

Housing Needs Assessment



Community Planning and Development

Fall 2011



City of Waterloo Housing Needs Assessment

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The following report analyzes current housing and population needs in Waterloo, Iowa to help determine housing conditions in various demographic groups and geographic areas of the community. Utilizing current survey data, it updates prior studies that were based heavily on data from the 2000 Census. In the wake of the economic and housing crises of the past decade, these prior studies are out of date. New information is needed to help guide policy decisions, target resources, assist grant writing and reporting, and improve public awareness.

This is a quantitative assessment that primarily utilizes data from the U.S. Census and the American Community Survey (ACS). The ACS is an ongoing survey that replaces the long form decennial census. The ACS provides more frequent information than did the long form decennial census. The first ACS data at the census tract level were released at the end of 2010 and are based on estimates gathered across the 2005-2009 period. As with any survey, all estimates contain a certain margin of error. While this report focuses on survey data, it is meant to complement and not replace other forms of analysis, practical knowledge, or “on-the-ground” experience. It might be augmented, for example, by a “windshield” survey of housing conditions.

In what follows, I name census tracts according to common local associations or landmarks for easy reference and make frequent comparisons to the city as a whole. After highlighting major findings, I present area snapshots that point out some of the noteworthy characteristics of each tract. Four tracts are not included in this assessment due to small populations and generally high margins of error in the ACS: Tract 26.04 (The Far North), Tract 27 (The Northeast Corner), Tract 29.01 (The Southeast Corner), and Tract 30.02 (The Southwest Corner). After focusing on housing characteristics by geography with the area snapshots, I cover each topical area in more detail. Finally, I develop a composite index based on various demographic and housing need variables that ranks the areas in terms of overall need.

Due to time and resource constraints, I could not include all topics relating to housing need. Future studies might focus on the housing needs of people with disabilities, the homeless, families with children, and veterans, to name a few. Additionally, my focus on certain racial or ethnic groups is not meant to be exclusionary or ignorant of the wide diversity within Waterloo. Rather, I chose to focus on the largest of racial and ethnic groups and some that have exhibited major demographic shifts over the past decade.

Findings:

- While Waterloo is faring better than many other parts of the nation on various economic indicators, it has not escaped the effects of the recent economic recession and housing crisis. Real median household income (i.e. purchasing power) has fallen by 9% across the decade. Many areas of the city lost between 20-30% of their real median household income. There is a growing need for programs to serve these low to moderate-income people at a time when funding for such uses is being cut at all levels, and at the federal level in particular.
- Waterloo’s unemployment rate is at approximately 7.1%, which is lower than the national unemployment rate of 9.6% in 2010. However, certain areas and groups suffer

disproportionately high unemployment rates. Seven tracts have unemployment rates of over 10%, with Hwy 63-St. Mary's (CT17.01) having an unemployment rate of 22.1%. Section 3¹ job creation efforts should be targeted to these areas. Additionally, the unemployment rate for Black men (19%) is more than 2.5 times the citywide rate, and for Black women (13.1%), it is 1.8 times higher. Special effort should be focused on job training and creation for these groups.

