussed in greater detail in the Government Tax Revenue section of this report.

NOTE:

The data on the following pages regarding median owner-occupied housing values for the years 1990 and 2000 are based on the values of specified owner-occupied housing units while the data points from the ACS include all owner-occupied housing units.

Specified owner and renter-occupied housing units are defined as:

1. Specified owner-occupied housing units are the total number of owner occupied housing units described as either a one family home detached from any other house or a one family house attached to one or more houses on less than 10 acres with no business on the property.
2. Specified renter-occupied housing units are the total number of renter-occupied units that exclude one-family homes on 10 acres or more.

This means that some housing units are excluded from the 1990 and 2000 Decennial Census Counts, which may skew the data, particularly for Ohio and the United States. As such, use caution when comparing the data after the year 2000 while looking for trends.

Kettering’s median housing value is \$133,100 according to 2008-2012 ACS estimates and is slightly higher than the Dayton MSA’s median housing value of \$125,900 and Montgomery County’s median housing value of \$115,800 but slightly lower than Ohio’s median housing value of \$133,700 and much lower than the USA’s median housing value of \$181,400. The median housing values of Kettering’s census tracts vary from a high of \$211,500 in CT 203 and a low of \$83,100 in CT 211.

The median housing values within current and past target areas for the Neighborhood Stabilization Program and CDBG are as follows:

Table 41: Median owner-occupied housing values of Kettering CDBG & NSP target area Census Tracts

Census Tract	Place Name	Median Housing Value	MOE
210	Wiles Creek	\$92,800 (69.7% of median)	+/- \$5,273
213.01	Research Park	\$95,200 (71.5% of median)	+/- \$1,959
213.02	Rolling Fields	\$92,500 (69.5% of median)	+/- \$3,617
218	Oak Creek	\$173,000 (130% of median)	+/- \$14,542

Source: US Census Bureau’s American Community Survey 2008-2012 5-yr Estimates

With the exception of CT 218, all of the target areas have median housing values much lower than Kettering’s overall median value.

The graph and table below depict the trend in median housing values since 1990. All areas studied experienced rises in median housing values between 1990 and 2000 and all areas except for the United States experienced median value declines between the 2000 Census and when data was gathered through the ACS between 2008 and 2012. One contributing factor to the decreases in Kettering, Montgomery County and Ohio between 2000 and 2008-2012 that is not the weak housing market in general is the changing universe from only specified units to all units. An investigation into median sale values is included in this report to determine if median sale values have risen or fallen in recent years.

Figure 55: Median housing values for Kettering, Mont. Co, Ohio and the USA (1990—2008-2012)

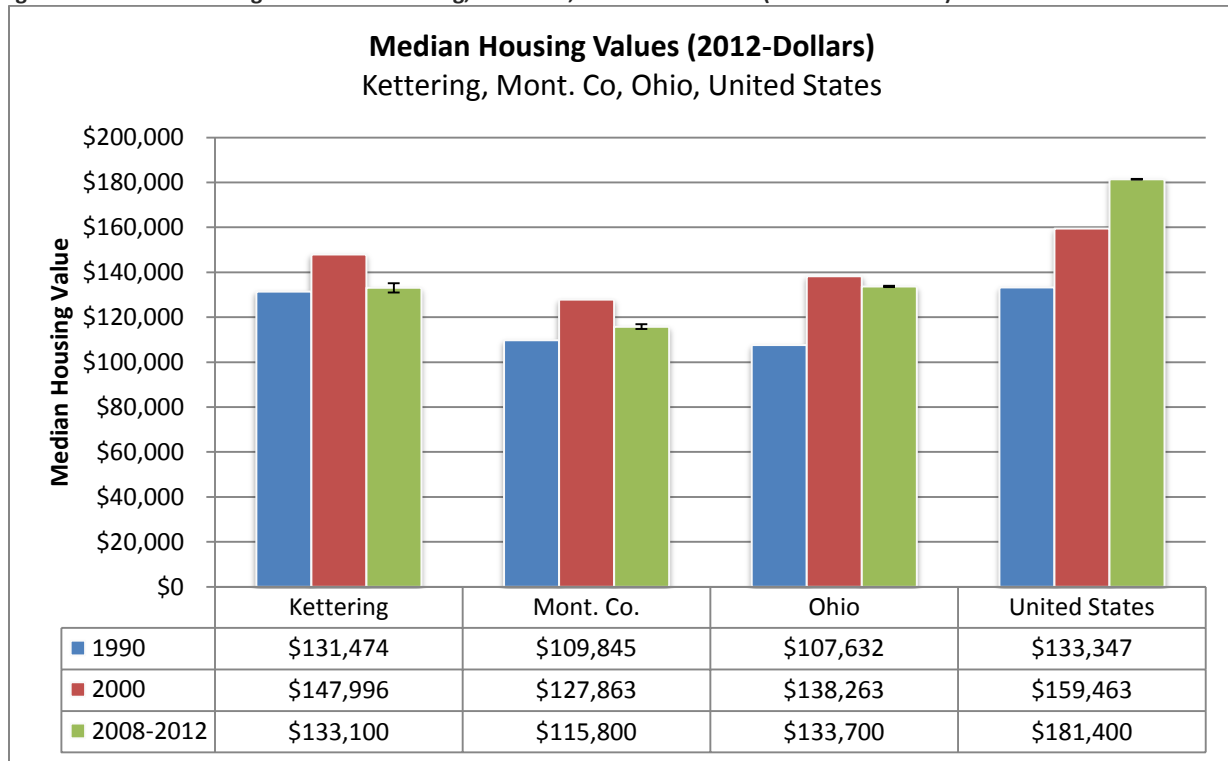


Table 42: Median housing value table for Kettering, Mont. Co, Ohio and the USA (1990—2008-2012)

Place Year	1990	2000	% Change (1990-2000)	2008-2012	MOE	% Change (2000—2008-2012)	% Change (1990—2008-2012)
Kettering	\$131,474	\$147,996	+12.6%	\$133,100	+/--\$2,097	-10.1%	+1.2%*
Mont. Co.	\$109,845	\$127,863	+16.4%	\$115,800	+/--\$1,042	-9.4%	+5.4%
Ohio	\$107,632	\$138,263	+28.5%	\$133,700	+/--\$321	-3.3%	+23.6%
United States	\$133,347	\$159,463	+19.6%	\$181,400	+/--\$169	+13.8%	+34.7%

Sources: 1990 and 2000 US Census Counts, US Census Bureau ACS 2008-2012 5-yr estimates

*Change falls within the margin of error

The graph below depicts median housing values between 1990 and 2011-2013. Rather than using 5-year ACS estimates and only having one data point following the 2000 Census, two additional data points are available when 3-year estimates are used. The data shows that the median housing values for the United States have been falling since 2005-2007, with a large drop occurring between the 2008-2010 and 2011-2013 data points.

Figure 56: Median housing value trends for Kettering, Mont. Co, Ohio and the USA (1990—2011-2013)

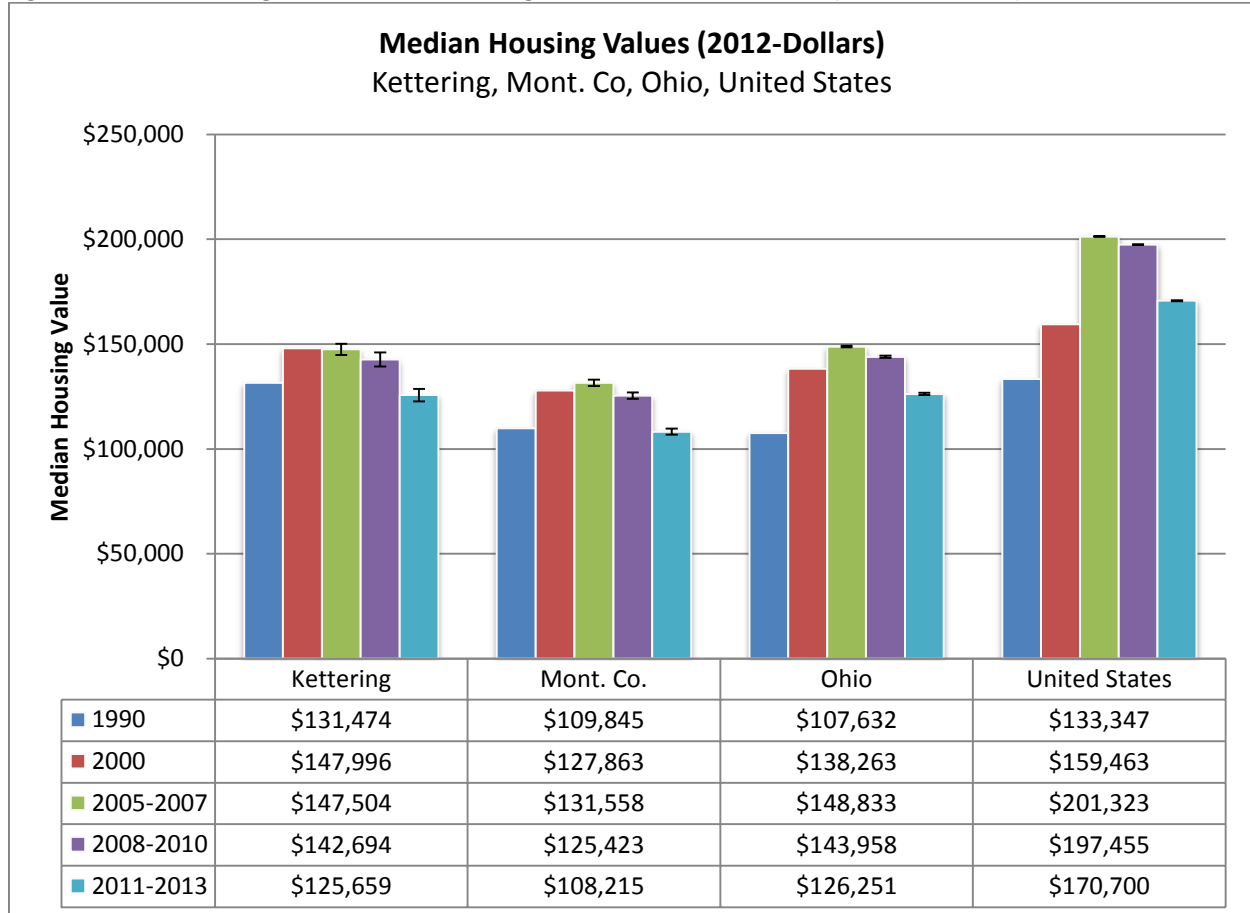


Table 43: Median housing value table for Kettering, Mont. Co, Ohio and the USA (2005-2007—2011-2013)

Median Housing Values (2012 Dollars)							
(2005-2007, 2008-2010, 2011-2013)							
Place Year	2005-2007	MOE	2008-2010	MOE	2011-2013	MOE	% Change (1990—2011-2013)
Kettering	\$147,504	+/- \$2,649	\$142,694	+/- \$3,318	\$125,659	+/- \$2,928	-4.4%
Mont. Co.	\$131,558	+/- \$1,516	\$125,423	+/- \$1,570	\$108,215	+/- \$1,431	-1.5%
Ohio	\$148,833	+/- \$353	\$143,958	+/- \$477	\$126,251	+/- \$520	+16.7%
United States	\$201,323	+/- \$234	\$197,455	+/- \$209	\$170,700	+/- \$224	+26.7%

Sources: 1990 and 2000 US Census Counts, US Census Bureau ACS 2005-2007, 2008-2010 and 2011-2013 3-yr estimates

Median Housing Sale & Listing Values

Median Housing Sale & Listing Trends Summary:

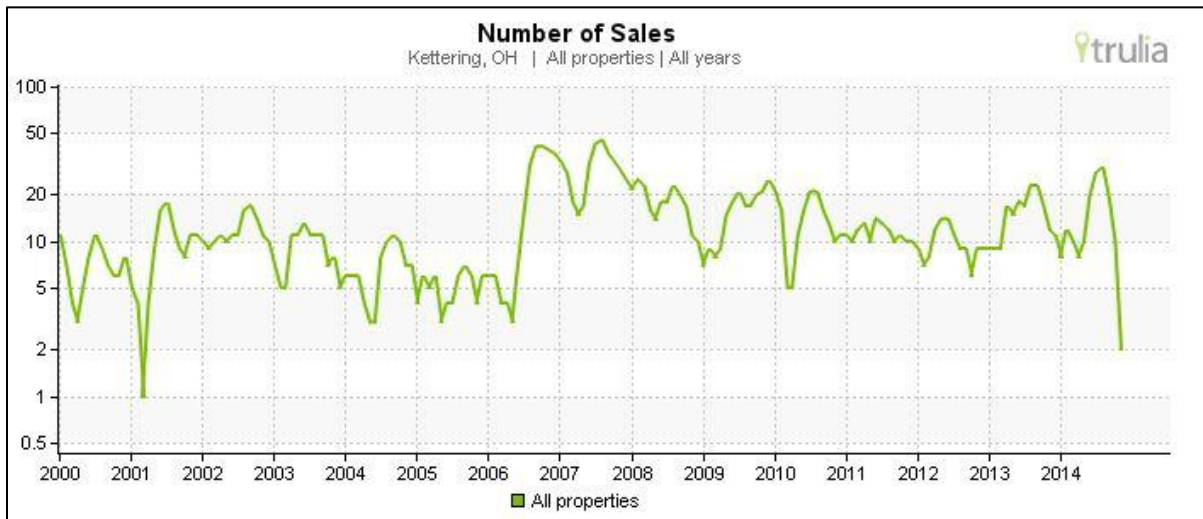
Median housing values do not tell the whole story with regards to housing values in a community, largely because median housing values are self-reported statistics that may be inaccurate when compared to the true market value of a home.

The data on the following pages is from various real estate websites (Trulia, Zillow and RealtyTrac) as well as the Montgomery County Auditor and the Dayton Region Board of Realtors. The purpose of this section of the report is to depict trends in sale values for homes in the City of Kettering in recent years. The Census Tract drilldown section of this report will include more data regarding median sale values within existing target areas of Kettering.

For Kettering, median sale values hovered around \$110,000-\$118,000 between 2011 and 2014 while the number of home sales during 2011, 2012, 2013 and 2014 changed from approximately 545 in 2011, 634 in 2012, 703 in 2013 and 775 in 2014. These sale values include the sales of owner-occupied condos, such as the Coach House Manor Condos in CT 219 (eastern Oak Creek) and the high-rise condos in CT 201 (Southern Hills).*

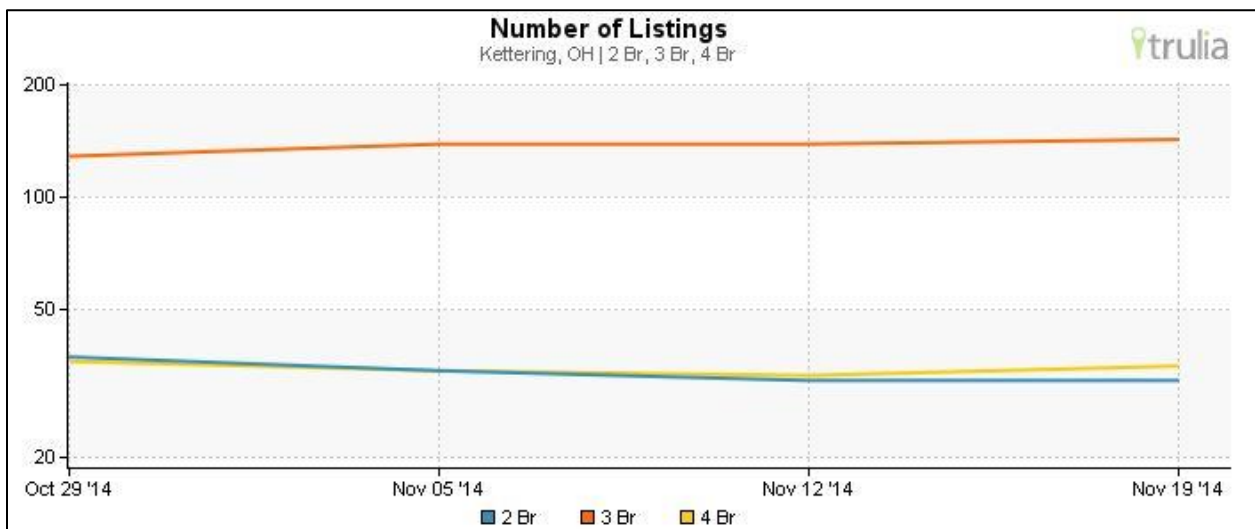
**Note: The home sale number data is based on data available from the Montgomery County Auditor. The sale data includes valid sales, sales involving multiple parcels (with duplicate neighboring parcels removed), occasionally sales involving related parties or corporations and also outliers. None of the liquidation/foreclosure sales or sales transactions valued at \$0 were included. In addition, land only sales were removed.*

Several real estate websites track home listing and sale prices. Below, graphs available from trulia.com depicting the median sale prices for Kettering between 2000 and 2014. There was a noticeable downward trend in the median sale value between 2007 and 2012 followed by sale value stabilization and the increase that is occurring today.



Source: Kettering Market Trends. Trulia.com. Retrieved from: http://www.trulia.com/real_estate/Kettering-Ohio/market-trends/ on December 3, 2014.

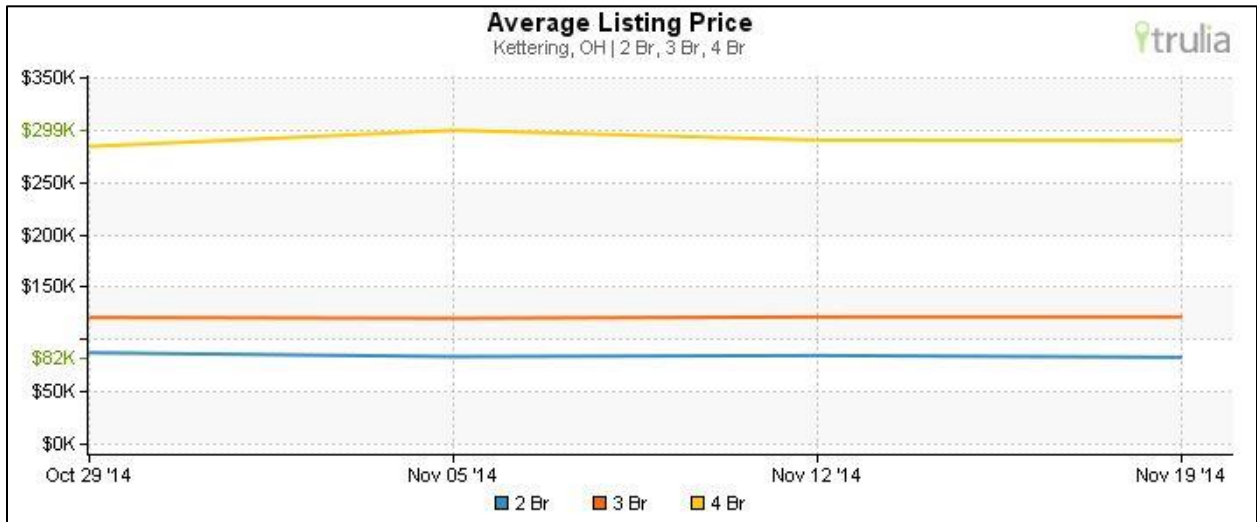
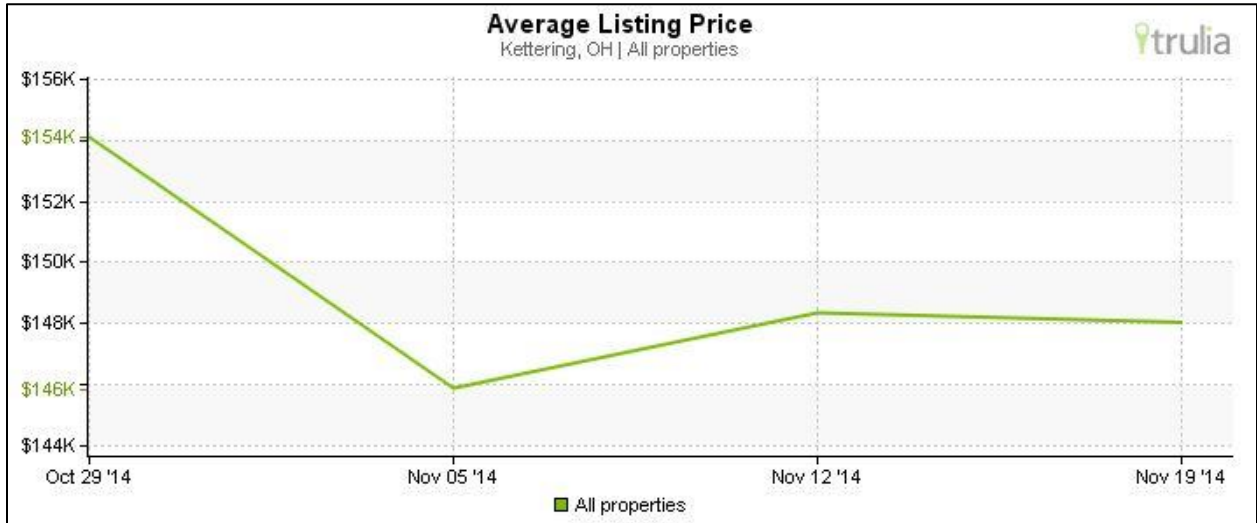
The number of homes listed for sale rose between late October and mid-November by 10, with 3BR housing units making up most of the listings.



Source: Kettering Market Trends. Trulia.com. Retrieved from: http://www.trulia.com/real_estate/Kettering-Ohio/market-trends/ on December 3, 2014.

None of this is surprising. 3BR housing units make up a large portion of Kettering's housing stock. According to 2008-2012 ACS 5-yr estimates, out of 27,518 housing units, 609 (2.2%) +/- 149 have no bedrooms, 2,935 (10.7%) +/- 256 have 1 bedroom, 7,318 (26.6%) +/- 505 have 2 bedrooms, 12,033 (43.7%) +/- 476 have 3 bedrooms, 4,084 (14.8%) have 4-bedrooms and 539 (2%) +/- 129 have 5 or more bedrooms.

The average listing price of houses for sale has come down slightly since late October. The graphs below illustrate the overall average listing price along with a breakdown in the type of housing unit (2, 3 and 4 bedroom).



Source: Kettering Market Trends. Trulia.com. Retrieved from: http://www.trulia.com/real_estate/Kettering-Ohio/market-trends/ on December 3, 2014.

Based on data downloaded from the Montgomery County Auditor, the analyst has estimated the median sale value of homes in Kettering during 2011, 2012, 2013 and 2014. Yearly sales data is available from the Auditor that includes parcel data, addresses, buyers and prices.

In order to get a more accurate value for a typical home in Kettering, all sales involving liquidations and foreclosures, land only sales, and non-validated sales have been eliminated. The following table depicts the median sale values based on the remaining sales:

Table 44: Median sale values of homes in Kettering (2011-2014)

Year	Median Sale Value (current dollars)	Median Sale Value (2012-Dollars)	# of Sales
2011	\$112,000	\$114,318	545
2012	\$115,000	\$115,000	634
2013	\$119,000	\$117,282	703
2014	\$115,000	\$111,807	775

Source: Residential sales data from the Montgomery County Auditor broken down into validated sales. Certain outliers, sales involving multiple parcels and sales involving related persons or corporations are included.

Table 45: Median Sale Values for Kettering Target Areas in 2014

Census Tract	Place Name	Median Sale Value in 2014 (2012-dollars)	# of Sales (2014)
210	Wiles Creek	\$77,536 (69.3% of City median)	28
210 (BG 1)	Wiles Creek	\$69,828 (62.5% of City median)	11
213.01	Research Park	\$77,681 (69.5% of City median)	51
213.02	Rolling Fields	\$68,299 (61.1% of City median)	18
218	Oak Creek	\$163,335 (146.1% of City median)	11

Source: Montgomery County Auditor Real Estate Data regarding residential sales, retrieved on 12/30/2014

Due to the data on the preceding pages not including sales prices for the sections of Kettering located in Greene County, Kettering’s actual median sales values are likely higher. The table below depicts the sales of homes in the Greene County sections of Kettering in 2014, along with one sale from 2013:

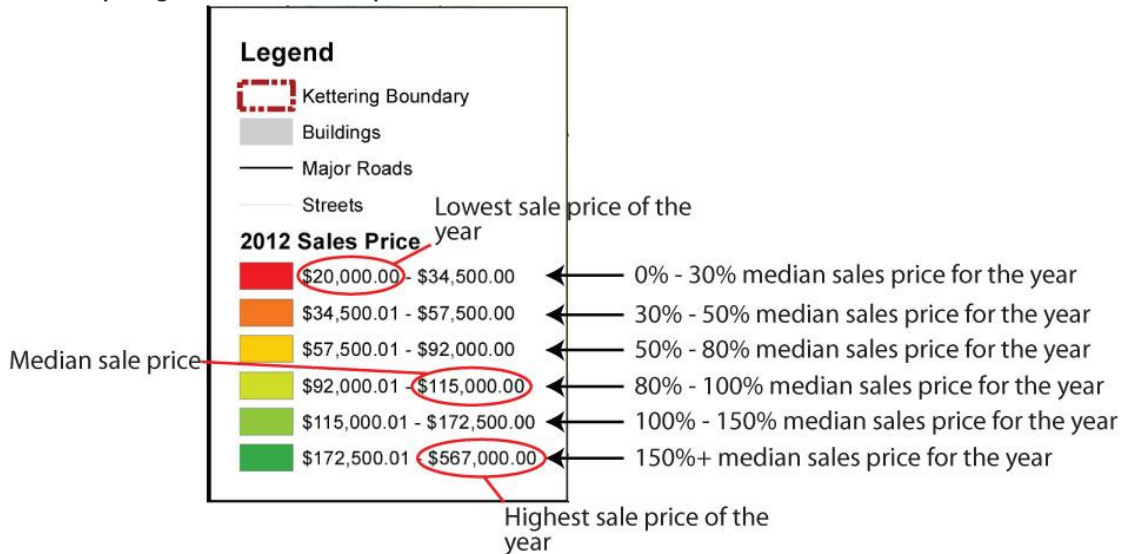
Table 46: Sale values of homes sold in Greene County portions of Kettering (2013-2014)

Greene County Sales		
Address	Sale Amount	Sale Date
CT 2201 (Madison's Grant)		
4523 James Madison Trail	\$238,500	8/22/2014
4558 Dolley Drive	\$256,000	5/28/2014
3298 Montpelier Drive	\$200,000	7/1/2014
3328 Montpelier Drive	\$198,000	2/25/2014
3215 Montpelier Drive	\$210,000	9/30/2014
3352 Witherspoon Drive	\$250,000	1/9/2013
3330 Federalist Drive	\$216,000	4/8/2014
3322 Witherspoon Drive	\$208,000	7/25/2014
4328 Montell Court	\$229,000	9/26/2014
CT 2104.01 (Walden Village Area)		
435 Springside Drive	\$154,000	1/23/2014
441 Springside Drive	\$169,900	5/8/2014
431 Craftsbury Court	\$170,000	4/29/2014
4433 Woodbank Drive	\$163,300	5/30/2014
4407 Woodbank Drive	\$173,500	10/17/2014
4395 Woodbank Drive	\$195,500	9/15/2014

Source: Zillow.com, retrieved on 12/15/2014

The maps on the following pages illustrate the residential sales in Kettering (Montgomery County portion) in the years 2011, 2012, 2013 and 2014 (through December 30). The parcels are colored based on the sale value relative to the median sale value for the year. An example legend with labels is located below:

Figure 57: Example legend of sale value maps



There has been no apparent increase or decrease in value in any neighborhoods based on the maps. Though there are clear pockets of lower value in certain areas. For example, Block Group 3 of Census Tract 202 is a pocket of lower sale values relative to the whole CT due to the homes in that area being smaller. Another smaller pocket of lower valued homes is in BG 2 of Census Tract 216.01 (includes Flowerdale and Willowdale Avenue). Interestingly, Census Tract 218, which includes many of Kettering’s LIHTC-financed housing units and has one of the highest concentrations of multi-unit rental buildings in the city, has some of the highest median sale values of the whole City. Bataan, Newcom Knolls, eastern Rolling Fields, Wiles Creek and Census Tracts 211 and 215.01 also tend to have lower housing sale values due to many of the homes being relatively small.

Figure 58: Residential Sale Value Map for Kettering (2011)

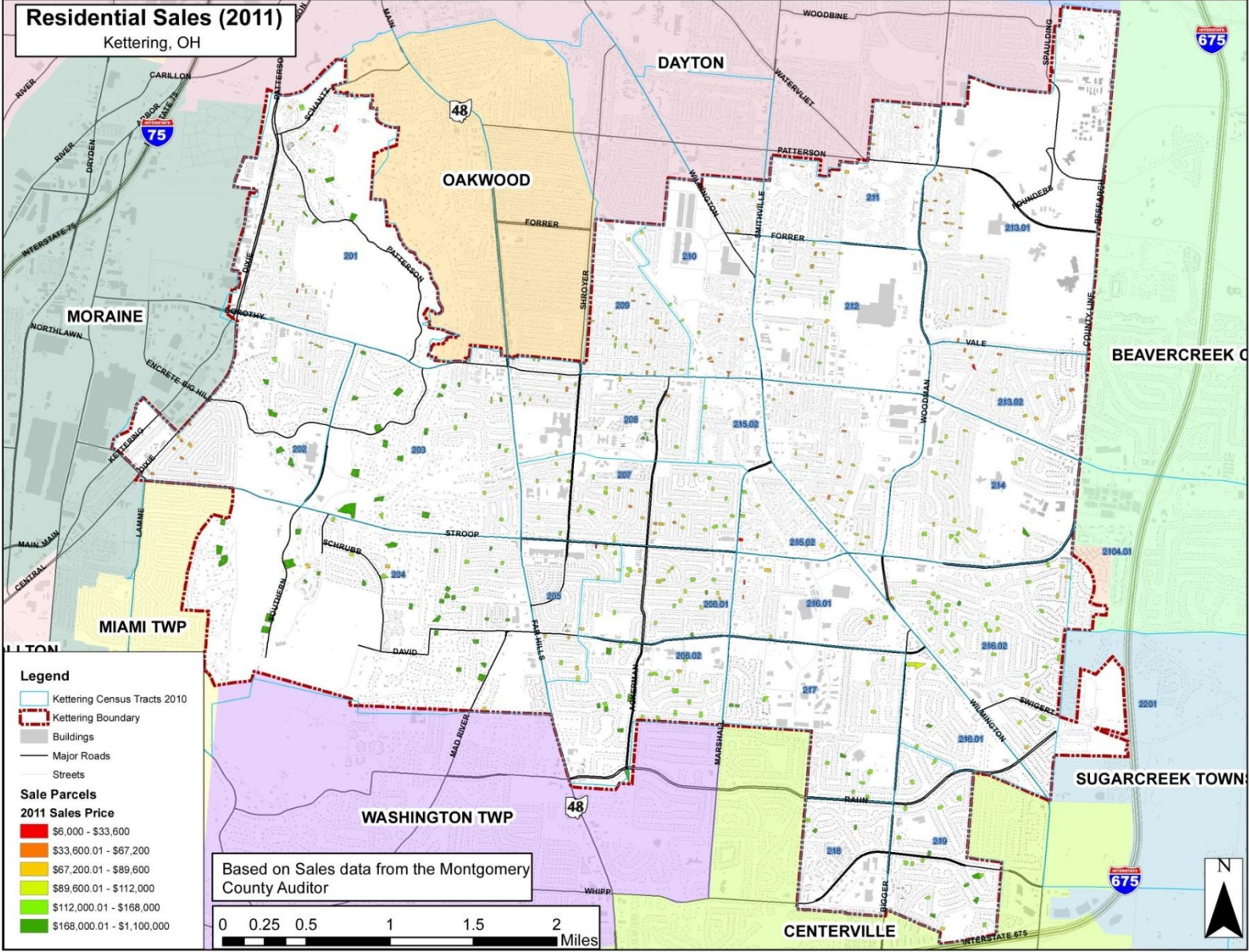
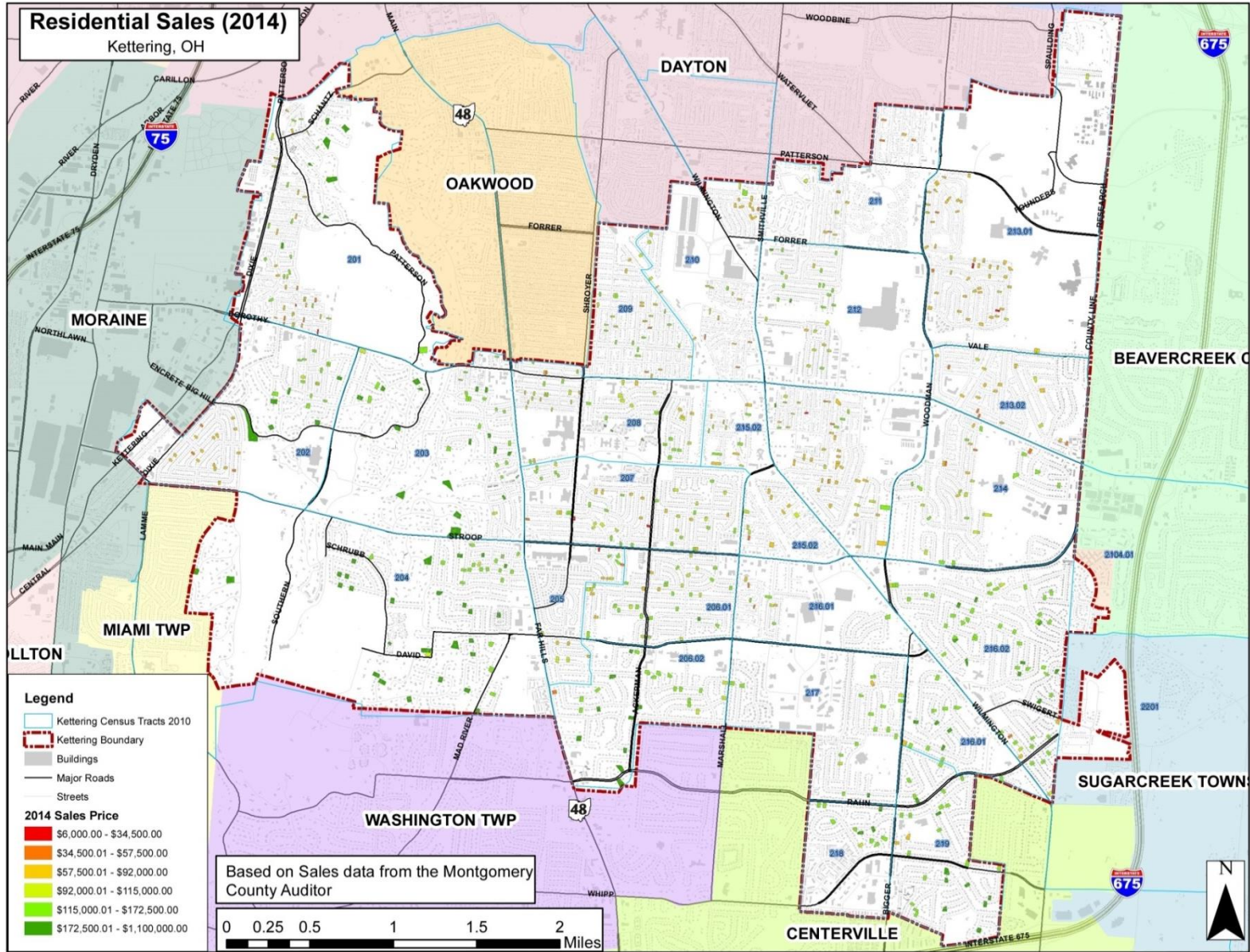


Figure 61: Residential Sale Value Map for Kettering (2014)



Housing Absorption Rates

Housing Absorption Rates Summary:

As was discussed in the previous section of this report, the number of annual home sales has been trending upwards in Kettering since at least 2011, rising from approximately 545 that year up to 634 in 2012, 703 in 2013 and 775 in 2014. The rising number of home sales suggests a potential decrease in Kettering's absorption rate, which is a calculation that determines how many months would be required for all of the homes for sale in an area to sell assuming that no other homes come to market and the sale rate remains constant. An absorption rate of 5-7 months is considered healthy; however, rapid sales can be a sign of investor activity.

A second way to examine absorption rates is to examine new(er) housing developments in Kettering and compare how quickly the lots or units are sold or rented to tenants after the approval of the plat or the construction of a building. For the purpose of this section, three housing developments are examined: Old Lane Village in CT 201, The Villas at Kettering Pointe in CT 212 and the current development at Acorn walk in CT 210. Old Lane Village was developed in the early 2000s after the plat was approved in February, 2001. The development includes 39 buildable lots (one home covers two lots, so 38 total homes are a part of the development), all of which have been built on. Most of the lots were sold and had homes built on them between 2001 and 2003, suggesting strong demand for housing at the time.

Alternatively, the plat plan for the Villas at Kettering Pointe was approved in August, 2006. The development includes 35 buildable lots; most of which have been built on as of late 2014, but the rate of construction has been much slower due to the depressed economy and housing market. As of late 2014, 5-6 buildable lots remain undeveloped.

Acorn Walk is more unique due to the price floor on new housing units of \$150,000 (\$150,000 for 1-unit buildings, \$300,000 for doubles) being imposed on the property. Aside from the 24-unit Franklin Foundation building and a model double home being constructed today, none of the lots have been built on due to the continuing construction of critical infrastructure and the still-depressed housing construction market. However, the construction of Gentile Park may accelerate demand for new homes in the area.

Housing Absorption (based on listings and sales)

Based on data provided by Zillow.com, there were 848 homes sold in Kettering in 2014, for an average sale pace of 71 homes per month, with sales spiking considerably during the summer before dropping off during the colder months. In December of 2014, 229 housing units were for sale according to Zillow. However, this number is likely smaller than the typical number at any given time during the year due to the holidays and the cold weather in December depressing the number of homes listed for sale. Assuming that the rate of sale of 71 homes per month were to remain constant, it would take only 3.23 months for all 229 homes to sell, which is a very fast absorption rate considering that some sources consider a 5-7 month absorption rate to represent a balanced market³⁰. If the number (410) of homes for sale listed by the 2010 Census is used with the same number of sales for Kettering, the absorption rate becomes 5.78 months, which is a much more typical (and healthy) absorption rate.

On a regional basis, according to the Dayton Area Board of Realtors, with 13,156 total sales and 21,681 listing entries, the 2014 “inventory on hand hovered around the 5.5-month supply level for most of the year”³¹, which is considered healthy.

Housing Absorption (based on plat approvals and rate of construction)

For Old Lane Village, according to data from the Montgomery County Auditor, 38 out of the 39 buildable lots were built on by the end of 2003, with one additional lot having a home built on it in 2005. The rapid construction of most of the plat within a few years suggests a strong demand for housing at the time.

The plat for the Villas at Kettering Pointe was approved in August of 2006, shortly before the housing crisis took hold nationwide and the credit markets dried up. Out of the 35 buildable lots, 6 were built on in 2007, 7 in 2008, 3 in 2009, 1 in 2010, 0 in 2011, 2 in 2012, 2 in 2013 and 8 in 2014, leaving 6 vacant lots. One of these lots appears to have been built on so far in 2014, suggesting that 5 buildable lots remain. The slow pace of the build-out of the Villas at Kettering Pointe reflects the collapse of the housing market that occurred shortly after the plat was originally approved. However, the large increase in the number of lots built on in 2014 relative to previous years suggests that the local housing market has recovered somewhat in recent years.

³⁰ How Do You Calculate Absorption Rate? (2011, November 30). Retrieved February 3, 2015, from <http://www.realtor.com/advice/how-do-you-calculate-absorption-rate/>

³¹ Dayton Area Board of REALTORS®. (n.d.). Retrieved February 3, 2015, from <http://www.dabr.com/monthly-home-sales-releases-news-media-menu/home-sales-2014-press-menu/1273-dayton-area-home-sales-for-december-2014.html>

Foreclosure Activity

Foreclosure Activity Summary:

Foreclosures are a major threat to community stability. A large spike in foreclosures contributed significantly to, and was a result of, the severity of the Great Recession as housing values fell and millions of individuals and families lost their homes, contributing to the spread of blight within even the most affluent neighborhoods in the United States. With regards to Kettering, the number of foreclosure filings remained high for many years before starting to decline in 2013.

For 2014, the number of foreclosure filings has dropped considerably when compared to 2013 and 2012. In addition, a larger share of foreclosure filings in 2013 ended in dismissals rather than sheriff's sales when compared to 2012. Many foreclosure cases that began in 2014 are still open in the courts, making comparisons between 2014 and previous years difficult.

Despite the reduction in foreclosure filings, Kettering remains pockmarked with vacant and foreclosed homes, many of which are for sale or scheduled for sheriff's sales in the coming months. As the number of foreclosure filings continue to decline, these vacant homes should work their way through the market and reach the hands of new owners, thus reducing the incident of vacancies due to foreclosures.

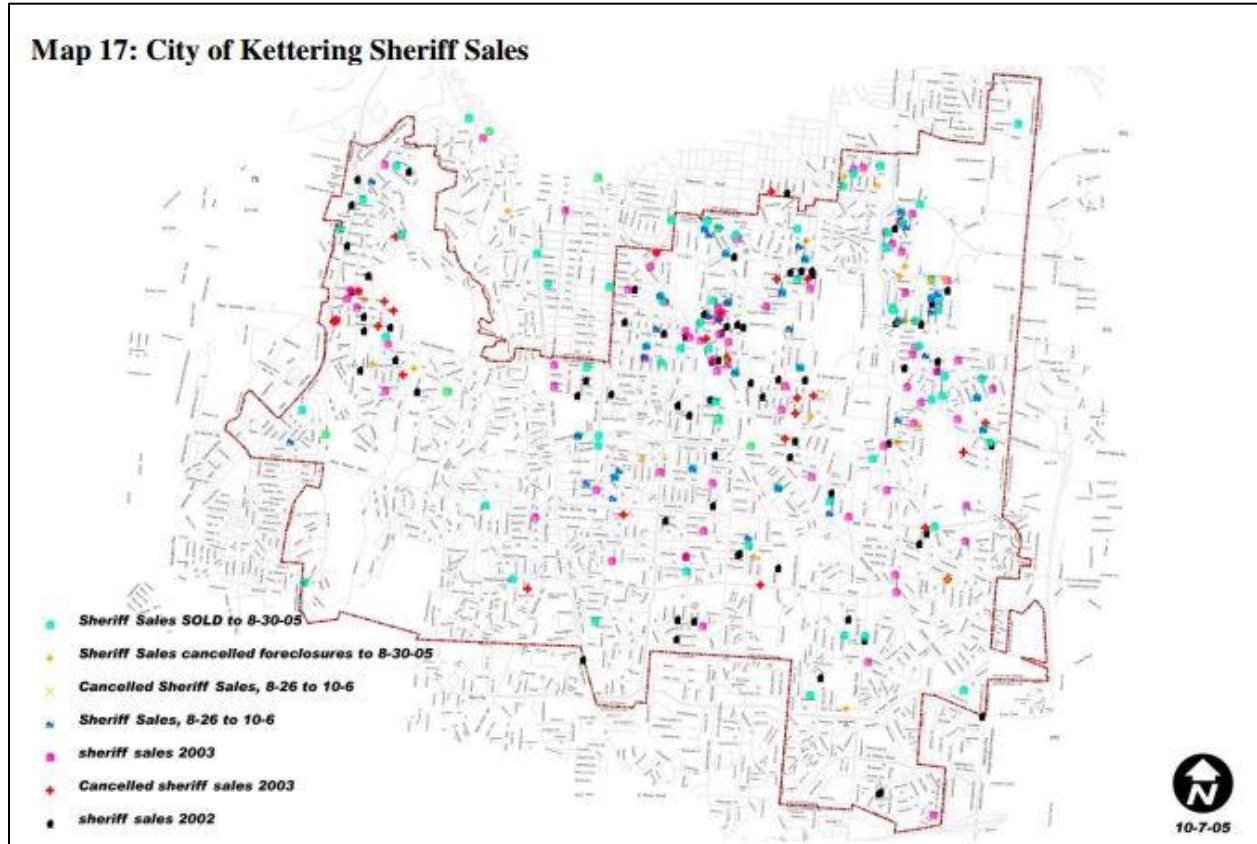
One additional threat from foreclosures is the fact that homeowners sometimes abandon their homes early in the foreclosure process. These cases are known as "Zombie Foreclosures" and made up approximately 25% (142,462 nationwide foreclosures) of active foreclosures in the United States "as of the end of January 2015"³². There are approximately 7,360 such foreclosures in Ohio according to RealtyTrac data. If a foreclosure is dismissed at a later date, the homeowner may be long gone, leaving a vacant home, with no responsible owner, to become a blighted eyesore on the community. Examples of this occurring in Kettering include: 1372 Melrose Place (case # 2009 CV 02545) and 2578 Midvale (case # 2014 CV 03966).

Based on maps of foreclosure filings in 2012, 2013 and 2014, the neighborhoods hit hardest with foreclosure filings in recent years are: Bataan and Newcom Knolls (parts of CT 213.01), Rolling Fields (CT 213.02), CT 215.01 (particularly in 2012), the northern area of CT 209 in 2013 due to a large number of apartment buildings falling into foreclosure, among others. Other neighborhoods have been hit hard as well, as illustrated on the maps below.

³² One in Four U.S. Foreclosures are "Zombies" Vacated by Homeowner, Not Yet Repossessed By Foreclosing Lender. (2015, February 5). Retrieved February 6, 2015, from <http://www.realtytrac.com/news/realtytrac-reports/zombie-foreclosures-q1-2015/>

In addition to foreclosure filings, sheriff's sales maps from previous years show that Wiles Creek, Bataan, Southern Hills, Newcom Knolls and Rolling Fields have been hit hard by foreclosures for many years, even before the national housing market began to crumble in 2006 and 2007. The map below is from the 2006-2010 Dayton-Kettering Consolidated Plan and illustrates the Sheriff Sales in Kettering in 2002, 2003 and 2005.

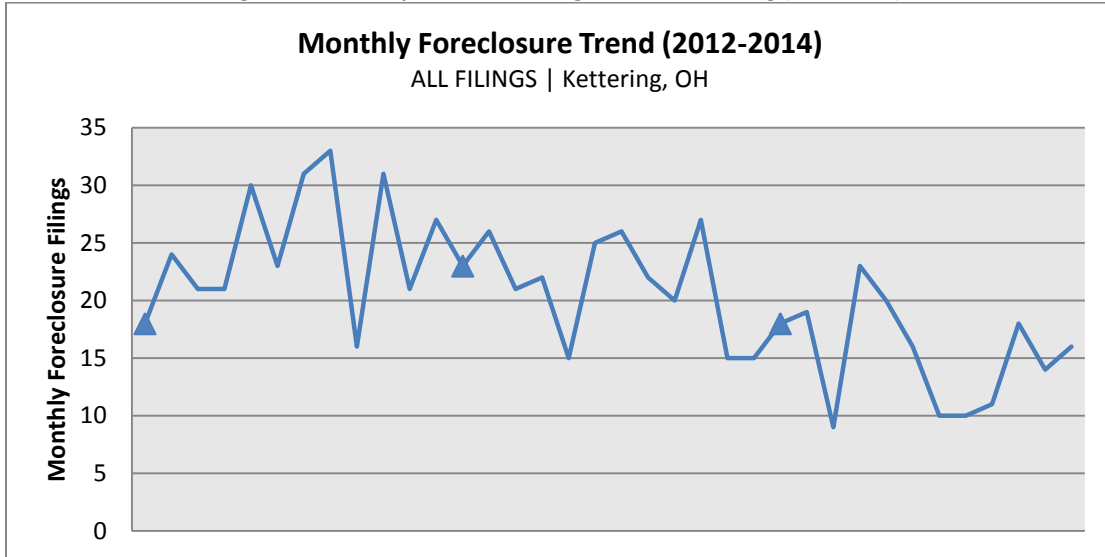
Figure 62: Kettering Sheriff Sales (2002, 2003, 2005)



Source: 2006-2010 Dayton-Kettering Consolidated Plan. Retrieved on February 2, 2015 from: <http://www.cityofdayton.org/departments/pcd/Planning%20Docs/2006-2010%20Dayton-Kettering%20Consolidated%20Plan.pdf>

The chart below illustrates the number of monthly foreclosure filings in Kettering from January, 2012 to December, 2014. The number of filings has been trending downward, particularly since late 2013. **On the graphs below, the triangles represent January of each year.**

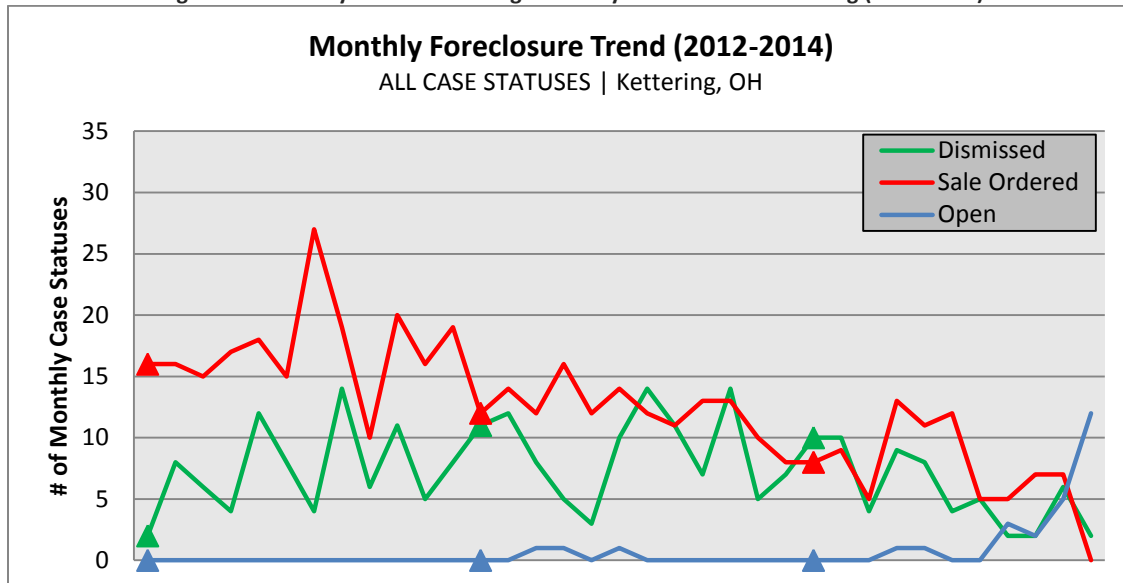
Figure 63: Monthly foreclosure filing trend for Kettering (2012-2014)



Source: Foreclosure filing data from the Montgomery County Clerk of Courts, current as of December 31, 2014

The chart below illustrates the current statuses of each foreclosure filing in Kettering between 2012 and December of 2014. Aside from the increase in “open” cases in 2014 due to how recently the cases began, the most apparent trend is the decline in the number of cases that end with the sheriff’s sale being ordered. The number of cases dismissed has fluctuated from month-to-month, but is not trending upwards or downwards.