- The foreclosure crisis shows signs of slowing in some areas. However, the Near Northeast Side (CT18) is being especially ravaged by the ongoing housing crisis. The area is primarily comprised of Black homeowners, and it is estimated that nearly half of all home mortgages executed between 2004-2007 in this area were high cost (i.e. subprime). Approximately 13% of homeowners in this tract are seriously delinquent on their mortgage payments. Programs to help homeowners avoid foreclosure, such as an emergency loan program, should be targeted to this area.
- Waterloo's Hispanic population has increased by 50% across the decade. Hispanics have concentrated heavily in the Highland-City View (CT19) and Rath-Maywood (CT8) areas. Hispanic's rate of homeownership has increased over the decade and is approaching that of Whites. Application instructions and educational materials and classes should be offered in Spanish.
- Waterloo has an aging population. There was a 19% decrease in the 25-44 year-old age cohort across the decade. This translates into decreased single-family housing demand and signals future increases in demand for senior housing developments and services.
- Waterloo has an aging, deteriorating housing stock with approximately 82% of homes being built prior to 1978. As a result, there are significant lead paint hazards. The incidence of lead poisoning has dropped over the decade, but still stands at 4.65% of those tested citywide. The 50703 zip code, in particular, saw vast improvement with new lead poisoning cases falling from 21% of those tested in 2002 to only 3.9% in 2010. Future lead remediation efforts should therefore be targeted to the Near West Side in the Belmont Park-Church Row (CT3) and Williston North (CT2) areas. These areas also have high proportions of children under the age of five who are most susceptible to lead poisoning.
- Waterloo continues to be residentially segregated by race with Blacks being heavily concentrated on the East Side². Also, the level of Hispanic ethnic segregation has increased over the decade. Waterloo is less segregated by income, however. There is more income diversity within neighborhoods than between, and Waterloo is less segregated by income than some other Iowan Entitlement Communities.

¹ Section 3 requires that, to the greatest extent possible, certain federal grantees provide job training, employment, and contract opportunities for low- or very-low income residents in connection with projects and activities in their neighborhoods.

² The "East Side" is locally used to describe what is actually the Northeast side of the Cedar River and the "West Side", vice-versa.

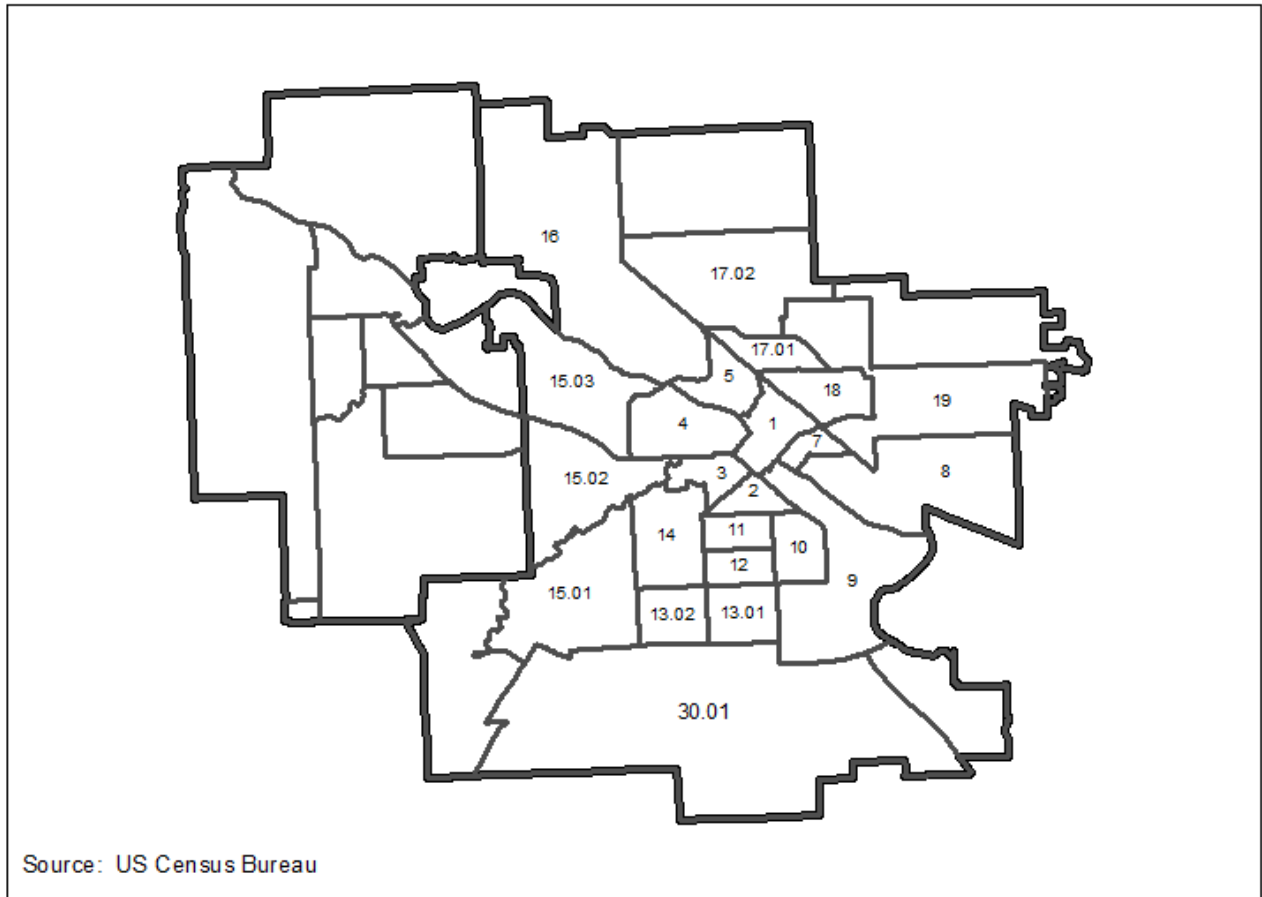
- Housing policy in the U.S. has shifted in past decades to focus on the promotion of mixed-income housing development. Experience has shown concentrated poverty to be associated with a host of social problems, whereas increased exposure to higher income residents gives low-income residents access to social networks and opportunity structures that can facilitate upward mobility. Alternatively, the introduction of upper income residents to low-income neighborhoods generates new market demand, and the political pressure generated by higher income residents leads to higher quality goods and services available to all residents. While Waterloo is not as segregated by income as some other Iowa cities, more could be done to facilitate the deconcentration of poverty, such as offering heavy down payment subsidies and tax incentives to attract moderate-income people to low-income neighborhoods, and improving subsidized housing options for low-income residents in higher income areas. The Neighborhood Stabilization Program Round 3 presents an opportunity for mixed-income development in the Lafayette/E. 8th Street area as this program allows subsidizing people who earn up to 120% of the Area Median Income.
- Various demographic groups are substantially worse-off than others on virtually all housing need indicators examined. This is indicative of a continued need to affirmatively further fair housing in Waterloo. Fair housing policy and actions should be seriously monitored, evaluated, bolstered, and revised on a regular basis.
- HUD subsidized housing projects have become increasingly important to Waterloo's housing market over the past five years. While overall single-family housing starts in Waterloo have decreased by almost 60% (from 103 in 2005 to 42 in 2010), the proportion of those starts that are HUD funded has increased from 7% to 45%, respectively. This increasing reliance on federal funding, combined with recent and proposed federal funding cuts, necessitates allocating more local funding to affordable housing efforts in the future.
- Real median home values grew by about 20% from \$81,750 in 2000 (in 2009 inflation adjusted dollars) to \$97,700 in 2005-2009. The U.S. real median home value, in contrast, grew by about 24% over the same time period. Every tract saw an increase in real median home value except the Far South (CT30.01) and Olympic-Prospect (CT13.02). Home values were stagnant in these two tracts. Real median home values tended to increase at greater rates in the lower price ranges and in lower income neighborhoods.
- There is a significant need for more affordable housing stock in Waterloo. Nearly 30% of homeowners with a mortgage and half of all renters are considered to be cost burdened households in that they spend more than 30% of their annual income on basic housing costs. Additionally, there is a scarcity of affordable rentals³ in the Olympic-Prospect (CT13.02), Covenant Hospital (CT13.01), Belmont Park-Church Row (CT3), and Highway 63-St. Mary's areas (CT17.01). This scarcity is particularly problematic in Belmont Park-Church Row and Highway 63-St. Mary's because these are low-income

³ HUD defines an affordable two-bedroom apartment as costing no more than \$616 (utilities included) for the Waterloo area, for example.

neighborhoods with real median incomes that have fallen between 20-30% across the decade.