Figure 64: Monthly foreclosure filing trends by case status in Kettering (2012-2014)



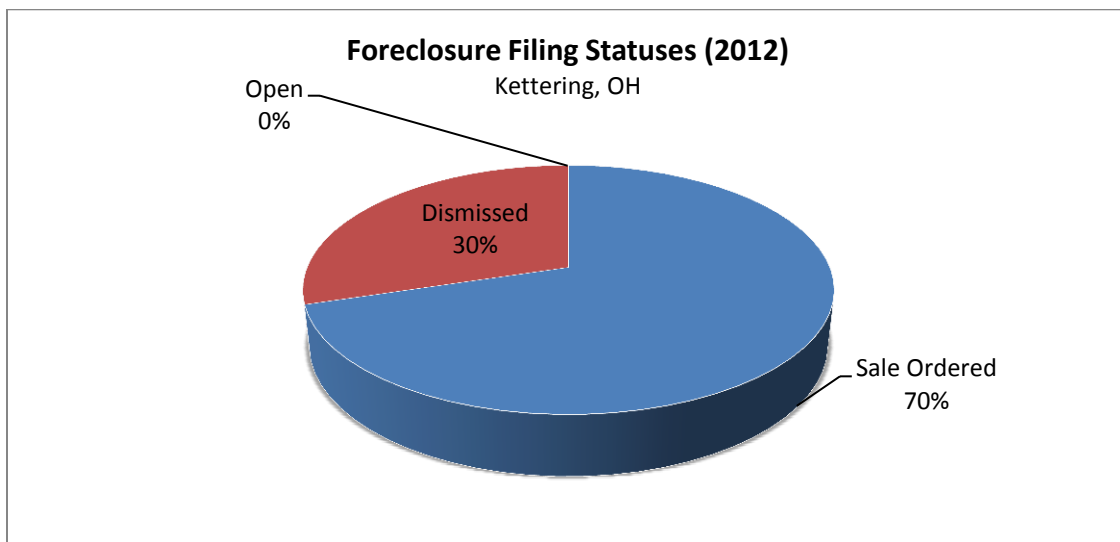
Source: Foreclosure filing data from the Montgomery County Clerk of Courts

The tables and graphs below further breaks out the foreclosure filings into three categories for each month:

1. **Still Open**--case is still open
2. **Dismissed**--case dismissed due to a variety of causes. Examples include: bankruptcy of the defendant, defendant bringing the loan current, payment plan agreed upon, random dismissal by plaintiff due to no longer wanting the property or some other reason, loss mitigation efforts.
3. **Sale ordered**--sheriff sale ordered by judge. Once cases reach this point, it can still take several months for the sheriff sale to occur and cases are still occasionally dismissed at later date due to one of the reasons listed above.

Table 47: Foreclosure filing breakdown by case status for Kettering (2012)

Foreclosure Filing Breakdown (2012)				
Kettering, OH				
Month Status	Total Filings	Sale Ordered	Dismissed	Still Open
January	18	16	2	0
February	24	16	8	0
March	21	15	6	0
April	21	17	4	0
May	30	18	12	0
June	23	15	8	0
July	31	27	4	0
August	33	19	14	0
September	16	10	6	0
October	31	20	11	0
November	21	16	5	0
December	27	19	8	0
TOTAL	296	208	88	0



Data sources: Montgomery County Clerk of Courts Foreclosure Filing Data

Figure 65: Foreclosure map for Kettering (2012)

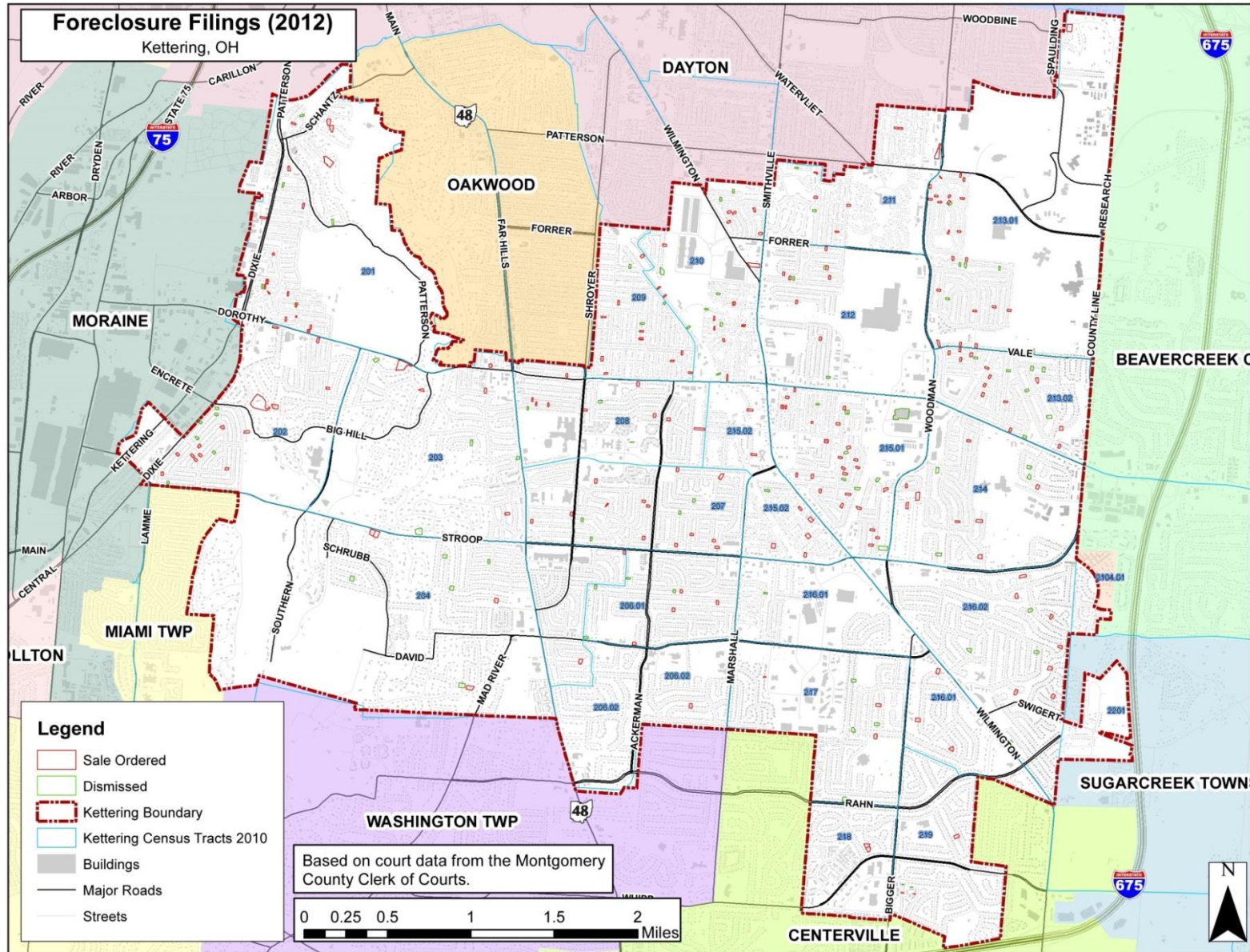
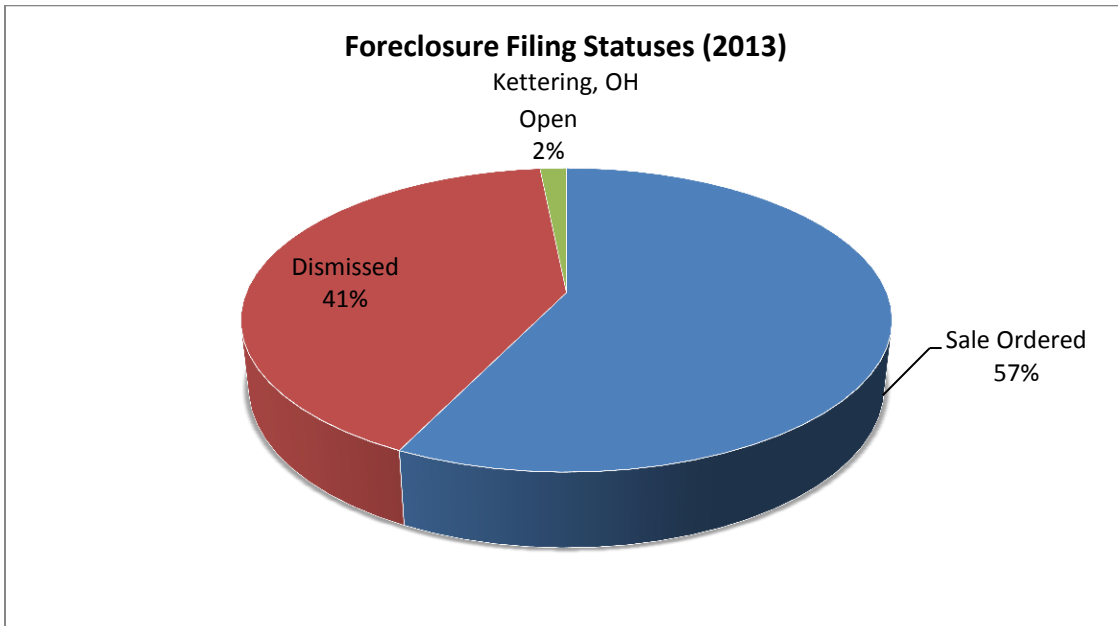


Table 48: Foreclosure filing breakdown by case status for Kettering (2013)

Foreclosure Filing Breakdown (2013)				
Kettering, OH				
Month Status	Total Filings	Sale Ordered	Dismissed	Still Open
January	23	12	11	0
February	26	14	12	0
March	21	12	8	1
April	22	16	5	1
May	15	12	3	0
June	25	14	10	1
July	26	12	14	0
August	22	11	11	0
September	20	13	7	0
October	27	13	14	0
November	15	10	5	0
December	15	8	7	0
TOTAL	257	147	107	3



Data sources: Montgomery County Clerk of Courts Foreclosure Filing Data

Figure 66: Foreclosure map for Kettering (2013)

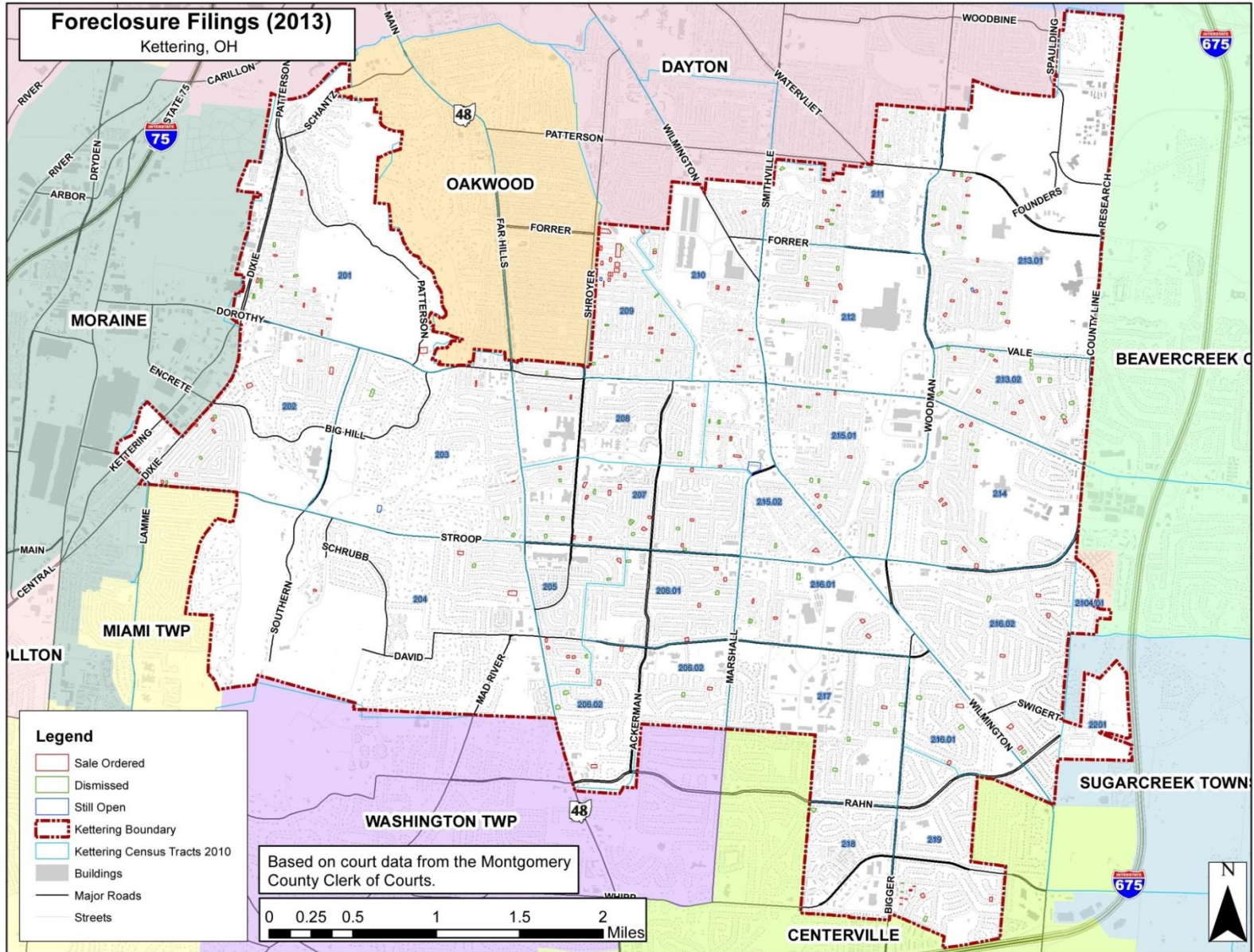
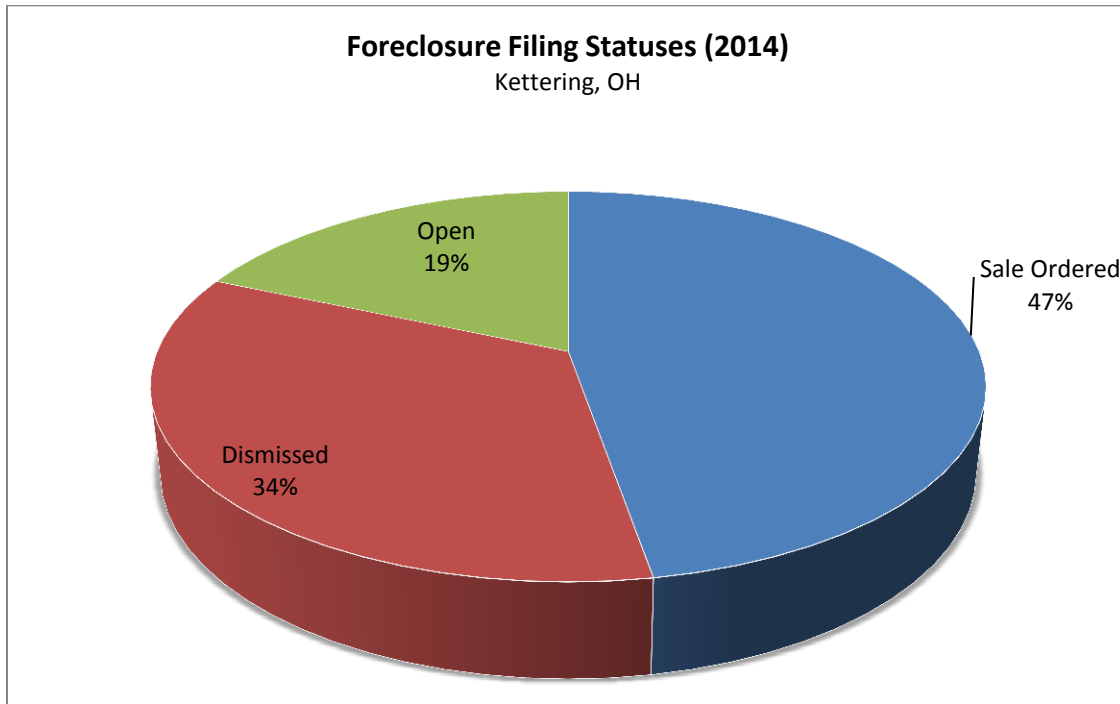


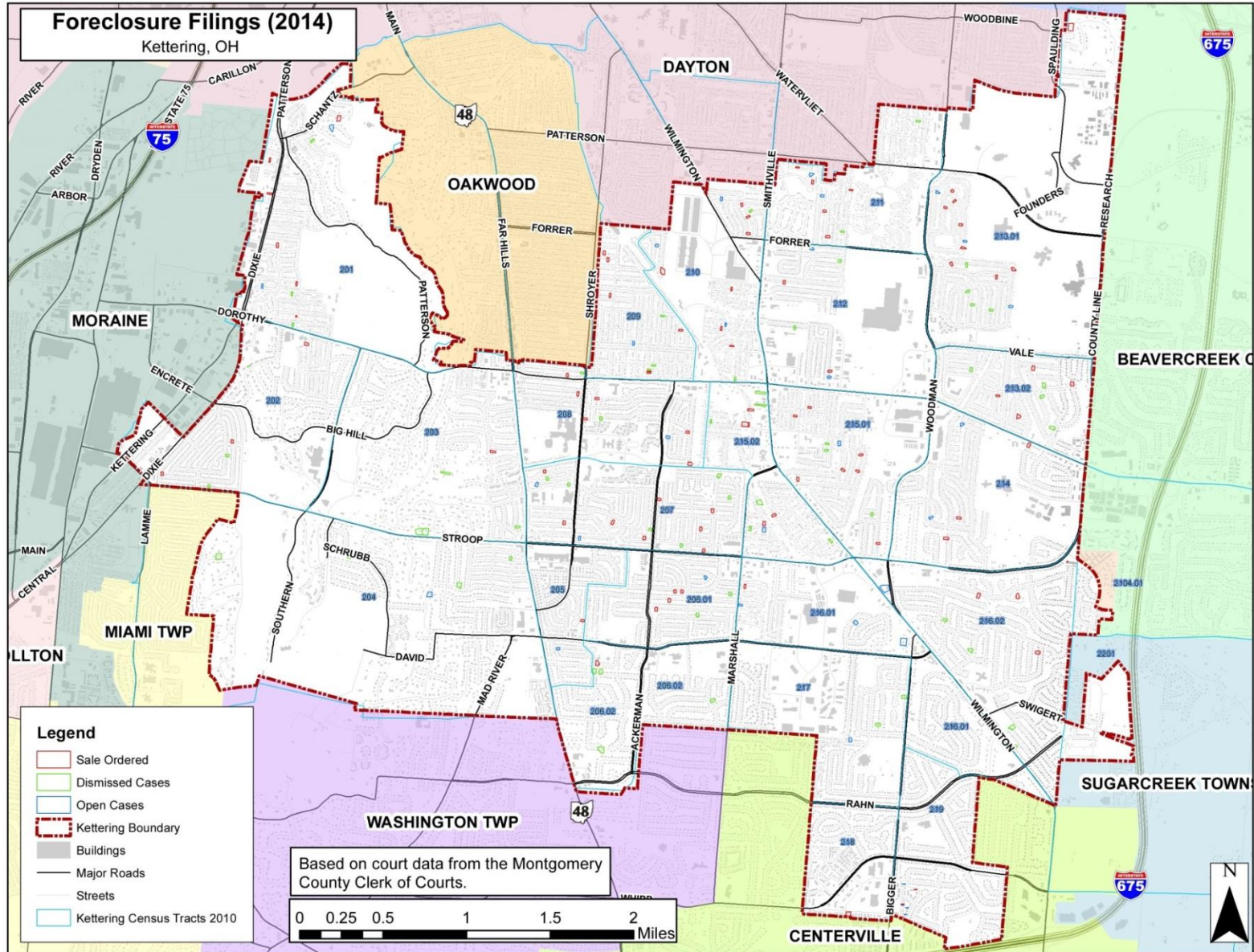
Table 49: Foreclosure filing breakdown by case status for Kettering (2014)

Foreclosure Filing Breakdown (2014)				
Kettering, OH				
Month Status	Total Filings	Sale Ordered	Dismissed	Still Open
January	18	8	10	0
February	19	9	10	0
March	9	5	4	0
April	23	13	9	1
May	20	11	8	1
June	16	12	4	0
July	10	5	5	0
August	10	5	2	3
September	11	7	2	2
October	18	7	6	5
November	14	0	2	12
December	16	5	1	10
TOTAL	184	87	63	34



Data sources: Montgomery County Clerk of Courts Foreclosure Filing Data

Figure 67: Foreclosure map for Kettering (2014)



Additional sources useful in determining the number of foreclosure filings that move completely through the process on to either repossession by the lender or public auction are the Sheriff’s Sale listing along with foreclosure sales listed on Trulia.com and RealtyTrac. Currently (10/17/2014), there are 47 properties in Kettering listed on Trulia as having gone through the foreclosure process or are starting the pre-foreclosure process and are either awaiting a public auction or are now owned by the lender. 7 properties are awaiting public auction and 35 are owned by the lender. The other 8 properties in the pre-foreclosure process and can still be prevented from going through foreclosure if the property owner is able to refinance and pay off the loan or work on an agreement with the lender.

As with the median sales value data, the data above does not include foreclosure filings from the Greene County sections of Kettering. According to current/past foreclosure data provided by Greene County, the following addresses have gone through the foreclosure process in recent years:

Figure 68: Foreclosures in Greene County portions of Kettering (2014-2015)

Greene County Foreclosures		
Address	Sale date	Status
1010 Little Sugarcreek Road	22-Jan-15	Appraised for \$300,000
3350 Federalist Drive	30-Jan-14	Sold for \$179,787.02

Source: Greene County Sheriff. Retrieved on 12/15/2014

C. Economic Characteristics

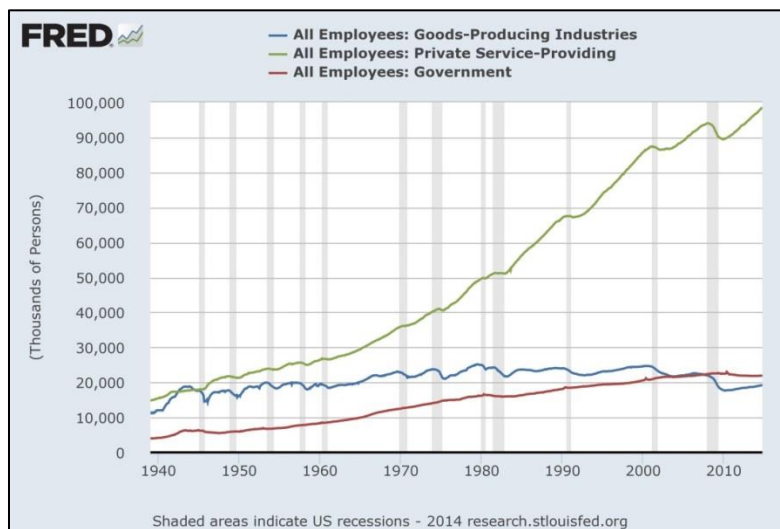
A Changing Economy

Changing Economy Summary:

For many decades, the share of total jobs in the United States made up of manufacturing jobs has been declining relative to service-providing jobs (both public and private), in much the same way that agricultural jobs gave way to industrial jobs in the 19th Century as improved agricultural techniques allowed agricultural production to increase despite a massive reduction in overall employment in the sector.

The chart below depicts the total nonfarm employment makeup of the United States between 1939 and 2014. The three categories are broad measures of employment. Goods producing jobs include manufacturing (both durable and non-durable), mining and extraction, and construction. Government jobs include all levels of government, including postal service workers and public school teachers, while private service sector jobs include all of the private service-providing industries (food preparation, retail, professional, legal, financial services) in the United States. Note the dramatic divergence between service and goods-producing and how the gap has been widening for many decades. In 2007, government jobs exceeded goods producing jobs in number for the first time.

The lack of much of an increase in employment in the goods-producing sector relative to service and government employment is due to a combination of factors; including more efficient manufacturing practices and automation that has allowed industrial production to increase despite fewer employees, trade policies that make outsourcing jobs, particularly non-durable manufacturing jobs much easier, as well as competition from overseas competitors.

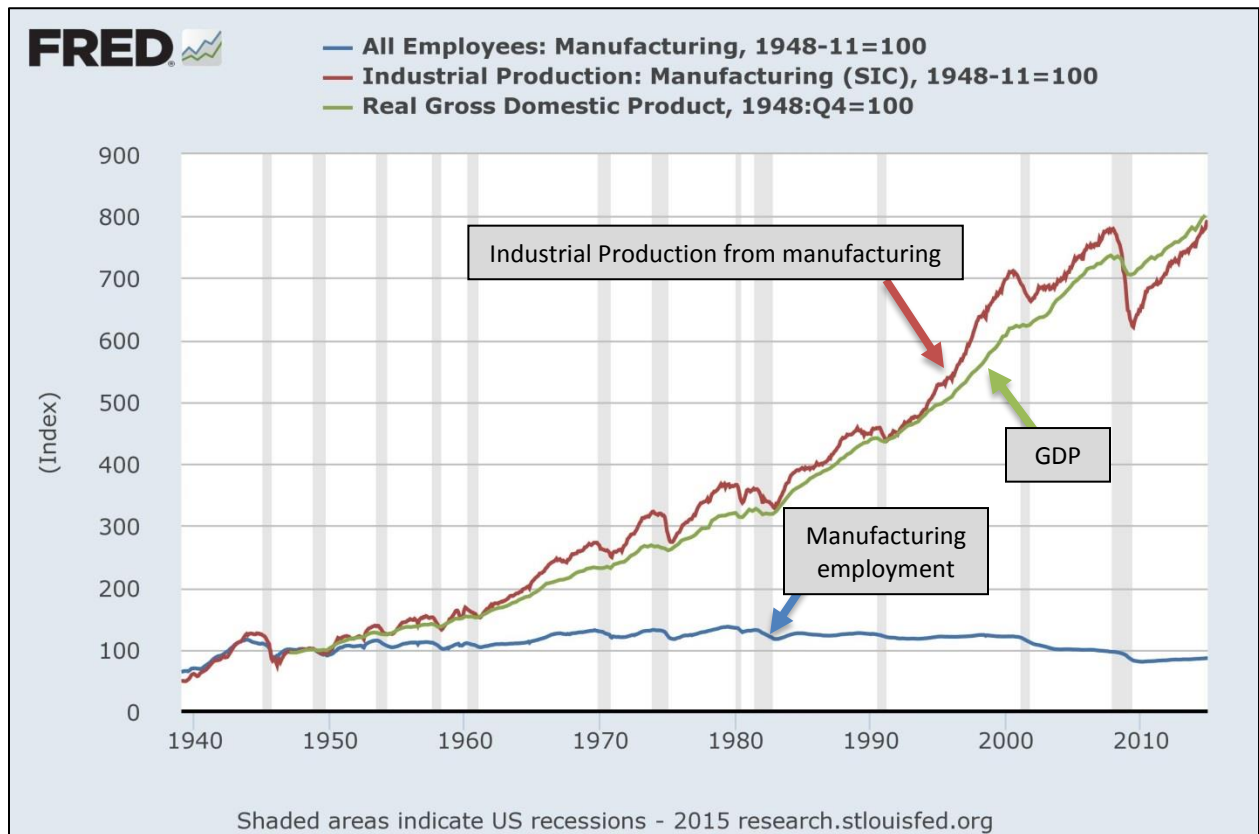


Above: Nonfarm employment in the United States between 1939 and December of 2014, broken down into three categories: Private-Service Providing, Goods-Producing and Government.

Major reductions in manufacturing employment have occurred in both the durable (autos, airplanes, engines, steel and iron, etc...) and non-durable (textiles, chemicals, food, plastics and polymers, etc...) manufacturing sectors, though the durable sector is somewhat more stable than non-durable and has been experiencing steady growth in recent years. The graph to the right illustrates manufacturing employment in the United States broken down into the durable and non-durable sectors between 1939 and December of 2014.



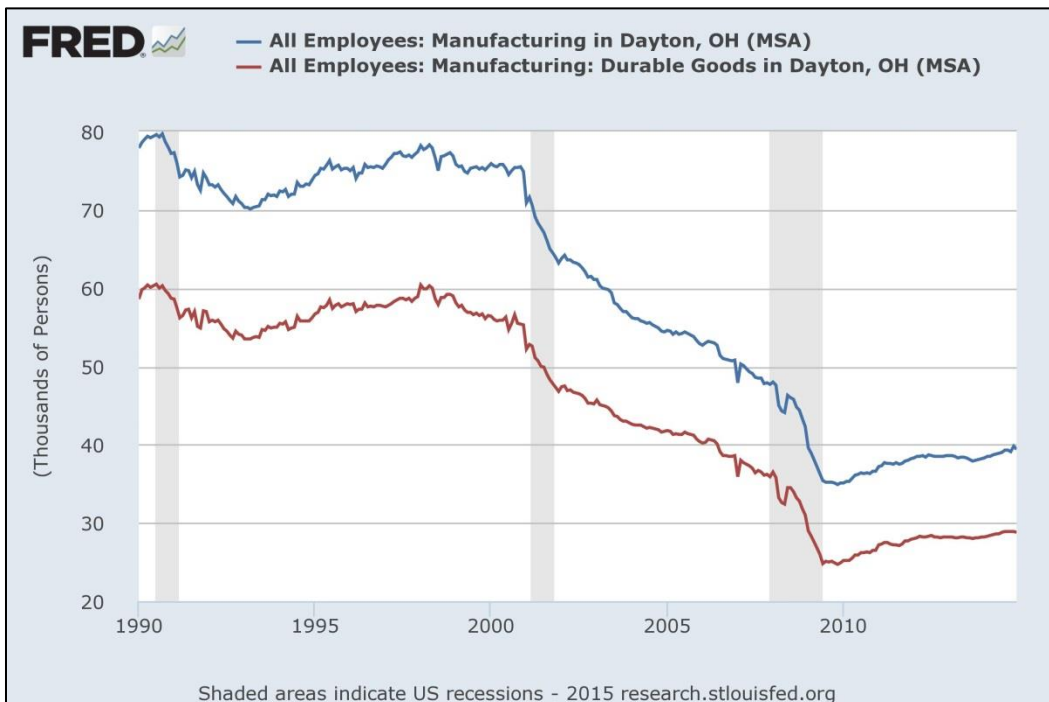
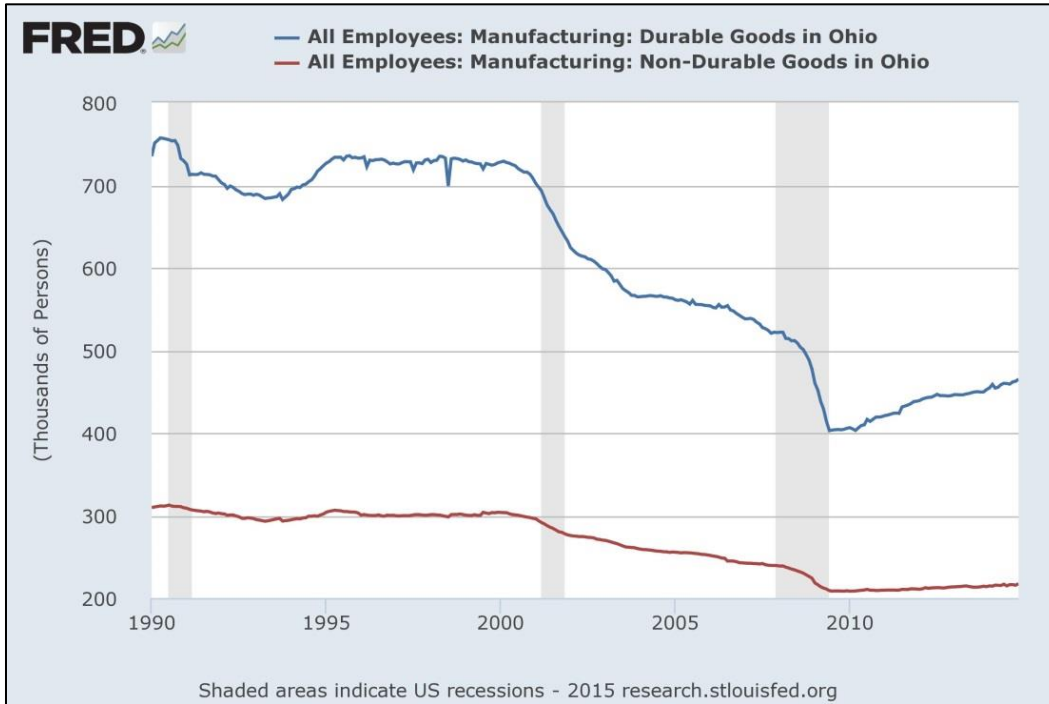
Despite the major reductions in manufacturing employment, manufacturing production has expanded dramatically, largely following, and oftentimes exceeding, the overall growth of the Nation's gross domestic product, as illustrated on the chart below.



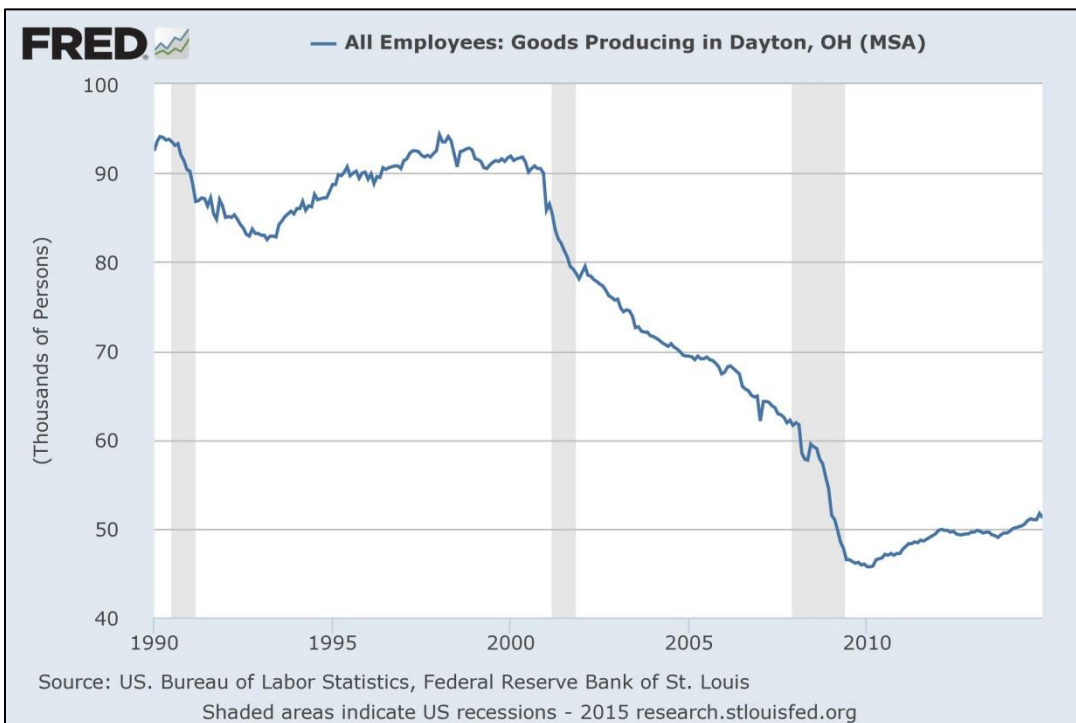
Manufacturing makes up a majority of goods-producing employment in the United States, which is depicted on the graph below from January of 1990 through December of 2014. The increase in goods-producing employment between 2003 and 2006 was driven primarily by a rise in construction employment due to the residential building boom.



Ohio has experienced similar trends in manufacturing job losses, which has reflected strongly on the Dayton-Area. Below, manufacturing employment in Ohio and the Dayton MSA between 1990 and December of 2014; Ohio includes both durable and non-durable manufacturing while the Dayton MSA includes overall manufacturing and durable-goods manufacturing:



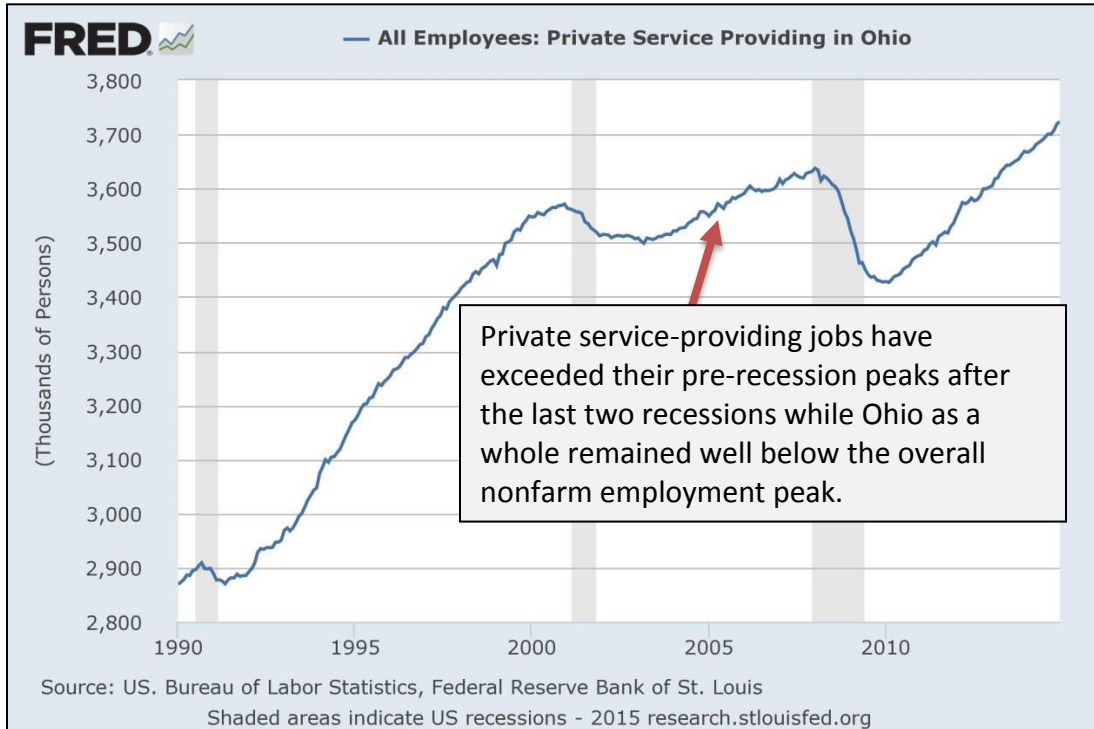
As with the United States, manufacturing employment makes up a majority goods-producing employment in Ohio and the Dayton MSA. Goods producing employment trends for both areas are depicted below. Ohio has lost approximately 30% of its goods producing jobs since 1990 while the Dayton MSA lost 45% over the same time.



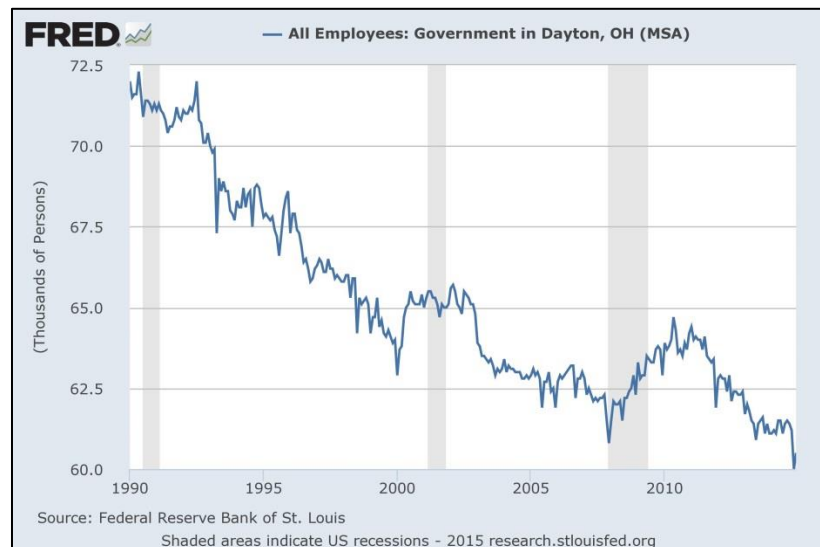
Private service-providing employment has been the key driver in employment growth in the United States for decades. This sector is less negatively impacted by recessions and tends to exceed pre-recession employment peaks much faster than other sectors. The graph below illustrates the trend in private service-providing employment in the United States between 1990 and December of 2014.



Private Service-providing industries have performed much stronger in Ohio and the Dayton Area than manufacturing and goods-producing as a whole, though the Dayton MSA shows employment stability rather than sustained growth. Below, private service providing employment trends in Ohio and the Dayton MSA between 1990 and November of 2014:

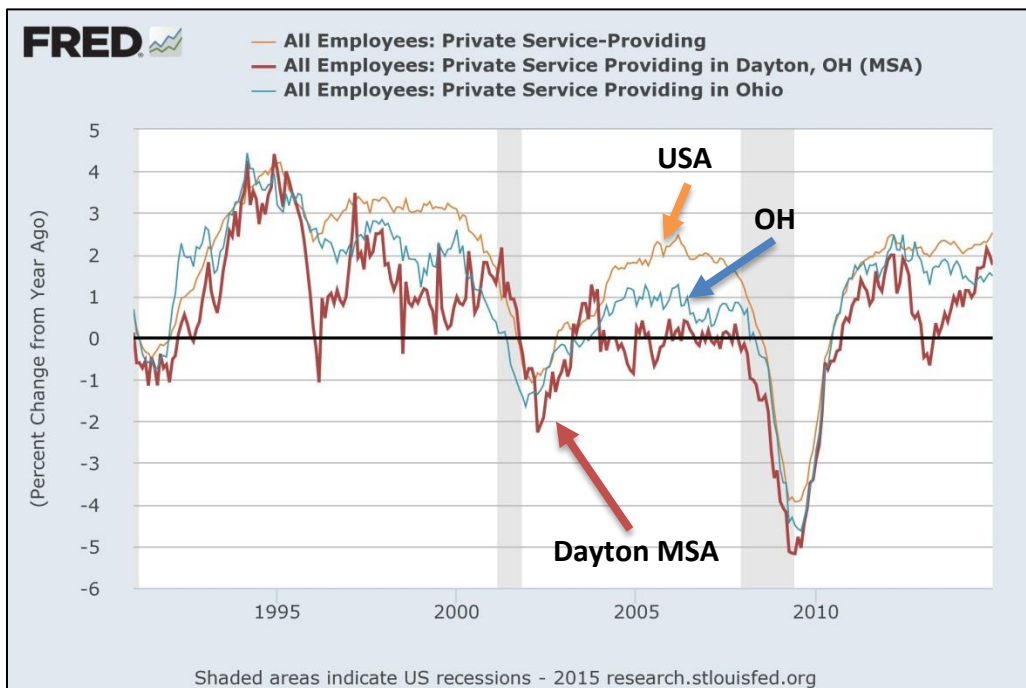
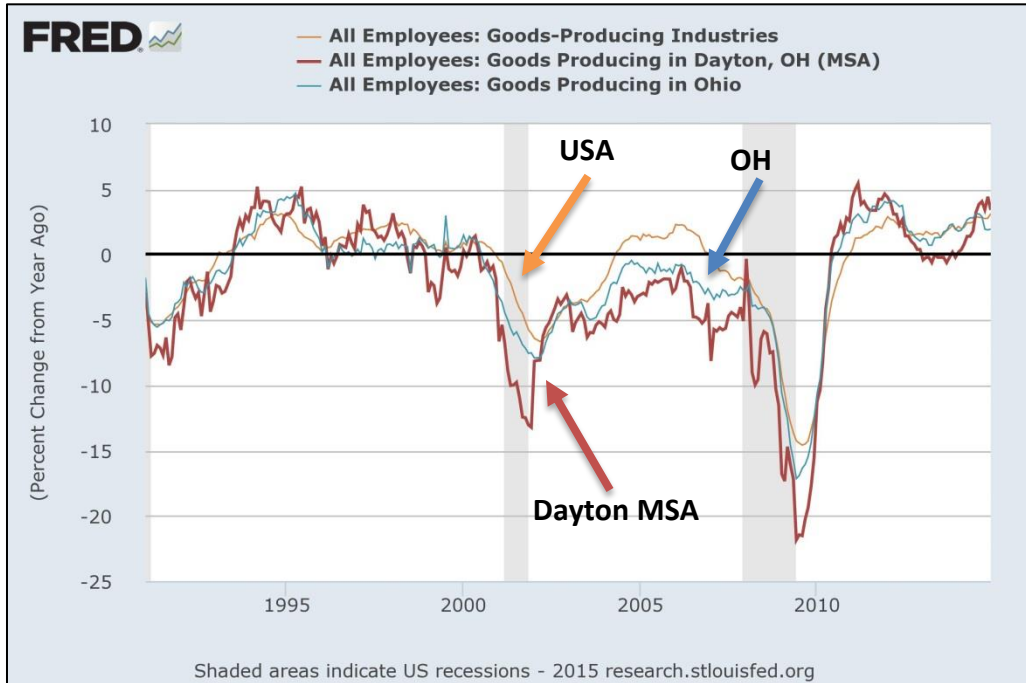


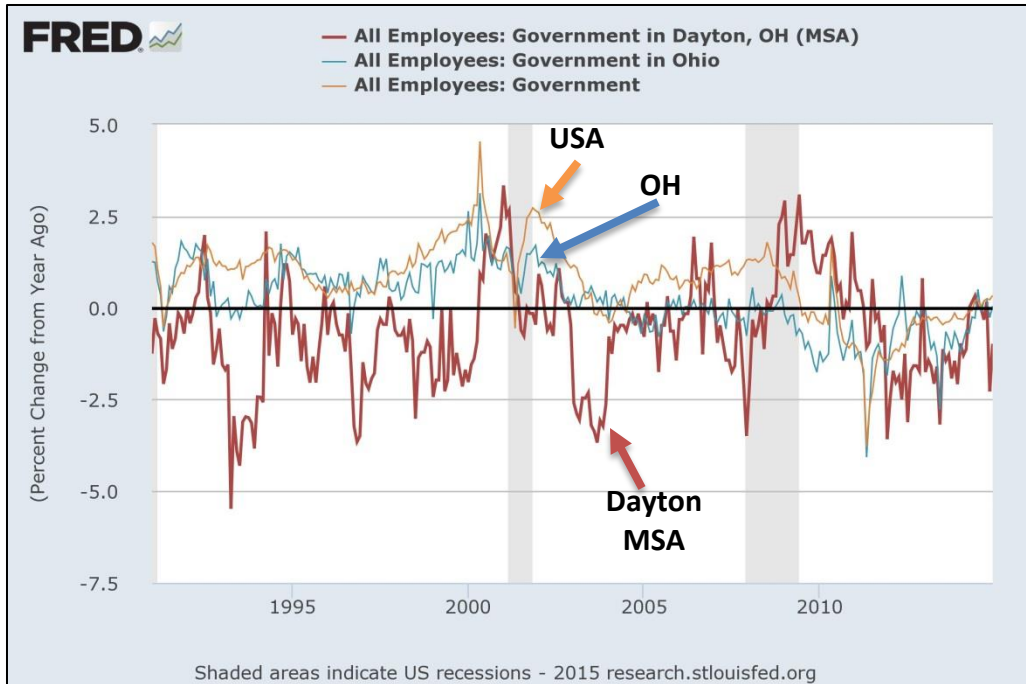
Government employment, including public school teachers and postal service workers, has been weak with regards to total employment in both Ohio and the Dayton Area for many years due to government belt tightening. The graphs below depict the total government employment for Ohio and the Dayton Area from January, 1990 until December, 2014. Much of the decline in government employment in Ohio and Dayton Area can be attributed to stagnant populations, decreasing local school district employment as the population ages and decreasing employment of many local governments such as Montgomery County, which has seen its employment base decrease from 5,020 in 2004 down to 4,007 in 2013. The City of Dayton’s public schools also experienced an employment decrease of -1,015 between 2004 and 2013³³. The upticks in government employment around 2000 and 2010 were due to the temporary hiring of Census workers.