- The composite housing need index contains 10 variables that measure housing need based on demographics, housing supply and demand, housing affordability, income, and neighborhood stability. The Highway 63-St. Mary's area (CT17.01) scored the highest on this scale with a maximum score of 100. Williston North (CT2), Near Downtown East (CT7), and Hwy 63-Allen (CT17.02) all tied for the second highest need with a score of 91.

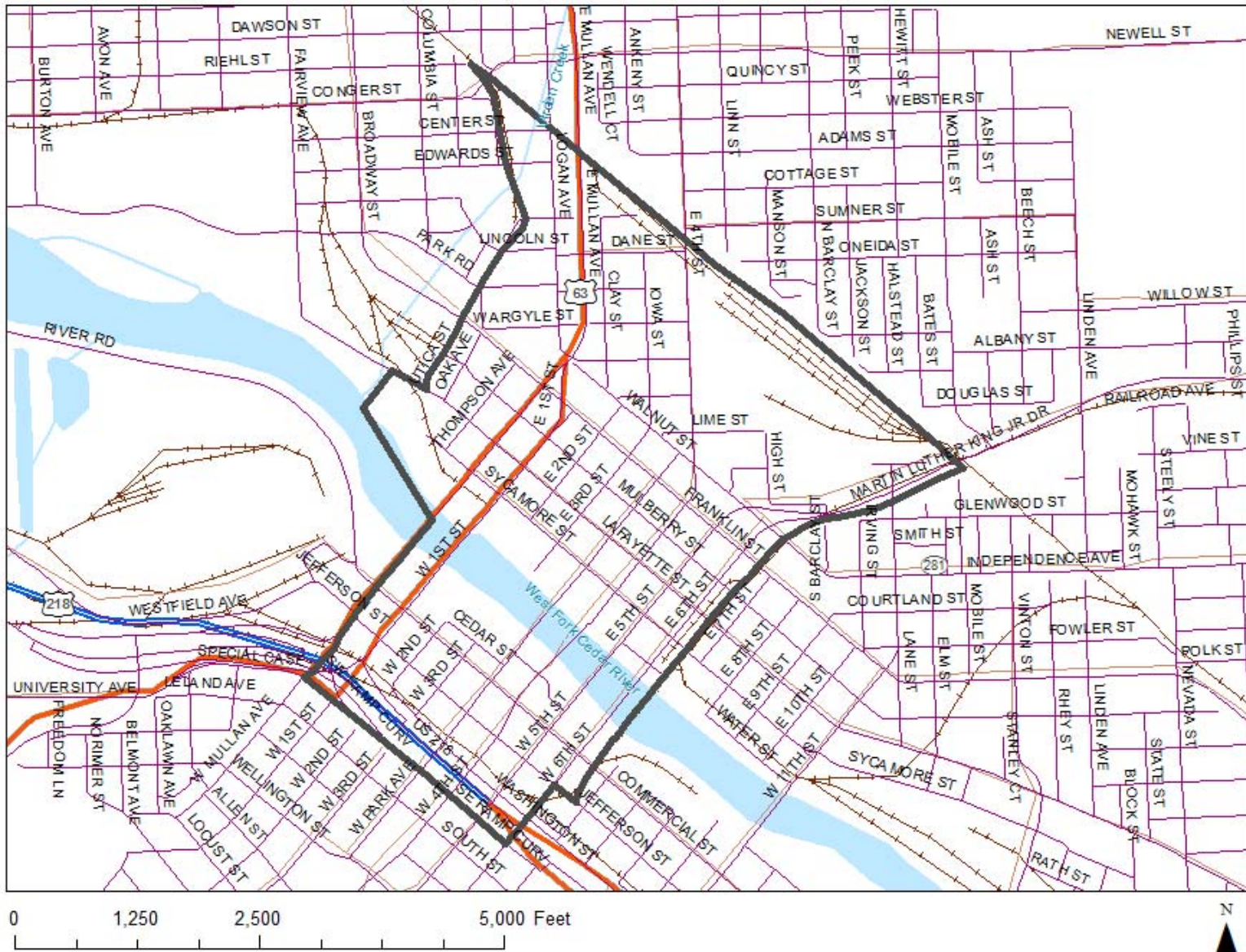
Waterloo, Iowa Census Tracts



Census Tracts

- | | | | |
|-------|-------------------------|-------|------------------------|
| 1 | Downtown East-West | 13.02 | Olympic-Prospect |
| 2 | Williston North | 14 | Byrnes Park-Prospect |
| 3 | Belmont Park-Church Row | 15.01 | Martin Road-Sunny Side |
| 4 | John Deere | 15.02 | Downing-Black Hawk |
| 5 | Fairview Cemetery | 15.03 | Castle Hill |
| 7 | Near Downtown East | 16 | Cedar Bend-Greenbrier |
| 8 | Rath-Maywood | 17.01 | Hwy 63-St. Mary's |
| 9 | Jefferson-Riverview | 17.02 | Hwy 63-Allen |
| 10 | Cadillac Lanes | 18 | Near Northeast Side |
| 11 | Williston South | 19 | Highland-City View |
| 12 | West High | 30.01 | Far South |
| 13.01 | Covenant Hospital | | |

Downtown East-West (Census Tract 1)



Area Snapshot

(Sources: Census 2000; ACS 5-Year Estimates 2005-2009; HUD NSP3 Downloadable Data Files)

CT1. Downtown East-West

- Population: 2,026
- Median Single-family Home Value: \$67,800
 - Only 40% SF homes - 3rd lowest in the city
- Median Household Income:
 - Lowest in the city - \$12,424
- Area of Racial Concentration
 - 42% Black, 55% Minority
- 18 – 24 Year-Olds: High - 23%
- Predominantly Rentals: Tied for highest in city: 74%
 - 74% of those are affordable by HUD standards
- Neighborhood Stabilization Need Score⁴:
 - 2nd highest in the city - 17
- Vacancy Rate: 2nd highest in the city -16.5%
- Cost Burdened Households: High - 56%
- Composite Need Score: 91

Waterloo, Iowa

- Population: 68,406
- Median Single-family Home Value: \$97,700
 - 69% SF homes
- Median Household Income: \$38,779
- Blacks: 13.9%, Minorities: 20%
- 18 – 24 Year-Olds: 13%
- Rentals: 33%
 - 52% rental units are affordable
- Neighborhood Stabilization Need Score: 13
- Vacancy Rate: 5%
- Cost Burdened Households: 38%
- Average Composite Need Score: 48

⁴Need Score is based on foreclosures, vacancies, high cost loans, and delinquent mortgages. It ranges from 0 – 20.

Area Snapshot

(Sources: Census 2000; ACS 5-Year Estimates 2005-2009; HUD NSP3 Downloadable Data Files)