³³ Montgomery County Comprehensive Annual Financial Report for 2013. Retrieved from: <http://www.mcoho.org/government/auditor/CAFR.pdf> on November 30. Page 404

The graphs below compare changes in private service-providing, goods-producing and government employment when compared to the year before between 1991 and 2014. Changes in employment are in monthly increments rather than annually in order to better illustrate job changes so far in 2014 (as of December).





The Dayton Area has largely underperformed Ohio and the United States, especially after the 1990s employment expansion. Neither Ohio nor the Dayton MSA emerged from goods-producing jobs losses during the 2003-2007 employment expansion and both areas sunk further than the United States during the Early 2000s Recession and Great Recession.

The Dayton MSA also underperformed Ohio and the United States with private service-providing jobs as well.

Government employment follows more erratic trends due to unique circumstances contributing to rising or falling government employment rolls. For example, the rapidly shrinking size of the postal service has reduced government rolls, along with local budget constraints causing layoffs of thousands of local-government workers and school teachers.

However, the Dayton MSA performed stronger with regards to employment growth in 2014, showing a +1.4% boost in nonfarm payroll employment between January and December of 2014 compared to a +1.4% expansion in Ohio and a +2.1% expansion in the United States as a whole over the same time.

Jobs & Employment

Employment Summary:

The poor economic performance of the Dayton MSA and Ohio as a whole over the last 14 years (since the start of the Early 2000s Recession) has impacted Kettering. The considerable reduction in goods-producing employment in the area since 2000 (from 86,000+ jobs down to ~51,000 jobs) has reflected on Kettering in the form of the exodus of GM/Delphi and the loss of nearly 4,000 jobs at the Woodman GM/Delphi plant since the early 1990s. In addition, the regional stability in many service-sector (“new economy”) and research jobs has reflected on Kettering as well, in the form of the growth of Kettering Medical Center, GE Money, Reynolds and Reynolds, Limited Brands, Mound Laser and the Community Blood and Tissue Center.

Kettering Medical Center and other medical employers in Kettering will likely continue to play a pivotal role in future job expansion as the population continues to age and the number of individuals with health insurance coverage continues to rise, thus contributing to rises in demand for health services. This may also contribute to increased demand for courses at Kettering College.

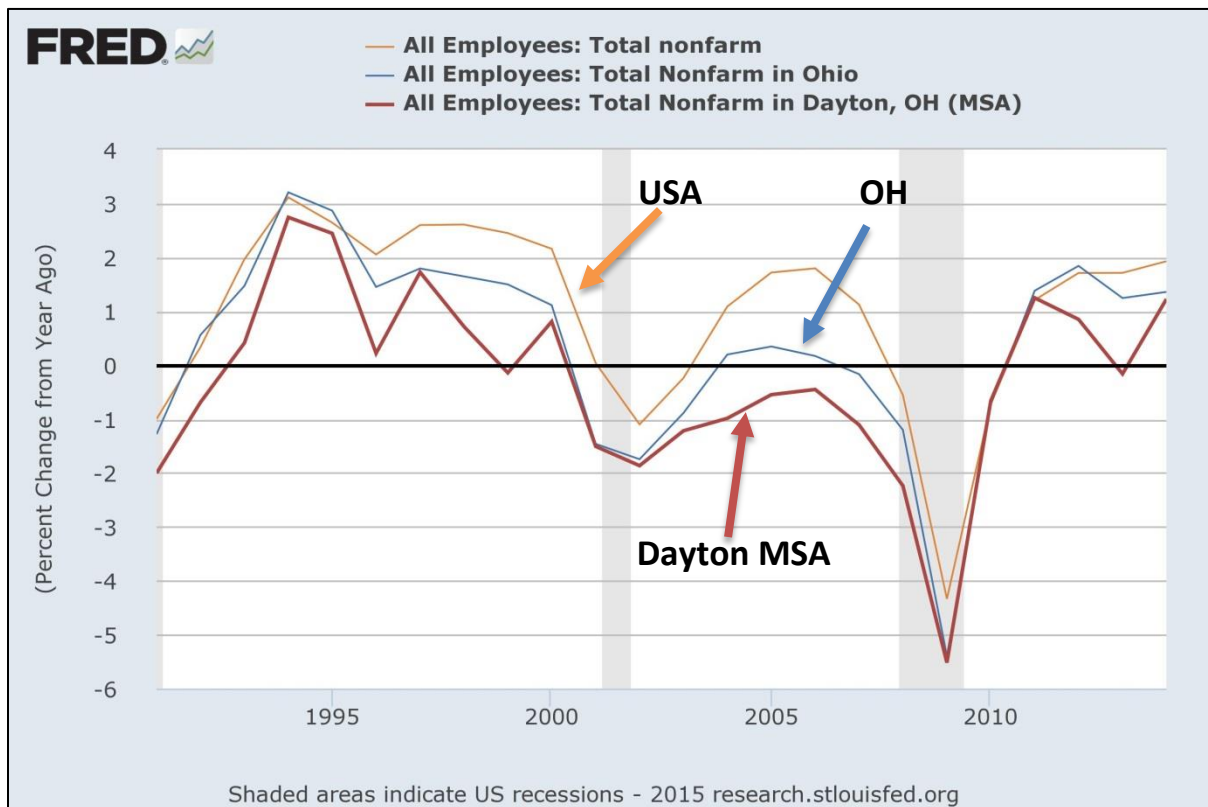
Overall, Kettering and the Dayton MSA have lost jobs since 1990, with Kettering experiencing the largest reduction in its employment base, driven by the loss of GM/Delphi and DESC, while Ohio and the United States have added jobs. Job growth and losses in these areas correlate closely with changes in population; with the United States and Ohio both experiencing population gains along with job growth and Kettering and the Dayton MSA experiencing job losses along with population declines.

All areas studied lost thousands of jobs due to the Great Recession. The United States has exceeded its pre-recession employment peak while Ohio, the Dayton MSA and Kettering have yet to regain all of the lost jobs, though all areas, including Kettering, have added jobs during the recovery from the Great Recession. Between January and December of 2014, the Dayton MSA outperformed Ohio and the United States with regards to employment growth, suggesting a strengthening local economic recovery after several years of slow/stagnant job growth.

The employment situation in the Dayton-Area and Ohio has been bleak since the Early 2000s Recession when the State of Ohio lost 200,000 jobs and never recovered more than 25% of those jobs before the Great Recession shaved another 400,000 jobs out of Ohio’s job market. As the charts on the preceding pages have shown, many of the job losses in both Ohio and the Dayton Area have come from the goods-producing and government sectors while the private-service providing sector has shown stability in the Dayton Area and growth in Ohio and the United States since the end of the Great Recession, even exceeding the pre-recession peak in both Ohio and the United States. The Dayton MSA lost 62,800 jobs between January 2001 and January 2010, or, 14.9% of the MSA’s total nonfarm employment base. Between January, 2010

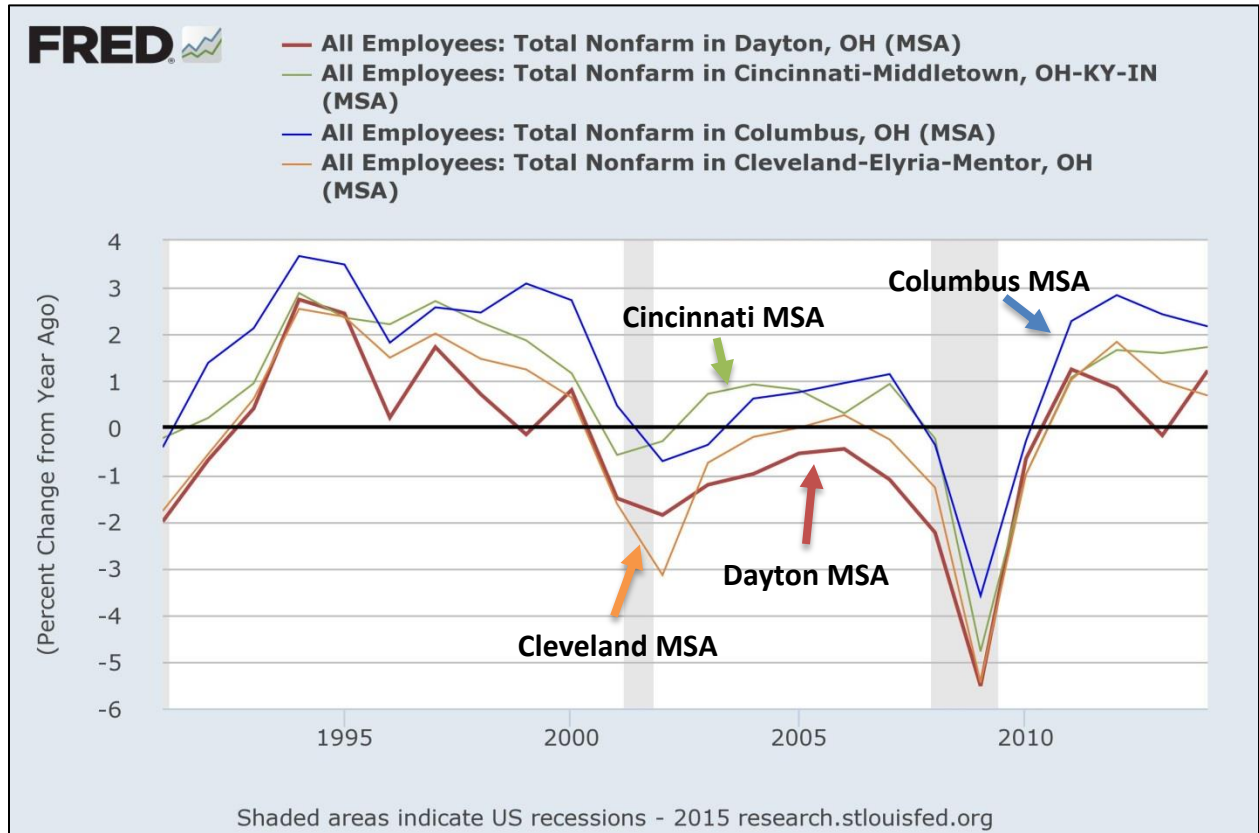
and December, 2014, the Dayton MSA added 14,500 jobs, or, 4.0%, well below Ohio's employment growth of 7.2% (+361,400 jobs) and the USA's employment growth of 8.4% (+10,875,000 jobs) during that same time.³⁴ However, there was acceleration in the Dayton MSA's employment growth in 2014, suggesting the possibility of a stronger economic recovery taking hold in the region.

The chart below from the St. Louis Federal Reserve illustrates the annual job growth (in annual averages, not end-of-period changes, which is why the Dayton MSA shows slower growth in 2014 than the actual employment changes over the whole year) percentages for the United States, Ohio and of the Dayton Metropolitan Area in nonfarm payrolls (includes private and public sectors) between 1991 and 2014. The Dayton MSA and Ohio rose slower during much of the 1990s than the United States and both sunk further during the Early 2000s Recession, recovered less during the 2003-2007 employment expansion, and again sunk further during the Great Recession while growing less during the recovery.

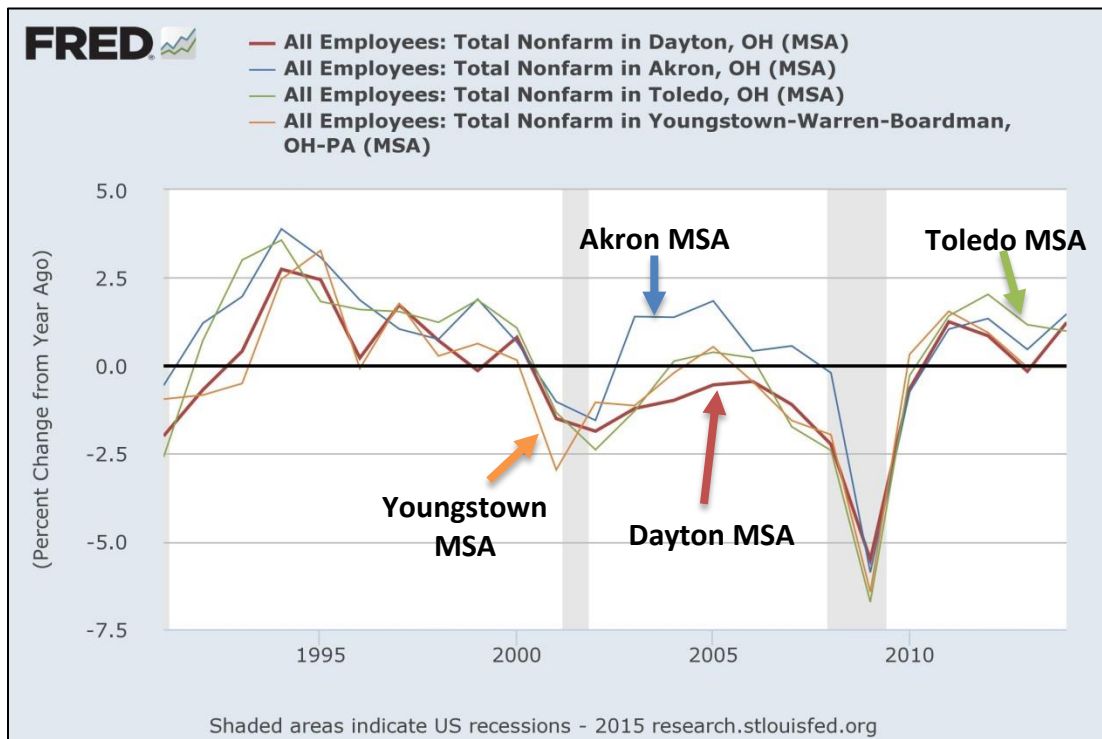


³⁴ US. Bureau of Labor Statistics, *All Employees: Total Nonfarm in Ohio* [OHNA]. *All Employees: Total Nonfarm* [PAYEMS]. *All Employees: Total Nonfarm in Dayton, OH (MSA)* [DAYT339NA], retrieved from FRED, Federal Reserve Bank of St. Louis <https://research.stlouisfed.org/fred2/series/OHNA/>, April 2, 2015

Similarly, the Dayton MSA underperformed other major MSAs in Ohio during that same time. The following chart compares the Dayton MSA to Ohio's 3Cs (Cincinnati, Columbus and Cleveland) with regards to nonfarm job growth. The Dayton MSA underperformed each other MSA in most years, though the Cleveland MSA has experienced the most similar job employment trend, likely due to Cleveland's heavy reliance on manufacturing employment.



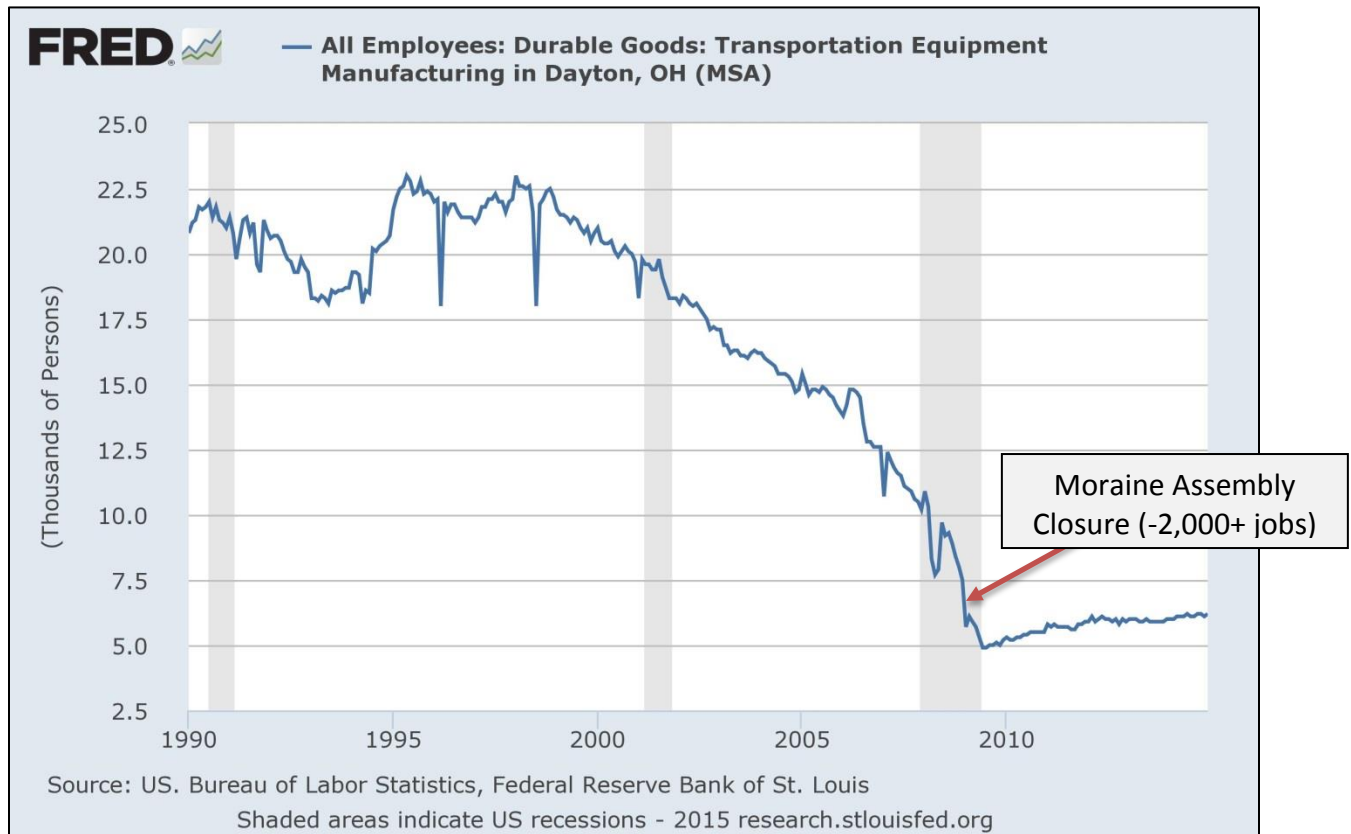
The chart below depicts annual average nonfarm employment growth of the Akron, Toledo, Youngstown and Dayton MSAs. Aside from Youngstown, Dayton emerged from the early 1990s jobs-recession the latest. Dayton also experienced weaker employment growth during the 1990s employment expansion than Akron and Toledo while following a trend similar to the Youngstown MSA. The Dayton MSA is also the only MSA to have never experienced an annual increase in employment between 2003 and 2007 though the Dayton MSA's decline in employment during the Great Recession was shallower than many of the other MSAs studied.



The trends illustrated on the previous pages show how the Dayton MSA has underperformed many other areas of Ohio in the area of employment growth during many of the preceding years. Based on the places and metropolitan areas studied, it appears that areas more dependent upon manufacturing for their employment bases have performed worse than those with more diversified employment bases, such as Cincinnati or Columbus.

Several factors have contributed to this trend. The Midwest in general, particularly those areas more reliant upon heavy manufacturing jobs, has performed poorly economically when compared to many other regions in recent years, largely because manufacturing has traditionally played a more important role in the economies of Midwestern states than other areas of the Nation. With the rise of the Rust Belt, many major employers have downsized and/or left the region entirely, such as GM and Delphi in the Dayton Area and Youngstown Sheet and Tube in Youngstown, leaving many economically hollowed-out communities. While service jobs have filled many voids with regards to the number of jobs, the pay of many of the new jobs tends to be much lower than the manufacturing jobs that left, which has reduced the aggregate purchasing power of entire regions.

The loss of thousands of automobile manufacturing jobs since the late 1990s severely damaged the Dayton Area's economy. In 1997, GM (including Delphi) employed about 20,000 people in the area and had an estimated local payroll of more than \$900 million³⁵. The majority of GM's operations in the area have since been shut down. The graph below illustrates the trend in transportation equipment manufacturing in the Dayton MSA between January of 1990 and December of 2014.



The abrupt drop in late 2008 pointed to above was due to the closure of Moraine Assembly, which will soon house 1,500 new jobs as a glass manufacturing plant for automobiles.³⁶

Today, Wright Patterson Air Force Base and the healthcare industry are the dominate employers in the region along with other service employers, such as LexisNexis and local universities (UD, Wright State) and colleges (Sinclair, Kettering College).

³⁵ Nolte, C. (1997, February 24). GM remains main economic engine. *Dayton Business Journal*. Retrieved December 10, 2014, from <http://www.bizjournals.com/dayton/stories/1997/02/24/story1.html>

³⁶ Bischoff, L. (2015, January 13). Fuyao set to double hiring at moraine plant to 1,500 jobs. *Dayton Daily News*. Retrieved January 13, 2015, from <http://www.daytondailynews.com/news/news/breaking-news/fuyao-has-plans-for-even-more-jobs-in-moraine-sour/njm6K/>

Changes in the employment makeup of the Dayton Area’s economy have been dramatic in recent years, particularly following the onset of the Early 2000s Recession in early 2001. The tables below depict employment changes by sector for the Dayton MSA from January 1990 until December 2014, from January 2001 through December 2014 (Early 2000s Recession to present), and from January 2010 through December 2014 (jobs recovery from the Great Recession). In addition, a table is included that depicts employment changes by sector for the Dayton MSA between January 2014 and December 2014.

As the tables below show, the Dayton MSA has lost tens of thousands of jobs since the Early 2000s Recession. However, the recovery from the Great Recession, particularly in 2014, has brought back several thousand jobs across a wide range of sectors. Aside from the information, government and “other services” employment sectors, each employment category has experienced some degree of growth since 2010, with the most robust growth being in transportation and utilities and the weakest growth being in retail trade, which is being hampered by the stagnant population, decreasing incomes and the growing share of retail purchases being made online.

Note: numbers below occasionally will not add up exactly due to rounding.

Table 50: Employment Changes by Sector for Dayton MSA (1990-2014)

Employment Changes by Sector in Dayton MSA (Jan 1990 through Dec 2014)				
Long-term Employment Changes				
Sector	Total Employment (Jan 1990)	Total Employment (Dec 2014)	# Change	% Change
Total Nonfarm	398,500	373,700	-24,800	-6.2%
-Goods-Producing	92,500	51,200	-41,300	-44.7%
--Mining, Logging & Construction	15,100	11,900	-3,200	-21.2%
--Manufacturing	77,900	39,400	-38,500	-49.4%
-Service-Providing	306,000	322,500	+16,500	+5.4%
--Wholesale Trade	12,900	12,800	-100	-0.8%
--Retail Trade	45,500	39,400	-6,100	-13.4%
--Transit & Utilities	10,600	12,500	+1,900	+17.9%
--Information	9,700	8,400	-1,300	-13.4%
--Education & Health	47,100	71,200	+24,100	+51.2%
--Finance	16,400	17,300	+900	+5.5%
--Professional & Business	45,000	49,400	+4,400	+9.8%
--Leisure & Hospitality	33,400	36,900	+3,500	+10.5%
--Other Services	13,400	14,000	+600	+4.5%
--Government	72,000	60,500	-11,500	-16.0%
---Federal Government	28,500	16,800	-11,700	-41.1%
---State Government	7,000	7,400	+400	+5.7%
---Local Government	36,400	36,300	-100	-0.3%

Source: St. Louis Federal Reserve Economic Data database, retrieved April 2, 2015

Table 51: Employment Changes by Sector for Dayton MSA (2001-2014)

Employment Changes by Sector in Dayton MSA (Jan 2001 through Dec 2014)				
Early 2000s Recession to Present				
Sector	Total Employment (Jan 2001)	Total Employment (Dec 2014)	# Change	% Change
Total Nonfarm	422,000	373,700	-48,300	-11.4%
-Goods-Producing	85,800	51,200	-34,600	-40.3%
--Mining, Logging & Construction	14,700	11,900	-2,800	-19.0%
--Manufacturing	70,900	39,400	-31,500	-44.4%
-Service-Providing	336,300	322,500	-13,800	-4.1%
--Wholesale Trade	14,900	12,800	-2,100	-14.1%
--Retail Trade	49,000	39,400	-9,600	-19.6%
--Transit & Utilities	15,100	12,500	-2,600	-17.2%
--Information	12,300	8,400	-3,900	-31.7%
--Education & Health	58,100	71,200	+13,100	+22.5%
--Finance	17,300	17,300	0	0.0%
--Professional & Business	54,700	49,400	-5,300	-9.7%
--Leisure & Hospitality	34,000	36,900	+2,900	+8.5%
--Other Services	15,700	14,000	-1,700	-10.8%
--Government	65,000	60,500	-4,500	-6.9%
---Federal Government	18,400	16,800	-1,600	-8.7%
---State Government	6,500	7,400	+900	+13.8%
---Local Government	40,100	36,300	-3,800	-9.5%

Source: St. Louis Federal Reserve Economic Data database, retrieved April 2, 2015

Table 52: Employment Changes by Sector for Dayton MSA (2010-2014)

Employment Changes by Sector in Dayton MSA (Jan 2010 through Dec 2014)				
Jobs Recovery from the Great Recession				
Sector	Total Employment (Jan 2010)	Total Employment (Dec 2014)	# Change	% Change
Total Nonfarm	359,200	373,700	+14,500	+4.0%
-Goods-Producing	45,700	51,200	+5,500	+12.0%
--Mining, Logging & Construction	10,800	11,900	+1,100	+10.2%
--Manufacturing	35,100	39,400	+4,300	+12.3%
-Service-Providing	313,100	322,500	+9,400	+3.0%
--Wholesale Trade	11,700	12,800	+1,100	+9.4%
--Retail Trade	37,900	39,400	+1,500	+4.0%
--Transit & Utilities	10,400	12,500	+2,100	+20.2%
--Information	10,700	8,400	-2,300	-21.5%
--Education & Health	67,900	71,200	+3,300	+4.9%
--Finance	16,400	17,300	+900	+5.5%
--Professional & Business	44,300	49,400	+5,100	+11.5%
--Leisure & Hospitality	35,100	36,900	+1,800	+5.1%
--Other Services	14,800	14,000	-800	-5.4%
--Government	63,900	60,500	-3,400	-5.3%
---Federal Government	18,000	16,800	-1,200	-6.7%
---State Government	6,800	7,400	+600	+8.8%
---Local Government	39,100	36,300	-2,800	-7.2%

Source: St. Louis Federal Reserve Economic Data database, retrieved April 2, 2015

Table 53: Employment Changes by Sector for Dayton MSA (2014)

Employment Changes by Sector in Dayton MSA (Jan 2014 through Dec 2014)				
2014 Employment Expansion				
Sector	Total Employment (Jan 2014)	Total Employment (Dec 2014)	# Change	% Change
Total Nonfarm	368,500	373,700	+5,200	+1.4%
-Goods-Producing	49,700	51,200	+1,500	+3.0%
--Mining, Logging & Construction	11,400	11,900	+500	+4.4%
--Manufacturing	38,300	39,400	+1,100	+2.9%
-Service-Providing	318,900	322,500	+3,600	+1.1%
--Wholesale Trade	12,600	12,800	+200	+1.6%
--Retail Trade	39,000	39,400	+400	+1.0%
--Transit & Utilities	12,500	12,500	0	0.0%
--Information	8,500	8,400	-100	-1.2%
--Education & Health	69,000	71,200	+2,200	+3.2%
--Finance	17,100	17,300	+200	+1.2%
--Professional & Business	47,600	49,400	+1,800	+3.8%
--Leisure & Hospitality	37,300	36,900	-400	-1.1%
--Other Services	14,200	14,000	-200	-1.4%
--Government	61,100	60,500	-600	-1.0%
---Federal Government	18,100	16,800	-1,300	-7.2%
---State Government	6,700	7,400	+700	+10.4%
---Local Government	36,500	36,300	-200	-0.5%

Source: St. Louis Federal Reserve Economic Data database, retrieved April 2, 2015

The table below depicts overall employment changes in Kettering, the Dayton MSA, Ohio and the United States since 1990. It should be noted that Kettering’s employment numbers are based on the *Principal Employer* section of the City’s Comprehensive Annual Financial Reports, which includes the number of employees at Kettering’s top ten employers along with the total share of the City’s whole employment base that comes from each employer.

Table 54: Total nonfarm payroll jobs for Kettering, the Dayton MSA, Ohio and the United States (1990, 2001, 2003-2014)

Total Employment, nonfarm payrolls (annual averages)								
Kettering, Dayton MSA, Ohio, United States								
Place	Kettering		Dayton MSA		Ohio		USA	
Year	Jobs	% Change	Jobs	% Change	Jobs	% Change	Jobs	% Change
1990	32,903	(X)	399,200	(X)	4,882,500	(X)	109,530,000	(X)
2001	30,102	-8.5%	418,000	+4.7%	5,542,800	+13.5%	132,080,000	+20.6%
2003	31,383	+4.3%	405,200	-3.1%	5,397,600	-2.6%	130,315,000	-1.3%
2004	31,004	-1.2%	401,200	-1.0%	5,408,200	+0.2%	131,732,000	+1.1%
2005	29,503	-4.8%	399,000	-0.6%	5,426,900	+0.4%	133,996,000	+1.7%
2006	29,504	0.0%	397,200	-0.5%	5,436,100	+0.2%	136,403,000	+1.8%
2007	28,898	-2.1%	392,800	-1.1%	5,427,000	-0.2%	137,935,000	+1.1%
2008	28,798	-0.4%	384,000	-2.2%	5,361,700	-1.2%	137,169,000	-0.6%
2009	28,200	-2.1%	362,800	-5.5%	5,072,100	-5.4%	131,220,000	-4.3%
2010	25,229	-10.5%	360,400	-0.7%	5,035,200	-0.7%	130,269,000	-0.7%
2011	26,300	+4.2%	364,900	+1.3%	5,104,700	+1.4%	131,843,000	+1.2%
2012	26,502	+0.8%	368,000	+0.9%	5,198,700	+1.8%	134,098,000	+1.7%
2013	26,197	-1.2%	367,400	-0.2%	5,263,400	+1.2%	136,394,000	+1.7%
2014	26,399	+0.8%	371,900	+1.2%	5,334,900	+1.4%	139,023,000	+1.9%
Total	-6,504	-19.8%	-27,300	-6.8%	452,400	+9.3%	29,493,000	+26.9%

Sources: Kettering Annual CAFRs for Kettering employment data, St. Louis Federal Reserve Economic Data for Dayton MSA, Ohio and United States based on data provided by the Bureau of Labor Statistics, retrieved April 2, 2015

NOTE: Employment counts for the Dayton MSA, Ohio and the United States are the employment averages for each year and do not represent a specific point-in-time during the year. Also, the Dayton MSA, Ohio and the United States have experienced employment expansions between January of 2014 and December of 2014 of +5,200 (+1.4%), +72,700 (+1.4%) and +2,950,000 (+2.1%), respectively.

The table above illustrates how Kettering has lost the largest percentage of its employment base since 1990 when compared to the Dayton MSA, Ohio and the United States, though data for 2014 shows a small increase in employment for the City. This can partially be attributed to a declining population, which puts downward pressure on the number of many service jobs due to a strong reliance upon local demand to maintain employment. The table on the following page illustrates population growth percentages for Kettering, the Dayton MSA, Ohio and the United States between 1990 and 2014. The data shows how strongly population and job growth are correlated.

Table 55: Population changes for Kettering, the Dayton MSA, Ohio and the United States (1990-2014)

Population Change (1990-2014)								
Place	Kettering		Dayton MSA		Ohio		United States	
Topic	Pop.	% Change	Pop.	% Change	Pop.	% Change	Pop.	% Change
1990	60,569	(X)	844,000	(X)	10,847,115	(X)	248,709,873	(X)
2000	57,502	-5.1%	848,000	+0.5%	11,353,140	+4.7%	281,421,906	+13.2%
2010	56,163	-2.3%	842,000	-0.7%	11,536,504	+1.6%	308,745,538	+9.7%
2014 (est.)	55,817	-0.6%	839,600	-0.3%	11,582,243	+0.4%	318,589,939	+3.2%
Total	-4,752	-7.9%	-4,400	-0.5%	+735,128	+6.8%	+69,880,066	+28.1%

Sources: 1990, 2000 and 2010 data from Official Decennial Census Counts. 2014 estimates are based on 2012 and 2013 estimates from the US Census Bureau that are extended out to 2014. Minor variations between the 2014 estimates and the actual populations are likely.

Kettering is also at a disadvantage for gaining jobs from certain other retail-oriented sectors due to the lack of easy highway access to much of the City. This prevents the growth of leisure/hospitality (hotels/motels, regional entertainment, though the popularity of the Frazee counters this) employment and major retail centers, such as malls and regional shopping centers. This also stifles the major growth of distribution and warehousing jobs, which has become apparent as a regional growth industry due to major investments by Payless Shoes in Brookville³⁷, Caterpillar in Clayton³⁸, Proctor & Gamble in Union³⁹, and White Castle in Vandalia⁴⁰, among others. However, Kettering does have industrial property in the western area of the City that is located near Interstate-75, some of which is currently occupied by Aviation Ground Equipment.

Despite Kettering’s relatively weak position with regards to certain employment sectors, the City is well positioned for continued growth in several regionally and nationally-strong industries, including: healthcare (KMC, smaller offices), education (Kettering and National College, Kettering City Schools, possible College satellite campuses), finance, call centers (GE, Limited), manufacturing (rail-connected Woodman Plant, Aviation Ground Equipment), research and science-oriented jobs (Community Tissue Services, Research Park), tech (Kodak, Mound Laser) and traditional office jobs. In addition, the expansion of employment opportunities in the area, even if the jobs are not located within Kettering’s boundaries, present employment opportunities for residents.

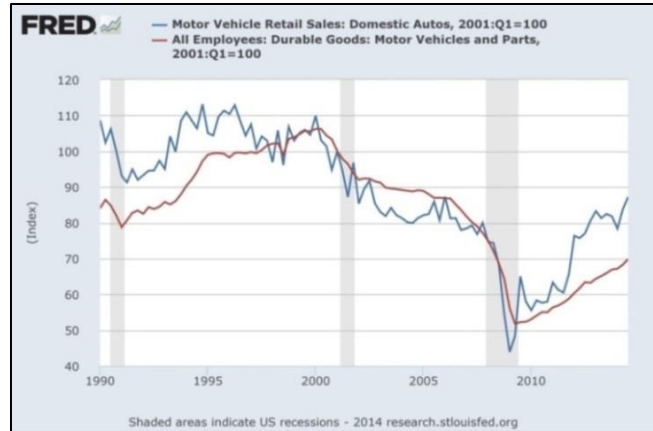
³⁷ Pont, L. (2008, December 10). Payless Expanding Brookville Distribution Center. *CoStar*. Retrieved November 1, 2014, from <http://www.costar.com/News/Article/Payless-Expanding-Brookville-Distribution-Center/108095>

³⁸ Cogliano, J. (2013, December 16). Local Caterpillar facility is growing and has a new leader. *Dayton Business Journal*. Retrieved November 1, 2014, from <http://www.bizjournals.com/dayton/news/2013/12/16/local-caterpillar-facility-is-growing.html?page=all>

³⁹ Gnau, T. (2014, May 15). Hiring of 800 workers at P&G center to start in November. *Dayton Daily News*. Retrieved November 1, 2014, from <http://www.daytondailynews.com/news/business/jobsohio-pg-is-prologis-tenant/nfxNG/>

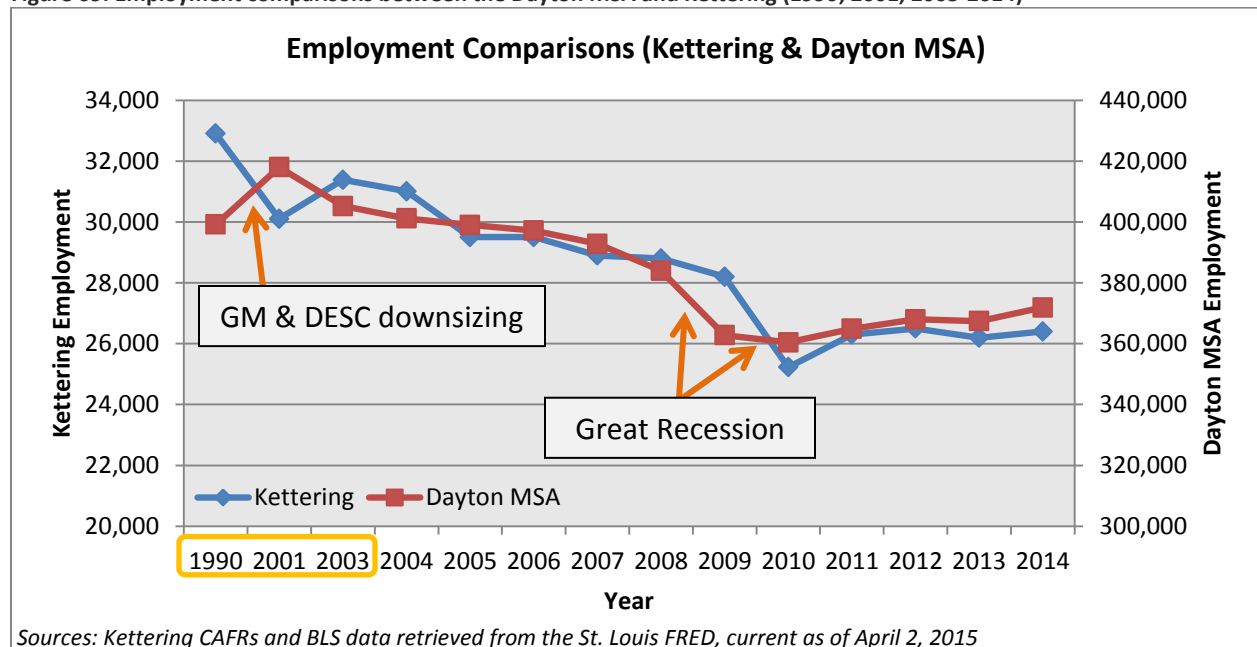
⁴⁰ Sprague, J. (2014, April 30). White Caster cuts ribbon for new plant, craves workers. *Wdtn*. Retrieved November 1, 2014, from <http://wdtn.com/2014/04/30/white-castle-to-cut-ribbon-at-vandalia-plant/>

Many of Kettering’s job losses since 1990 can be attributed to the loss of GM/Delphi, which employed 4,405 people in 1990 at its plant on Woodman. Tenneco currently employs about 522 people at the plant, which represents an increase from the 340 employed at the plant in July of 2008 and 390 people employed at the plant in May of 2011⁴¹. Recent trends in the auto industry also suggest that the plant may continue a steady rise in employment as demand for autos, particularly domestic autos, continues to rise. The chart to the right illustrates the trend in auto production employment when compared to the demand for domestic autos. A recent regional example of an auto-related plant expansion due to the growing demand for automobiles is occurring in Mason, Ohio with the expansion of Mitsubishi’s Electric Automotive Plant.⁴²



In addition to the loss of GM and Delphi, the loss of 2,500 jobs at DESC contributed to the employment declines. As the graph below shows, total employment in Kettering has followed a trend similar to the Dayton MSA since 1990.

Figure 69: Employment comparisons between the Dayton MSA and Kettering (1990, 2001, 2003-2014)



Sources: Kettering CAFRs and BLS data retrieved from the St. Louis FRED, current as of April 2, 2015

⁴¹ Gnau, T. (2011, May 21) Area auto plant beats recession, plans to hire. *Dayton Daily News*, Retrieved November 5, 2014, from <http://www.daytondailynews.com/news/business/area-auto-plant-beats-recession-plans-to-hire/nMrgR/>

⁴² Levingston, C. (2015, February 23). Mitsubishi to break ground in march on \$80M Mason factory expansion. *Journal-News*. Retrieved February 25, 2015, from <http://www.journal-news.com/news/news/mitsubishi-mulls-expansion-of-mason-factory/nkHDF/>

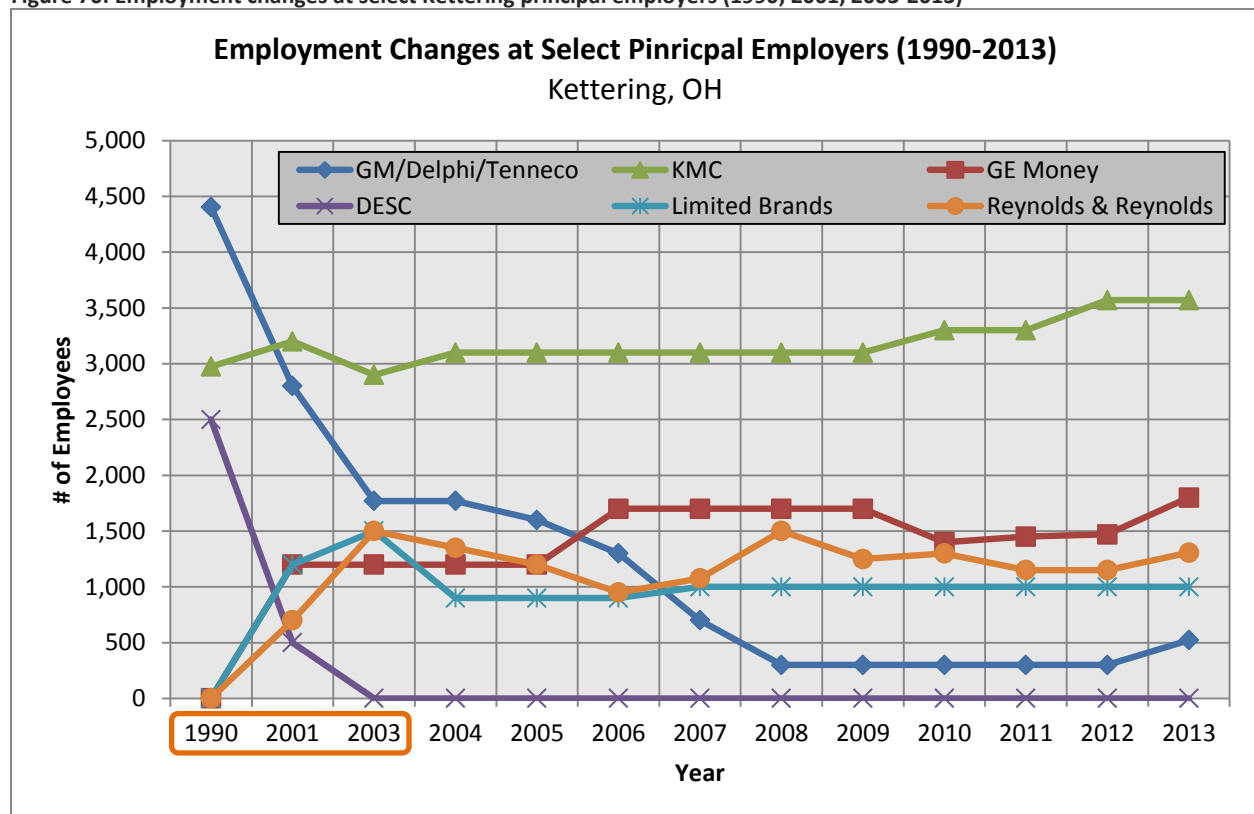
While Kettering has experienced larger overall declines in employment than the Dayton MSA, many of the declines are concentrated in few time periods (1990-2001, 2004-2005 and 2009-2010).

Determining where and why the major job losses have occurred in Kettering will be an important step in highlighting what growth-industries Kettering can focus on in the coming years as the City seeks to redevelop defunct properties into uses more applicable to today's economy.

Major employment changes in Kettering since 1990 include the following:

- GM/Delphi: -3,883 jobs (522 employed by Tenneco)
- DESC: -2,500 jobs (no jobs remaining)
- Reynolds & Reynolds: +1,307 jobs (at one time employed a peak of 1,500 people)
- Limited Brands: +1,000 jobs (at one time employed a peak of 1,500 people)
- Kettering Medical Center: +595 jobs (at peak employment)
- GE Money: +1,800 jobs (at peak employment)
- **NET CHANGE: -1,681 jobs**

Figure 70: Employment changes at select Kettering principal employers (1990, 2001, 2003-2013)



Sources: Kettering Comprehensive Annual Financial Reports

NOTE: Gaps exist on the graph above for the years 1991-2000 as well as 2002

This means most of the other 5,025 jobs Kettering has lost since 1990 have come from smaller employers. According to data provided through the Worker Adjustment Retraining Notification (WARN) Act by the Ohio Department of Job and Family Services, the following WARN notices have been issued by employers in Kettering since 1996:

Table 56: WARN notices issued by Kettering employers (1996-2014)

WARN Notices for Kettering Employers (1996-2014)		
Company	Issue Date	Potential Impacted Employees
Primestar	11/30/1998	232
Advertising Display Co	11/13/2001	86
Champion Plastics, Inc	09/16/2002	75
Media Consultants Systems Integrators (MCSI)	06/10/2003	59
Uniprise, a UnitedHealth Group	06/10/2003	193
Tenneco*	12/15/2008	118
DPH Holdings (Delphi Corp)	08/09/2011	112
Kodak	02/21/2012	66
TOTAL	-----	941

*Employment losses at Tenneco appear to have been reversed.

Source: Ohio Department of Job and Family Services

The reasons for the above layoffs vary. Some of the stated/potential reasons are listed below:

1. Uniprise—In 2003, Uniprise employed about 300 people at a call center in Miami Valley Research Park. The company laid off the 193 employees above and retained 113 employees as telecommuters. This closure was a part of a company restructuring that involved the company consolidating “into fewer, but larger, service centers”, with the average call center having 900-1,000 employees.⁴³
2. Primestar—Primestar employed about 240 workers in Kettering in 1998, occupying a large amount of the MediaOne building on Display Lane. The company was looking for a larger facility in order to hire 200 additional workers in 1998⁴⁴ and was not able to find a suitable building in Kettering or Montgomery County, resulting in the company leaving the area entirely.⁴⁵
3. Media Consultants Systems Integrators (MCSi)—MCSi has a complex history. The company collapsed in 2003 after announcing that the company would consolidate its operations.⁴⁶ The former CEO was later arrested for over-stating company revenues and earnings, which inflated the company’s stock price and allowed the company to continue to draw down lines of credit from financial institutions despite a lack of

⁴³ Fowler, M. (2003, June 12). Uniprise to shutter Ohio call center. *Dayton Business Journal*. Retrieved February 1, 2015, from <http://www.bizjournals.com/houston/stories/2003/06/09/daily33.html>

⁴⁴ Bollinger, J. (1998, November 9). Primestar needs more employees, bigger site. *Dayton Business Journal*. Retrieved February 1, 2015, from <http://www.bizjournals.com/dayton/stories/1998/11/09/story2.html?page=all>

⁴⁵ Primestar move isn't a big blow. (1998, December 7). *Dayton Business Journal*. Retrieved February 1, 2015, from <http://www.bizjournals.com/dayton/stories/1998/12/07/editorial2.html>

⁴⁶ Wicker, K., & Womack, B. (2003, May 12). MCSi's move deals blow to Kettering. *Dayton Business Journal*. Retrieved February 1, 2015, from <http://www.bizjournals.com/dayton/stories/2003/05/12/story1.html?page=all>

financial solvency. MeadWestvaco Corp later relocated some employees to the building previously occupied by MCSi⁴⁷.

4. Advertising Display Co.—The reason for the layoffs from Advertising Display Company are unclear.
5. Champion's Plastics—Champion's Plastics did not relocate from Kettering, but went out of business. In 2004, the former building was partially occupied by Counter Advice Inc.⁴⁸

The examples above show that many of the companies that have downsized or left Kettering entirely have done so due to requiring additional space for growth which was not available in Kettering. This suggests that many of Kettering's existing facilities are excellent for small (>50 employees) and medium-sized (50-500 employees) businesses to begin and grow, but facilities for larger businesses are sparse, unless a new facility is to be constructed altogether, such as the Reynolds & Reynolds headquarters.

Other companies have gone out of business due to a variety of reasons. Many of the spaces previously vacated by the above tenants were later re-occupied, suggesting a strong demand for office and industrial space in Kettering. A more recent example of this occurring is with Aviation Ground Equipment, which quickly occupied a building after the previous tenant announced it was leaving Kettering.⁴⁹

Many additional WARN notices have been issued for companies within the Dayton MSA since 1996 and a list of these is available as **Appendix IV** at the end of this report.

⁴⁷ Nolan, J., & Bennish, S. (2011, October 29). Victims of MCSi criticize sentence given to ex-chief executive: Former MCSi CEO was convicted of fraud in company's collapse. *Dayton Daily News*. Retrieved February 1, 2015, from <http://www.daytondailynews.com/news/business/victims-of-mcsi-criticize-sentence-given-to-ex-chi/nMwwJ/>

⁴⁸ Stephens, C. (2004, April 26). Counter maker plans Kettering expansion. *Dayton Business Journal*. Retrieved February 1, 2015, from <http://assets.bizjournals.com/dayton/stories/2004/04/26/story7.html>

⁴⁹ Barrow, O. (2012, November 13). Aerospace manufacturer to move operations to Kettering. *Dayton Business Journal*. Retrieved February 1, 2015, from <http://www.bizjournals.com/dayton/news/2012/11/13/aerospace-manufacturer-to-move.html?page=all>

Due to much of the data on the previous pages being based on Kettering’s principal employers during 1990, 2001 and 2003-2013, the tables below depict Kettering’s principal employers in 1990 and in 2013 to illustrate the major employment shift away from industry toward service-oriented jobs.

Table 57: Principal employers in Kettering in 1990 and 2013

Principal Employers in 1990: City of Kettering, OH		
Employer	Employees	% of Total City Employment
General Motors	4,405	13.39%
Kettering Medical Center	2,975	9.04%
DESC	2,500	7.6%
Kroger	1,313	3.99%
Kettering City Schools	1,033	3.14%
Meijer Inc.	900	2.74%
City of Kettering	502	1.53%
Eastman Kodak Co.	350	1.06%
Ohio Bell Telephone Company	292	0.89%
TOTAL	14,270	43.37%

Principal Employers in 2014: City of Kettering, OH		
Employer	Employees	% of Total City Employment
Kettering Medical Center	3,570	13.52%
GE Money	1,800	6.82%
Reynolds & Reynolds Company	1,307	4.95%
Kettering City Schools	1,032	3.91%
Limited Brands Inc.	1,000	3.79%
Kroger	630	2.39%
Meijer Inc.	550	2.08%
City of Kettering	550	2.08%
Tenneco	522	1.98%
TOTAL	10,961	41.52%

Sources: Comprehensive Annual Financial Reports for the City of Kettering. See [Appendix V](#) for a list of Kettering’s principal employers for 2001 and 2003-2014.

Regional principal employers have changed as well. Since 2004, many companies previously on the top list have contracted in employment while others have grown. Some of the major changes are:

- 7,000 additional jobs at WPAFB
- 5,765 additional jobs from Premier Health
- 200 additional jobs from Kettering Health Network
- Delphi, AK Steel Corp and GM’s Moraine Assembly Plant are now off the list

Figure 71: Principal employers for the Dayton Area (2004 and 2013)

<i>Principal Employers</i>					
<i>2013 Data:</i>			<i>2004 Data:</i>		
<i>Company</i>	<i>Employees</i>	<i>Percentage of Total Employment</i>	<i>Company</i>	<i>Employees</i>	<i>Percentage of Total Employment</i>
Wright-Patterson Air Force Base.....	29,000	12.66%	Wright-Patterson Air Force Base.....	22,000	8.66%
Premier Health.....	14,765	6.44%	Premier Health Partners.....	9,000	3.54%
Kettering Health Network.....	7,000	3.06%	Kettering Medical Network.....	6,800	2.68%
The Kroger Company.....	4,950	2.16%	Delphi Automotive Systems.....	6,681	2.63%
Montgomery County.....	4,007	1.75%	Montgomery County.....	5,020	1.98%
LexisNexis.....	3,600	1.57%	Meijer, Inc.....	4,967	1.96%
Sinclair Community College.....	2,613	1.14%	GM Moraine Assembly Plant.....	3,901	1.54%
Wright State University.....	2,403	1.05%	AK Steel Corporation.....	3,750	1.48%
University of Dayton.....	2,297	1.00%	Dayton Public Schools.....	3,100	1.22%
Dayton Public Schools.....	2,085	0.91%	LexisNexis.....	3,000	1.18%
	72,720	31.74%		68,219	26.87%
Source: Dayton Business Journal			Source: Dayton Business Journal		

Source: Montgomery County, OH 2013 CAFR

An alternative source puts the employment level of WPAFB at about 27,000 in early 2015.⁵⁰

⁵⁰ Bischoff, L. (2015, January 23). Leaders meet to protect Wright-Patt, military jobs in Ohio. *Dayton Daily News*. Retrieved February 1, 2015, from <http://www.daytondailynews.com/news/news/local-military/meeting-to-discuss-ways-to-protect-wright-patt-oth/njtTs/>

Resident Employment, Workforce & Educational Attainment

Resident Employment & Workforce Summary:

The employment data on the preceding pages covered the number of jobs located within the boundaries of each respective area. The following information will cover the employment characteristics of the residents of these areas along with workforce data, such as labor force participation and unemployment as well as educational attainment of residents, which is an important factor in drawing employers to the region that will provide more skilled, higher paying jobs.

Between 1990 and 2008-2012, the employment makeup of Kettering's residents has followed expected trends: manufacturing/production jobs have declined in both real numbers and as a share of the total employment base, while healthcare and education jobs have risen. Overall, between 2000 and 2008-2012, the total number of employed residents declined in Kettering, Montgomery County and Ohio while the number of unemployed residents nearly doubled in Kettering, Montgomery County, Ohio and the United States. However, the inclusion of 2008, 2009 and 2010, all years of either major nationwide job losses or slow job growth, negatively skews the employment numbers.

Ohio and the United States have performed better overall. Both the State and Nation experienced a rise in the number of employed residents between 1990 and 2008-2012 while at the same time experiencing a rise in the number of unemployed residents. Both the State and Nation have also seen large declines in the number of manufacturing/production jobs along with drops in agriculture/forestry/mining, wholesale trade, transportation & warehousing and information jobs while also seeing large rises in the number of residents employed in the education and healthcare sectors.

These employment changes are driven by several factors. First, manufacturing employment has been declining as a share of the overall employment base for many decades, however, it was not until recently that the number of manufacturing jobs have declined considerably without largely bouncing back during economic recoveries. These changes are due to several factors, including: trade policies that make it more affordable to offshore manufacturing jobs, particularly non-durable jobs such as garment manufacturing, competition from overseas manufacturers, particularly in the automobile and electronics sectors, finally, automation and more efficient manufacturing methods have allowed manufacturing output to continue to rise despite declining employment bases.

Regarding educational attainment, Kettering has tended to have lower shares of individuals aged 25 or older who have either not completed high school or have not continued onto college after high school when compared to Montgomery County, Ohio and the United States. However, the gap between Kettering and the other areas has narrowed since 1990. In addition, higher shares of Kettering's population have obtained college degrees at all levels (associates, bachelors, advanced).

The tables below depict the labor force (total and civilian) of Kettering, Montgomery County, Ohio and the United States along with the number of employed and unemployed residents. In addition, the educational attainment of the population aged 25 years and older is included.

In Kettering, the number of employed residents has been declining since at least 1990. However, between 1990 and 2000, the labor force declined by more than 1,800 due to a decline in the population aged 16 & older, suggesting employment decreases between 1990 and 2000 were driven, at least in part, by the aging of the population. Between 2000 and the 2008-2012 ACS estimates, Kettering’s labor force number and participation rate stayed flat while the number of employed residents dropped by 1,573 (+/- 673). With regards to educational attainment, Kettering has tended to have higher shares of the population aged 25 years and older with college experience and degrees when compared to Montgomery County, Ohio and the United States. Between 1990 and 2008-2012, the number of people with some college experience but no degree, associates degrees and advanced degrees increased each decade while the number of people with bachelor’s degrees decreased slightly between 1990 and 2000 and stayed within the margin of error between 2000 and 2008-2012.

Figure 72: Kettering resident employment & workforce overview (1990—2008-2012)

Kettering Employment Overview (1990—2008-2012)								
Year	1990		2000		2008-2012			% Change in number (1990—2008-2012)
Topic	Number	%	Number	%	Number	MOE	%	
Population	60,569	(X)	57,502	(X)	56,109	+/- 137	(X)	-7.4%
Population 16 & older	49,078	81.0%	45,981	80.0%	45,238	+/- 555	80.6%	-7.8%
Labor Force	32,423	66.1%	30,544	66.4%	30,193	+/- 658	66.7%	-6.9%
Armed Forces	292	0.9%	199	0.7%	215	+/- 95	0.7%	-26.4%*
Civilian Labor Force	32,131	99.1%	30,345	99.4%	29,978	+/- 651	99.3%	-6.7%
Employed	31,130	96.9%	29,337	96.7%	27,764	+/- 673	92.6%	-10.8%
Unemployed	1,001	3.1%	1,008	3.3%	2,214	+/- 300	7.4%	+121.2%
Kettering Educational Attainment (persons 25 years of age and older)								
Topic	Number	%	Number	%	Number	MOE	%	
Population 25 years & older	42,497	100.00%	40,174	100.00%	39,824	+/-600	100.00%	-6.3%
Less than HS	5,618	13.2%	3,627	9.0%	2,427	+/-282	6.1%	-56.8%
HS Graduates	12,551	29.5%	10,755	26.8%	10,667	+/-581	26.8%	-15.0%
Some college, no degree	8,976	21.1%	9,923	24.7%	10,414	+/-555	26.2%	+16.0%
Associate degree	3,208	7.6%	3,411	8.5%	4,053	+/-345	10.2%	+26.3%
Bachelor’s degree	7,965	18.7%	7,925	19.7%	7,459	+/-561	18.7%	-6.4%
Master’s degree or higher	4,179	9.8%	4,533	11.3%	4,804	+/-397	12.1%	+15.0%

Sources: US Census Counts for 1990 and 2000 Data, US Census Bureau’s ACS 2008-2012 5-yr estimates for 2008-2012 data

*Changes fall within the margin of error

Figure 73: Montgomery County resident employment & workforce overview (1990—2008-2012)

Montgomery County Employment Overview (1990—2008-2012)								
Year	1990		2000		2008-2012			% Change in number (1990—2008-2012)
Topic	Number	%	Number	%	Number	MOE	%	
Population	573,809	(X)	559,062	(X)	535,626	--	(X)	-6.7%
Population 16 & older	446,104	77.7%	436,241	78.0%	426,621	+/-448	79.7%	-4.4%
Labor Force	288,493	64.7%	279,635	64.1%	267,216	+/-1,631	62.6%	-7.4%
Armed Forces	5,118	1.8%	2,612	0.9%	2,108	+/-323	0.8%	-58.8%
Civilian Labor Force	283,375	98.2%	277,023	99.1%	265,108	+/-1,575	99.2%	-6.5%
Employed	265,950	93.9%	262,274	94.7%	235,642	+/-1,610	88.9%	-11.4%
Unemployed	17,425	6.2%	14,749	5.3%	29,466	+/-1,279	11.1%	+69.1%
Montgomery County Educational Attainment (persons 25 years of age and older)								
Topic	Number	%	Number	%	Number	MOE	%	
Population 25 years & older	371,530	100.00%	367,099	100.00%	361,374	+/-61	100.00%	-2.7%
Less than HS diploma	82,639	22.2%	60,595	16.5%	42,992	+/- 1,395	11.9%	-48.0%
HS Graduates	114,489	30.8%	111,685	30.4%	106,566	+/-1,972	29.5%	-6.9%
Some college, no degree	75,759	20.4%	84,136	22.9%	92,237	+/-1,617	25.5%	+21.8%
Associate degree	24,181	6.5%	26,865	7.3%	31,463	+/-1,096	8.7%	+30.1%
Bachelor's degree	48,439	13.0%	52,685	14.4%	53,204	+/-1,415	14.7%	+9.8%
Master's degree or higher	26,023	7.0%	31,133	8.5%	34,912	+/-1,058	9.7%	+34.2%

Sources: US Decennial Census Counts for 1990 and 2000 Data, US Census Bureau's ACS 2008-2012 5-yr estimates for 2008-2012 data

Figure 74: Ohio resident employment & workforce overview (1990—2008-2012)

Ohio Employment Overview (1990—2008-2012)								
Year	1990		2000		2008-2012			% Change in number (1990—2008-2012)
Topic	Number	%	Number	%	Number	MOE	%	
Population	10,847,115	(X)	11,353,140	(X)	11,533,561	--	(X)	+6.3%
Population 16 & older	8,349,183	77.0%	8,788,494	77.4%	9,138,488	+/-2,021	79.2%	+9.5%
Labor Force	5,298,073	63.5%	5,694,708	64.8%	5,880,517	+/-9,139	64.4%	+11.0%
Armed Forces	18,078	0.3%	9,918	0.2%	11,158	+/-777	0.2%	-38.3%
Civilian Labor Force	5,279,995	99.7%	5,684,790	99.8%	5,869,359	+/-9,149	99.8%	+11.2%
Employed	4,931,357	93.4%	5,402,175	95.0%	5,300,141	+/-10,435	90.3%	+7.5%
Unemployed	348,638	6.6%	282,615	5.0%	569,218	+/-5,071	9.7%	+63.3%
Ohio Educational Attainment (persons 25 years of age and older)								
Topic	Number	%	Number	%	Number	MOE	%	
Persons 25 & older	6,924,764	100.00%	7,411,740	100.00%	7,715,893	+/-1,372	100.00%	+11.4%
Less than HS diploma	1,684,888	24.3%	1,262,085	17.0%	910,330	+/-7,335	11.8%	-46.0%
HS Graduates	2,515,987	36.3%	2,674,551	36.1%	2,694,883	+/-10,726	34.9%	+7.1%
Some college, no degree	1,179,409	17.0%	1,471,964	19.9%	1,609,204	+/-8,779	20.9%	+36.4%
Associate degree	369,144	5.3%	439,608	5.9%	593,037	+/-4,886	7.7%	+60.7%
Bachelor's degree	767,845	11.1%	1,016,256	13.7%	1,207,216	+/-8,625	15.7%	+57.2%
Master's degree or higher	407,491	5.9%	547,276	7.4%	701,223	+/-6,807	9.1%	+72.1%

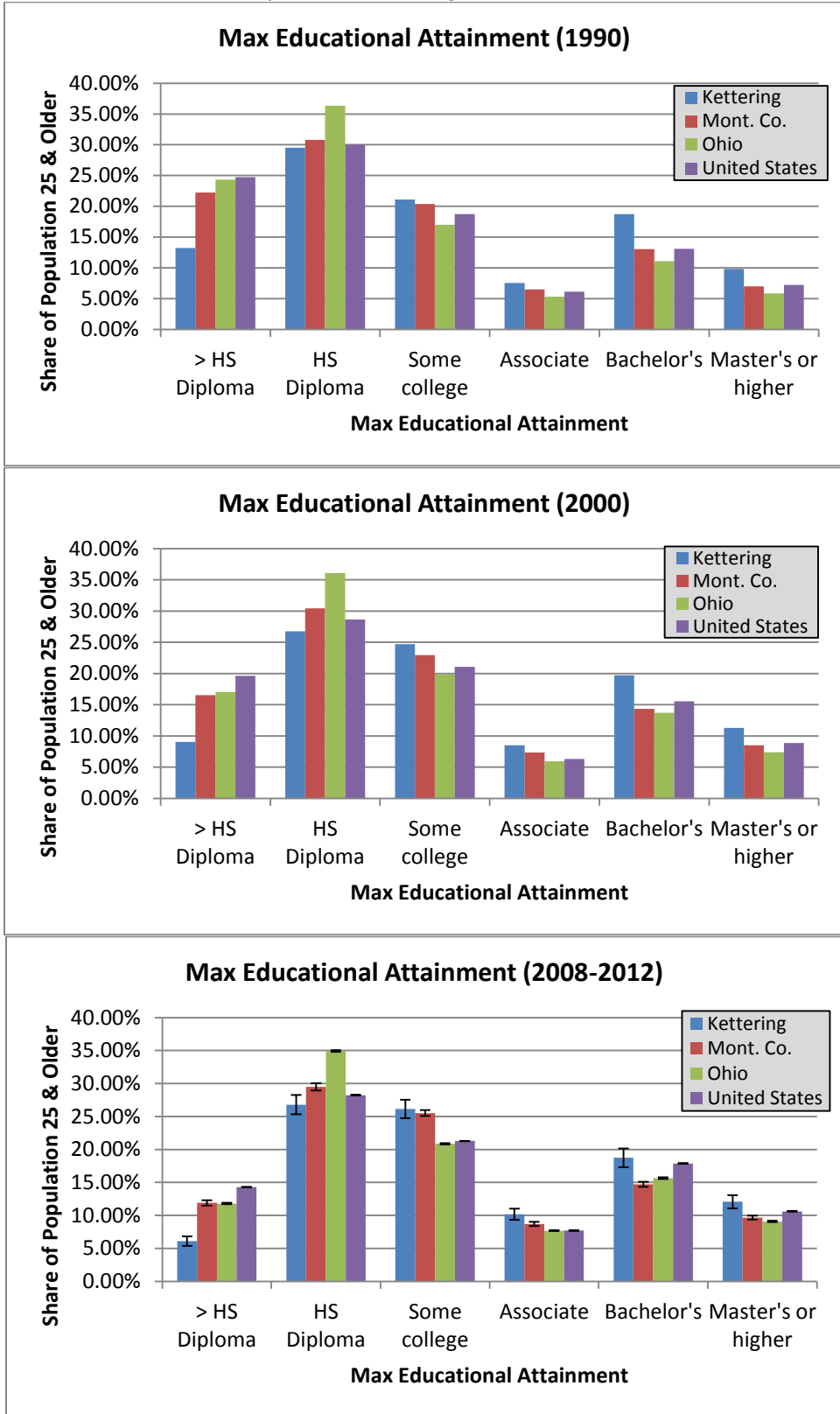
Sources: US Decennial Census Counts for 1990 and 2000 Data, US Census Bureau's ACS 2008-2012 5-yr estimates for 2008-2012 data

Figure 75: United States resident employment & workforce overview (1990—2008-2012)

United States Employment Overview (1990—2008-2012)								
Year	1990		2000		2008-2012			% Change in number (1990—2008-2012)
Topic	Number	%	Number	%	Number	MOE	%	
Population	248,709,873	(X)	281,421,906	(X)	309,138,711	---	(X)	+24.3%
Population 16 & older	191,829,271	77.1%	217,168,077	77.2%	243,810,053	+/-14,996	78.9%	+27.1%
Labor Force	125,182,378	65.3%	138,820,935	63.9%	157,664,311	+/-117,361	64.7%	+26.0%
Armed Forces	1,708,928	1.4%	1,152,137	0.8%	1,131,106	+/-10,481	0.7%	-33.8%
Civilian Labor Force	123,473,450	98.6%	137,668,798	99.2%	156,533,205	+/-110,785	99.3%	+26.8%
Employed	115,681,202	93.7%	129,721,512	94.2%	141,996,548	+/-126,057	90.7%	+22.8%
Unemployed	7,792,248	6.3%	7,947,286	5.8%	14,536,657	+/-33,235	9.3%	+86.6%
United States Educational Attainment (persons 25 years of age and older)								
Topic	Number	%	Number	%	Number	MOE	%	
Persons 25 & older	158,868,436	100.00%	182,211,639	100.00%	204,336,017	+/-15,340	100.00%	+28.6%
Less than HS diploma	39,343,718	24.8%	35,715,625	19.6%	29,179,819	+/-91,857	14.3%	-25.8%
HS Graduates	47,642,763	30%	52,168,981	28.6%	57,706,852	+/-158,081	28.2%	+21.1%
Some college, no degree	29,779,777	18.7%	38,351,595	21.1%	43,508,315	+/-42,142	21.3%	+46.1%
Associate degree	9,791,925	6.2%	11,512,833	6.3%	15,736,009	+/-37,747	7.7%	+60.7%
Bachelor's degree	20,832,567	13.1%	28,317,792	15.5%	36,529,875	+/-132,111	17.9%	+75.4%
Master's degree or higher	11,447,686	7.2%	16,144,813	8.9%	21,675,147	+/-127,862	10.6%	+88.9%

Sources: US Decennial Census Counts for 1990 and 2000 Data, US Census Bureau's ACS 2008-2012 5-yr estimates for 2008-2012 data

Figure 76: Max Educational attainment comparisons for Kettering, Mont. Co, Ohio and the United States (1990—2008-2012)



Sources: US Decennial Census Counts for 1990 and 2000 Data, US Census Bureau's ACS 2008-2012 5-yr estimates for 2008-2012 data

In addition to changes in the total number of employed residents, there has been a shift in the types of jobs residents of Kettering, Montgomery County, Ohio and the United States hold. The tables below depict the changing employment breakdown in the areas studied between 1990 and 2008-2012. As is expected, the largest changes are from decreasing production jobs and increasing service jobs.

Table 58: Jobs by Industry for Kettering (1990—2008-2012)

Jobs by Industry: Kettering, OH (1990—2008-2012)					
Industry	1990 Job #s	2000 Job #s	2008-2012 Job #s	MOE	% Change (1990—2008-2012)
Agriculture, forestry, fishing, hunting, mining	248	33	7	+/-11	-97.2%
Construction	1,084	1,356	1,159	+/-210	+6.9%*
Manufacturing	6,562	4,928	2,976	+/-305	-54.7%
Wholesale trade	1,267	899	902	+/-237	-28.8%
Retail trade	4,094	3,759	3,673	+/-326	-10.3%
Transportation & warehousing, & utilities	1,557	836	1,260	+/-272	-19.1%
Information	(X)	925	776	+/-137	-16.1%
Finance, insurance, real estate, and rental and leasing	1,861	1,832	1,499	+/-212	-19.5%
Professional, scientific, management, administrative, and waste management services	3,276	3,658	3,100	+/-308	-5.4%*
Educational, health and social services	6,787	6,065	7,503	+/-501	+10.6%
Arts, entertainment, recreation, accommodation and food services	2,120	2,461	2,533	+/-345	+19.5%
Other services (except public admin)	535	1,319	1,259	+/-221	+135.3%
Public administration	1,739	1,266	1,117	+/-210	-35.8%
TOTAL	31,130	29,337	27,764	+/-673	-10.8%

Sources: US Decennial Census Counts for 1990 and 2000 Data, US Census Bureau's ACS 2008-2012 5-yr estimates for 2008-2012 data

*Changes fall within the margin of error

Table 59: Jobs by Industry for Montgomery County (1990—2008-2012)

Jobs by Industry: Montgomery County, OH (1990—2008-2012)					
Industry	1990 Job #s	2000 Job #s	2008-2012 Job #s	MOE	% Change (1990—2008-2012)
Agriculture, forestry, fishing, hunting, mining	2,319	684	471	+/-119	-79.7%
Construction	11,929	13,758	11,310	+/-736	-5.2%*
Manufacturing	57,725	47,436	30,030	+/-1,256	-48.0%
Wholesale trade	10,452	8,178	5,654	+/-555	-45.9%
Retail trade	33,624	31,628	28,512	+/-1,290	-15.2%
Transportation & warehousing, & utilities	16,179	12,705	10,743	+/-650	-33.6%
Information	(X)	6,751	5,541	+/-431	-17.9%
Finance, insurance, real estate, and rental and leasing	13,895	14,482	12,520	+/-800	-9.9%
Professional, scientific, management, administrative, and waste management services	24,160	26,299	24,102	+/-1,069	-0.2%*
Educational, health and social services	55,483	54,303	60,680	+/-1,600	+9.4%
Arts, entertainment, recreation, accommodation and food services	17,069	19,955	22,157	+/-1,207	+29.8%
Other services (except public admin)	5,825	11,481	10,976	+/-698	+88.4%
Public administration	17,290	14,614	12,946	+/-852	-25.1%
TOTAL	265,950	262,274	235,642	+/-1,610	-11.4%

Sources: US Decennial Census Counts for 1990 and 2000 Data, US Census Bureau's ACS 2008-2012 5-yr estimates for 2008-2012 data

*Changes fall within the margin of error

Table 60: Jobs by Industry for Ohio (1990—2008-2012)

Jobs by Industry: Ohio, USA (1990—2008-2012)					
Industry	1990 Job #s	2000 Job #s	2008-2012 Job #s	MOE	% Change (1990—2008-2012)
Agriculture, forestry, fishing, hunting, mining	113,550	57,518	54,573	+/-1,545	-51.9%
Construction	254,208	324,553	280,669	+/-3,743	+10.4%
Manufacturing	1,141,383	1,082,185	815,530	+/-6,871	-28.6%
Wholesale trade	218,445	193,219	147,573	+/-2,456	-32.4%
Retail trade	612,422	643,058	619,582	+/-4,707	+1.2%
Transportation & warehousing, & utilities	316,191	267,324	258,264	+/-3,675	-18.3%
Information	(X)	128,081	96,787	+/-2,000	-24.4%
Finance, insurance, real estate, and rental and leasing	285,524	339,090	344,229	+/-4,095	+20.6%
Professional, scientific, management, administrative, and waste management services	375,505	434,694	485,655	+/-4,880	+29.3%
Educational, health and social services	1,009,139	1,064,882	1,282,221	+/-7,792	+27.1%
Arts, entertainment, recreation, accommodation and food services	313,944	403,684	460,134	+/-5,370	+46.6%
Other services (except public admin)	106,092	242,149	242,046	+/-3,371	+128.2%
Public administration	184,954	221,738	212,878	+/-3,568	+15.1%
TOTAL	4,931,357	5,402,175	5,300,141	+/-10,435	+7.5%

Sources: US Decennial Census Counts for 1990 and 2000 Data, US Census Bureau's ACS 2008-2012 5-yr estimates for 2008-2012 data

Table 61: Jobs by Industry for the United States (1990—2008-2012)

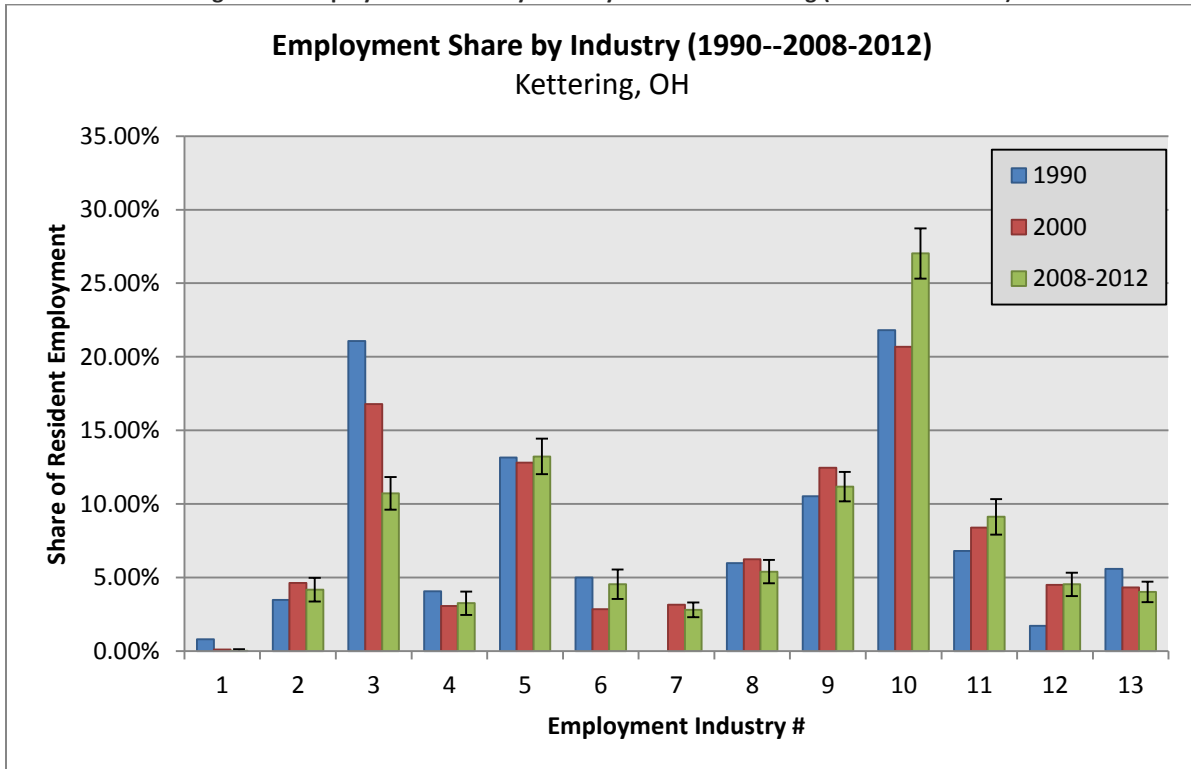
Jobs by Industry: United States (1990—2008-2012)					
Industry	1990 Job #s	2000 Job #s	2008-2012 Job #s	MOE	% Change (1990—2008-2012)
Agriculture, forestry, fishing, hunting, mining	3,838,795	2,426,053	2,699,250	+/-13,352	-29.7%
Construction	7,214,763	8,801,507	9,221,878	+/-35,319	+27.8%
Manufacturing	20,462,078	18,286,005	15,079,996	+/-38,714	-26.3%
Wholesale trade	5,071,026	4,666,757	4,018,762	+/-17,349	-20.8%
Retail trade	14,021,687	15,221,716	16,422,596	+/-32,514	+17.1%
Transportation & warehousing, & utilities	8,205,062	6,740,102	7,096,633	+/-19,457	-13.5%
Information	(X)	3,996,564	3,139,327	+/-15,250	-21.5%
Finance, insurance, real estate, and rental and leasing	7,984,870	8,934,972	9,574,851	+/-30,266	+19.9%
Professional, scientific, management, administrative, and waste management services	10,361,835	12,061,865	15,141,136	+/-34,024	+46.1%
Educational, health and social services	22,842,384	25,843,029	32,513,621	+/-115,138	+42.3%
Arts, entertainment, recreation, accommodation and food services	7,100,439	10,210,295	13,039,332	+/-54,457	+83.6%
Other services (except public admin)	3,040,186	6,320,632	7,027,803	+/-23,893	+131.2%
Public administration	5,538,077	6,212,015	7,021,363	+/-34,591	+26.8%
TOTAL	115,681,202	129,721,512	141,996,548	+/-126,057	+22.8%

Sources: US Census Decennial Counts for 1990 and 2000 Data, US Census Bureau's ACS 2008-2012 5-yr estimates for 2008-2012 data

By breaking the employment number data above into employment shares, a similar picture is painted that illustrates the growing importance of health and education jobs. Another noteworthy development is the dramatic decrease in the share of residents holding jobs in the manufacturing sector.

Below, graphs that illustrate the employment shares by employment category for Kettering, Montgomery County and the United States in 1990, 2000 and 2008-2012. The employment categories are depicted by index numbers, which are listed on a key below the graphs.

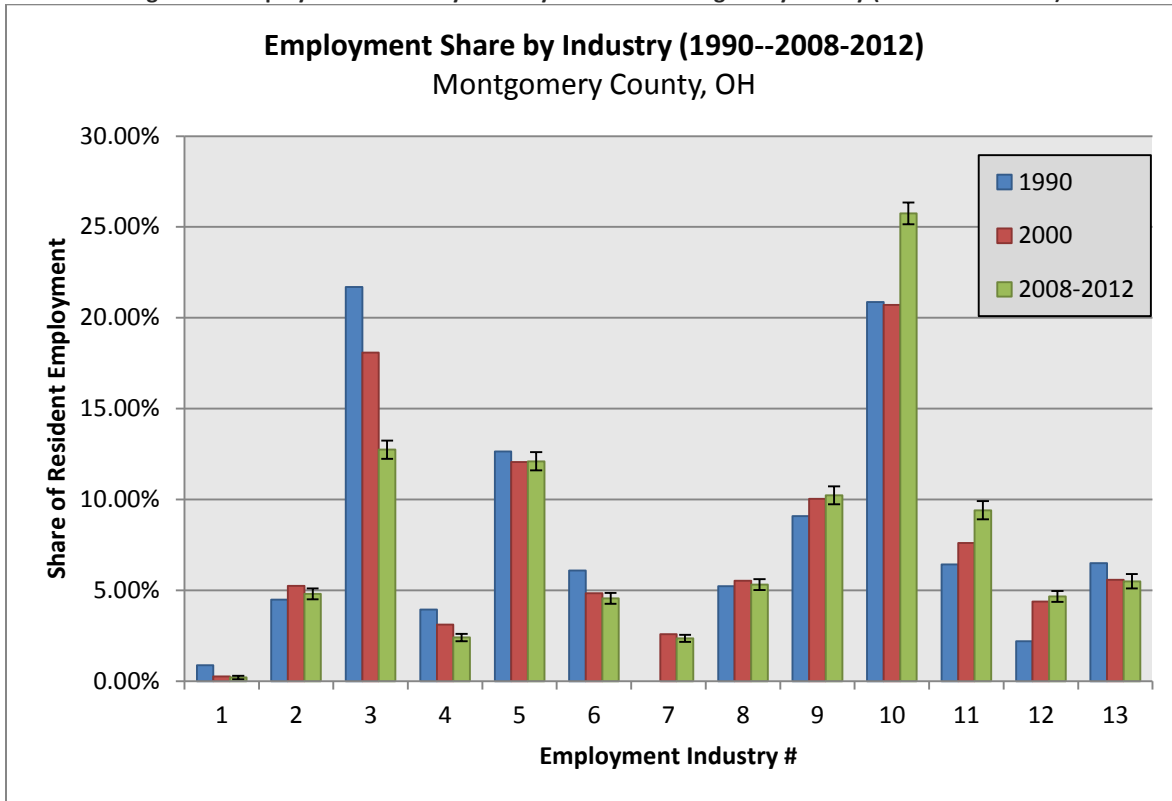
Figure 77: Employment Shares by Industry Sector for Kettering (1990—2008-2012)



Sources: US Census Decennial Counts for 1990 and 2000 Data, US Census Bureau’s ACS 2008-2012 5-yr estimates for 2008-2012 data

Employment Industry Key			
Index #	Industry	Index #	Industry
1	Agriculture, forestry, fishing, hunting, mining	8	Finance, insurance, real estate, and rental and leasing
2	Construction	9	Professional, scientific, management, administrative, and waste management services
3	Manufacturing	10	Educational, health and social services
4	Wholesale trade	11	Arts, entertainment, recreation, accommodation and food services
5	Retail trade	12	Other services (except public admin)
6	Transportation & warehousing, & utilities	13	Public administration
7	Information		

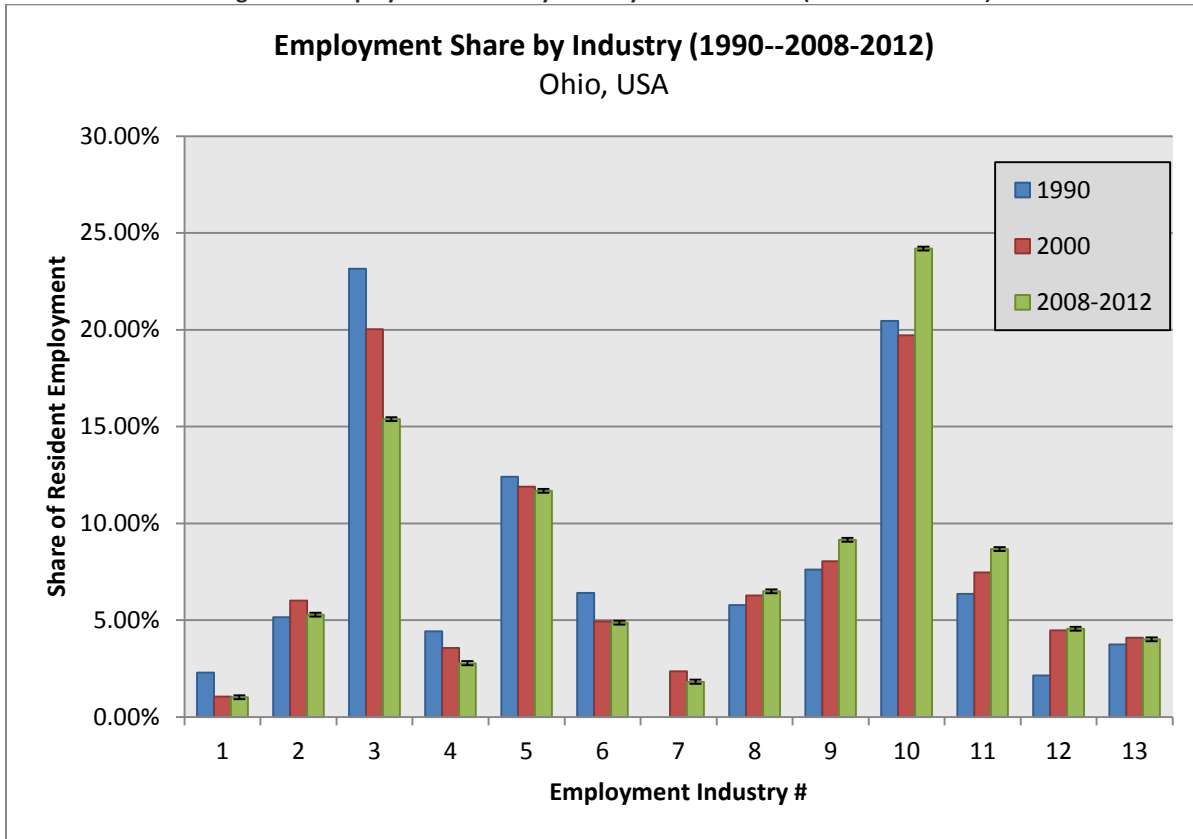
Figure 78: Employment Shares by Industry Sector for Montgomery County (1990–2008–2012)



Sources: US Census Decennial Counts for 1990 and 2000 Data, US Census Bureau’s ACS 2008-2012 5-yr estimates for 2008-2012 data

Employment Industry Key			
Index #	Industry	Index #	Industry
1	Agriculture, forestry, fishing, hunting, mining	8	Finance, insurance, real estate, and rental and leasing
2	Construction	9	Professional, scientific, management, administrative, and waste management services
3	Manufacturing	10	Educational, health and social services
4	Wholesale trade	11	Arts, entertainment, recreation, accommodation and food services
5	Retail trade	12	Other services (except public admin)
6	Transportation & warehousing, & utilities	13	Public administration
7	Information		

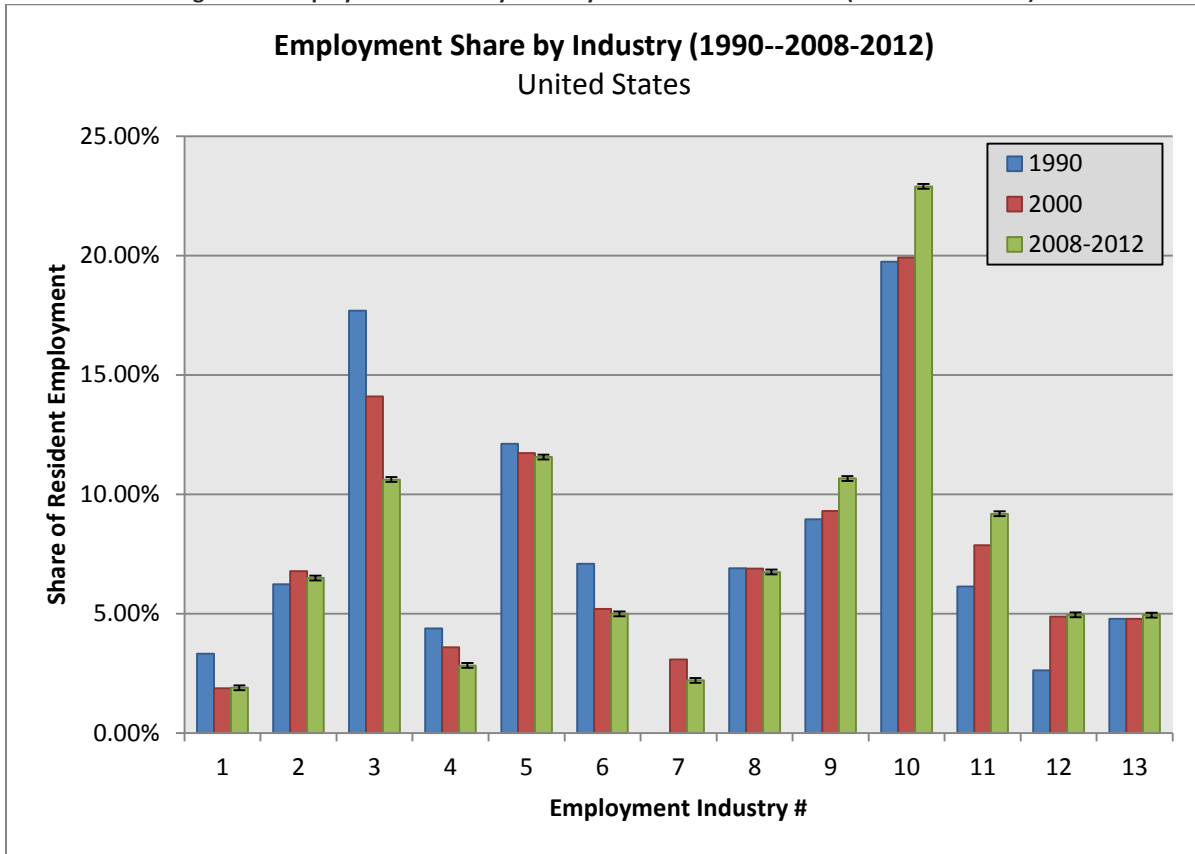
Figure 79: Employment Shares by Industry Sector for Ohio (1990–2008-2012)



Sources: US Census Decennial Counts for 1990 and 2000 Data, US Census Bureau’s ACS 2008-2012 5-yr estimates for 2008-2012 data

Employment Industry Key			
Index #	Industry	Index #	Industry
1	Agriculture, forestry, fishing, hunting, mining	8	Finance, insurance, real estate, and rental and leasing
2	Construction	9	Professional, scientific, management, administrative, and waste management services
3	Manufacturing	10	Educational, health and social services
4	Wholesale trade	11	Arts, entertainment, recreation, accommodation and food services
5	Retail trade	12	Other services (except public admin)
6	Transportation & warehousing, & utilities	13	Public administration
7	Information		

Figure 80: Employment Shares by Industry Sector for United States (1990–2008-2012)



Sources: US Census Decennial Counts for 1990 and 2000 Data, US Census Bureau's ACS 2008-2012 5-yr estimates for 2008-2012 data

Employment Industry Key			
Index #	Industry	Index #	Industry
1	Agriculture, forestry, fishing, hunting, mining	8	Finance, insurance, real estate, and rental and leasing
2	Construction	9	Professional, scientific, management, administrative, and waste management services
3	Manufacturing	10	Educational, health and social services
4	Wholesale trade	11	Arts, entertainment, recreation, accommodation and food services
5	Retail trade	12	Other services (except public admin)
6	Transportation & warehousing, & utilities	13	Public administration
7	Information		

D. Income Characteristics

Income Characteristics Summary:

Median household, family and per capita incomes have been trending downwards in Kettering, Montgomery County, Ohio and the United States as a whole since the late 1990s. At the start of the 21st Century, Kettering's incomes (household, family, per capita) were much higher than the County, State and Nation. However, Kettering has experienced larger income declines since the 2000 Decennial Census than the State and Nation, while experiencing declines comparable to Montgomery County, which has contributed to Kettering's incomes coming more into line with the State and Nation, while remaining much higher than Montgomery County.

Due to Kettering and Montgomery County following similar employment trends, the more severe income declines experienced in Kettering and Montgomery County are likely a result of the deterioration of the Dayton Area's economy and general economic underperformance of the area when compared to Ohio and the United States. Major economic shocks in recent years that the Dayton Area has experienced include: the closure and downsizing of many manufacturing facilities, particularly in the automotive sector, the loss of the headquarters of many major businesses, such as Iams and NCR, and the loss of the employment due to the closure of DESC.

As was discussed previously, the Dayton MSA has recently experienced several positive economic developments with regards to the entrance of major employers to the area and the expansions of many existing employers. These developments, coupled with any others in the future, may contribute to rising income levels as the number of unemployed people in the area continues to decline, thus reducing slack in the labor market that may be putting downward pressure on wages.

Other, more minor factors that have likely influenced the reduction in household incomes include: shrinking household sizes with only one income earner, the conversion of more housing units to rental units, the moving away of higher-income residents and the decrease in the share of households considered families.

The following pages show the household and family income spreads for Kettering, Montgomery County, the Dayton MSA, Ohio and the United States.

Median Household & Family Income Spreads (2008-2012 ACS data)

Median Household & Family Income Spread Summary:

Out of the areas studied, Montgomery County tends to have the highest shares of household and family incomes within the lower income brackets (>\$25K to \$34,999) while Kettering tends to have larger shares of households and families with incomes between \$35K and \$99,999. The United States as a whole has the largest shares of household and family incomes greater than \$100K.

This further strengthens the notion of Kettering as being a predominately middle class community that maintains a strong base of middle class families and households.

Key definitions with regards to household and family incomes are below:

Household income is defined by the Census as: *“The sum of the income of all people 15 years and older living in the household. A household includes related family members and all the unrelated people, if any, such as lodgers, foster children, wards, or employees who share the housing unit. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit, is also counted as a household.”* A **Household** is defined as: *“A household includes all the people who occupy a housing unit (such as a house or apartment) as their usual place of residence.*

A household includes the related family members and all the unrelated people, if any, such as lodgers, foster children, wards, or employees who share the housing unit. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit such as partners or roomers, is also counted as a household. The count of households excludes group quarters. There are two major categories of households, ‘family’ and ‘nonfamily.’”

Family income is defined by the Census as: *“The sum of the income of all family members 15 years and older living in the household. Families are groups of two or more people (one of whom is the householder) related by birth, marriage, or adoption and residing together; all such people (including related subfamily members) are considered as members of one family.”*

A **Family Household** is defined as: *“A family includes a householder and one or more people living in the same household who are related to the householder by birth, marriage, or adoption. All people in a household who are related to the householder are regarded as members of his or her family. A family household may contain people not related to the householder, but those people are not included as part of the householder’s family in census tabulations. Thus, the number of family households is equal to the number of families, but family households may include more members than do families. A household can contain only one family for purposes of census tabulations. Not all households contain families since a household may comprise a group of unrelated people or one person living alone.”*

Per Capita Income is defined as: “the mean income computed for every man, woman, and child in a particular group. It is derived by dividing the total income of a particular group by the total population.”

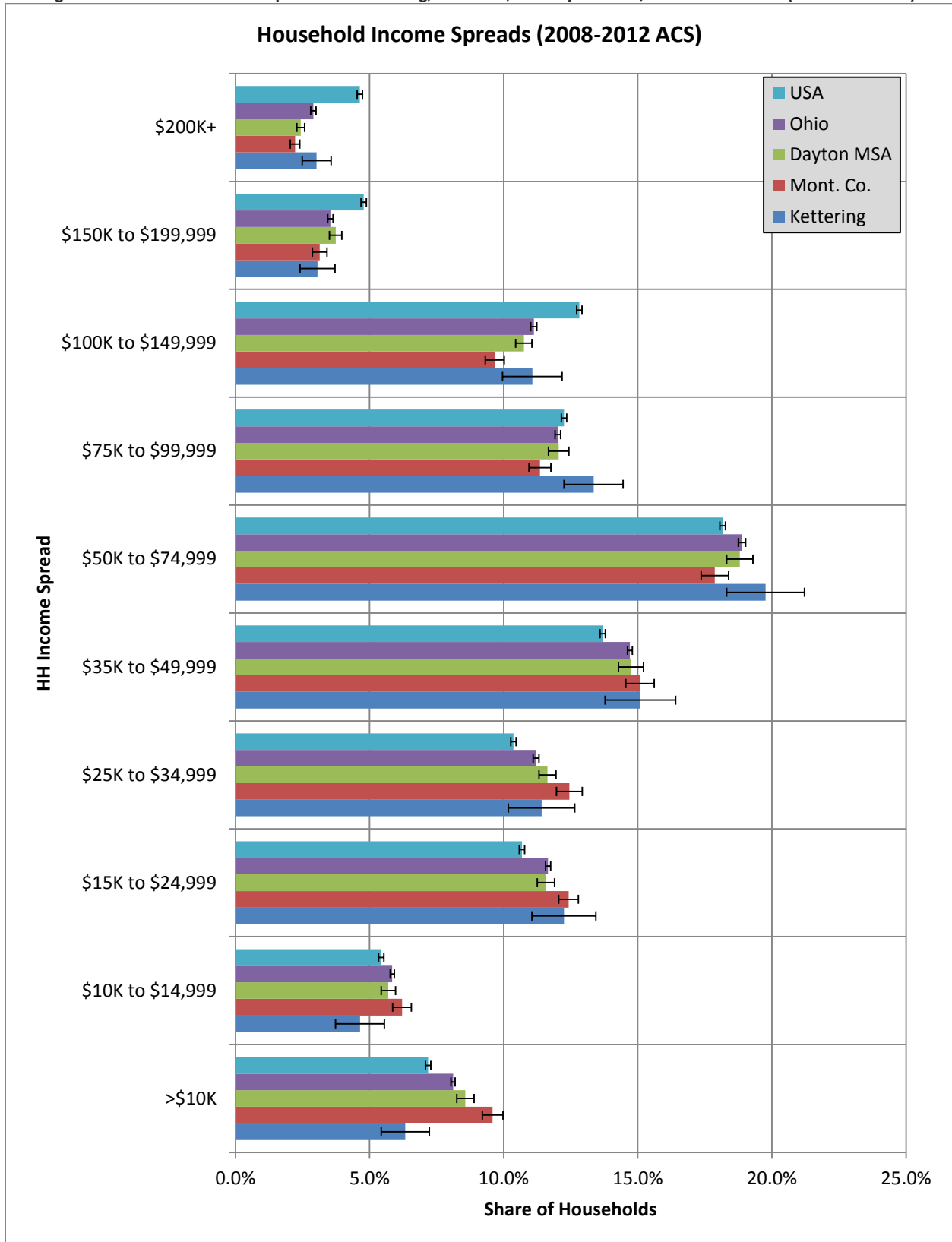
The tables below depict the median and mean household and family incomes for the areas studied. The following page depicts the median income spreads for each area.

Table 62: Median and Mean Household and Family Incomes for Kettering, Mont. Co, Ohio and the United States (2008-2012 data)

Kettering Household & Family Income (2008-2012 ACS 5-yr estimates)						
Type	Number	MOE	Median Income	MOE	Mean Income	MOE
Households	25,421	+/-510	\$50,187	+/- \$1,205	\$65,628	+/- \$2,171
Families	14,900	+/-354	\$65,454	+/- \$2,608	\$81,119	+/- \$3,551
% of HHs that are families	58.6%	(X)	(X)	(X)	(X)	(X)
Mont. Co. Household & Family Income (2008-2012 ACS 5-yr estimates)						
Type	Number	MOE	Median Income	MOE	Mean Income	MOE
Households	222,892	+/-1,133	\$43,895	+/- \$569	\$58,585	+/- \$570
Families	135,893	+/-1,299	\$56,707	+/- \$1,030	\$71,410	+/- \$923
% of HHs that are families	61%	(X)	(X)	(X)	(X)	(X)
Dayton MSA Household & Family Income (2008-2012 ACS 5-yr estimates)						
Type	Number	MOE	Median Income	MOE	Mean Income	MOE
Households	343,194	+/-1,506	\$47,421	+/- \$571	\$62,251	+/- \$497
Families	217,759	+/-1,766	\$60,585	+/- \$843	\$75,153	+/- \$840
% of HHs that are families	63.5%	(X)	(X)	(X)	(X)	(X)
Ohio Household & Family Income (2008-2012 ACS 5-yr estimates)						
Type	Number	MOE	Median Income	MOE	Mean Income	MOE
Households	4,555,709	+/-12,250	\$48,246	+/- \$160	\$63,996	+/- \$185
Families	2,962,217	+/-10,598	\$61,163	+/- \$260	\$76,523	+/- \$290
% of HHs that are families	65%	(X)	(X)	(X)	(X)	(X)
USA Household & Family Income (2008-2012 ACS 5-yr estimates)						
Type	Number	MOE	Median Income	MOE	Mean Income	MOE
Households	115,226,802	+/-238,575	\$53,046	+/- \$85	\$73,034	+/- \$122
Families	75,595,548	+/-218,967	\$64,585	+/- \$190	\$85,065	+/- \$201
% of HHs that are families	65.6%	(X)	(X)	(X)	(X)	(X)

Source: US Census Bureau ACS 2008-2012 5-yr estimates, Select Economic Data

Figure 81: Household Income Spreads for Kettering, Mont. Co, the Dayton MSA, Ohio and the USA (2008-2012 data)



Source: US Census Bureau ACS 2008-2012 5-yr estimates, Select Economic Data

The tables below depict the shares of each income group for households and families. The cells highlighted in yellow represent the areas with the highest share in that category. Montgomery County tends to dominate the lower-and-lower-middle income areas while Kettering dominates the middle and upper-middle income areas and the United States dominates the upper income areas.

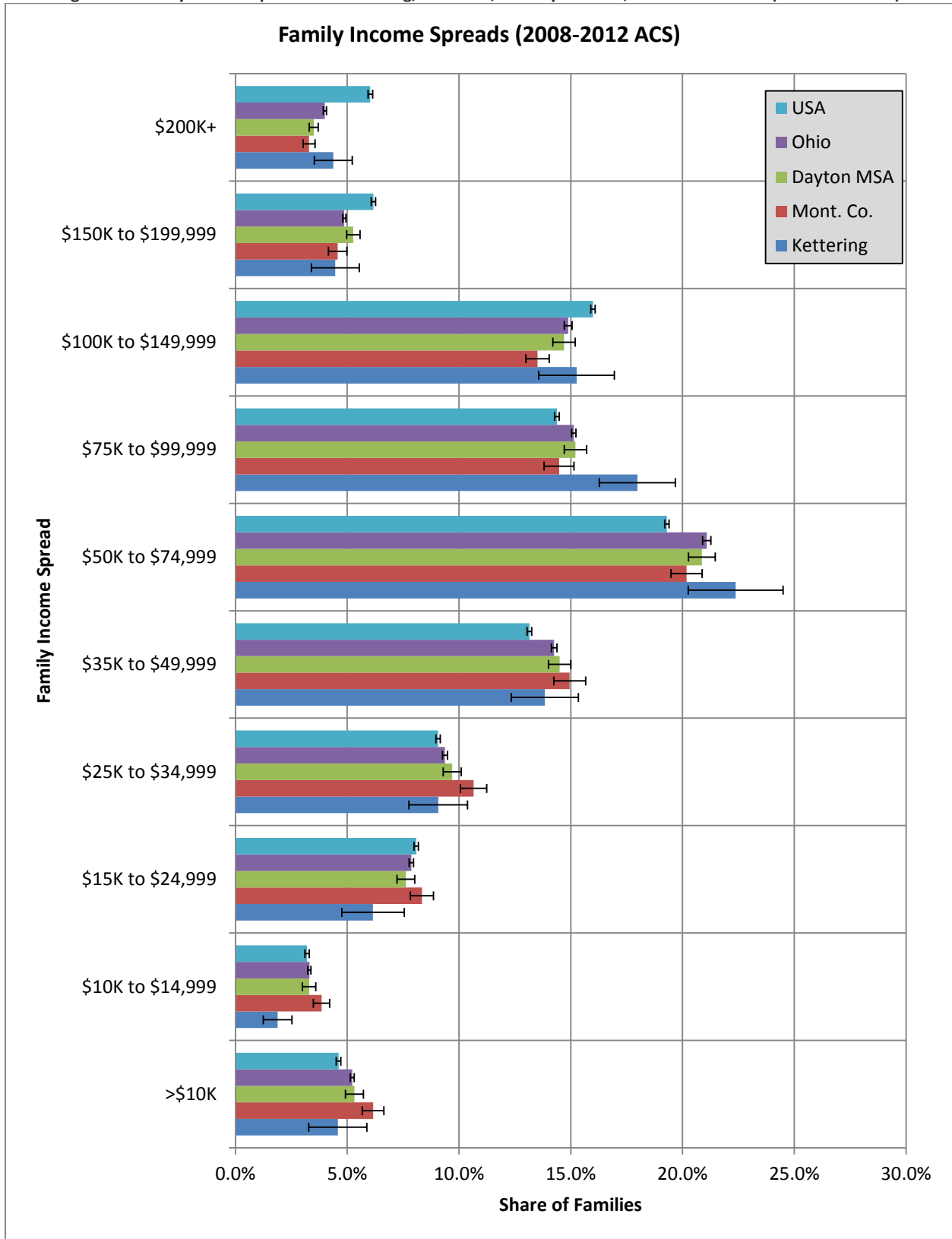
Table 63: Household Income Spreads for Kettering, Mont. Co, the Dayton MSA, Ohio and the USA (2008-2012 data)

Household Income Spreads Shares (% of Households)					
Income Spread Place	Kettering	Mont. Co.	Dayton MSA	Ohio	USA
Less than \$10K	6.3% (+/-0.9%)	9.6% (+/-0.4%)	8.6% (+/-0.3%)	8.1% (+/-0.1%)	7.2% (+/-0.1%)
\$10K to \$14,999	4.6% (+/-0.9%)	6.2% (+/-0.3%)	5.7% (+/-0.3%)	5.9% (+/-0.1%)	5.4% (+/-0.1%)
\$15K to \$24,999	12.3% (+/-1.2%)	12.4% (+/-0.4%)	11.6% (+/-0.3%)	11.7% (+/-0.1%)	10.7% (+/-0.1%)
\$25K to \$34,999	11.4% (+/-1.2%)	12.5% (+/-0.5%)	11.6% (+/-0.3%)	11.2% (+/-0.1%)	10.4% (+/-0.1%)
\$35K to \$49,999	15.1% (+/-1.3%)	15.1% (+/-0.5%)	14.7% (+/-0.5%)	14.7% (+/-0.1%)	13.7% (+/-0.1%)
\$50K to \$74,999	19.8% (+/-1.5%)	17.9% (+/-0.5%)	18.8% (+/-0.5%)	18.9% (+/-0.1%)	18.2% (+/-0.1%)
\$75K to \$99,999	13.4% (+/-1.1%)	11.4% (+/-0.4%)	12.1% (+/-0.4%)	12.0% (+/-0.1%)	12.3% (+/-0.1%)
\$100K to \$149,999	11.1% (+/-1.1%)	9.7% (+/-0.4%)	10.8% (+/-0.3%)	11.1% (+/-0.1%)	12.8% (+/-0.1%)
\$150K to \$199,999	3.1% (+/-0.7%)	3.1% (+/-0.3%)	3.7% (+/-0.2%)	3.5% (+/-0.1%)	4.8% (+/-0.1%)
\$200K+	3.0% (+/-0.5%)	2.2% (+/-0.2%)	2.4% (+/-0.1%)	2.9% (+/-0.1%)	4.6% (+/-0.1%)

Above: **Highlighted** cells are those with the highest shares in each category. Many of the margins of error overlap, causing several cells to be highlighted in certain income spreads. Despite this, Kettering stands out as having the largest shares of predominately middle-income households when compared to the other areas.

Source: US Census Bureau ACS 2008-2012 5-yr estimates

Figure 82: Family Income Spreads for Kettering, Mont. Co, the Dayton MSA, Ohio and the USA (2008-2012 data)



Source: US Census Bureau ACS 2008-2012 5-yr estimates, Select Economic Data

Table 64: Family Income Spread comparisons for Kettering, Mont. Co, the Dayton MSA, Ohio and the USA (2008-2012 data)

Family Income Spreads Shares (% of Families)					
Income Spread Place	Kettering	Mont. Co.	Dayton MSA	Ohio	USA
Less than \$10K	4.6% (+/-1.3%)	6.2% (+/-0.5%)	5.3% (+/-0.4%)	5.2% (+/-0.1%)	4.6% (+/-0.1%)
\$10K to \$14,999	1.9% (+/-0.6%)	3.9% (+/-0.4%)	3.3% (+/-0.3%)	3.3% (+/-0.1%)	3.2% (+/-0.1%)
\$15K to \$24,999	6.2% (+/-1.4%)	8.3% (+/-0.5%)	7.6% (+/-0.4%)	7.9% (+/-0.1%)	8.1% (+/-0.1%)
\$25K to \$34,999	9.1% (+/-1.3%)	10.7% (+/-0.6%)	9.7% (+/-0.4%)	9.4% (+/-0.1%)	9.1% (+/-0.1%)
\$35K to \$49,999	13.8% (+/-1.5%)	15.0% (+/-0.7%)	14.5% (+/-0.5%)	14.3% (+/-0.1%)	13.2% (+/-0.1%)
\$50K to \$74,999	22.4% (+/-2.1%)	20.2% (+/-0.7%)	20.9% (+/-0.6%)	21.1% (+/-0.2%)	19.3% (+/-0.1%)
\$75K to \$99,999	18.0% (+/-1.7%)	14.5% (+/-0.7%)	15.2% (+/-0.5%)	15.1% (+/-0.1%)	14.4% (+/-0.1%)
\$100K to \$149,999	15.3% (+/-1.7%)	13.5% (+/-0.5%)	14.7% (+/-0.5%)	14.9% (+/-0.2%)	16.0% (+/-0.1%)
\$150K to \$199,999	4.5% (+/-1.1%)	4.6% (+/-0.4%)	5.3% (+/-0.3%)	4.9% (+/-0.1%)	6.2% (+/-0.1%)
\$200K+	4.4% (+/-0.8%)	3.3% (+/-0.3%)	3.5% (+/-0.2%)	4.0% (+/-0.1%)	6.0% (+/-0.1%)

Above: **Highlighted** cells are those with the highest shares in each category. Many of the margins of error overlap, causing several cells to be highlighted in certain income spreads. Despite this, Kettering stands out as having the largest shares of predominately middle-income households when compared to the other areas.

Source: US Census Bureau ACS 2008-2012 5-yr estimates

Median Household, Family and Per Capita Income Trends

Summary of Median HH, Family and Per Capita Income Trends:

Kettering, Montgomery County, Ohio and the United States have all experienced decreases in household, family and per-capita incomes since the late 1990s, with Kettering and Montgomery County experiencing the largest percentage-wise decreases in income when compared to Ohio and the United States.

The fact that the declines in income have been so much greater in Kettering and Montgomery County when compared to Ohio and the United States suggests that the regional economy is a major contributing factor to the decreases due to the major loss of jobs and shifting of the economy from a more production-based economy in the form of strong automobile and tool and die manufacturing toward more of a service-based economy. This transition has contributed to the loss of thousands of good-paying jobs in the area.

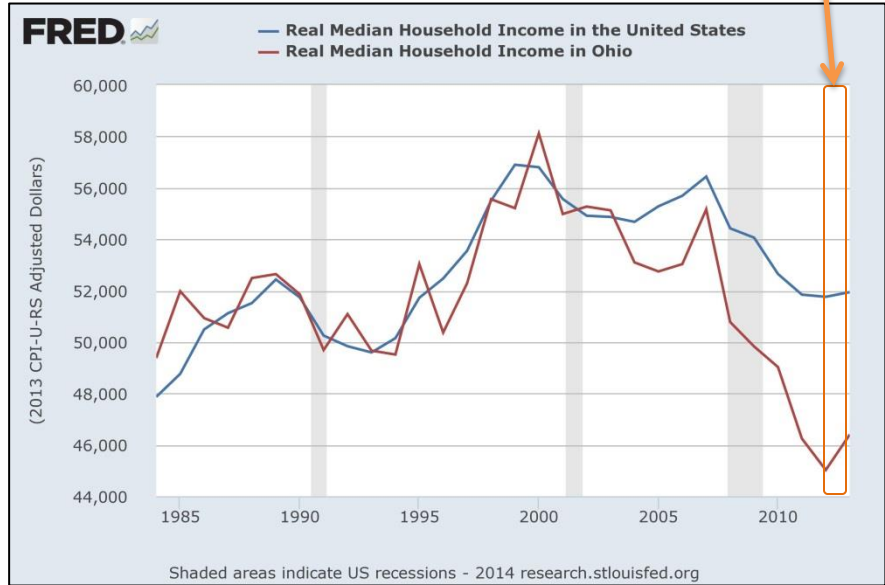
Until 2012-2013, real median HH incomes had been dropping in the United States and Ohio since just prior to the beginning of the Great Recession. There are numerous contributing factors to declining median incomes. First, the economy in general has been weak with regards to job creation for many years, which creates slack in the labor market and puts downward pressure on wages due to the large number of idle workers. In addition, as has been discussed earlier, many good paying jobs, particularly in the manufacturing sector, have evaporated and been replaced by lower-paying service jobs such as food service and retail jobs.

Other factors that may contribute to decreasing household and family incomes are:

- The rising share of retirees contributes to decreasing overall incomes due to retirement income typically being lower than earnings income.*
- Decreasing household sizes and the rising number of single-person households results in a rising share of households with only one income stream.*
- Decreases in the share of households considered families due to family households typically earning more than non-family households.*

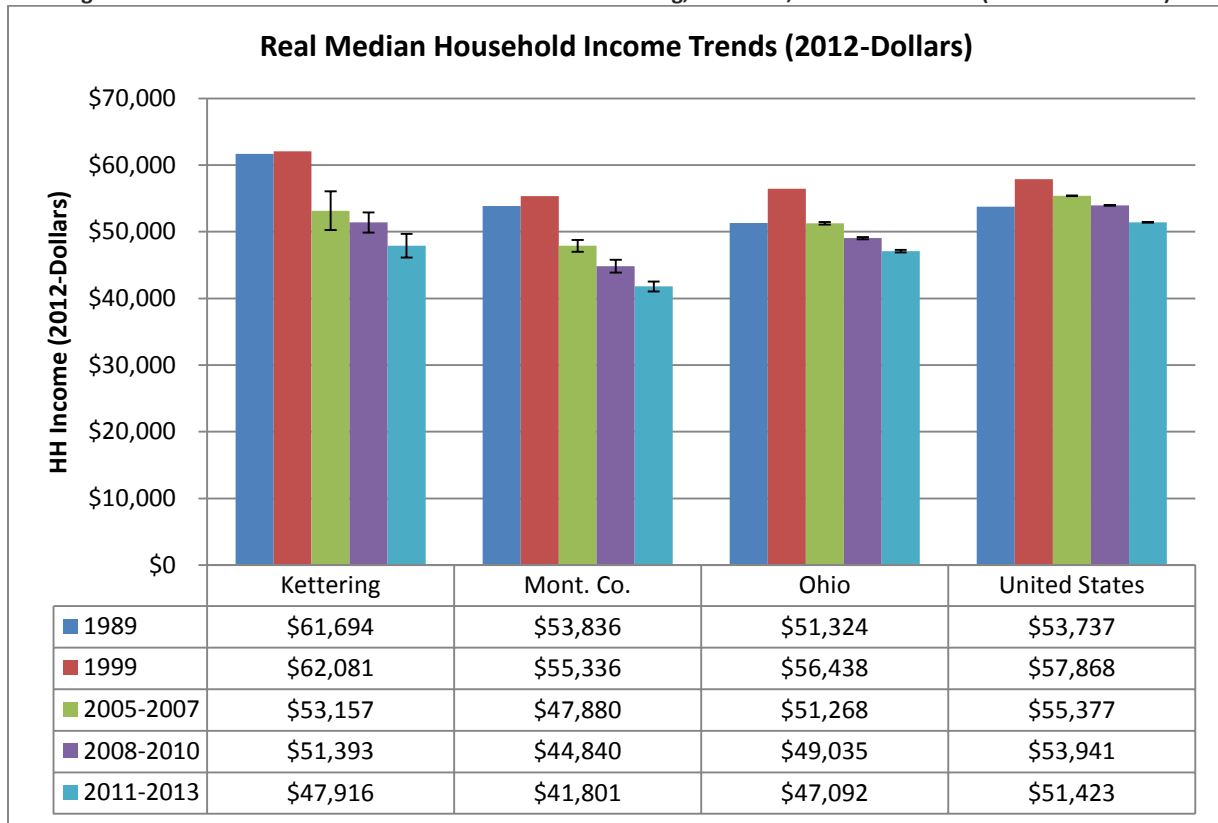
Despite the recent negative trends, many positive developments have occurred in recent years in the areas of employment and income. Median household incomes on the State and National levels are beginning to rise after many years of decline. In addition, employment growth on the national and regional level accelerated in 2014.

The chart to the right illustrates real median household income for Ohio (red line) and the United States (blue line) between 1984 and 2013. After many years of decreases, median incomes in both areas increased between 2012 and 2013. This may signal the beginning of a steady recovery in real median household incomes.



The graph below illustrates the trends in real median HH incomes in Kettering, Montgomery County, Ohio and the United States between 1989 and 2011-2013. In 1989, Kettering’s median HH income exceeded the County, State and the Country by several thousand dollars. By the 2011-2013 estimates, Kettering’s median HH income was exceeded by the Country while remaining several thousand dollars above Montgomery County and within the MOE of the State.

Figure 83: Real median household income trends for Kettering, Mont. Co, Ohio and the USA (1989—2011-2013)



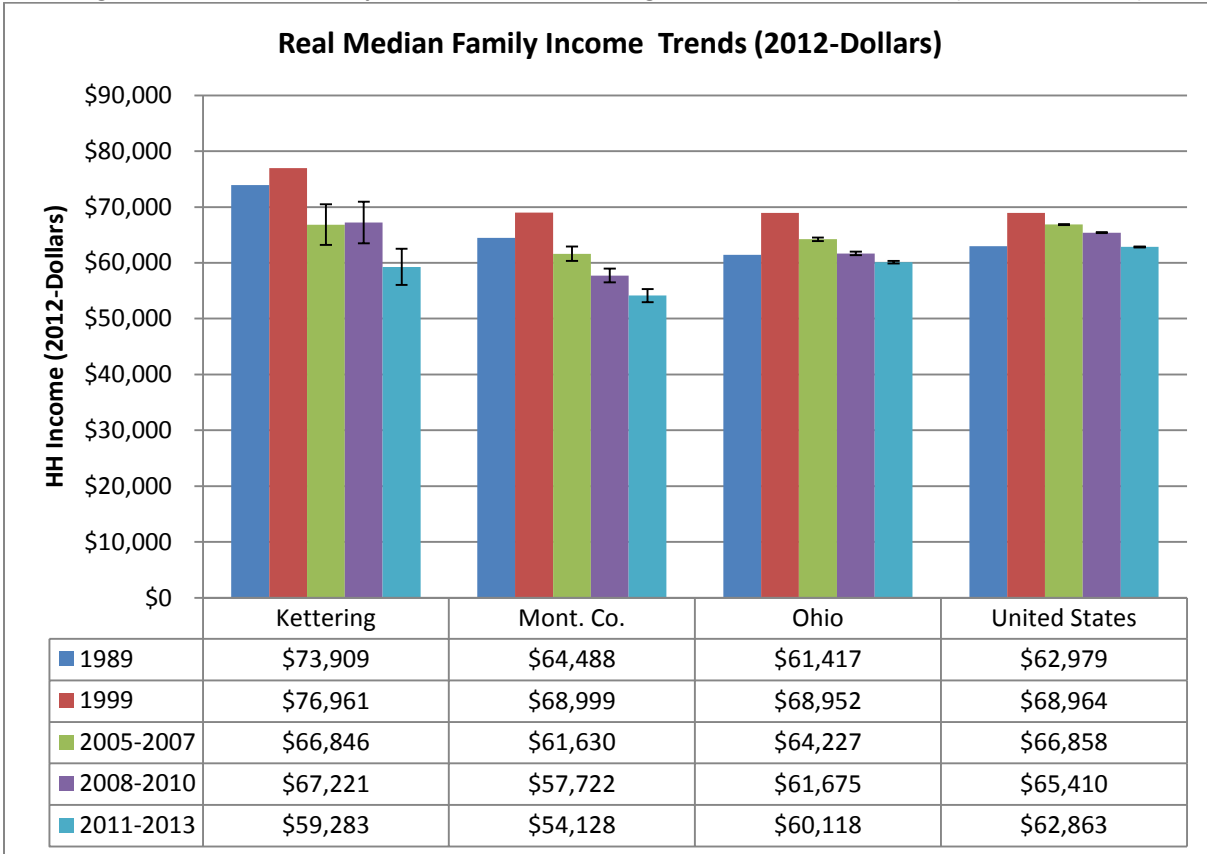
Sources: 1990 and 2000 Decennial Census counts for 1989 and 1999 data points. 2005-2007, 2008-2010 and 2011-2013 American Community Survey 3-year estimates for other three data points.

Below, margins of error (adjusted for inflation to be in 2012-dollars) from the ACS estimates along with the total percentage change in real median household incomes for each place between 1989 and the 2011-2013 data point.

Median HH Income Margins of Error & Income % Changes				
Place Year	2005-2007 MOE	2008-2010 MOE	2011-2013 MOE	Total % Change In HH Income (1989—2011-2013)
Kettering	+/- \$2,919	+/- \$1,505	+/- \$1,780	-22.3%
Mont. Co.	+/- \$881	+/- \$950	+/- \$741	-22.4%
Ohio	+/- \$190	+/- \$179	+/- \$188	-8.2%
United States	+/- \$50	+/- \$48	+/- \$41	-4.3%

The graph below illustrates the trend in real median family incomes in Kettering, Montgomery County, Ohio and the United States between 1989 and 2011-2013. In 1989, Kettering’s median family income exceeded the County, State and the Country by several thousand dollars. By the 2011-2013 estimates, Kettering’s median family income was exceeded by the Country, within the margin of error of Ohio and remained several thousand dollars above Montgomery County.

Figure 84: Real median family income trends for Kettering, Mont. Co, Ohio and the USA (1989—2011-2013)



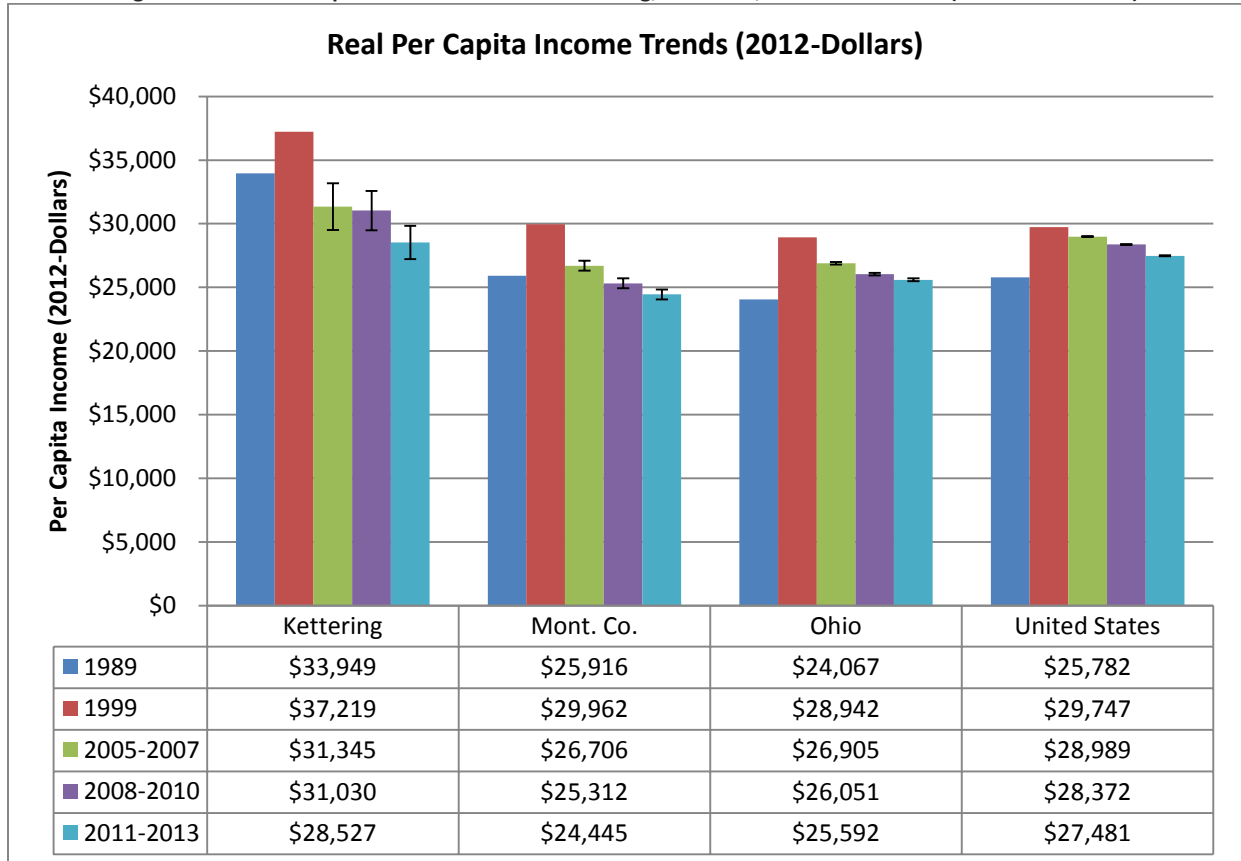
Sources: 1990 and 2000 Decennial Census Counts for the 1989 and 1999 data points. 2005-2007, 2008-2010 and 2011-2013 American Community Survey 3-year estimates for other three data points.

Below, margins of error (adjusted for inflation to be in 2012-dollars) for the ACS estimates along with the total percentage change in real median family incomes for each place between 1989 and the 2011-2013 data point.

Median Family Income Margins of Error & Income % Changes				
Place Year	2005-2007 MOE	2008-2010 MOE	2011-2013 MOE	Total % Change In Family Income (1989—2011-2013)
Kettering	+/- \$3,643	+/- \$3,730	+/- \$3,254	-19.8%
Mont. Co.	+/- \$1,299	+/- \$1,239	+/- \$1,185	-16.1%
Ohio	+/- \$308	+/- \$312	+/- \$247	-2.1%
United States	+/- \$84	+/- \$84	+/- \$84	-0.2%

The graph below illustrates the trend in real per capita incomes for Kettering, Montgomery County, Ohio and the United States between 1989 and 2011-2013. In 1989, Kettering's per capita income exceeded the County, State and the Country by at least \$8,319. By the 2011-2013 estimates, Kettering's per capita income still exceeded the County, State and Nation, but the maximum amount was by \$4,082.21 because Kettering's per capita income has declined at a much faster pace than Montgomery County while Ohio and the United States have experienced minor increases in per capita income since 1989.

Figure 85: Real Per Capita income trends for Kettering, Mont. Co, Ohio and the USA (1989—2011-2013)



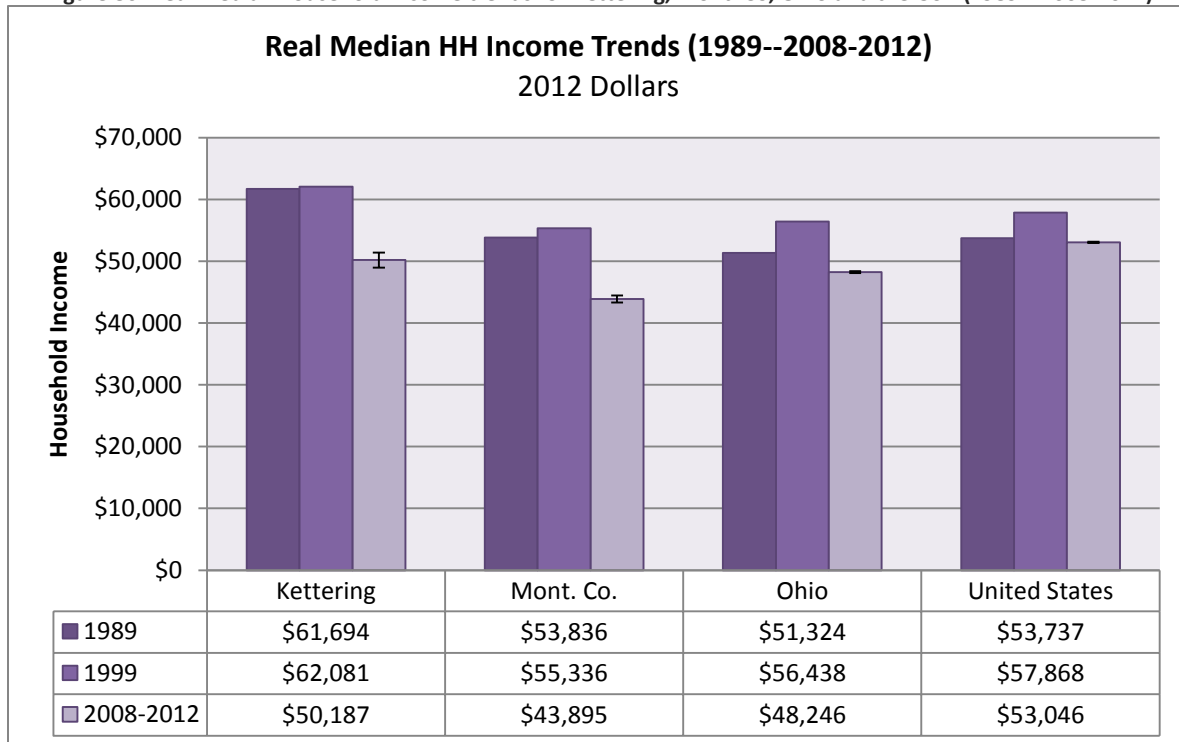
Sources: 1990 and 2000 Decennial Census Counts for 1989 and 1999 data points. 2005-2007, 2008-2010 and 2011-2013 American Community Survey 3-year estimates for other three data points.

Per Capita Income Margins of Error & Income % Changes				
Place Year	2005-2007 MOE	2008-2010 MOE	2011-2013 MOE	Total % Change In Per Capita Income (1989—2011-2013)
Kettering	+/- \$1,844	+/- \$1,539	+/- \$1,307	-16.0%
Mont. Co.	+/- \$396	+/- \$390	+/- \$390	-5.7%
Ohio	+/- \$102	+/- \$100	+/- \$116	+6.3%
United States	+/- \$37	+/- \$42	+/- \$34	+6.6%

The graphs and tables below illustrate median HH, family and per capita incomes for Kettering, Montgomery County, Ohio and the United States between 1989 and 2008-2012. The data points are similar to those on the previous pages, except 5-year ACS estimates are utilized for the 2008-2012 data point. Similarly to the preceding pages, Kettering has experienced a much more rapid decrease in income than both the State and Country while a similar rate of decrease when compared to Montgomery County.

Based on these figures, Kettering’s median household income is higher than those of Montgomery County and Ohio, but lower than that of the United States, even with the margins of error taken into account.

Figure 86: Real median household income trends for Kettering, Mont. Co, Ohio and the USA (1989—2008-2012)



Sources: 1990 and 2000 Decennial Census Counts for 1989 and 1999 data points. 2008-2012 American Community Survey 5-year estimates for 2008-2012 data point.

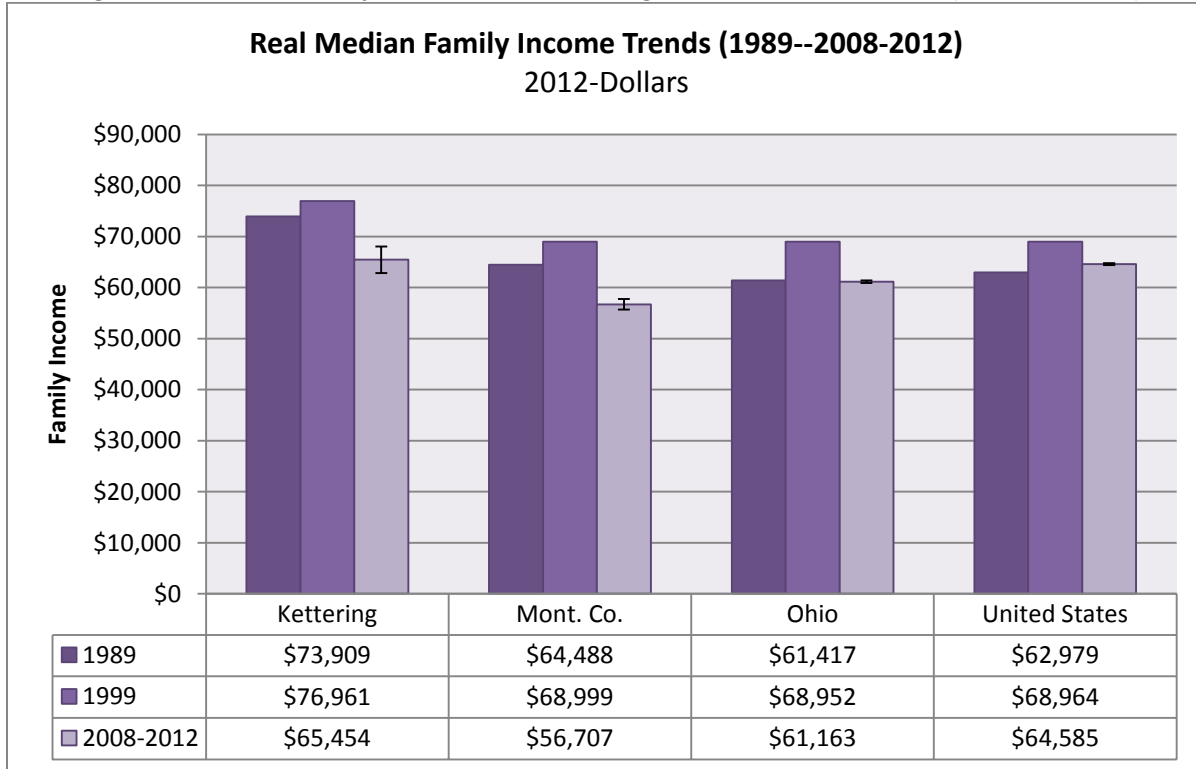
The table below depicts the data from which the chart above is based.

Real Median HH Income Trends (2012-Dollars)							
Place Year	1989	1999	% Change (1989-1999)	2008-2012	MOE	% Change (1999—2008-2012)	% Change (1989—2008-2012)
Kettering	\$61,694	\$62,081	+0.6%	\$50,187	+/--\$1,205	-19.2%	-18.7%
Mont. Co.	\$53,836	\$55,336	+2.8%	\$43,895	+/--\$569	-20.7%	-18.5%
Ohio	\$51,324	\$56,438	+10.0%	\$48,246	+/--\$160	-14.5%	-6.0%
USA	\$53,737	\$57,868	+7.7%	\$53,046	+/--\$85	-8.3%	-1.3%

Sources: 1990 and 2000 Decennial Census Counts for 1989 and 1999 data points. 2008-2012 American Community Survey 5-year estimates for 2008-2012 data point.

Kettering’s median family income has followed trends similar to the overall median HH income, though Kettering’s median family income is higher than Montgomery County and Ohio and within the MOE of the United States.

Figure 87: Real median family income trends for Kettering, Mont. Co, Ohio and the USA (1989–2008-2012)



Sources: 1990 and 2000 Decennial Census Counts for 1989 and 1999 data points. 2008-2012 American Community Survey 5-year estimates for 2008-2012 data point.

The table below depicts the data from which the chart above is based. All areas studied have experienced declines in real median family incomes, with Kettering and the County closely mirroring each other with regards to percentage declines in real HH income.

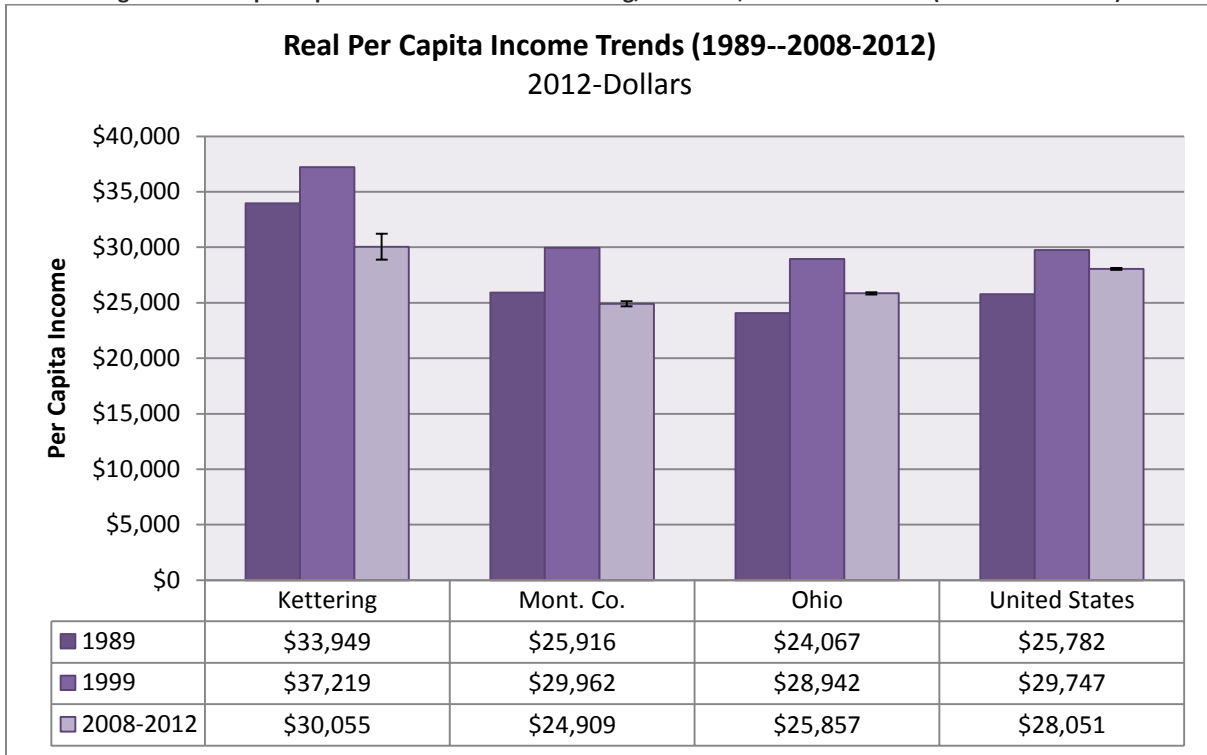
Real Median Family Income Trends (2012-Dollars)							
Place Year	1989	1999	% Change (1989-1999)	2008-2012	MOE	% Change (1999–2008-2012)	% Change (1989–2008-2012)
Kettering	\$73,909	\$76,961	+4.1%	\$65,454	+/- \$2,608	-15.0%	-11.4%
Mont. Co.	\$64,488	\$68,999	+7.0%	\$56,707	+/- \$1,030	-17.8%	-12.1%
Ohio	\$61,417	\$68,952	+12.3%	\$61,163	+/- \$260	-11.3%	-0.4%*
USA	\$62,979	\$68,964	+9.5%	\$64,585	+/- \$190	-6.3%	-2.6%

Sources: 1990 and 2000 Decennial Census Counts for 1989 and 1999 data points. 2008-2012 American Community Survey 5-year estimates for 2008-2012 data point.

*Ohio’s change in real median family income between 1989 and 2008-2012 falls within the MOE

Overall, Kettering’s per capita income fell at a faster pace between 1999 and 2008-2012 when compared to Montgomery County, Ohio and the United States. However, Kettering’s per capita income remains higher than all of the areas studied.

Figure 88: Real per capita income trends for Kettering, Mont. Co, Ohio and the USA (1989—2008-2012)



Sources: 1990 and 2000 Decennial Census Counts for 1989 and 1999 data points. 2008-2012 American Community Survey 5-year estimates for 2008-2012 data point.

The table below depicts the data from which the chart above is based. While all areas studied trended downwards between 1999 and the 2008-2012 data point, both Ohio and the United States experienced increases in per capita income between 1989 and 2008-2012.

Per Capita Income (2012 Dollars)							
Place Year	1989	1999	% Change (1989-1999)	2008-2012	MOE	% Change (1999—2008-2012)	% Change (1989—2008-2012)
Kettering	\$33,949	\$37,219	+9.6%	\$30,055	+/- \$1,163	-19.2%	-11.5%
Mont. Co.	\$25,916	\$29,962	+15.6%	\$24,909	+/- \$242	-16.9%	-3.9%
Ohio	\$24,067	\$28,942	+20.3%	\$25,857	+/- \$100	-10.7%	+7.4%
United States	\$25,782	\$29,747	+15.4%	\$28,051	+/- \$78	-5.7%	+8.8%

Sources: 1990 and 2000 Decennial Census Counts for 1989 and 1999 data points. 2008-2012 American Community Survey 5-year estimates for 2008-2012 data point.

Sources of Income

Sources of Income Summary:

Sources of income play an important role when looking at trends in median family and household incomes. For example, if a community has a large influx of retirees receiving retirement and social security benefits, the median income of the area may decline due to these income sources typically bringing in less household income than a full-time wage earner.

The main sources of income included in Census and American Community Survey figures are: wages (earned-income), retirement income, social security, supplemental security income (disability) and public assistance (Federal, state and local welfare programs, such as TANF and WIC). Households receiving SNAP benefits have also been examined by recent ACS surveys, though the monetary amount received via SNAP is not included.

The shares of households receiving earnings income have generally trended downwards in recent years, likely a reflection of the recent weakness in the jobs-market as well as the rising age of the population and rising share of households receiving income from Social Security, retirement and SSI.

The trends in Kettering with regards to the sources of income have been interesting when compared to the County, State and Nation. First, Kettering has experienced a reduction in the share of households receiving retirement income while the County, State and Nation have experienced increases. In addition, the share of households receiving Social Security benefits has stayed flat since 1989 while all other areas studied have experienced increases. This is likely a reflection of Kettering having a much older population relative to the other areas studied in the 1980s and 1990s. This gap in age has narrowed since, which has contributed to increases in the number of retirees in Montgomery County, Ohio and the United States when compared to Kettering.

All areas studied have experienced increases in the shares of households receiving SNAP and SSI benefits in recent years. The shares of households receiving public assistance income have changed dramatically since 1989 due in part to Welfare Reform signed into law in 1996 as well as the Great Recession. After a major drop in the share of households receiving public assistance income between 1989 and 1999, the shares of HHs receiving public assistance income have increased due to the Great Recession and subsequent job losses, but still remain much lower than the levels seen in the late 1980s for the County State and Nation while remaining within the MOE for Kettering.

The table below depicts the number of households over time in Kettering, Montgomery County, Ohio and the United States. The number of households for each area depicted on the table below were utilized when calculating the share of households receiving the different types of income.

Number of Households (1990--2011-2013)				
Year Place	Kettering	Mont. Co.	Ohio	United States
1990	26,139	226,115	4,089,312	91,993,582
2000	25,651	229,177	4,446,621	105,539,122
2005-2007	25,125	224,650	4,500,621	111,609,629
MOE	+/-498	+/-1,905	+/-9,004	+/-103,102
2008-2010	25,544	222,230	4,544,687	114,596,927
MOE	+/-563	+/-2,064	+/-9,117	+/-112,092
2011-2013	24,785	221,546	4,551,497	115,731,304
MOE	+/-573	+/-1,896	+/-7,330	+/-94,964
% Change (1990—2011-2013)	-5.2%	-2.0%	+11.3%	+25.8%

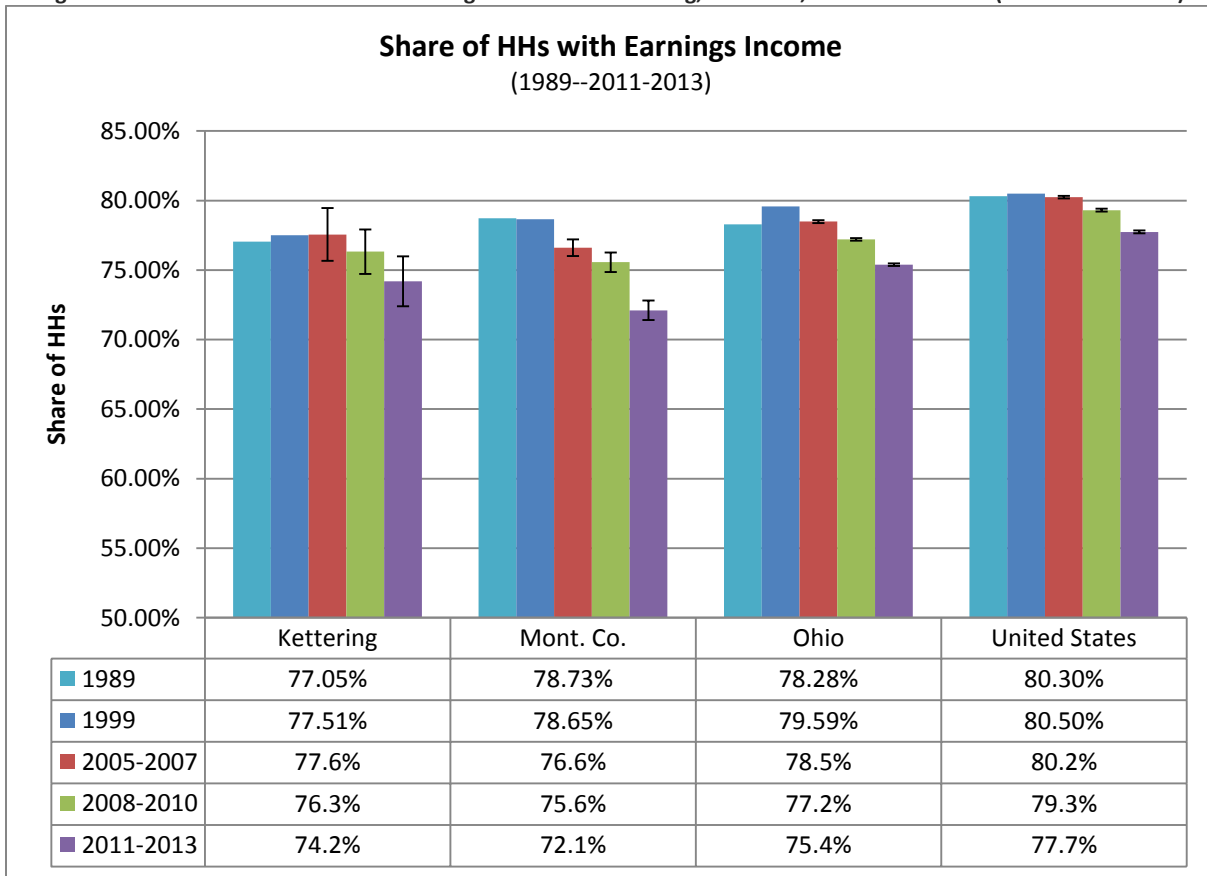
Sources: 1990 and 2000 Census Counts. 2005-2007, 2008-2010 and 2011-2013 ACS 3-yr estimates

It should be noted that many households likely receive a combination of different sources of income and there is no way to determine where the overlaps occur based on data provided by the Census Bureau.

Earnings Income

There have been minor changes in the share of households with earnings income. All areas studied have followed the same basic trend and many of the estimates for Kettering fall within the margin of error of previous estimates. Assuming that the decline in the share of households receiving earnings income is correct, there are likely several causes: a rising number of retirees as baby boomers reach retirement age, a decrease in the labor force participation rate, and slow job growth relative to the jobs-trough of the Great Recession.

Figure 89: Share of households with earnings income for Kettering, Mont. Co, Ohio and the USA (1989–2011-2013)



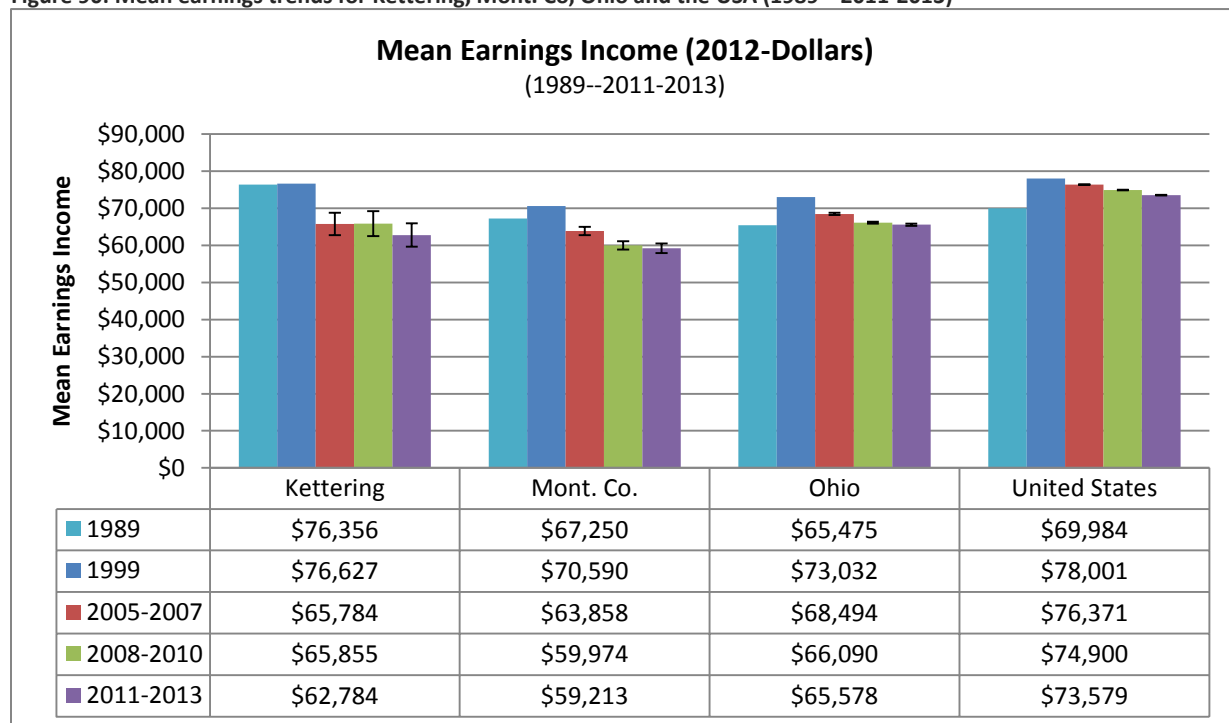
Households With Earnings (%) 1989—2011-2013									
Place Year	1989	1999	2005-2007	MOE	2008-2010	MOE	2011-2013	MOE	% Change (1989—2011-2013)
Kettering	77.05%	77.51%	77.6%	+/-1.9%	76.3%	+/-1.6%	74.2%	+/-1.8%	-3.7%
Mont. Co.	78.73%	78.65%	76.6%	+/-0.6%	75.6%	+/-0.7%	73.2%	+/-0.7%	-8.4%
Ohio	78.28%	79.59%	78.5%	+/-0.1%	77.2%	+/-0.1%	75.4%	+/-0.1%	-3.7%
United States	80.30%	80.50%	80.2%	+/-0.1%	79.3%	+/-0.1%	77.7%	+/-0.1%	-3.2%

Sources: 1990 and 2000 Census Counts. 2005-2007, 2008-2010 and 2011-2013 ACS 3-yr estimates

Mean Earnings Income

Mean Earnings income has decreased for all areas studied since the late 1990s, though both the United States and Ohio show minor increases when compared to mean earnings in the late 1980s. The decrease in mean earnings for Kettering, Montgomery County and Ohio are being driven by several factors: the loss of many good-paying jobs and the stagnation and inflation-adjusted reductions in wages for many workers. While mean earnings have fallen for the United States since 1999, the decreases have been much less pronounced due to the nation as a whole having more automatic stabilizers that can slow or reverse the decrease in wages relative to the regional economy, which has historically been heavily dependent upon a strong manufacturing sector for many good-paying jobs.

Figure 90: Mean earnings trends for Kettering, Mont. Co, Ohio and the USA (1989—2011-2013)



Mean Earnings Income (2012-Dollars) 1989—2011-2013									
Geography	1989	1999	2005-2007	MOE	2008-2010	MOE	2011-2013	MOE	% Change (1989—2011-2013)
Kettering	\$76,356	\$76,627	\$65,784	+/--\$2,982	\$65,855	+/--\$3,379	\$62,784	+/--\$3,135	-17.8%
Mont. Co.	\$67,250	\$70,590	\$63,858	+/--\$1,115	\$59,974	+/--\$1,119	\$59,213	+/--\$1,281	-12.0%
Ohio	\$65,475	\$73,032	\$68,494	+/--\$281	\$66,090	+/--\$259	\$65,578	+/--\$308	+0.2%*
United States	\$69,984	\$78,001	\$76,371	+/--\$78	\$74,900	+/--\$87	\$73,579	+/--\$78	+5.1%

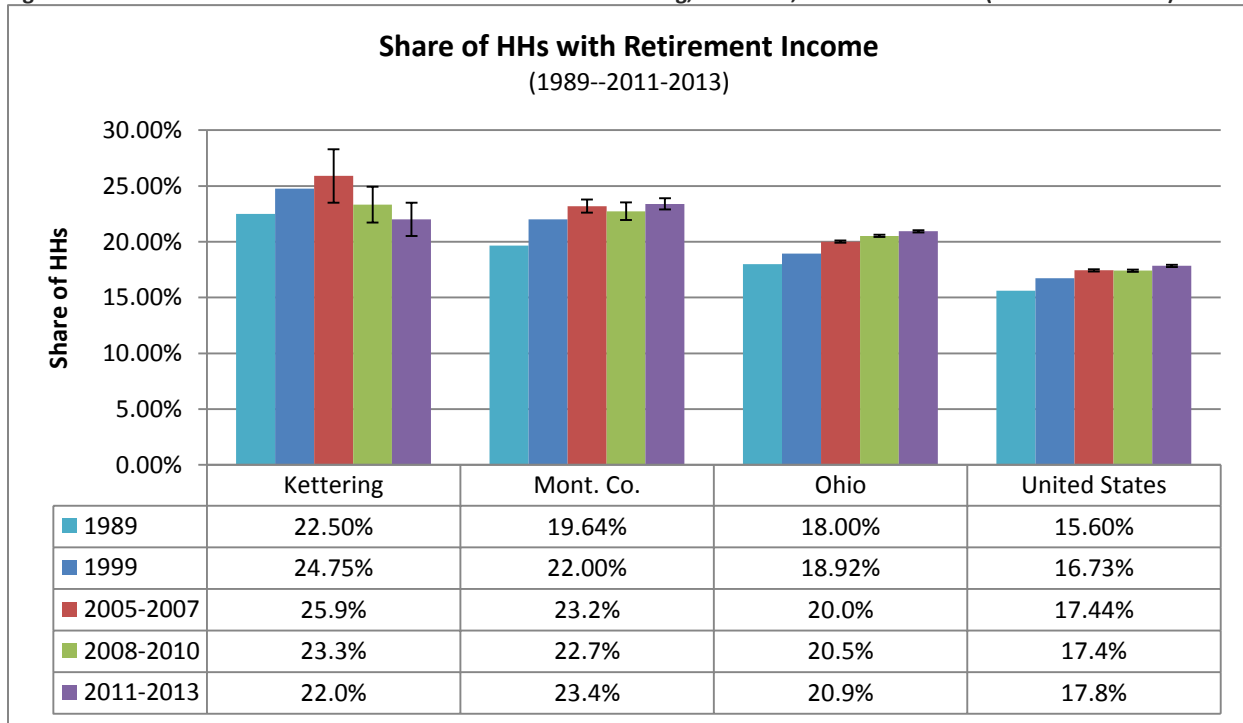
Sources: 1990 and 2000 Census Counts. 2005-2007, 2008-2010 and 2011-2013 ACS 3-yr estimates

*Mean earnings income for Ohio falls within the MOE when comparing 2011-2013 data to 1989 data.

Retirement Income

The share of households receiving retirement income (pensions, other benefits not including social security) has followed a trend in Kettering comparable to the share of the population aged 65 and older. Between 1990 and 2000, the share of Kettering’s population aged 65 or older rose from 16.92% of the population in 1990 up to 18.26% of the population in 2000 before falling to 17.98% of the population in 2010. This decrease in the share of the population 65 or older in Kettering resulted in a decrease in the share of households receiving retirement income. This trend will likely reverse in the coming years as Kettering’s sizable population aged 55+ begin to retire. Despite the decrease, the share of Kettering’s households receiving retirement income remains either higher or within the margin of error of Montgomery County, Ohio and the United States.

Figure 91: Share of households with retirement income for Kettering, Mont. Co, Ohio and the USA (1989—2011-2013)



Households With Retirement Income (%)									
1989—2011-2013									
Place Year	1989	1999	2005-2007	MOE	2008-2010	MOE	2011-2013	MOE	% Change (1989—2011-2013)
Kettering	22.50%	24.75%	25.9%	+/-2.4%	23.3%	+/-1.6%	22.0%	+/-1.5%	-2.2%*
Mont. Co.	19.64%	22.00%	23.2%	+/-0.6%	22.7%	+/-0.8%	23.4%	+/-0.5%	+19.1%
Ohio	18.00%	18.92%	20.0%	+/-0.1%	20.5%	+/-0.1%	20.9%	+/-0.1%	+16.3%
United States	15.60%	16.73%	17.44%	+/-0.1%	17.4%	+/-0.1%	17.8%	+/-0.1%	+14.3%

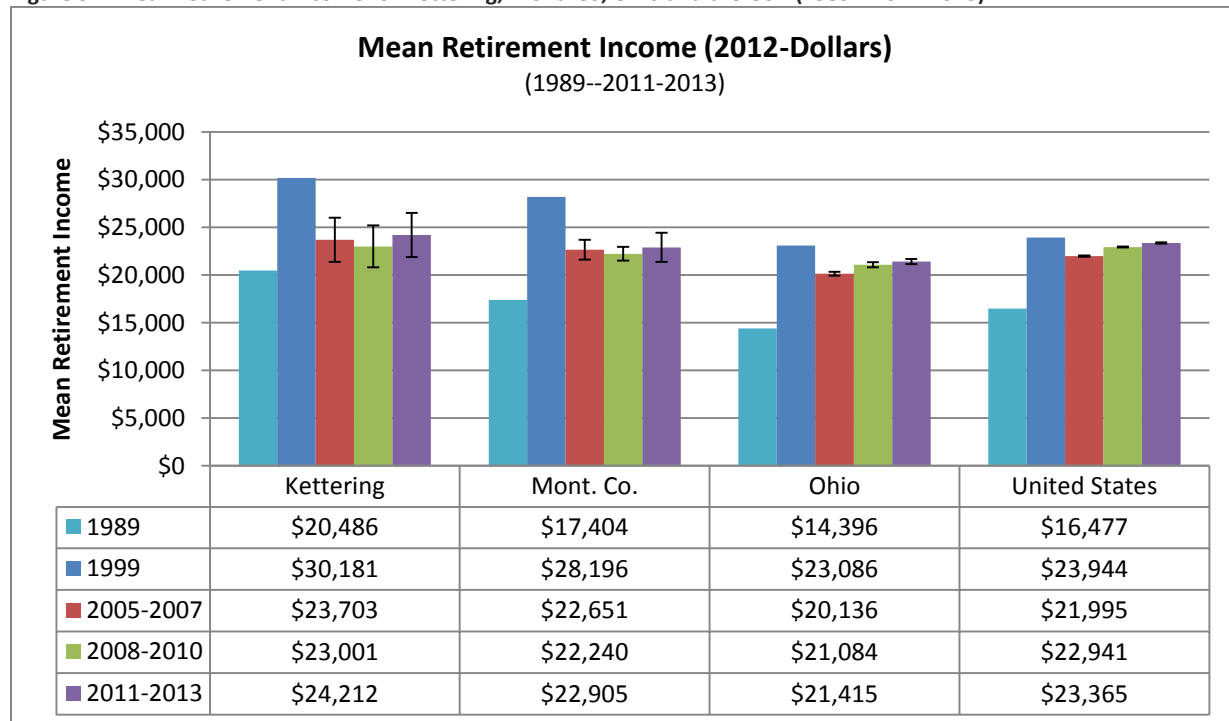
Sources: 1990 and 2000 Census Counts. 2005-2007, 2008-2010 and 2011-2013 ACS 3-yr estimates

*Changes between 1989 and 2011-2013 fall within the MOE for Kettering.

Mean Retirement Income

Mean retirement income rose considerably between 1989 and 1999 before decreasing between 1999 and 2005-2007. Since the 2005-2007 ACS figures, mean retirement income has increased in Ohio and the United States while it has remained within the margin of error for Kettering and Montgomery County. Despite the major reduction in retirement income after 1999, mean retirement income remains higher than in 1989 in inflation-adjusted terms in all areas studied. The bankruptcy of Delphi and subsequent reduction in pension payments to many retirees has impacted about 2,000 Dayton-Area retirees.⁵¹

Figure 92: Mean retirement income for Kettering, Mont. Co, Ohio and the USA (1989—2011-2013)



Mean Retirement Income (2012-Dollars)									
1989—2011-2013									
Geography	1989	1999	2005-2007	MOE	2008-2010	MOE	2011-2013	MOE	% Change (1989—2011-2013)
Kettering	\$20,486	\$30,181	\$23,703	+/- \$2,300	\$23,001	+/- \$2,201	\$24,212	+/- \$2,323	+18.2%
Mont. Co.	\$17,404	\$28,196	\$22,651	+/- \$1,040	\$22,240	+/- \$733	\$22,905	+/- \$1,527	+31.6%
Ohio	\$14,396	\$23,086	\$20,136	+/- \$202	\$21,084	+/- \$281	\$21,415	+/- \$258	+48.8%
United States	\$16,477	\$23,944	\$21,995	+/- \$55	\$22,941	+/- \$54	\$23,365	+/- \$54	+41.8%

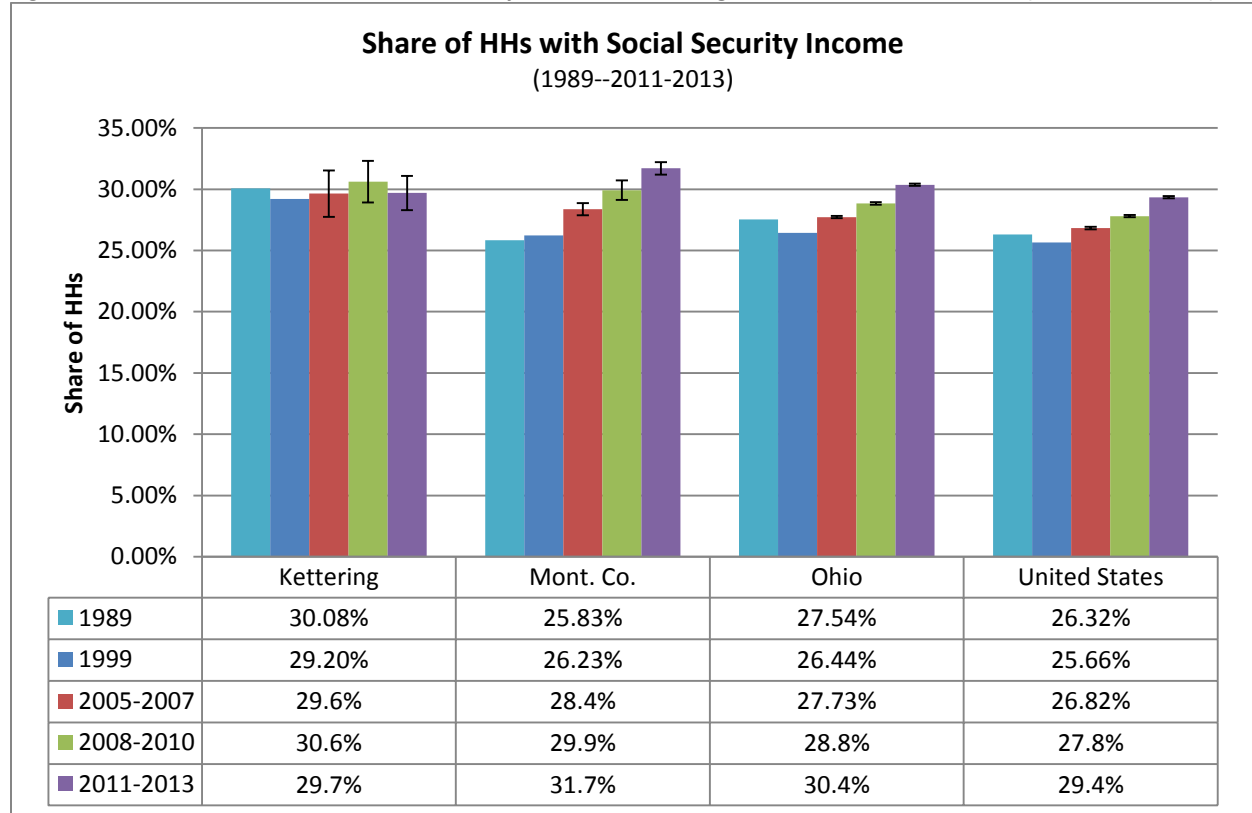
Sources: 1990 and 2000 Decennial Census Counts. 2005-2007, 2008-2010 and 2011-2013 ACS 3-yr estimates

⁵¹ Gnau, T. (2014, July 22). Delphi retirees cheer federal ruling. *Dayton Daily News*. Retrieved January 4, 2015, from <http://www.daytondailynews.com/news/business/delphi-retirees-cheer-federal-ruling/ngkgT/>

Social Security

The share of households in Kettering receiving Social Security has remained flat since the late 1980s/early 1990s. This is likely due to the slowdown in the aging of Kettering’s population relative to the other areas studied, as was discussed in the retirement income section of this report. Montgomery County, Ohio and the United States have all shown increases in the share of households receiving social security income as the shares of their populations aged 65 or older have increased.

Figure 93: Share of households with Social Security income for Kettering, Mont. Co, Ohio and the USA (1989–2011-2013)



Households With Social Security Income (%)									
1989–2011-2013									
Place Year	1989	1999	2005-2007	MOE	2008-2010	MOE	2011-2013	MOE	% Change (1989–2011-2013)
Kettering	30.08%	29.20%	29.6%	+/-1.9%	30.6%	+/-1.7%	29.7%	+/-1.4%	-1.3%*
Mont. Co.	25.83%	26.23%	28.4%	+/-0.5%	29.9%	+/-0.8%	31.7%	+/-0.5%	+22.7%
Ohio	27.54%	26.44%	27.73%	+/-0.1%	28.8%	+/-0.1%	30.4%	+/-0.1%	+10.3%
United States	26.32%	25.66%	26.82%	+/-0.1%	27.8%	+/-0.1%	29.4%	+/-0.1%	+11.5%

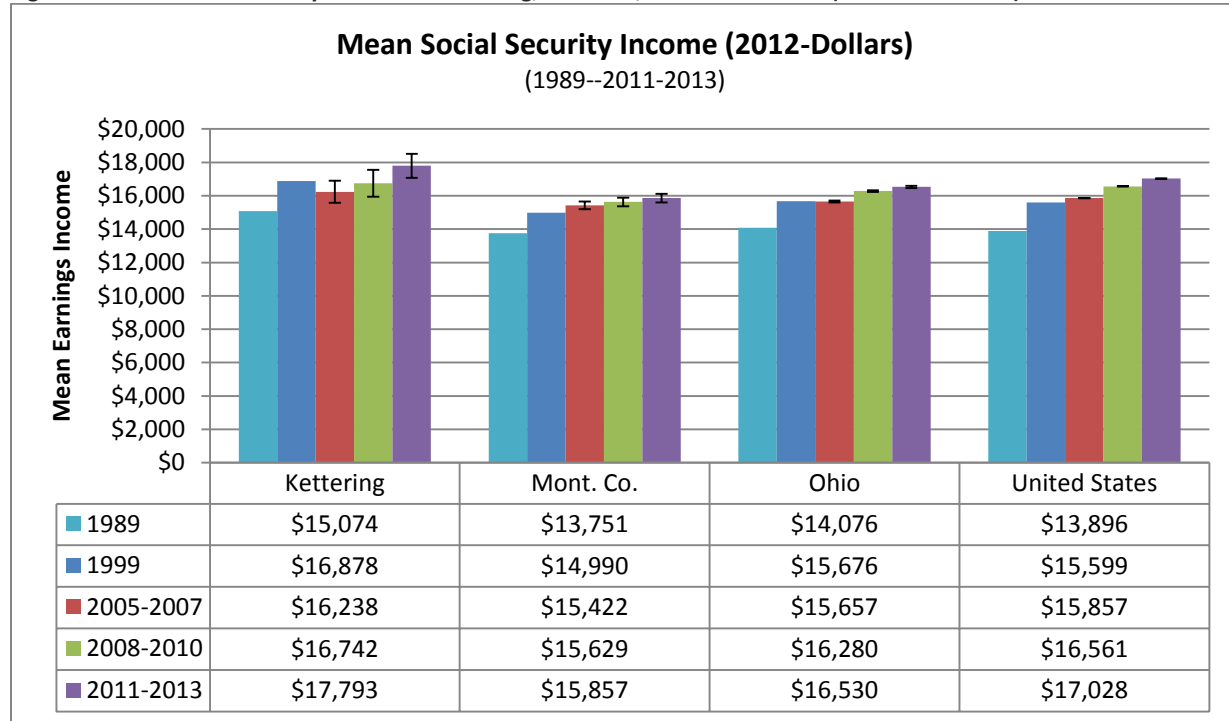
Sources: 1990 and 2000 Decennial Census Counts. 2005-2007, 2008-2010 and 2011-2013 ACS 3-yr estimates

*Changes between 1989 and 2011-2013 fall within the MOE for Kettering.

Mean Social Security Income

Due to built-in increases in Social Security payments and the link between earnings and SS payments, income from SS has been steadily increasing in all areas studied since the late 1980s. The income from SS is still much lower than mean retirement and earnings income, which, if the share of households receiving *only* SS income increases in the future, will contribute to a decrease the overall purchasing power of Kettering’s households.

Figure 94: Mean Social Security income for Kettering, Mont. Co, Ohio and the USA (1989—2011-2013)



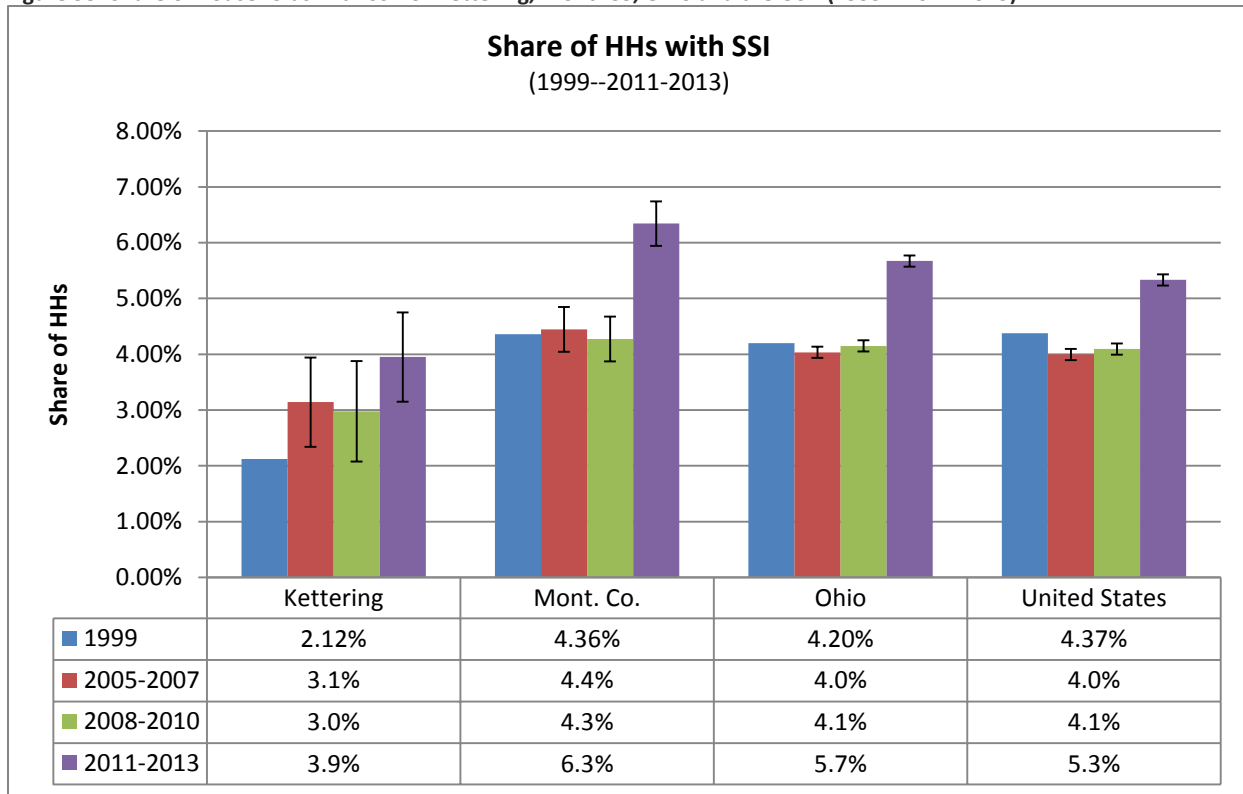
Mean Social Security Income (2012-Dollars) 1989—2011-2013									
Geography	1989	1999	2005-2007	MOE	2008-2010	MOE	2011-2013	MOE	% Change (1989—2011-2013)
Kettering	\$15,074	\$16,878	\$16,238	+/--\$659	\$16,742	+/--\$801	\$17,793	+/--\$717	+18.0%
Mont. Co.	\$13,751	\$14,990	\$15,422	+/--\$223	\$15,629	+/--\$258	\$15,857	+/--\$266	+15.3%
Ohio	\$14,076	\$15,676	\$15,657	+/--\$55	\$16,280	+/--\$54	\$16,530	+/--\$64	+17.4%
United States	\$13,896	\$15,599	\$15,857	+/--\$12	\$16,561	+/--\$13	\$17,028	+/--\$13	+22.5%

Sources: 1990 and 2000 Decennial Census Counts. 2005-2007, 2008-2010 and 2011-2013 ACS 3-yr estimates

Supplemental Security Income

Due to small sample sizes of households receiving supplemental security income (SSI), commonly known as “disability”, the wide margins of error for Kettering show that a large portion of the increase in the share of households receiving SSI fall within the MOE. However, there have been large increases in the shares of households receiving SSI benefits, even if the margins of error taken into account, when compared to 1999 data. This trend is likely to continue as the population ages, especially if finding work remains difficult for large portions of the population (i.e. older workers who were laid off from a previous position and are again looking for work).

Figure 95: Share of households with SSI for Kettering, Mont. Co, Ohio and the USA (1999—2011-2013)



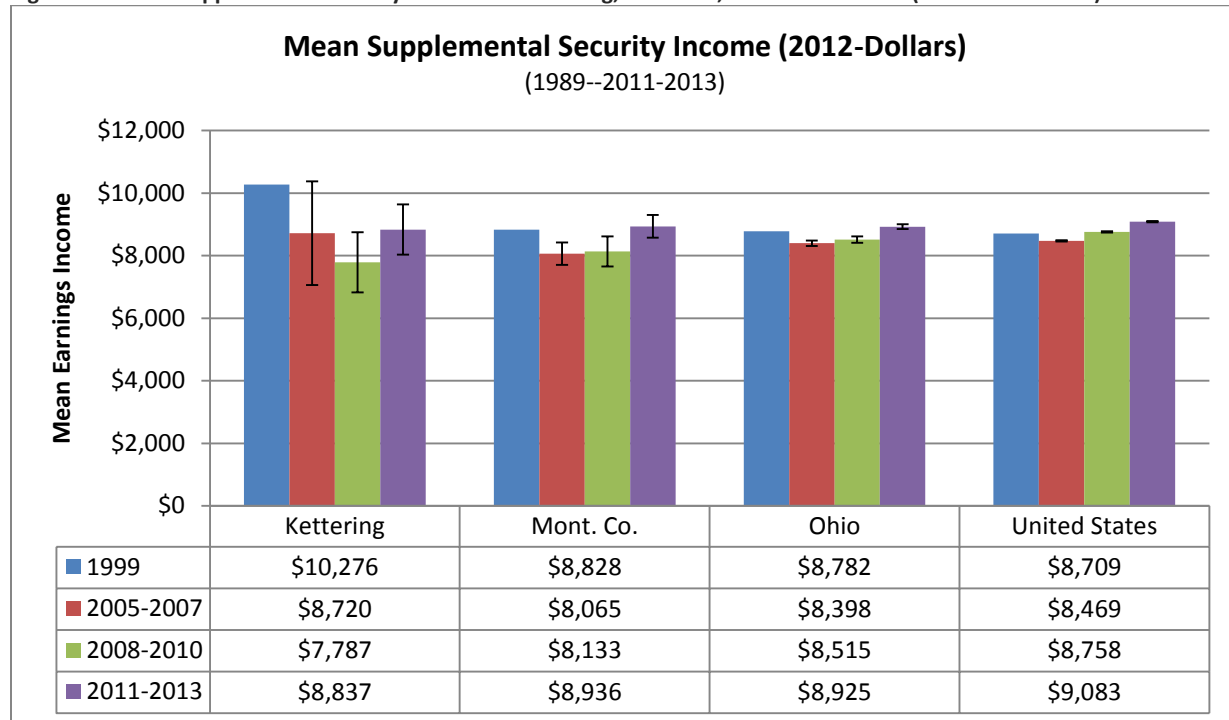
Percentage of Households Receiving Supplemental Security Income (1989—2011-2013)									
Geography	1989	1999	2005-2007	MOE	2008-2010	MOE	2011-2013	MOE	% Change (1989—2011-2013)
Kettering	(X)	2.12%	3.1%	+/-0.8%	3.0%	+/-0.9%	3.9%	+/-0.8%	+86.3%
Mont. Co.	(X)	4.36%	4.4%	+/-0.4%	4.3%	+/-0.4%	6.3%	+/-0.4%	+45.4%
Ohio	(X)	4.20%	4.0%	+/-0.1%	4.1%	+/-0.1%	5.7%	+/-0.1%	+35.2%
United States	(X)	4.37%	4.0%	+/-0.1%	4.1%	+/-0.1%	5.3%	+/-0.1%	+21.9%

Sources: 1990 and 2000 Decennial Census Counts. 2005-2007, 2008-2010 and 2011-2013 ACS 3-yr estimates

Mean Supplemental Security Income

Due to the small population shares receiving supplemental security income, the margins of error for the mean income from this source are large, especially for Kettering. Based on data available from the Census Bureau, the income from SSI has decreased in Kettering, remained flat for Montgomery County, and risen slightly for Ohio and the United States since 1999 (1989 data not available from the US Census).

Figure 96: Mean Supplemental Security income for Kettering, Mont. Co, Ohio and the USA (1989—2011-2013)



Mean Supplemental Security Income (2012-Dollars)									
1989—2011-2013									
Geography	1989	1999	2005-2007	MOE	2008-2010	MOE	2011-2013	MOE	% Change (1989—2011-2013)
Kettering	(X)	\$10,276	\$8,720	+/- \$1,661	\$7,787	+/- \$963	\$8,837	+/- \$802	-14.0%
Mont. Co.	(X)	\$8,828	\$8,065	+/- \$355	\$8,133	+/- \$480	\$8,936	+/- \$364	+1.2%*
Ohio	(X)	\$8,782	\$8,398	+/- \$90	\$8,515	+/- \$99	\$8,925	+/- \$77	+1.6%
United States	(X)	\$8,709	\$8,469	+/- \$21	\$8,758	+/- \$18	\$9,083	+/- \$20	+4.3%

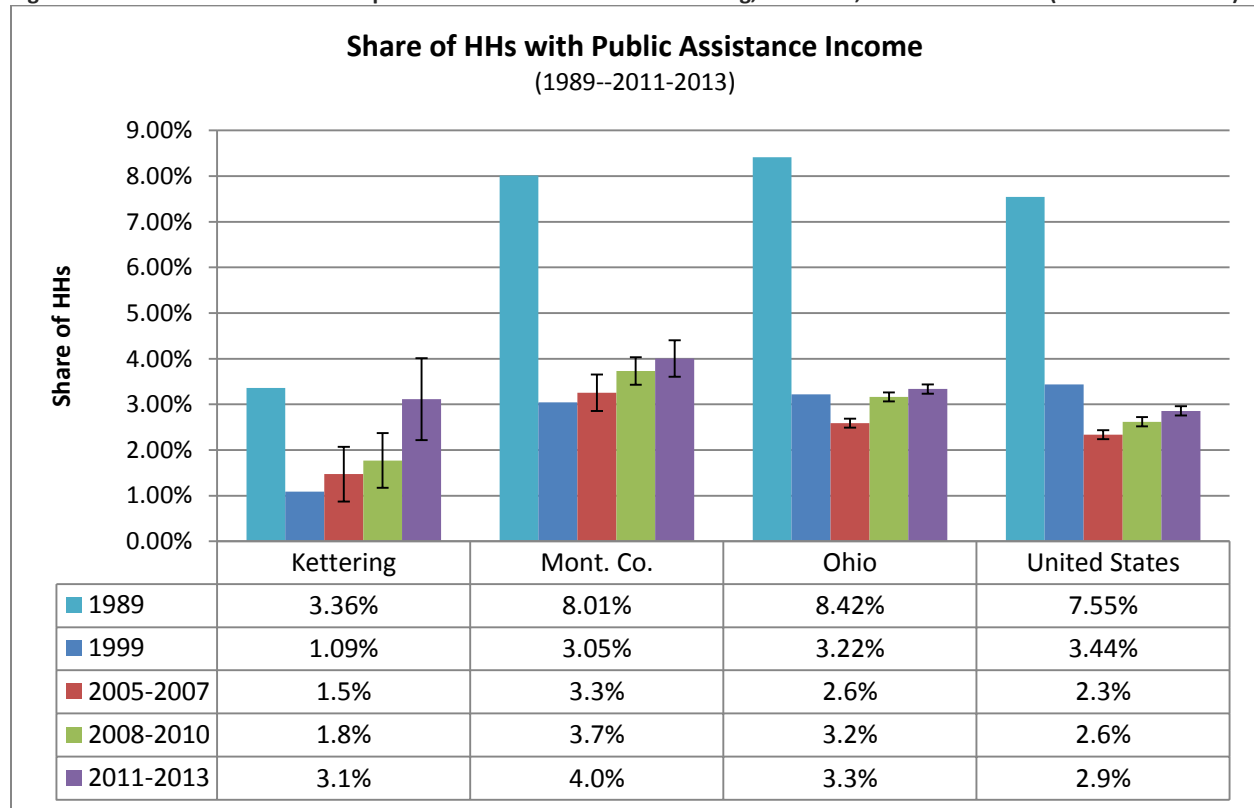
Sources: 2000 Decennial Census Count. 2005-2007, 2008-2010 and 2011-2013 ACS 3-yr estimates

*Changes between 1999 and 2011-2013 fall within the MOE for Montgomery County.

Public Assistance Income

Due to small sample sizes of households receiving public assistance income, the wide margins of error for Kettering show that a large portion of the increase in the share of households receiving public assistance income fall within the MOE. The major decreases in the share of households receiving public assistance income following the 1990 Census were caused primarily by the Welfare Reform Act of 1996 as well as the improved economy of the 1990s. The increases in recent years were likely driven primarily by the Great Recession and subsequent job losses and income declines.

Figure 97: Share of households with public assistance income for Kettering, Mont. Co, Ohio and the USA (1989–2011-2013)



Households With Public Assistance Income (%) 1989—2011-2013									
Geography	1989	1999	2005-2007	MOE	2008-2010	MOE	2011-2013	MOE	% Change (1989—2011-2013)
Kettering	3.36%	1.09%	1.5%	+/-0.6%	1.8%	+/-0.6%	3.1%	+/-0.9%	-7.4%*
Mont. Co.	8.01%	3.05%	3.3%	+/-0.4%	3.7%	+/-0.3%	4.0%	+/-0.4%	-50.0%
Ohio	8.42%	3.22%	2.6%	+/-0.1%	3.2%	+/-0.1%	3.3%	+/-0.1%	-60.4%
United States	7.55%	3.44%	2.3%	+/-0.1%	2.6%	+/-0.1%	2.9%	+/-0.1%	-62.1%

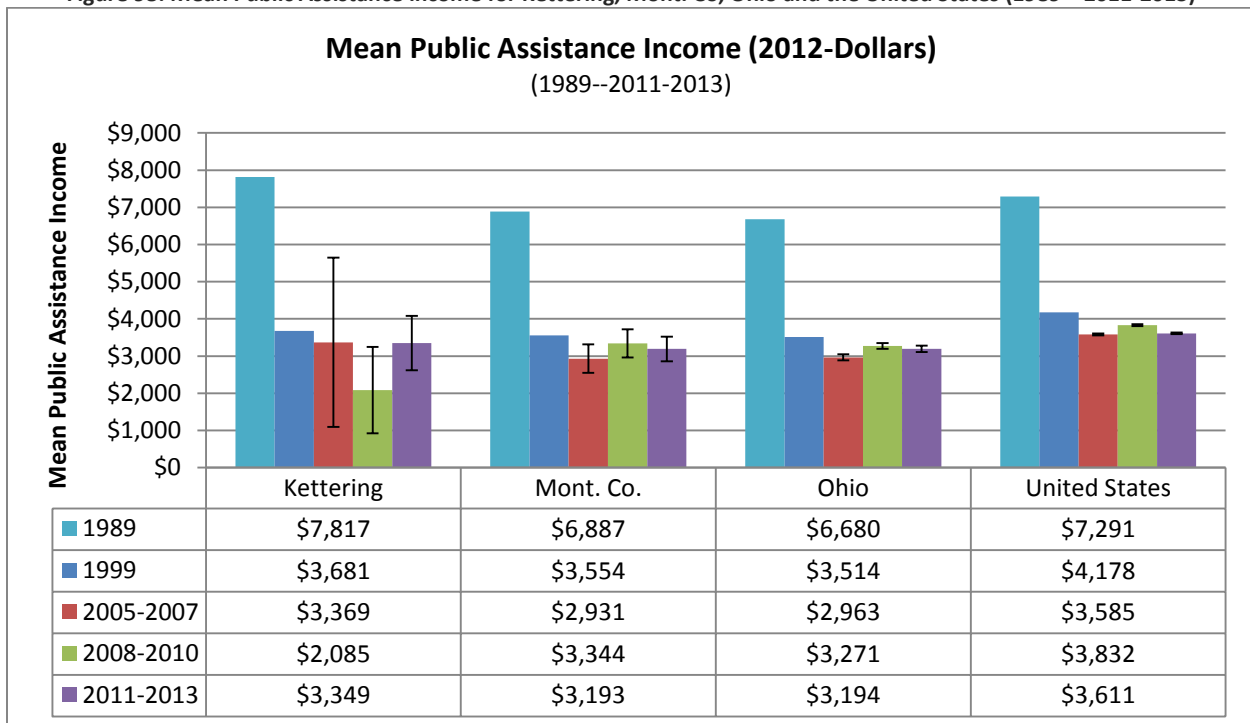
Sources: 1990 and 2000 Decennial Census Counts. 2005-2007, 2008-2010 and 2011-2013 ACS 3-yr estimates

*Changes between 1989 and 2011-2013 fall within the MOE for Kettering.

Mean Public Assistance Income

The small population shares receiving public assistance income contribute to large margins of error for income received from public assistance sources. After a large drop off following the late 1980s, the income received from public assistance income has fluctuated slightly but remained flat overall.

Figure 98: Mean Public Assistance income for Kettering, Mont. Co, Ohio and the United States (1989—2011-2013)



Mean Public Assistance Income (2012-Dollars)									
1989—2011-2013									
Geography	1989	1999	2005-2007	MOE	2008-2010	MOE	2011-2013	MOE	% Change (1989—2011-2013)
Kettering	\$7,817	\$3,681	\$3,369	+/- \$2,276	\$2,085	+/- \$1,162	\$3,349	+/- \$729	-57.2%
Mont. Co.	\$6,887	\$3,554	\$2,931	+/- \$381	\$3,344	+/- \$378	\$3,193	+/- \$331	-53.6%
Ohio	\$6,680	\$3,514	\$2,963	+/- \$82	\$3,271	+/- \$80	\$3,194	+/- \$85	-52.2%
United States	\$7,291	\$4,178	\$3,585	+/- \$24	\$3,832	+/- \$23	\$3,611	+/- \$23	-50.5%

Sources: 1990 and 2000 Decennial Census Counts. 2005-2007, 2008-2010 and 2011-2013 ACS 3-yr estimates

Income Conclusions

After a period of relative-stability and increases in incomes between the late 1980s and late 1990s, incomes across the board have been falling. Both Kettering and Montgomery County have experienced sharper declines in incomes than Ohio and the United States, but all areas studied have experienced declines in income since the late 1990s. These income declines have contributed to rising numbers of individuals and families living below the poverty line and an increase in the share of housing units, both rental and owner-occupied, considered cost burdensome to the tenants.

While numerous factors have contributed to the reductions in income, the biggest factor is the weakening of the economy, loss of good-paying jobs and their subsequent replacement with many part-time, lower-paying jobs. Due to the Dayton Region's economy being weaker overall than Ohio and the United States, the income decreases and poverty-rate increases have been more pronounced in Montgomery County and Kettering when compared to Ohio and the United States.

The large increase in employment in the Dayton MSA relative to previous years in 2014 may signal the beginning of the strengthening of the local economy. However, it is too early to tell if the increases in employment will continue into the coming years and lead to increased incomes.

E. Poverty Characteristics

Poverty Summary:

Poverty has been rising in the United States since the late 1990s and a sharp uptick in poverty has occurred since the Great Recession lead to millions of individuals and families losing their jobs, businesses and homes. While the national job market has been in recovery since early 2010, many of the jobs created have been lower paying and/or part-time. Kettering, Montgomery County and Ohio have also experienced rises in poverty, with Kettering experiencing the largest percentage-increases in poverty, mirroring Kettering's major drops in real household and family incomes.

A recent report on poverty issued by the Ohio Development Services Agency based on 1990 and 2000 Decennial Census Counts along with 2009-2013 ACS data shows that Ohio's overall poverty rate along with the poverty rates of 79 out of the State's 88 counties and many of the State's largest cities (including Dayton) have increased considerably since 1999. The report also shows how differing household makeups impact poverty. Married couples with at least one full-time/year-round worker tend to have very low poverty rates (~2%) compared to poverty rates in excess of 10% for "couples lacking a full-time/year-round worker." In addition, other families (i.e. a single parent living with a child), even with a full-time/year-round head of household, tend to have poverty rates between 4% and 13%. The poverty rate for like-families increases dramatically to 30%+ for families lacking a full-time/year-round head of household.⁵² This data shows the importance of gainful, full-time employment with regards to alleviating poverty.

Despite the major increases in both family and individual poverty rates in Kettering, Kettering's poverty rates remain lower than Montgomery County, Ohio and the United States. In addition, the high rates of poverty Kettering is experiencing today are, in many cases, lower than the low(er) rates of poverty Montgomery County, Ohio and the United States were experiencing in the late 1980s.

The major increase in poverty in Montgomery County and Kettering since 2000 is a reflection of the area's major reliance on manufacturing jobs, many of which have left, for good-paying jobs. In 1990, 6,562 Kettering residents worked in the manufacturing sector, by 2008-2012, this number declined to 2,976 (+/- 305). In addition, the retail sector remained largely stable, with a change in employment over the same time of 4,094 down to 3,673 (+/-326). Also, the arts, accommodation, entertainment and food services sector increased in employment from 2,120 residents in 1990 up to 2,533 (+/-345) based on 2008-2012 ACS data. These changes in employment makeup, coupled with the general employment decline of the Dayton Area, are major contributing factors to the rises in poverty in recent years.

⁵² Larrick, Don (Principal Analyst). Ohio Development Services Agency: Research Office. *The Ohio Poverty Report*. January 2015. <http://www.development.ohio.gov/files/research/P7005.pdf>

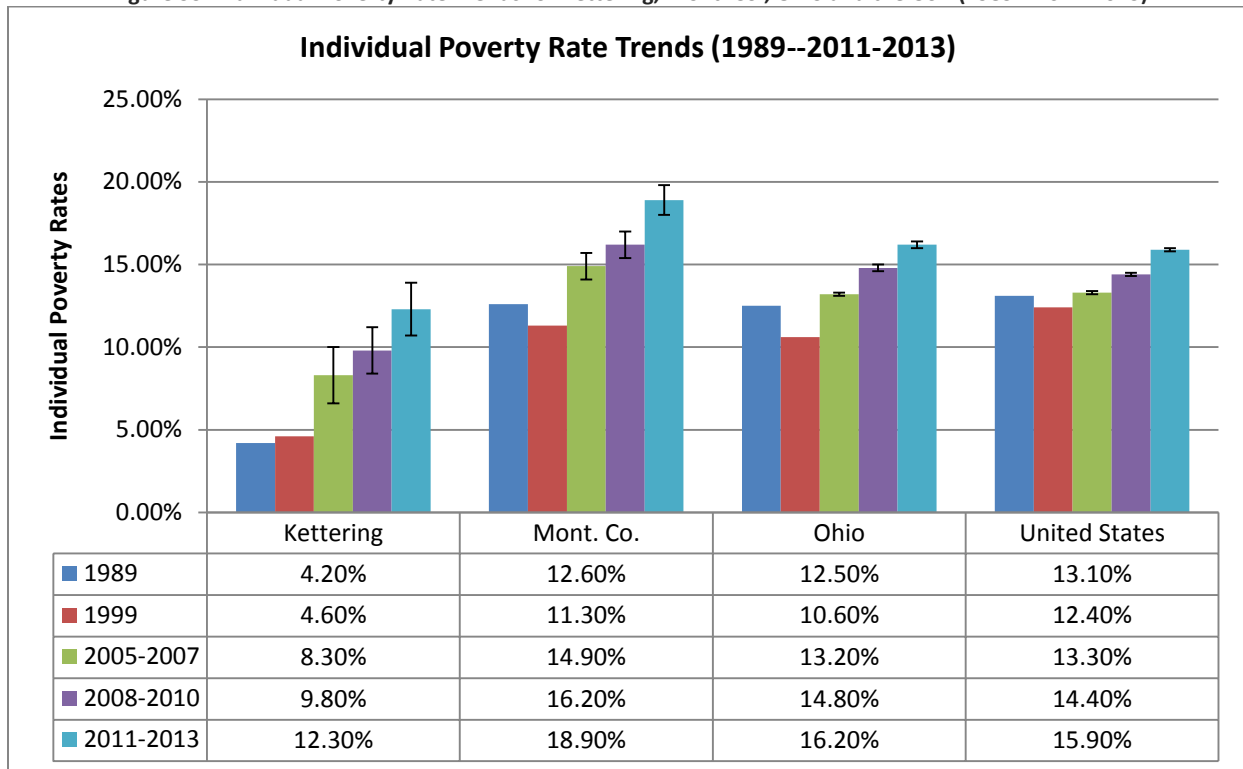
According to a major study on the rise of suburban poverty by the Brookings Institute, the Dayton MSA along with the Youngstown MSA “were tied with Detroit and Grand Rapids in Michigan for the fifth-fastest rise in the poverty rate among the Top 100 suburban metro areas in the nation.”⁵³ That same article put the total suburban poverty rate of the Dayton MSA in 2010 at 12.8%.

The graphs and tables below illustrate the poverty rate trends in Kettering, Montgomery County, Ohio and the United States since 1989. The sources used include the 1990 and 2000 Census counts and 2005-2007, 2008-2010 and 2011-2013 American Community Survey 3-year estimates. In addition, 2008-2012 ACS 5-yr estimates are used.

⁵³ Tucker, R. (2011, October 1). Poverty rises sharply in region's suburbs: Dayton-area poverty is among the fastest growing in the U.S. *Dayton Daily News*. Retrieved February 7, 2015, from <http://www.daytondailynews.com/news/news/local/poverty-rises-sharply-in-regions-suburbs/nMwLN/>

The graph below depicts the percentage of individuals living below the poverty line in Kettering, Montgomery County, Ohio and the United States between 1989 and 2011-2013:

Figure 99: Individual Poverty Rate Trends for Kettering, Mont. Co., Ohio and the USA (1989—2011-2013)



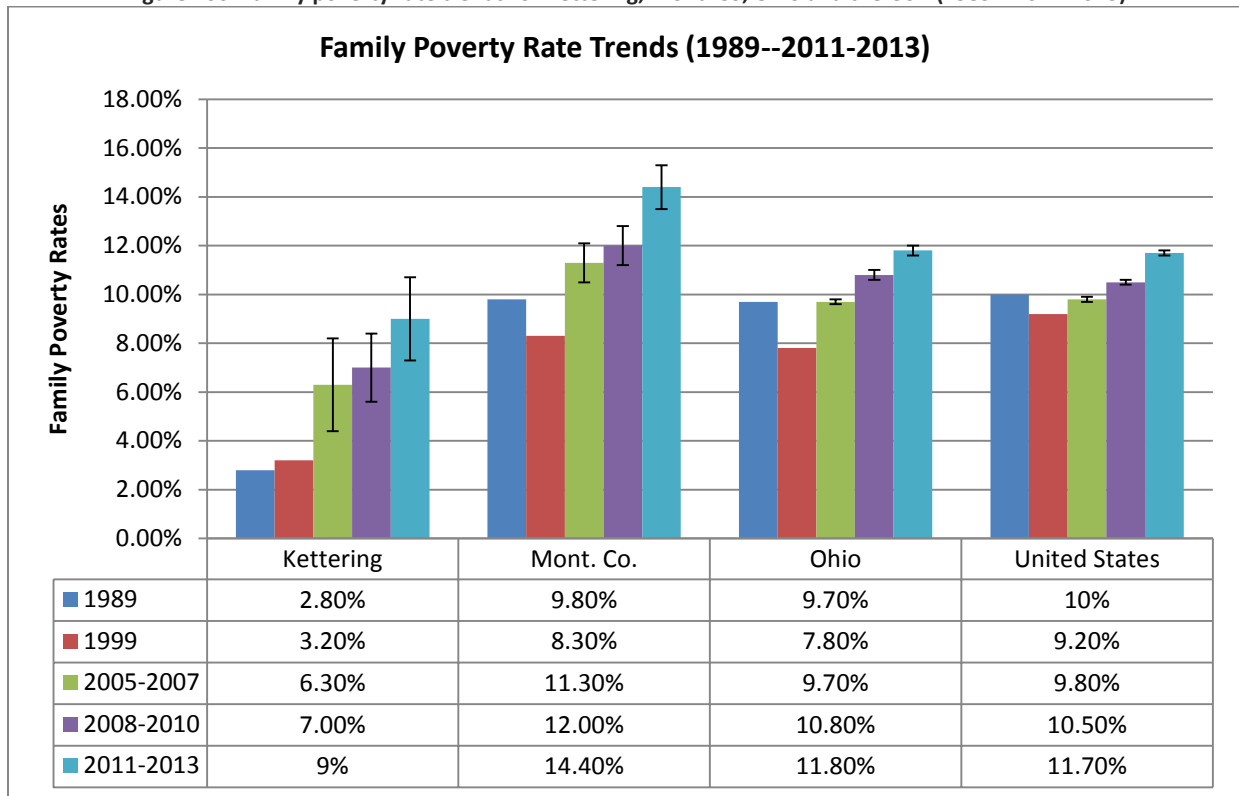
All areas studied have experienced large increases in their individual poverty rates, with Kettering experiencing the largest percentage-wise increases.

Poverty Rates (Individuals)									
Place Year	1989	1999	2005-2007	MOE	2008-2010	MOE	2011-2013	MOE	% Change (1989—2011-2013)
Kettering	4.20%	4.60%	8.30%	+/-1.7%	9.80%	+/-1.4%	12.30%	+/-1.6%	+192.9%
Mont. Co.	12.60%	11.30%	14.90%	+/-0.8%	16.20%	+/-0.8%	18.90%	+/-0.9%	+50.0%
Ohio	12.50%	10.60%	13.20%	+/-0.1%	14.80%	+/-0.2%	16.20%	+/-0.2%	+29.6%
USA	13.10%	12.40%	13.30%	+/-0.1%	14.40%	+/-0.1%	15.90%	+/-0.1%	+21.4%

Sources: 1990 and 2000 Decennial Census Counts for 1989 and 1999 data points. 2005-2007, 2008-2010 and 2011-2013 American Community Survey 3-year estimates for other three data points.

The graph below depicts the percentage of families living below the poverty line in Kettering, Montgomery County, Ohio and the United States between 1989 and 2011-2013:

Figure 100: Family poverty rate trends for Kettering, Mont. Co, Ohio and the USA (1989—2011-2013)



All areas studied have experienced large increases in their family poverty rates, with Kettering experiencing the largest percentage-wise increases.

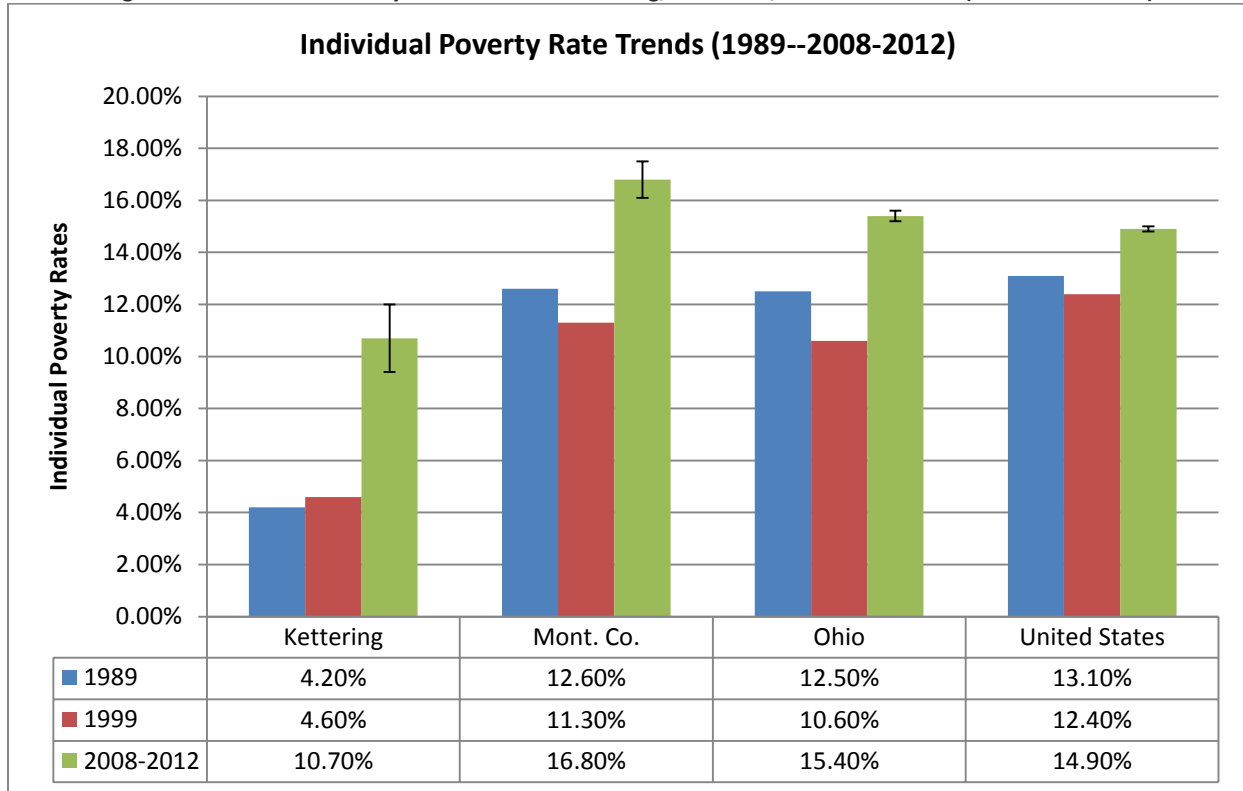
Poverty Rates (Families)									
Place Year	1989	1999	2005-2007	MOE	2008-2010	MOE	2011-2013	MOE	% Change (1989—2011-2013)
Kettering	2.80%	3.20%	6.30%	+/-1.9%	7.00%	+/-1.4%	9.00%	+/-1.7%	+221.4%
Mont. Co.	9.80%	8.30%	11.30%	+/-0.8%	12.00%	+/-0.8%	14.40%	+/-0.9%	+46.9%
Ohio	9.70%	7.80%	9.70%	+/-0.1%	10.80%	+/-0.2%	11.80%	+/-0.2%	+21.7%
USA	10.0%	9.20%	9.80%	+/-0.1%	10.50%	+/-0.1%	11.70%	+/-0.1%	+17.0%

Sources: 1990 and 2000 Decennial Census Counts for 1989 and 1999 data points. 2005-2007, 2008-2010 and 2011-2013 American Community Survey 3-year estimates for other three data points.

The graphs and tables on the following pages depict the individual and family poverty rates for Kettering, Montgomery County, Ohio and the United States between 1989—2008-2012. The data points for 1989 and 2000 are the same, the only difference is the use of 5-yr ACS estimates for the 2008-2012 data point.

Based on 5-year ACS estimates, individual poverty rates have increased considerably in Kettering, Montgomery County, Ohio and the United States since the late 1980s. While Kettering’s rate remains much lower than the other areas studied the increase between 1999 and the 2008-2012 timeframe is striking.

Figure 101: Individual Poverty Rate Trends for Kettering, Mont. Co., Ohio and the USA (1989—2008-2012)

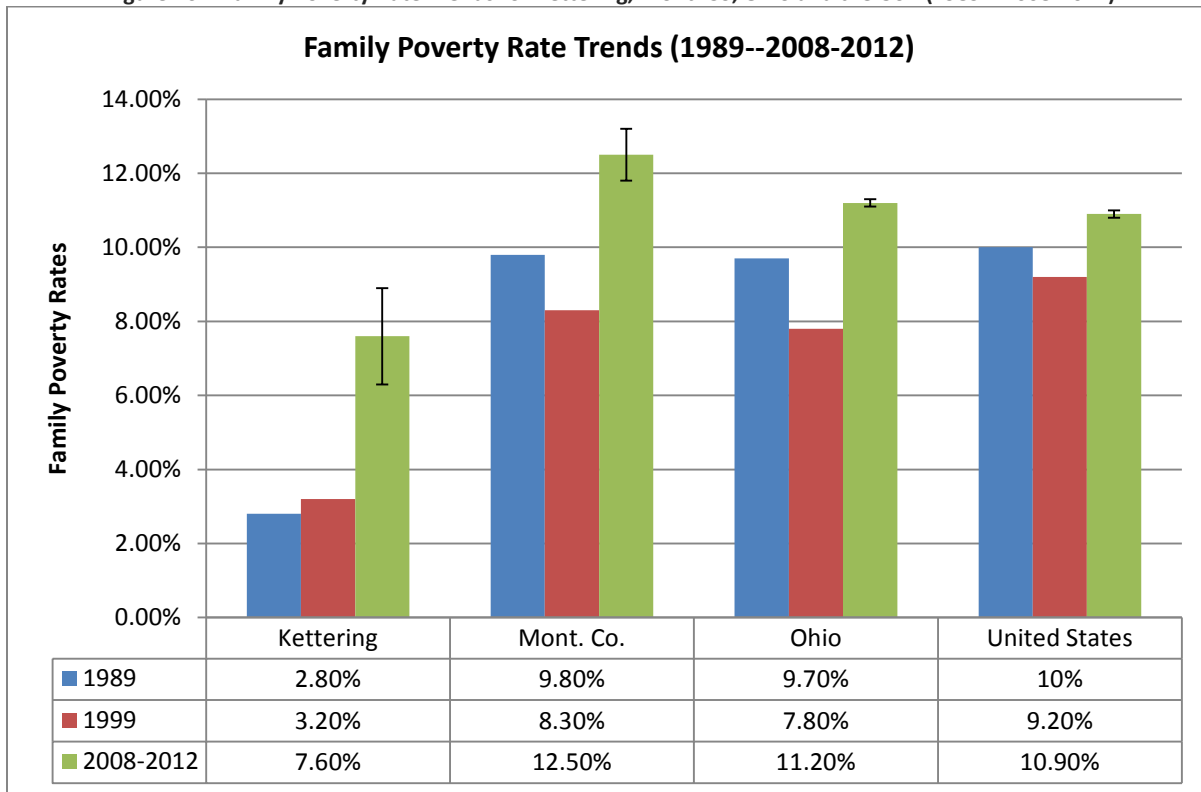


Poverty Rates (Individuals)					
Place Year	1989	1999	2008-2012	MOE	% Change (1989—2008-2012)
Kettering	4.20%	4.60%	10.70%	+/- 1.3%	+154.8%
Mont. Co.	12.60%	11.30%	16.80%	+/- 0.7%	+33.3%
Ohio	12.50%	10.60%	15.40%	+/- 0.2%	+23.2%
United States	13.10%	12.40%	14.90%	+/- 0.1%	+13.7%

Sources: 1990 and 2000 Decennial Census Counts for 1989 and 1999 data points. 2008-2012 American Community Survey 5-year estimates for 2008-2012 data point.

Poverty rates for families have followed trends similar to individual poverty rates. The overall rate remains lower due to families typically having higher incomes than non-family households.

Figure 102: Family Poverty Rate Trends for Kettering, Mont. Co, Ohio and the USA (1989—2008-2012)



Poverty Rates (Families)					
Place Year	1989	1999	2008-2012	MOE	% Change (1989—2008-2012)
Kettering	2.80%	3.20%	7.60%	+/- 1.3%	+171.4%
Mont. Co.	9.80%	8.30%	12.50%	+/- 0.7%	+27.6%
Ohio	9.70%	7.80%	11.20%	+/- 0.1%	+15.5%
United States	10.0%	9.20%	10.90%	+/- 0.1%	+9.0%

Sources: 1990 and 2000 Decennial Census Counts for 1989 and 1999 data points. 2008-2012 American Community Survey 5-year estimates for 2008-2012 data point.

Students with Free or Reduced Lunches

Students with Free or Reduced Lunches Summary:

The State of Ohio offers a reduced or free lunch program for public school students throughout the State which can be a solid indicator for changes in the shares of households and families living at or near the poverty-level. In order to qualify for reduced-price lunches, the household applying for the benefit must have a household income of 185% or less of the USDA poverty level. To qualify for free lunches, the household applying must earn equal to or less than 130% of the USDA poverty level. For context, the 2013 USDA annual poverty income was set at \$11,490 for a one-person household and \$4,020 is added for each additional household member. With these numbers, in order for a two person household (one parent and one child) to qualify for a reduced-price lunch, the total HH income must not exceed \$21,257. In order for the same HH to qualify for free lunches, the total HH income must not exceed \$14,937.⁵⁴

Since 1999, there has been a large increase in the number and share of students receiving free or reduced-price lunches at every school in the Kettering Public School District, with the free lunch program experiencing a much larger increase than the reduce-price lunch program. In 1998, 10.8% of the district's students received free lunches and 8.6% received reduced-price lunches. By 2014, the share of students receiving free lunches increased to 34.9% while the share receiving reduced-price lunches increased to 8.9%.

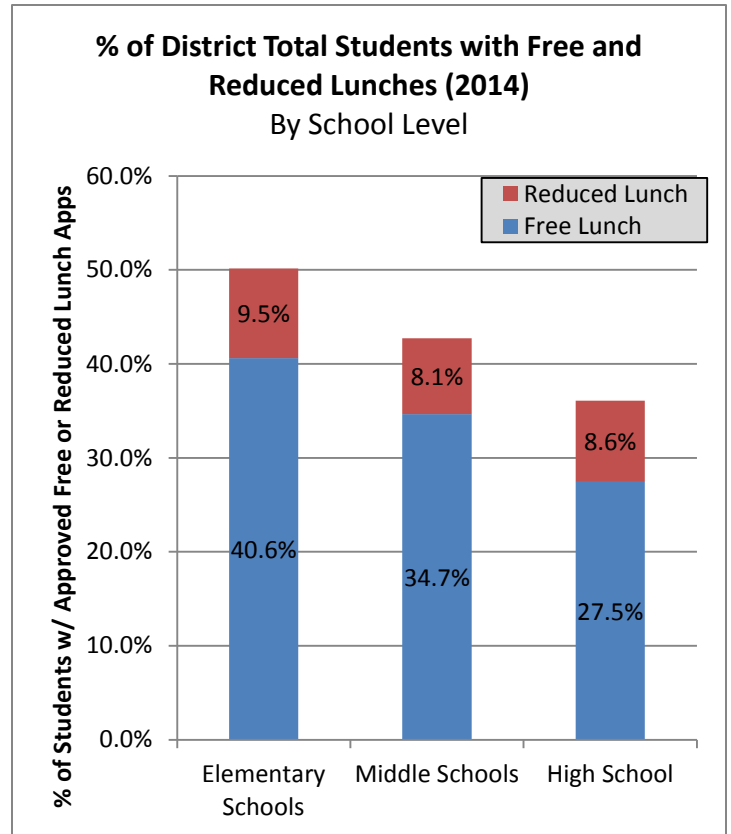
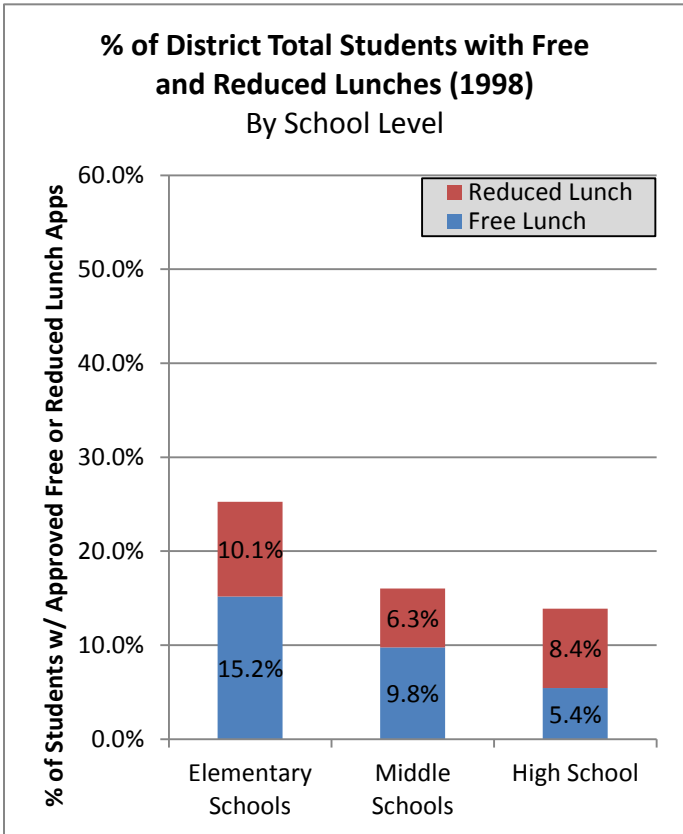
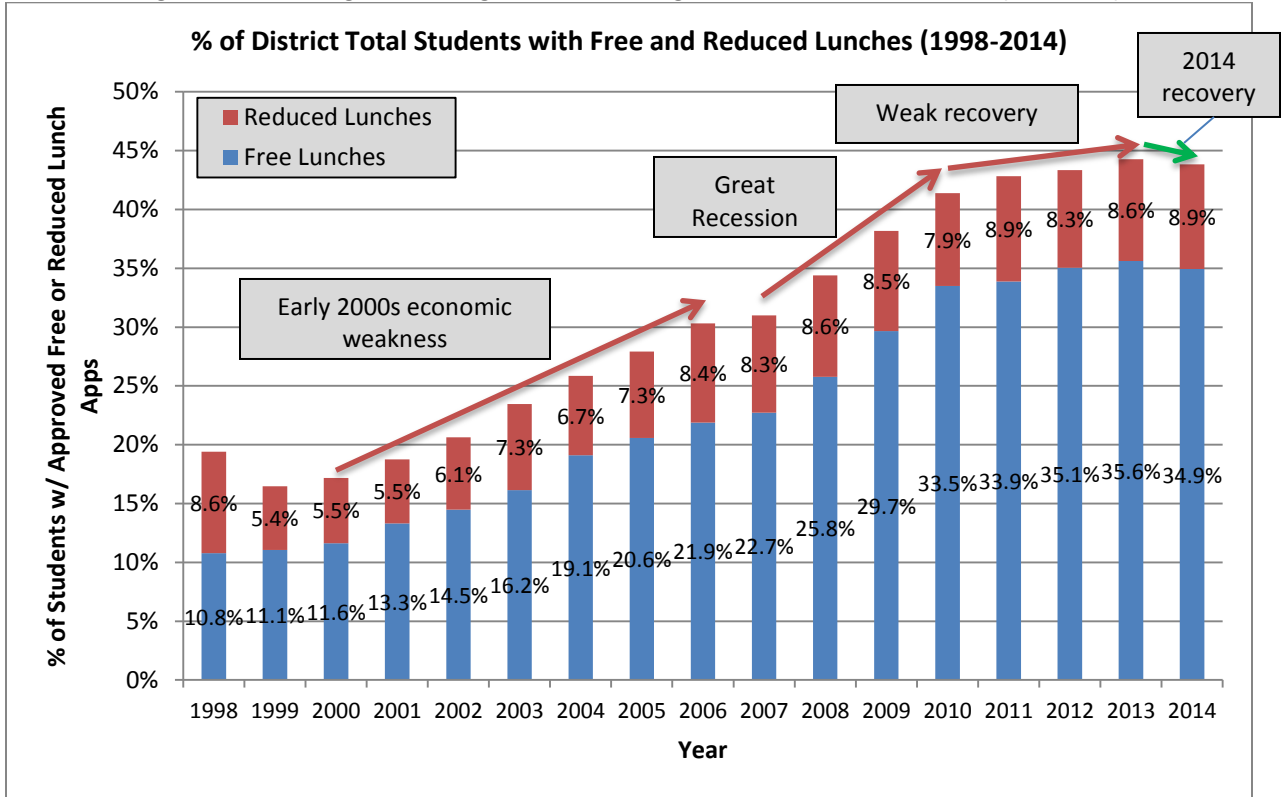
If the numbers are broken down by education-level (elementary, middle and high school(s)), elementary schools have the highest shares of students receiving reduced and free lunches while Kettering's two middle schools fall in the middle, and Fairmont High School has the lowest shares of students receiving free and reduced lunches. This suggests that younger families tend to have lower incomes due to householders being earlier in their careers.

Regarding the individual schools themselves, in 1998, the school with the highest share of students receiving free (27.9%) or reduced-price (18.8%) lunches was Moraine Meadows, which had 154 students at the time and was shuttered prior to the 2010-2011 school year. The school with the next highest share of students receiving free (27.5%) or reduced-price (15.1%) lunches was Greenmont Elementary, which had 324 students at the time. By 2014, Greenmont Elementary continued to have the highest share of students receiving free (54.4%) or reduced-price (12.8%) lunches. The school had 298 students at the time. The tables and graphs below illustrate the changing shares of students receiving free or reduced-price lunches between 1998 and 2014.

*See **Appendix VI** for more data regarding trends in the shares of students receiving free or reduced-price lunches by individual school*

⁵⁴ Food and Nutrition Service: Child Nutrition Programs; Income Eligibility Guidelines, Volume 78 Number 61. (March 29, 2013). Retrieved on January 30, 2015 from: http://www.fns.usda.gov/sites/default/files/IEG_Table-032913.pdf

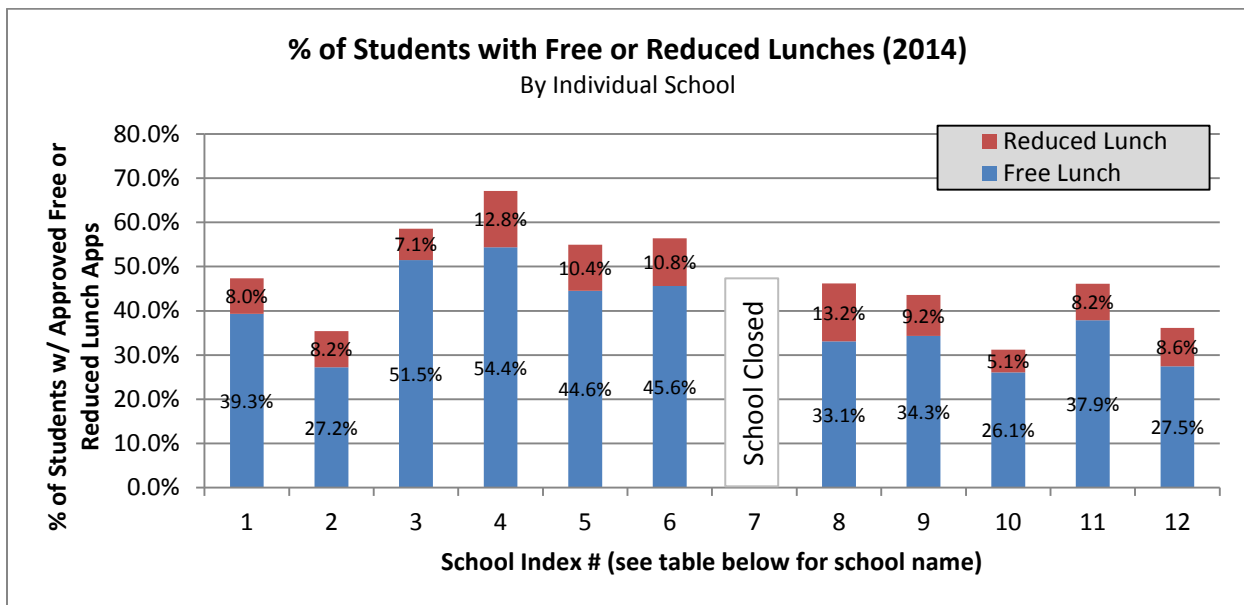
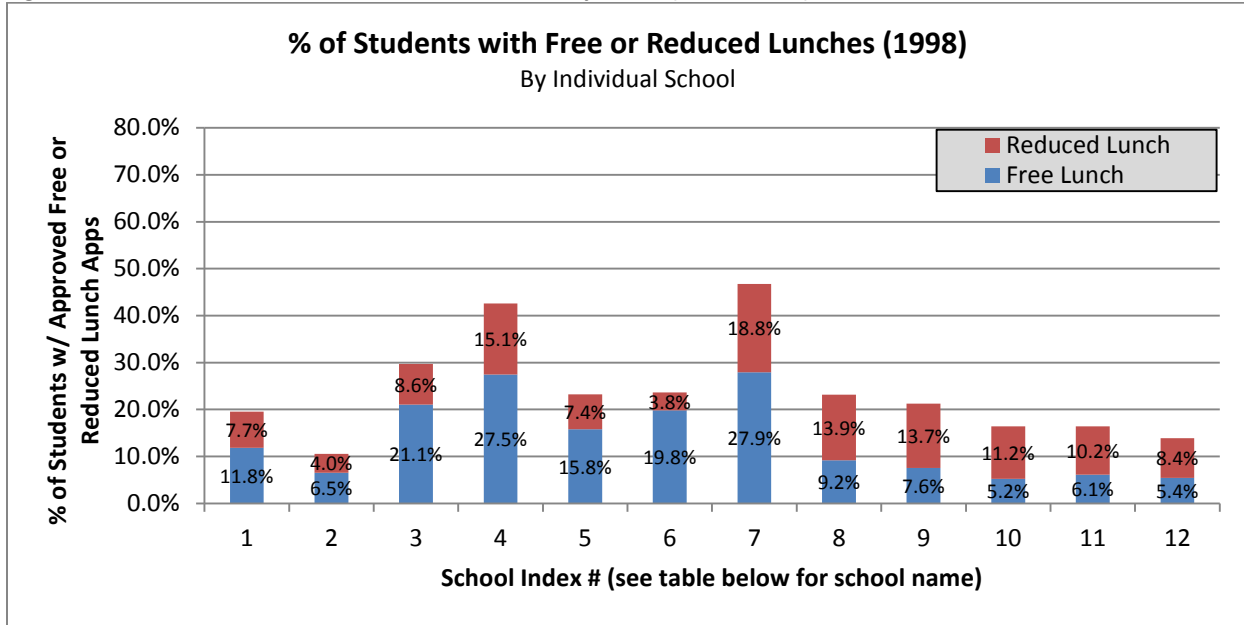
Figure 103: Percentage of Kettering Students Receiving Free or Reduced-Price Lunches (1998-2014)



Source: Ohio Department of Education. Data retrieved from: <http://ftp.ode.state.oh.us/> on December 30, 2014

When looking at the schools on an individual basis between 1998 and 2014, the data shows that no school in Kettering was immune from rising shares of students receiving free or reduced-price lunches. However, several schools have been experiencing overall reductions in the shares of students receiving free or reduced-price lunches with a majority of the individual schools experiencing a decrease between the 2013 and 2014 school years.

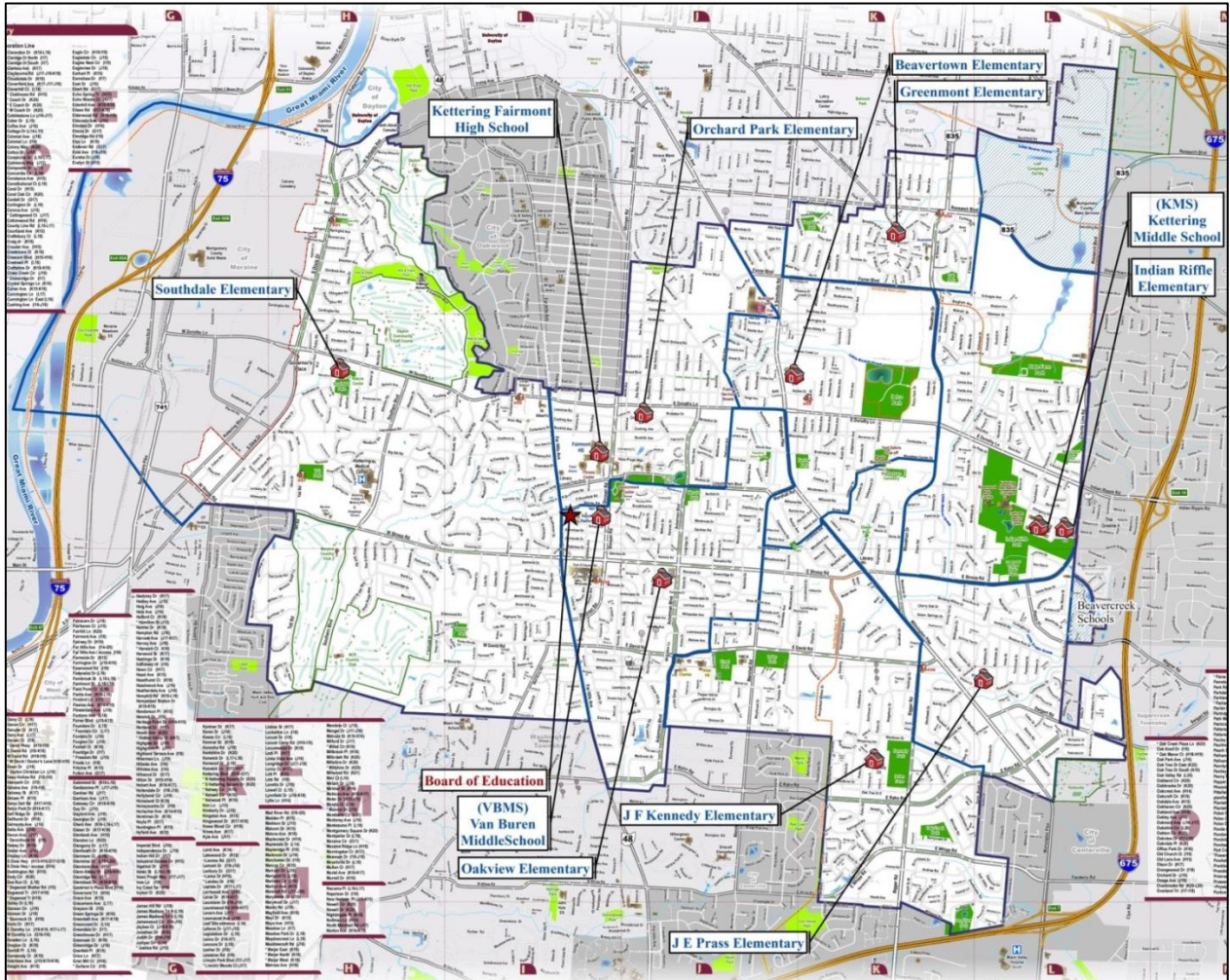
Figure 104: % of Students with Free or Reduced Lunches by School (1998 & 2014)



1	Kettering Middle School	5	Indian Riffle Ele	9	Orchard Park Ele
2	Van Buren Middle	6	J F Kennedy Ele	10	Prass Ele
3	Beavertown Ele	7	Moraine Meadows Ele	11	Southdale Ele
4	Greenmont Ele	8	Oakview Ele	12	Kettering Fairmont High

When looking at a school district map of the City, it becomes clear that all elementary schools and both middle schools serve a wide-variety of different neighborhoods.

Figure 105: Kettering City School Districts and Boundaries



Map Source: City of Kettering. For non-cropped school district map, see: <http://www.ketteringoh.org/live/maps/>

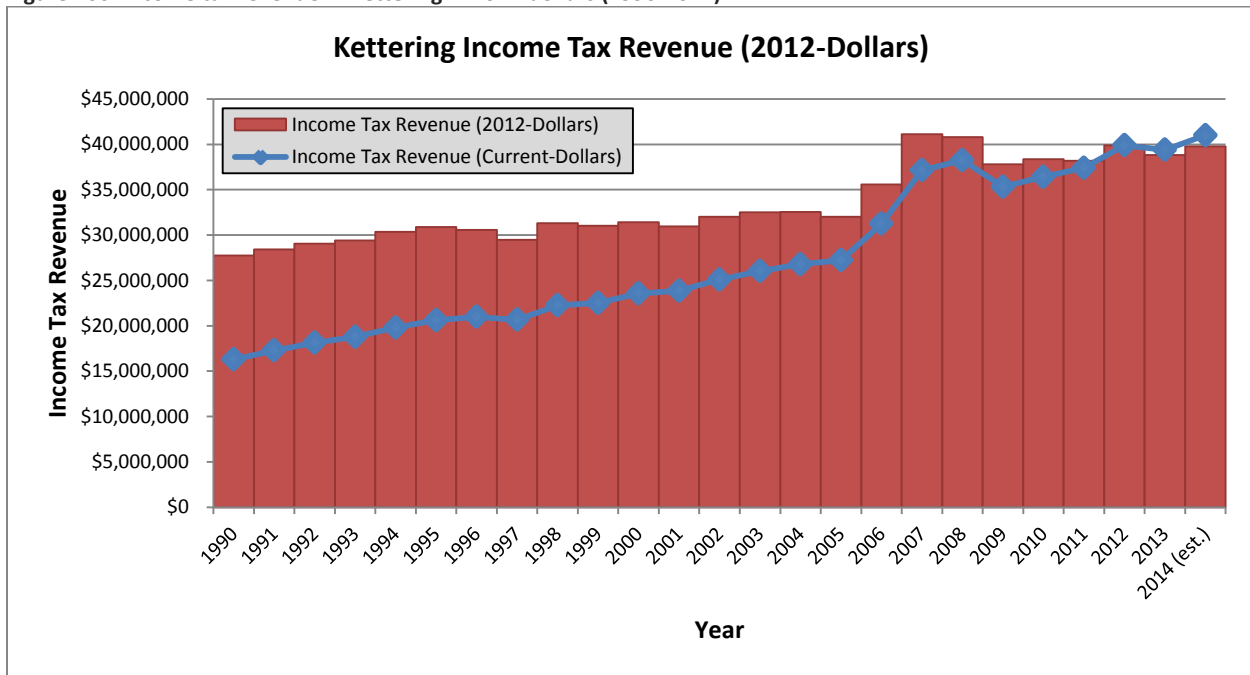
X. ECONOMIC ANALYSIS (LOCAL FOCUS)

A. Government Revenue

Income Taxes

According to Kettering's Comprehensive Annual Financial Report for the year 2013, income tax revenue has largely recovered from the decline experienced in 2009 on a current-dollar basis. However, when adjusted for changes in the consumer price index (CPI-U-RS), income tax revenue has yet to fully recover to the peak of 2007. This is due, in part, to two major factors: a reduction in the employment base in Kettering as well as a reduction in real income, which has been a national and state trend since the Great Recession. The chart below shows historic income tax data for the City of Kettering. Inflation-adjusted income tax revenue tends to slowly trend upwards with the exception of the large bump in revenue due to the 2007 tax increase.

Figure 106: Income tax revenue in Kettering in 2012-dollars (1990-2014)



Sources: Kettering Comprehensive Annual Financial Reports, 2015 Kettering Budget Document

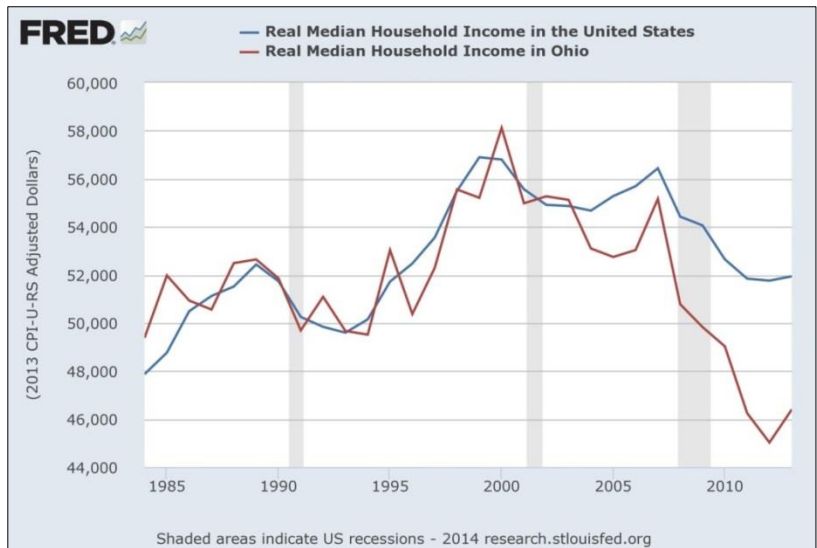
According to Kettering's 2014 Budget document, the total income tax revenue is projected to rise above \$40 million in 2014⁵⁵ and income tax revenues are projected to rise further in 2015. The drop in income tax in 2013 can be attributed partially to the tax amnesty program carried out in 2012 which inflated total revenues for that year while leading to a subsequent decline in the next in addition to lower-than-expected corporate tax payments⁵⁶.

⁵⁵ City of Kettering 2014 Budget Document, page 23: http://www.ketteringoh.org/wp-content/uploads/2013/03/2014-Budget-Book_for-website.pdf

⁵⁶ City of Kettering 2013 Comprehensive Annual Financial Report, page 8: <http://www.ketteringoh.org/wp-content/uploads/2013/03/2013-Comprehensive-Annual-Financial-Report1.pdf>

Income tax revenue will likely take another hit in the coming years due to the recently-passed and signed-into-law House Bill 5, which makes adjustments to the ability of local governments to collect income tax revenue.⁵⁷

The graph to the right illustrates real median household incomes for the United States and Ohio between 1984 and 2013. Both have experienced large declines since the Great Recession along with slight upticks in 2013. Kettering has also experienced major declines in real median household incomes. This is one of the contributing factors to lagging real income tax revenues.



The table below depicts the median household and family incomes for the years 1989, 1999 and estimates from data collected between 2008 and 2012 for Kettering, Montgomery County, Ohio and the United States. All areas experienced major declines in income following the 2000 Census due to the weak income-recovery following the Early 2000s Recession along with the major income declines due to the Great Recession.

Median HH Income Trends (2012 Dollars)							
Place Year	1989	% Change	1999	% Change (1989-1999)	2008-2012	MOE	% Change (1999—2008-2012)
Kettering	\$61,694	(X)	\$62,081	+0.6%	\$50,187	+/- \$1,205	-19.2%
Mont. Co.	\$53,836	(X)	\$55,336	+2.8%	\$43,895	+/- \$569	-20.7%
Ohio	\$51,324	(X)	\$56,438	+10.0%	\$48,246	+/- \$160	-14.5%
United States	\$53,737	(X)	\$57,868	+7.7%	\$53,046	+/- \$85	-8.3%

Median Family Income Trends (2012 Dollars)							
Place Year	1989	% Change	1999	% Change (1989-1999)	2008-2012	MOE	% Change (1999—2008-2012)
Kettering	\$73,909	(X)	\$76,961	+4.1%	\$65,454	+/- \$2,608	-15.0%
Mont. Co.	\$64,488	(X)	\$68,999	+7.0%	\$56,707	+/- \$1,030	-17.8%
Ohio	\$61,417	(X)	\$68,952	+12.3%	\$61,163	+/- \$260	-11.3%
United States	\$62,979	(X)	\$68,964	+9.5%	\$64,585	+/- \$190	-6.4%

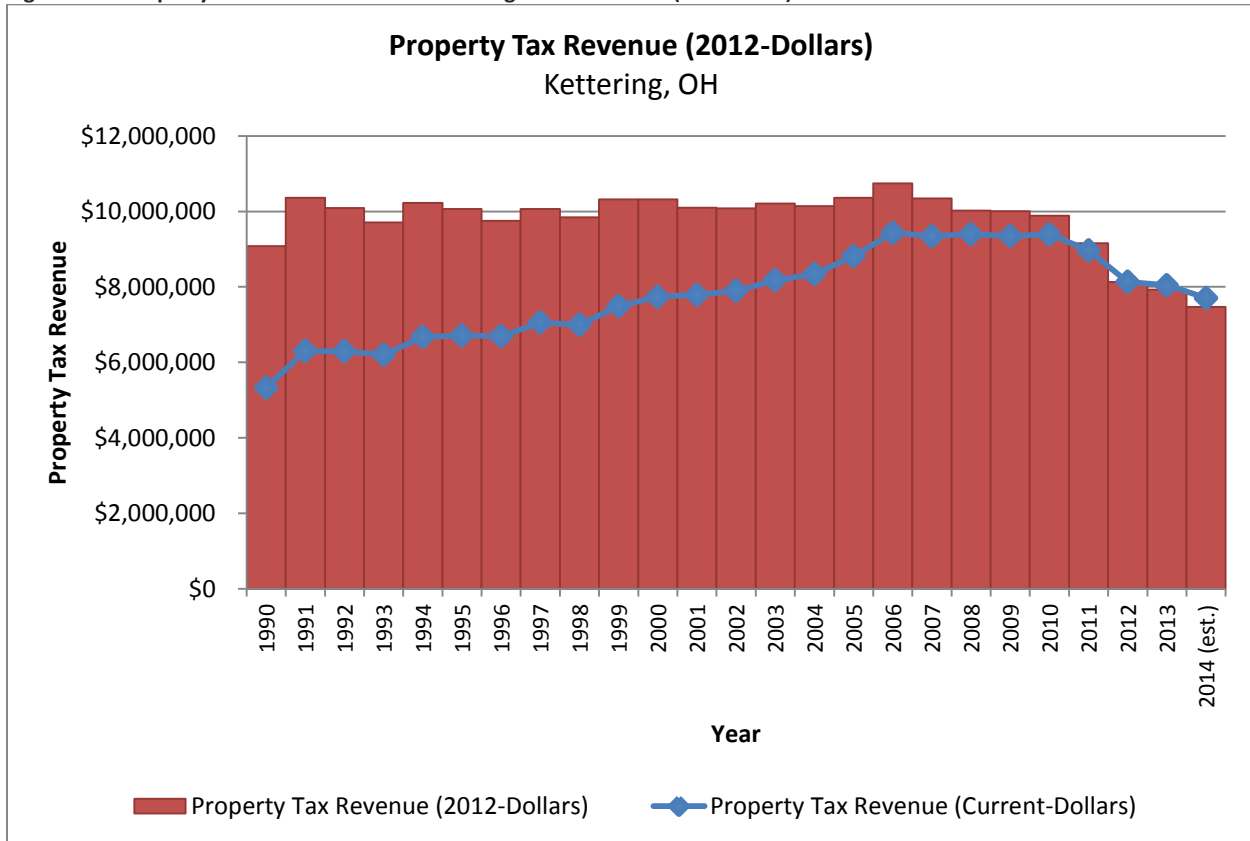
Sources: 1990 and 2000 Decennial Census Counts for 1989 and 1999 data points. 2008-2012 American Community Survey 5-year estimates for 2008-2012 data point.

⁵⁷ *Municipal tax reform bill looks to cost city of Athens over \$200K.* by David Dewitt of The Athens News. Published on December 17, 2014 and retrieved on December 30, 2014 from: <http://www.athensnews.com/ohio/article-43916-municipal-tax-reform.html>

Property Taxes

Property tax revenue has fallen due to the lingering impact of the housing crisis. Housing values in Ohio and the Dayton MSA continue to be depressed from the heights reached in 2005-2006 and there is no noticeable trend that shows a sustained increase in value. In fact, the latest revaluation carried out in 2014 showed that total property values in Montgomery County declined by a further \$1 billion since the previous revaluation, for a total property value decline of 12% in seven years⁵⁸.

Figure 107: Property tax revenue trend in Kettering in 2012 dollars (1990-2014)



Sources: Kettering Comprehensive Annual Financial Reports, 2015 Kettering Budget Document

The City of Kettering can do very little to have a large-scale impact local property values. Until the overall market improves for the region, property values are likely to remain depressed and tax revenue from property taxes will likely continue to decline in inflation-adjusted terms in the short term. Continuing aggressive systematic code enforcement inspections, demolishing too-far-gone buildings and working to move idle, tax delinquent properties back to productive use are programs that can help stabilize neighborhoods and property values while also leading to additional taxable improvements on currently idle properties.

⁵⁸ Montgomery County, OH. *County Property Value Declines more than \$1 billion:* <http://www.mcoho.org/government/auditor/mcreval/newsdetail1231.html>

Tax Delinquent Properties

According to data from the Montgomery County Auditor⁵⁹, there are 1,092 parcels (in many cases one address is linked to two or more parcels) within Kettering currently certified as being delinquent on taxes. Only 218 of these parcels were certified delinquent in 2012 or earlier and 19 of the 218 parcels certified delinquent in 2012 or earlier have \$0 in certified delinquencies.

Combined, the net certified delinquency amount of the remaining is 199 parcels is \$1,463,402.73. Of these parcels, 41 are commercial (including multi-unit housing buildings, such as 1513 Old Lane) which have a combined \$532,959.50 in certified delinquencies, one is an exempt property owned by the State of Ohio which has \$6,914.63 in certified delinquencies, two are utilities which have \$42,450.93 in certified delinquencies, two are industrial properties with \$5,938.63 in certified delinquencies and 153 are residential which have \$875,184.16 in certified delinquencies.



Above: 1272 Brooklands Road, tax delinquent property

Some of the well-known Kettering properties with certified tax delinquencies are:

Parcel ID	Address	Existing Use	Cert. Del. Amount
N64 00302 0054	2185 S. Dixie Hwy	Formerly Neil's Heritage House	\$152,283.22
N64 00802 0034	2604 West Avenue	Vacant land, former house was nuisance abated	\$59,815.65
N64 00803 0153	2801 Rushland	Vacant land, former house was nuisance abated	\$36,358.07
N64 00210 0019	1272 Brooklands Rd.	Occupied single-family house (photo above)	\$42,961.98
N64 51006 0030 N64 51006 0001	Kentshire Drive	Multi-unit commercial building (photo below)	\$40,455.29
N64 00303 0006	2435 S. Dixie Hwy	Multi-tenant commercial building (photo below)	\$24,359.17



⁵⁹ Retrieved from the *Delinquent File Downloads* page on the Montgomery County Treasurer website on December 27, 2014 (11/30/2014 list): <http://www.mctreas.org/fdpopup.cfm?dtype=DQ>

A note on tax delinquent properties: The data above is based on a quick snapshot of data downloaded from the Montgomery County Treasurer's page in December of 2014. The statuses of tax delinquent properties can change quickly and many properties on the list may either be on payment plans with the Treasurer's Office, in the process of being caught on up taxes, or be in middle of the foreclosure process. These factors are important in determining if the tax foreclosure process may be a useful tool for moving an abandoned and unproductive property into a productive use through the Montgomery County Land Reutilization Corporation. *Note: A list of properties in Kettering certified as being delinquent prior to 2013 is included as **Appendix VII**.*

Montgomery County's land bank gives Cities in the County the ability to ask the Treasurer's Office to begin tax foreclosure proceedings against tax delinquent properties so long as the properties are at least two years delinquent on taxes and abandoned. However, the statuses of tax delinquent properties can change quickly and the County may begin tax foreclosure proceedings without the jurisdiction asking for the County to do so. For example, 1513 Old Lane is a multi-unit housing building in Kettering located in Census Tract 201 that has been vacant and delinquent on taxes for several years. Recently (case began on 4/4/2014), Montgomery County began foreclosure proceedings against the property owner (case # 2014 CV 01979) for the unpaid property taxes, and the property recently sold for \$41,000 to One4You investments LLC on 11/6/2014 through a Sheriff's Sale.

If Kettering staff members make a determination that an abandoned and tax delinquent property is a major problem, the City can acquire the property through tax foreclosure proceedings for demolition, rehab, reuse or for the purpose of transferring the property to a responsible party with an approved plan for the property's future use. The City of Dayton operates the *Lot Links* program, which is geared toward allowing Dayton residents to expand their yards by acquiring vacant, tax delinquent properties that abut their property by utilizing the tax foreclosure process⁶⁰. This may be a possibility with some vacant properties in Kettering where the homes have been torn down through the nuisance abatement process and the City does not own the land. Examples of these include 2801 Rushland and 2604 West. The City must pay the court costs during the tax foreclosure process, which typically runs \$2,000-\$2,500 but may be higher or lower depending on the complexities of the property and potential lien holders.

The following pages include maps of the certified tax delinquent properties in Kettering with those certified delinquent in 2012 or earlier being highlighted in red and those certified delinquent since 2013 are highlighted in blue. The first map shows all of the certified delinquent properties while the second maps shows only those properties certified delinquent prior to 2013. Properties with \$0 in certified delinquencies have been omitted from the map illustrating only those properties certified delinquent since 2012. The delinquent property list is based on the Montgomery County Treasurers' delinquency file from 11/30/2014.

⁶⁰ City of Dayton, Planning & Community Development. *Lot Links*. Retrieved from: <http://www.cityofdayton.org/departments/pcd/Pages/LotLinksProgram.aspx> on December 19, 2014.

Figure 108: map of certified tax delinquent properties in Kettering (all properties)

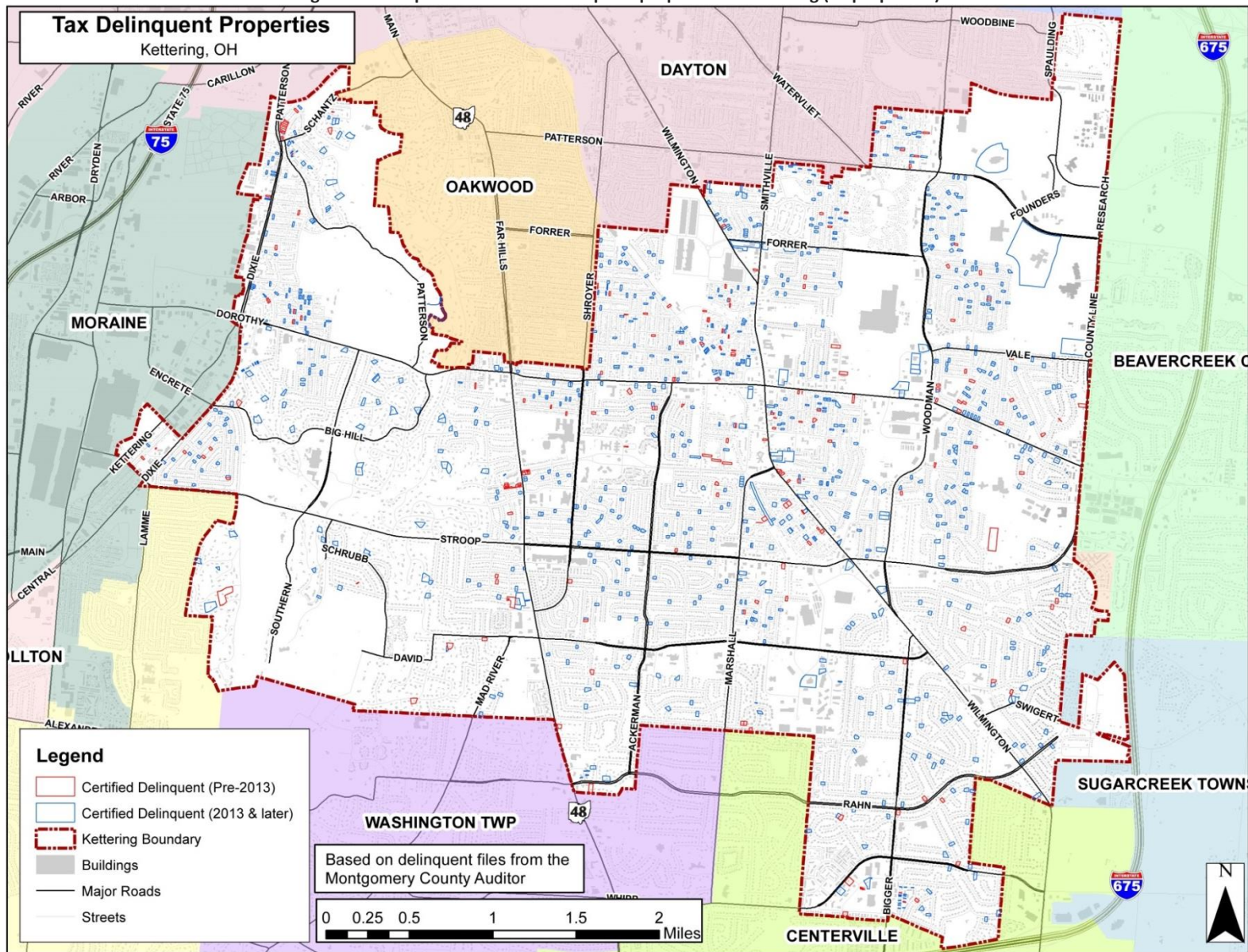
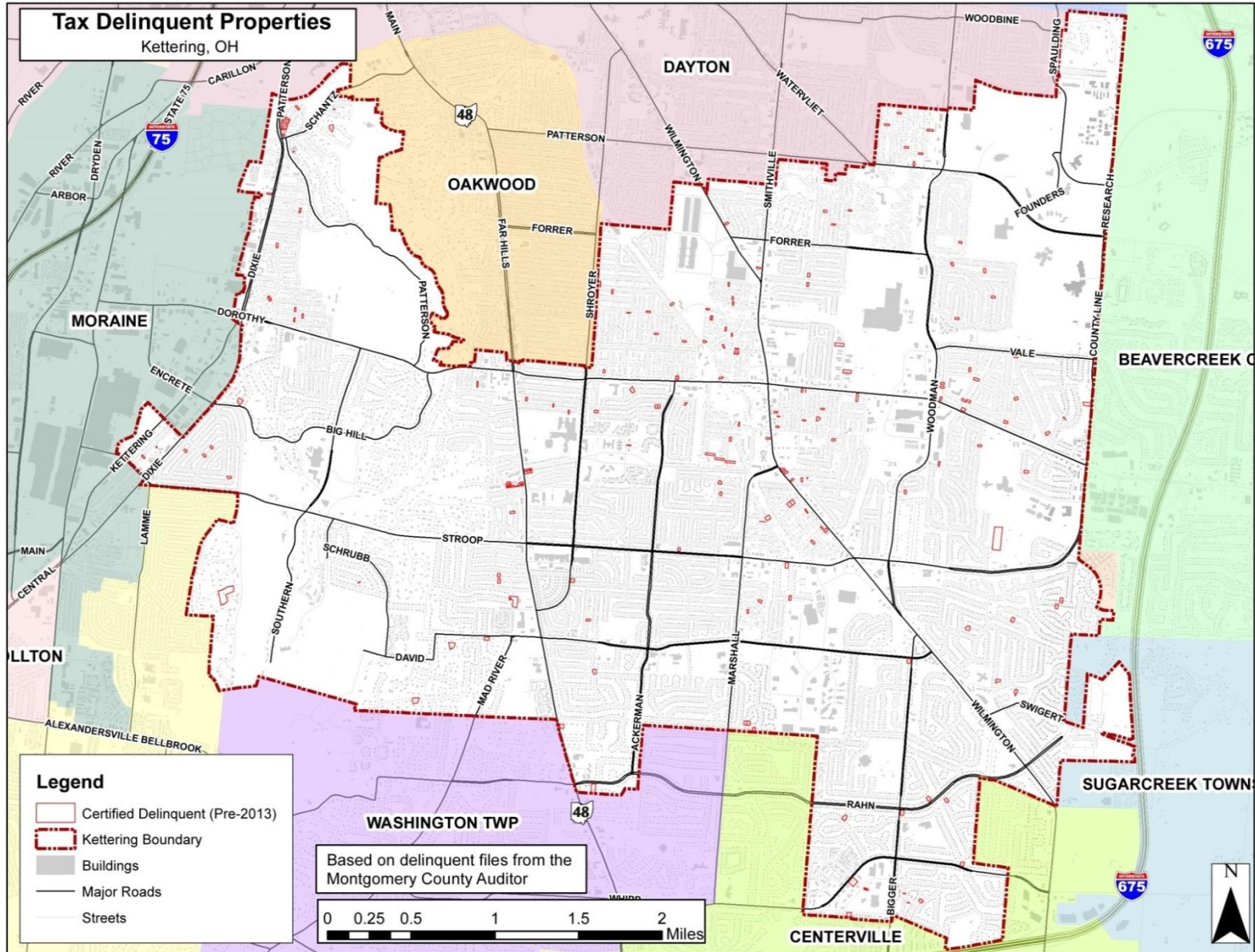


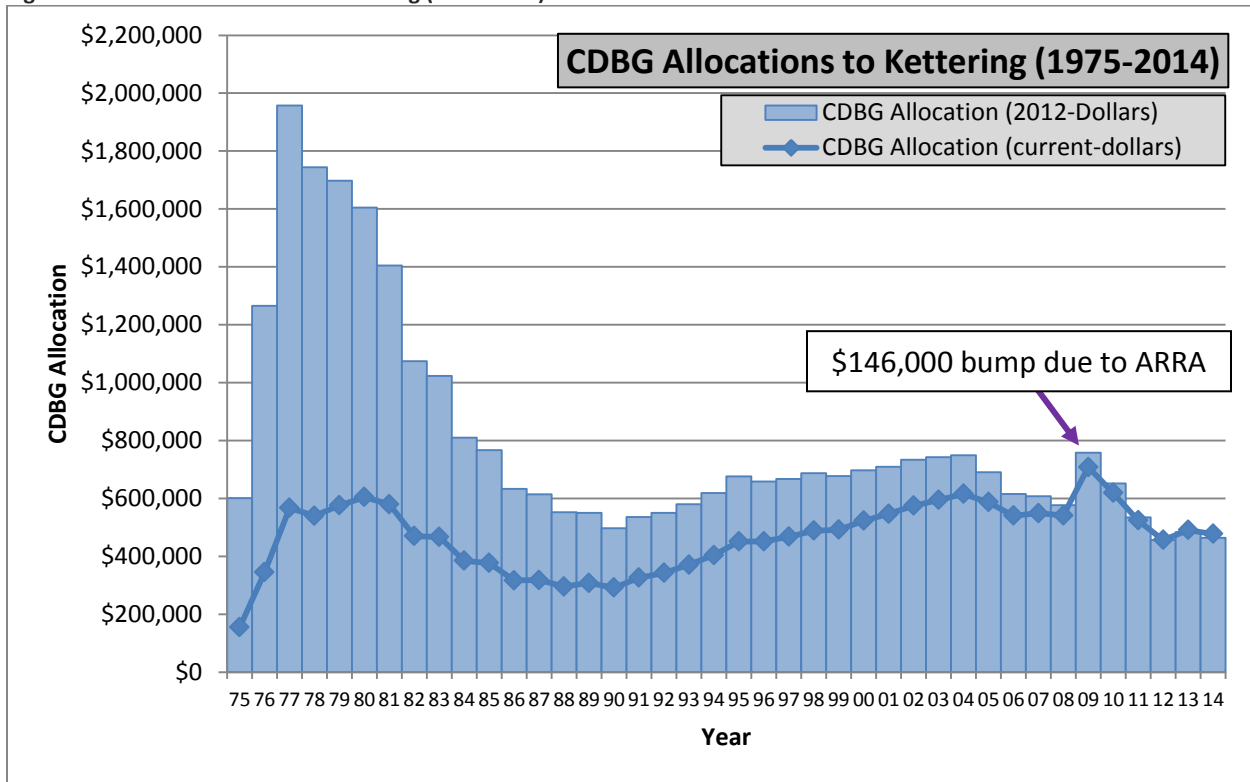
Figure 109: Map of certified tax delinquent properties in Kettering (pre-2013 properties)



Intergovernmental Revenue Sharing & Grants

Intergovernmental revenue sharing through grants (HOME, CDBG, and miscellaneous grants) and general revenue sharing (Estate Tax (now repealed), local government fund (reduced), and tangible property tax reimbursement (phased out)) are important revenue streams for local governments. Both HOME and CDBG have lost a considerable amount of funding from the Federal Government over the last several decades. The major inflation-adjusted decreases in CDBG funding between 1978 and 1980 were due to high rates of inflation rather than reduced funding to the program. However, later decreases in CDBG allocations throughout the 1980s and in recent years were due to a combination of reductions in annual CDBG funding in both current and real dollar amounts as well as an increase in the number of communities receiving CDBG funding.

Figure 110: CDBG Allocations to Kettering (1975-2014)



Source: Data pulled from: HUD, *The Community Development Block Grant (CDBG) Program's 40th Anniversary*. Retrieved 12-2-2014:

[http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/CDBG Turns_40](http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/CDBG_Turns_40)

B. Permit & Inspection Activity

The frequency of the issuance of building and zoning permits can be an important indicator with regards to economic activity. Since 2001, the number of permits issued and inspections conducted has fallen. No noticeable uptick has occurred in recent years.^{61 62} However, while the number of permits issued dropped by 29.9% between 2001 and 2013, the number of inspections conducted dropped by only 10.4% over the same timeframe.

Figure 111: Number of permits issued in Kettering (2001-2013)

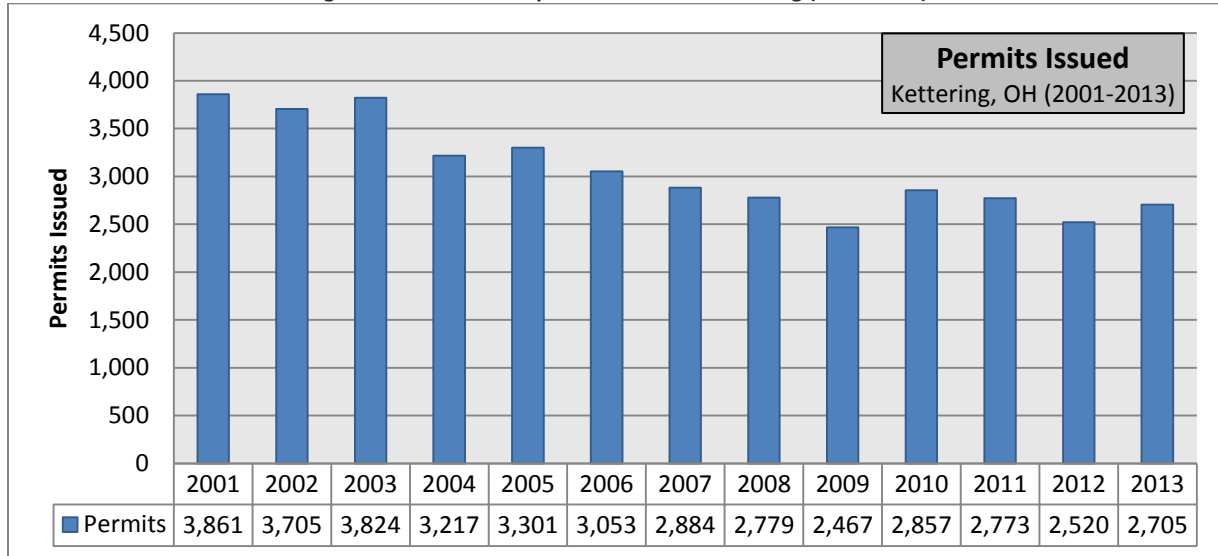
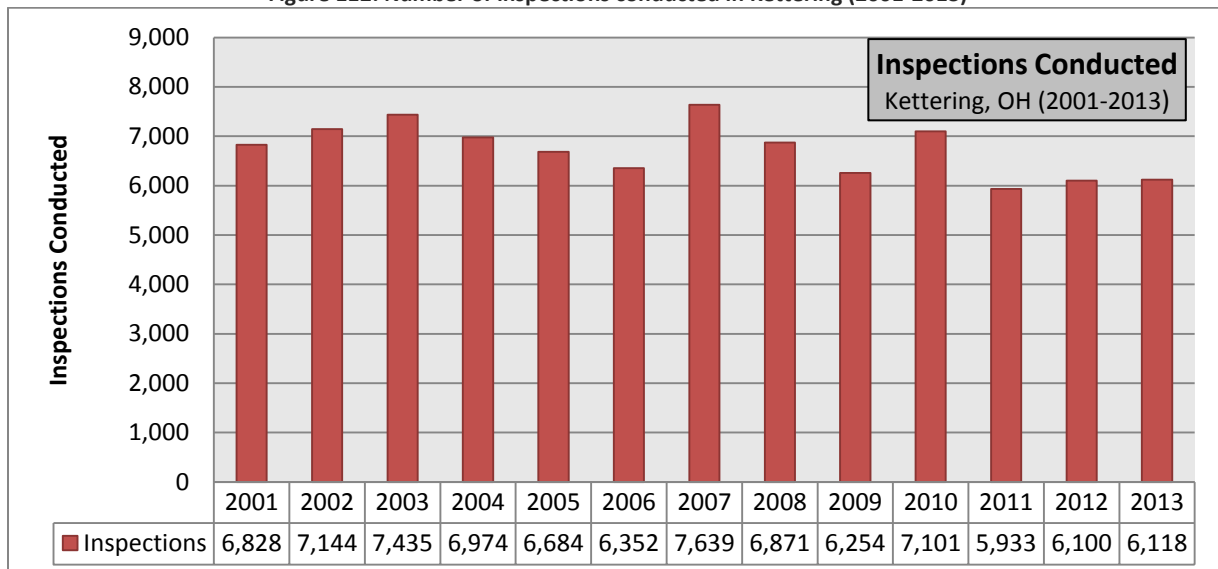


Figure 112: Number of inspections conducted in Kettering (2001-2013)



⁶¹ City of Kettering Year 2010 CAFR, page 66:

http://s3.amazonaws.com/zanran_storage/www.ci.kettering.oh.us/ContentPages/2467499028.pdf

⁶² City of Kettering Year 2013 CAFR, page 66: <http://www.ketteringoh.org/wp-content/uploads/2013/03/2013-Comprehensive-Annual-Financial-Report1.pdf>

The much smaller reduction in inspections conducted when compared to permits issued suggests that any plan meant to increase income from permit and inspection fees and close the gap between revenue and the costs of providing plan review and inspection services should include adjustments to how fees for inspections are calculated in order to ensure that a broad-base of fee-payers absorbs the additional costs.

Permits for Housing Units

While Kettering is largely built-out, 744 housing units were added to the City between 1996 and 2013⁶³ and more housing units are in the pipeline due to the pending developments of Acorn Walk, the Prugh Property and the possible expansion of Madison’s Grant. The vast majority of these additions were in the form of single-family housing, but some two-family and other multi-family structures were constructed, with the particularly noteworthy construction of 96 units of affordable senior housing by the Franklin Foundation at four different sites throughout the City. The multi-tenant structures are highlighted below. The charts below show the annual breakdown of the housing unit additions.

Table 65: Permits issued in Kettering for housing units (1996-2013)
Kettering, OH Housing Permits Issued by Type (1996-2013)

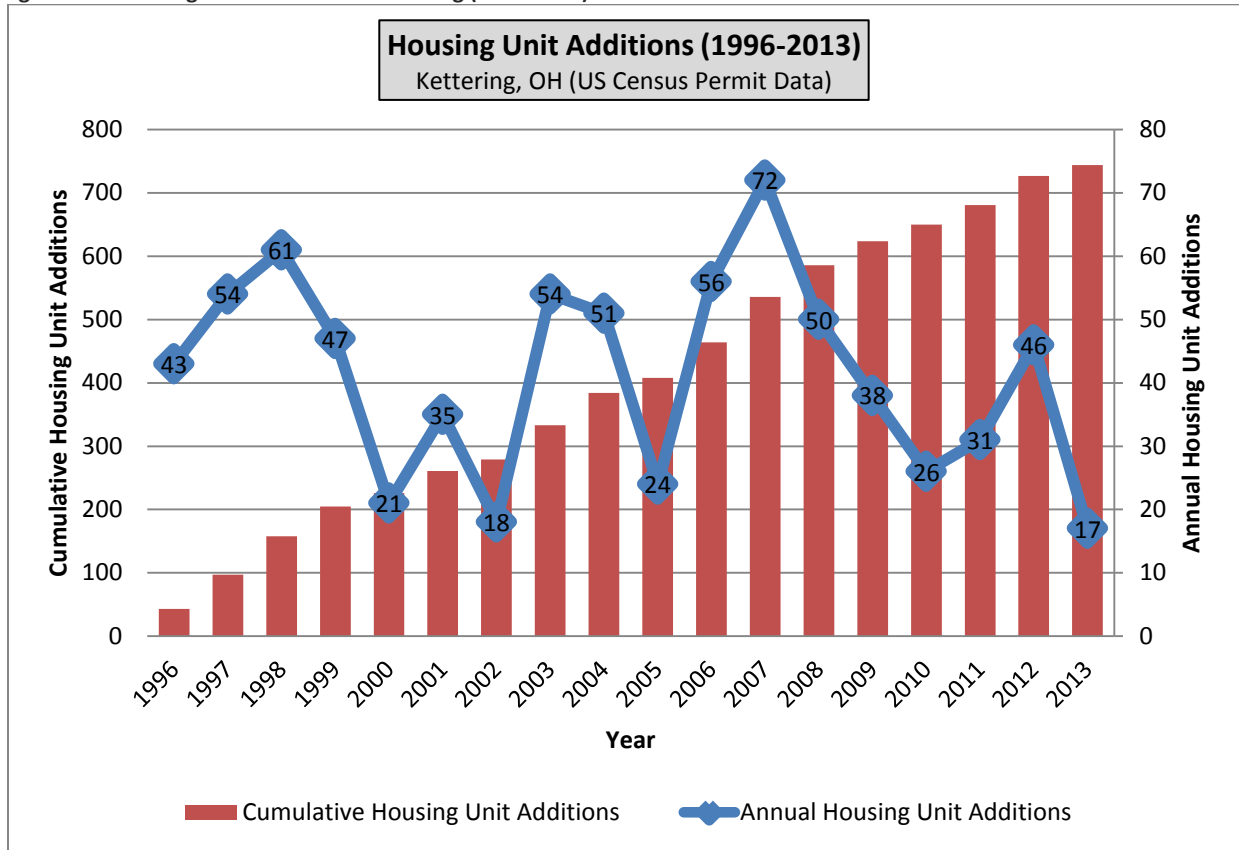
Year	Single-family	Two-family	3-4 family	5+ family	Total Buildings	Total Units
1996	43	0	0	0	43	43
1997	54	0	0	0	54	54
1998	61	0	0	0	61	61
1999	23	0	0	1*	24	47
2000	19	1	0	0	20	21
2001	35	0	0	0	35	35
2002	18	0	0	0	18	18
2003	30	0	0	1*	31	54
2004	44	2	1	0	47	51
2005	12	4	1	0	17	24
2006	44	6	0	0	50	56
2007	42	1	1	1*	45	72
2008	50	0	0	0	50	50
2009	38	0	0	0	38	38
2010	26	0	0	0	26	26
2011	31	0	0	0	31	31
2012	22	0	0	1*	23	46
2013	17	0	0	0	17	17
TOTAL	609	14	3	4	630	744

Source: US Census Permit Data and discussions with City staff

*24 Unit Franklin Foundation Senior Housing Buildings

⁶³ Building Permit data for privately-owned housing units provided courtesy of the United States Census: <http://censtats.census.gov/cgi-bin/bldgprmt/bldgdisp.pl>

Figure 113: Housing unit additions in Kettering (1996-2013)



Sources: US Census Bureau Permit Data and interviews with Kettering Staff regarding multi-tenant housing construction

The annual number of residential building permits for new housing units issued in the City of Kettering has declined considerably since 2007, likely due to a combination of the depressed housing market and the loss of most sizable developable residential land in the city. The uptick in housing unit construction in 2012 can be attributed to the permit for the Franklin Foundation’s 24-unit building. A recovery in the local housing market would likely boost housing construction as well as investments on currently idle properties. However, based on the absorption rates of the lots in recently-approved subdivisions (Villas at Kettering Pointe, Acorn Walk) along with the decrease in permits issued in 2013, the builders-market for new housing units appears to be soft.

XI. AFFORDABLE HOUSING

A. Kettering Affordable Housing Stock

Several hundred affordable housing units are located within the City of Kettering, including units for seniors, families, individuals with disabilities, low-income individuals, homeless individuals and families as well as those at risk of homelessness. Several different organizations own and operate these properties, including Miami Valley Housing Opportunities (focuses on providing housing to homeless individuals and families), the Franklin Foundation (senior housing focus), St. Vincent, Eastway, and Greater Dayton Premier Management (low-income public housing). A list of these properties is located below. See the map on page 250 for an illustration of the locations of the existing affordable housing developments as well as those in the pipeline.

Table 66: Affordable housing master list for Kettering

CT	Property Name	Program	Target Tenancy	Address	Units
218	Courtyards of Kettering	HCV (Section 8, Eastway, MVHO), LIHTC	All, income-based	3321 E. Stroop Road	103 ▪ 40 1-BR units ▪ 63 2-BR units ⁶⁴
218	Trails of Oak Creek/Kettering Square Apartments	LIHTC, S8 NC/SR	All, income-based	1785 Renee Drive	165 ▪ 12 1-BR units ▪ 91 2-BR units ▪ 62 3-BR units ⁶⁴
211	Oakdale Apartments	LIHTC, S8 NC/SR	All, income-based	1941 Oakdale Avenue	50 (all low-income) ▪ 40 2-BR 1B units ▪ 10 3-BR 1.5B units ⁶⁴
203	The Terraces	S8 NC/SR	Senior, disabled (non-senior)	150 W. Dorothy Lane	102 ▪ 102 1-BR units
213.01	Kettering Park Manor (Franklin Foundation)	Section 202	Senior	2570 Woodman Drive	24 ▪ 24 1-BR units*
214	Mary Irene Gardens (Franklin Foundation)	Section 202	Senior	2780 E. Dorothy Lane	24 ▪ 24 1-BR units*
213.01	Birchwood Place (Franklin Foundation)	Section 202	Senior	2670 Galewood Street	24 ▪ 24 1-BR units*
210	Acorn Walk (Franklin Foundation)	Grant ⁶⁵	Senior	901 Peach Orchard Road	24 ▪ 24 1-BR units*
201	1424 Glenbeck Avenue (MV Housing Opp)	Varies	Homeless & disabled	1424 Glenbeck Avenue	4 ▪ 4 1BR 1B units

⁶⁴ HUD USER GIS Maps. (2015, January 1). Retrieved February 13, 2015, from <http://www.huduser.org/gct/qctmap.html>

⁶⁵ Kelley, J. (2011, March 11). \$2.6M senior housing key piece in Kettering development. *Dayton Daily News*. Retrieved November 12, 2014, from <http://www.daytondailynews.com/news/business/26m-senior-housing-key-piece-in-kettering-developm/nMpjs/>

CT	Property Name	Program	Target Tenancy	Address	Units
201	1436 Glenbeck Avenue (MV Housing Opp)	Varies	Homeless & disabled	1436 Glenbeck Avenue	4 ▪ 4 1BR 1B units
201	1448 Glenbeck Avenue (MV Housing Opp)	Varies	Homeless & disabled	1448 Glenbeck Avenue	4 ▪ 4 1BR 1B units
215.01	4579 Wilmington Pike (MV Housing Opp)	Varies	Homeless & disabled	4579 Wilmington Pike	4 ▪ 4 2BR 1B units
202	1259 Westcliff Court (MV Housing Opp)	Varies	Homeless & disabled	1259 Westcliff Court	11 ▪ 11 Efficiency units
207	1280 Cloverfield Avenue (MV Housing Opp)	Varies	Homeless & disabled	1280 Cloverfield Avenue	8 ▪ 8 Efficiency units
215.01	Kettering Commons (St. Vincent)	Non-Profit ownership	Permanent Supportive Housing	1524-1540 Brownleigh	14 ▪ Unknown floorplans
209	532 Telford Avenue (GDPM)	Public Housing	All, income-based**	526 Telford Avenue	4 ▪ 4 1BR-1B units
209	526 Telford Avenue (GDPM)	Public Housing	All, income-based**	520 Telford Avenue	4 ▪ 4 1BR-1B units
209	520 Telford Avenue (GDPM)	Public Housing	All, income-based**	514 Telford Avenue	4 ▪ 4 1BR-1B units
209	514 Telford Avenue (GDPM)	Public Housing	All, income-based**	514 Telford Avenue	4 ▪ 4 1BR-1B units
215.02	Eastway Apartments (Eastway)	LIHTC		3435 N. Marshall Rd.	15 ▪ 15 1-BR units ⁶⁴
215.02	Marshall House Group Home (Eastway)	S8 NC/SR Section 202	Seniors	3417 N. Marshall Rd	8 ▪ 8 1-BR units ⁶⁶
Varies	Purchase-rehab and new construction projects by Kettering, CountyCorp and Habitat for Humanity	CDBG, NSP	All		
Varies	Houses now-occupied with the help of down-payment assistance	CDBG, NSP, HOME	All		
TOTAL					604

Note: The list above does not include all housing units currently accepting Section 8/HCV tenants. For example, a number of the registered-rental properties located on Croftshire Drive in Census Tract 217 are Section 8-eligible but none of the units are included on the list above. The current baseline of Housing Choice Vouchers for GDPM is 3,937.

*Some, but not all, of the Franklin Foundation-owned housing units in Kettering have accessible bathrooms with walk-in showers rather than bathtubs

**Out of the 16 units owned by GDPM on Telford Avenue, one unit is sight and sound accessible

⁶⁶ Data regarding the Marshall House retrieved from Credio on February 28, 2015: <http://section-8-housing.credio.com/l/7547/Eastway-Home>

B. Affordable Housing Demand

Based on discussions with Miami Valley Housing Opportunities, Greater Dayton Premier Management (GDPM), the Franklin Foundation, Kettering’s Senior Service Coordinator and the operators of the Oakdale and Trails of Oak Creek Apartments, there is considerable demand for affordable housing in the City of Kettering as the vacancy rates at these developments are very low-to-non-existent and the buildings fill rapidly once construction/rehabilitation is complete. In addition to very low vacancy rates, many of the affordable housing units have waiting lists in excess of 1-2+ years, including the Franklin Foundation buildings (96 total units), the Terraces (102 units), the four GDPM-owned buildings (16 units, 641 people are currently on the waiting list), the Oakdale Apartments (50 units) and the Trails of Oak Creek (162 affordable units).

In the case of the Trails of Oak Creek, the waiting lists tend to be longer on the one bedroom apartments due to the lower turnover rate of these units when compared to the two and three bedroom apartments and townhomes along with the fact that there are fewer 1-bedroom units at the development. This suggests that single-person households are more dependent upon affordable housing developments to provide longer-term housing. This point is supported by Greater Dayton Premier Management’s CP Survey in 2010 which found that, of the 2,055 families on the GDPM public housing waiting list, 1,207 of the families had a single member and nearly 50% of the unit sizes needed were 1-bedroom units. The table below has been pulled from the Dayton-Kettering HOME Consortium Five-Year Strategic Plan (2011-2015).

Table 67: Characteristics of HHs on the DMHA Public Housing Waiting List, 2010

Characteristics of HHs on the DMHA Public Housing Waiting List, 2010		
	Total	%
Family size		
-Single-member	1,207	58.7%
-Small (2-4 members)	848	41.3%
-Large (5+ members)	45	2.2%
Unit size needed		
-1 bedroom	1,025	49.9%
-2 bedroom	734	35.7%
-3 bedroom	258	12.6%
-4 bedroom	19	0.9%
-5 bedroom	3	0.1%
-6 bedroom	2	0.1%
Total	2,055	100.0%

Source: *Cities of Dayton and Kettering 2011-2015 Five-Year HUD Strategic Plan*, page 57. Retrieved from: <http://www.cityofdayton.org/departments/pcd/Documents/ConPlanActionPlans/Consolidated%20Plan%202011-2015.pdf> on January 4, 2015.

Alternatively, individuals and families on waiting lists for Section 8 tended to be families with children or persons with disabilities. This is likely due to the wider availability of housing options in the Section 8 program when compared to public housing units, which tend to be located in multi-tenant buildings.

Table 68: Characteristics of HHs on the DMHA Section 8 Waiting List, 2010

Characteristics of HHs on the DMHA Section 8 Waiting List, 2010		
	Total	%
Income		
-Extremely low (<30% AMI)	3,188	88.2%
-Very low (30%-50% AMI)	361	10.0%
-Low (50%-80% AMI)	55	1.5%
Household type		
-Families with children	812	22.5%
-Elderly	44	1.2%
-With disabilities	278	7.7%
Race		
-White	460	12.7%
-Black	3,099	85.7%
-Other	57	1.6%
Total	3,616	100.0%

Source: Cities of Dayton and Kettering 2011-2015 Five-Year HUD Strategic Plan, page 58. Retrieved from: <http://www.cityofdayton.org/departments/pcd/Documents/ConPlanActionPlans/Consolidated%20Plan%202011-2015.pdf> on January 4, 2015.

The latest housing needs assessment (included as **Appendix VII** of this report) provided by GDPM shows that the waiting lists for both asset management (public housing) and Housing Choice Vouchers contain a combined 2,897 households, with 2,735 of the households being on the asset management waiting list and 162 being on the Housing Choice Voucher waiting list, representing a major decrease in the HCV waiting list and major increase in the asset management waiting list since 2010. A vast majority (~93%) of the total HHs on the waiting lists earn less than 30% of the AMI, 4% earn less than 50% of the AMI and 2% earn less than 80% of the AMI.

“Families with disabilities represent 16.08% of the asset management waiting list, and 0% of the HCV waiting list. Elderly families represent 3.35% of the asset management waiting list and 0% of the HCV waiting list.” The table below depicts the asset management waiting list with regards to the number of bedrooms requested, showing the continued strong demand for 1 and 2 bedroom units:

Table 69: Public housing waiting list by bedrooms (most current)

Asset Management Waiting List by Bedrooms, GDPM		
Characteristics by Bedroom #	# of Families Requested	Percent of Total Request
1 Bedroom	1,494	54.6%
2 Bedrooms	925	33.8%
3 Bedrooms	275	10.1%
4 Bedrooms	35	1.3%
5 Bedrooms	4	0.15%
6+ Bedrooms	2	0.07%

Source: Greater Dayton Premier Management, Statement of Housing Needs

The reason for the decrease in the HCV waiting list and increase in the asset management waiting list is that the HCV waiting list is only open for a short time every couple of years while the asset management waiting list is always ongoing. In January of 2015, the HCV waiting list was opened for one week and GDPM received 7,400+ applications, showing a considerable regional demand for the program. The applications are currently being reviewed and many of the applications will likely be ineligible, so obtaining a true number for the current HCV waiting list will be difficult until GDPM submits their next annual plan.

Determining the number of affordable housing units needed on a municipal level in order to meet demand is a difficult task since affordable housing developments meet, at the very least, a regional demand rather than just a city-level one. For example, when the Franklin Foundation's Birchwood Place development began taking applications, 45 applicants stood in line outside of the Kettering Recreation Center in order to get the chance to apply for housing first, and all of the first 45 applicants were from Dayton, not Kettering. In addition, there are more than 600 individuals on the waiting list for the 16 units of affordable housing owned by Greater Dayton Premier Management on Telford Avenue, suggesting a very strong demand exists to live at the affordable housing developments in Kettering.

Regarding housing affordability, In the case of Kettering, there were an estimated 7,776 (+/- 489) housing units considered cost burdensome to the tenants based on data collected between 2008 and 2012 through the American Community Survey. With 4,272 (+/- 371) of these units being rental units, 2,957 (+/-293) of them being owner-occupied and mortgaged, and 547 (+/-123) of them being owner-occupied without a mortgage.

Using 7,776 (+/-489) as a baseline for the number of households requiring some type of assistance to meet HUD's standard for occupying non-cost burdensome housing units, it becomes clear that putting a large dent in the affordability-side of housing will be difficult with such limited resources, especially considering that a majority of cost-burdened households in Kettering live in rental units and no direct rental assistance is offered due to limited financial resources. However, there are several projects in the pipeline that have the potential to bring several additional units of affordable housing to Kettering if the projects come to fruition.

Alternatively, HUD CHAS data, which is based on 2007-2011 ACS data, puts the number of cost burdened households at 7,270, with 3,540 of the units being owner-occupied and 3,750 being renter-occupied. 1,120 of the cost-burdened owner-occupied households and 1,875 of the renter-occupied households in this case pay 50% or more of their income toward housing costs, making for a total of approximately **2,995 severely cost burdened households**.⁶⁷

⁶⁷ Department of Housing & Urban Development. CHAS Data Query Tool. 2007-2011 Data Year for the City of Kettering. Retrieved from: http://www.huduser.org/portal/datasets/cp/CHAS/data_querytool_chas.html on October 30, 2014.

Pipeline Affordable Housing Projects

After speaking with Angela Brown, the Community Development Manager of Kettering, several development projects were discussed as possible affordable housing projects in the coming years. The Miami Valley Housing Opportunities and Franklin Foundation projects are not finalized and are only in the early planning stages, but combined they include more than 25 affordable housing units, with five being single-family homes targeted to veterans. The house on 3733-3737 Circle View is currently under construction. In addition, GDPM is currently (as of early March of 2015) pursuing the purchasing of 550, 551 and 557 Corona.

Table 70: Potential affordable housing projects in the pipeline for Kettering

CT	Location	Developer	Number of Units
215.01	3908 Wilmington (Former Red Lobster)	Miami Valley Housing Opportunities (MVHO)	20+
210	2804 Gaylord Avenue	Franklin Foundation	5 (single-family detached homes on vacant lot)
210	3733-3737 Circle View	Neighborhood Housing Services (NHS)	1 (single-family house on vacant lot)
201	1357 Elmdale	Habitat for Humanity	1 (single-family house on vacant lot)
209	550, 551 and 557 Corona	Greater Dayton Premier Management (GDPM)	12 (3 buildings with 4 units each) (est.)
TOTAL			39

Most of the affordable housing projects listed above involve the construction of new units. Examples from the past such as the acquisition of several multi-family buildings by Miami Valley Housing Opportunities, Greater Dayton Premier Management and St. Vincent, involve the transitioning of existing market-rate housing into affordable housing for a target tenancy. Projects such as these, particularly if the projects involve existing vacant multi-tenant buildings that are problem-properties, would be a good strategy for adding more affordable housing units at a lower price.

Existing vacant multi-tenant buildings include (but are not limited to):

Address	Owner	Status
526 Corona Avenue	Mid Atlantic Group LLC (sale ordered in early 2015)	Vacant (Foreclosure) Case #: 2013 CV 02383
550 Corona Avenue*	Bank of NY Mellon	Vacant (Foreclosure) Case #: 2013 CV 06968

*550, 551 and 557 Corona may be purchased by GDPM in the coming months. All properties were foreclosed on in 2013 and are now for sale. If GDPM is successful, this would add an estimated 12 additional units of affordable housing to the neighborhood.

When other multi-family buildings are vacant and possible to acquire, the City may want to float the idea of finding proven affordable housing providers to acquire and manage the property for a particular target tenancy. One strength of transitioning existing multi-tenant buildings into affordable housing units, aside from the relatively affordable cost of doing so, is the fact that the numerous small multi-tenant buildings in Kettering contain a wide variety of apartment types which can be repurposed for particular target tenancies. The photos below show three examples of the different building-types owned by Miami Valley Housing Opportunities along with the type and number of units in each building.

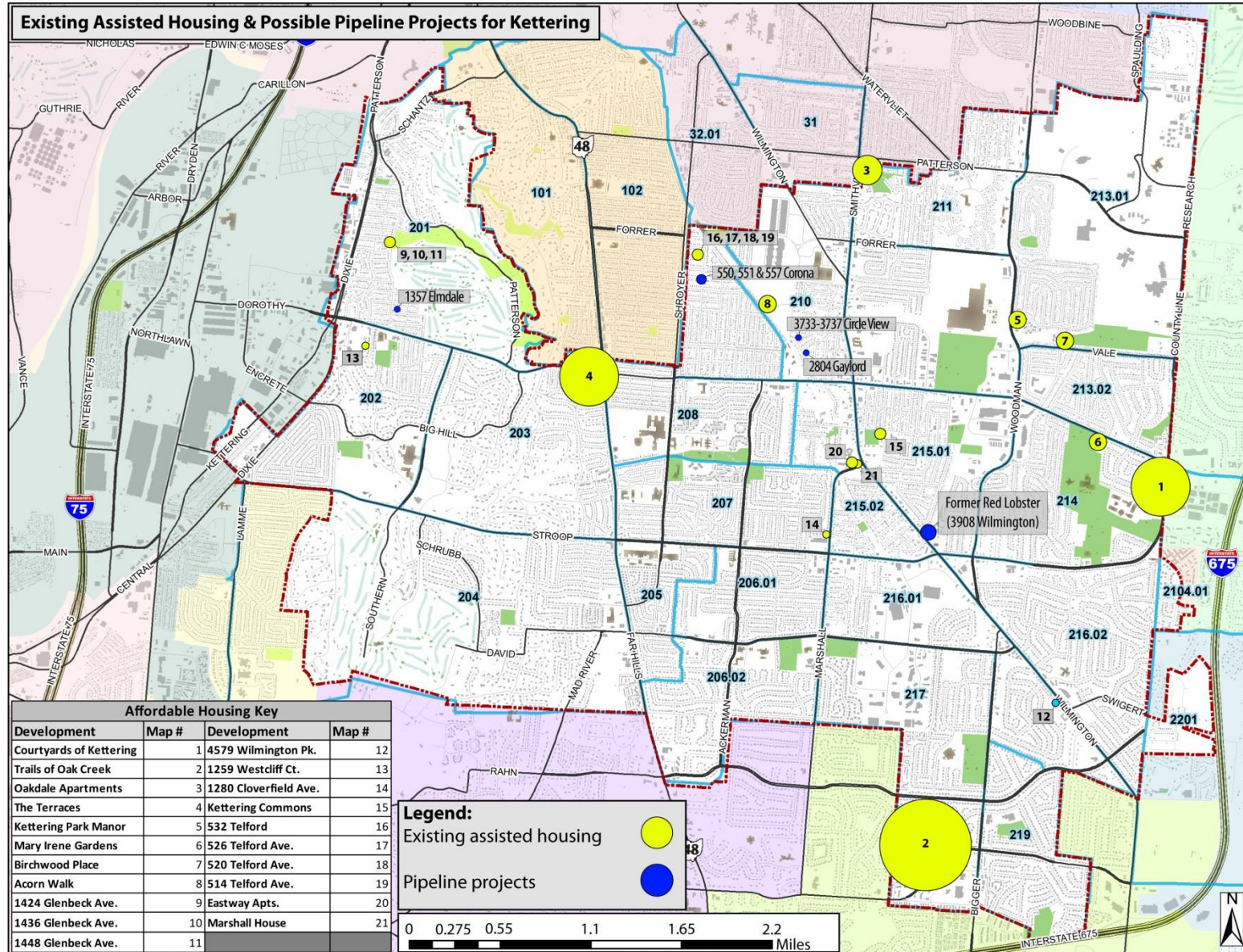


Photo Sources: Montgomery County Auditor. Unit setup source: discussions with MVHO

In addition, the four buildings GDPM owns on Telford Avenue each have four 1BR 1B units, one of which is sight and sound accessible.

However, a weakness of converting existing smaller apartments into affordable housing is that these buildings will not be attractive for senior housing developments due to the second-floor living spaces and lack of elevators. As such, if and when these buildings are converted into affordable housing units in the future, senior housing is unlikely to be an optimal option for the target tenancy. Alternative developments will be required to meet the needs of senior citizens.

Figure 114: Existing and pipeline affordable housing map



C. Housing Development Activities & Initiatives

Several programs exist in the City of Kettering meant to boost access to affordable housing in the City while also providing decent, safe and sanitary living environments. These programs include down-payment assistance meant to make homeownership more affordable for individuals and families with incomes at or below 80% of the area median income. Other programs are meant to assist with the financing of the rehabilitation of owner-occupied structures through grants and/or low-interest loans for moderate and low income residents through either deferred or low interest loans.

The Neighborhood Stabilization Program (NSP) made funds available to finance new construction as well as purchase-rehab projects meant to create more units of affordable owner-occupied housing. All of the completed NSP-financed new construction and rehab housing units have sold to buyers and one additional unit is currently under construction in the Wiles Creek neighborhood on Circle View. In addition, the construction of a new Habitat for Humanity home is scheduled to begin shortly in the Southern Hills Neighborhood.

Another program that ran from 2002-2010 was the Home Enhancement Loan Program (HELP), which assisted homeowners in rehabilitating their homes through a partnership with Day Air Credit Union where Kettering provided financial assistance to applicants in order to bring the interest rates on major home improvement loans down by up to 2%. The financing for the program was from the General Fund and the program cost approximately \$50,000 per year. Implementing a similar program with target areas and income limits may be an idea to stimulate major, value-added home improvements throughout Kettering.

In addition to programs geared directly toward housing development and maintenance, CDBG and Moving Ohio Forward dollars have been allocated in recent years for the purpose of demolishing dilapidated structures throughout the City, with a heavy focus on demolitions in the Wile Creek neighborhood. Many of the lots leftover from past demolitions have had homes built on them.