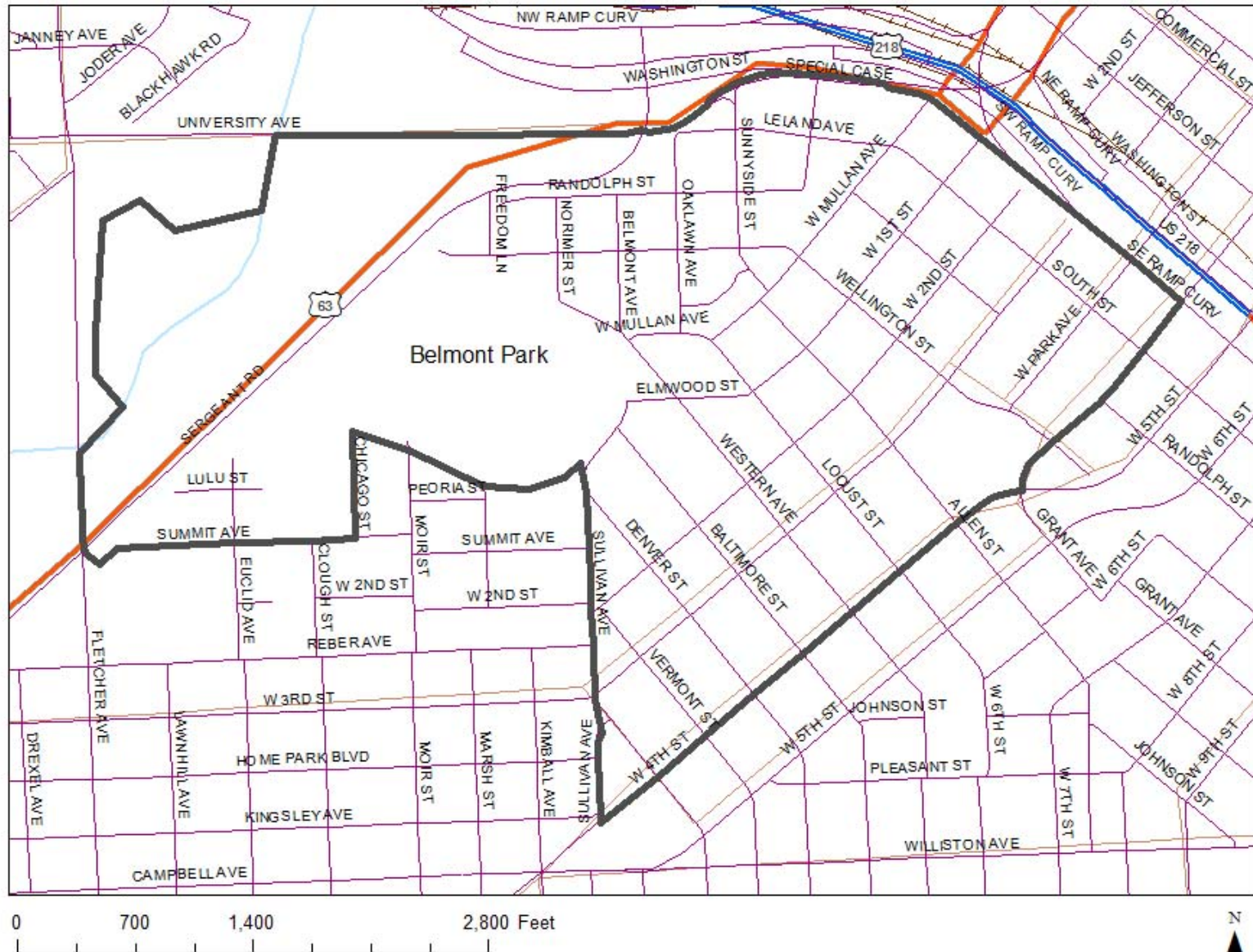
CT2. Williston North

- Population: 2,825
 - Large losses - 13% decrease from 2000
 - 10.3% from the region of the former Yugoslavia
- Median Single-family Home Value: \$76,200
- Median Household Income: \$28,438
 - 27% loss in real median income from 2000
- Hispanic: High – 9%
- Under 18 Years Old: High - 34%
- Rentals: 3rd Highest in City - 62%
 - 62% of those are affordable by HUD standards
- Vacancy Rate: 4th Highest in the city: 9.5%
- Cost Burdened Households: High 51%
- Foreclosure rate 1.7X higher than citywide rate
- 10% loss of housing units from 2000
- **Composite Need Score: 91**

Waterloo, Iowa

- Population: 68,406
 - 3.5% decrease from 2000
 - 3.6% from the region of the former Yugoslavia
- Median Single-family Home Value: \$97,700
- Median Household Income: \$38,779
 - 9% loss in real median income from 2000
- Hispanic: 4%
- Under 18 Years Old: 24%
- Rentals: 33%
 - 52% affordable by HUD standards
- Vacancy Rate: 5%
- Cost Burdened Households: 38%
- 3.4% increase in housing units from 2000
- **Average Composite Need Score: 48**

Belmont Park-Church Row (Tract 3)



Area Snapshot

(Sources: Census 2000; ACS 5-Year Estimates 2005-2009; HUD NSP3 Downloadable Data Files)

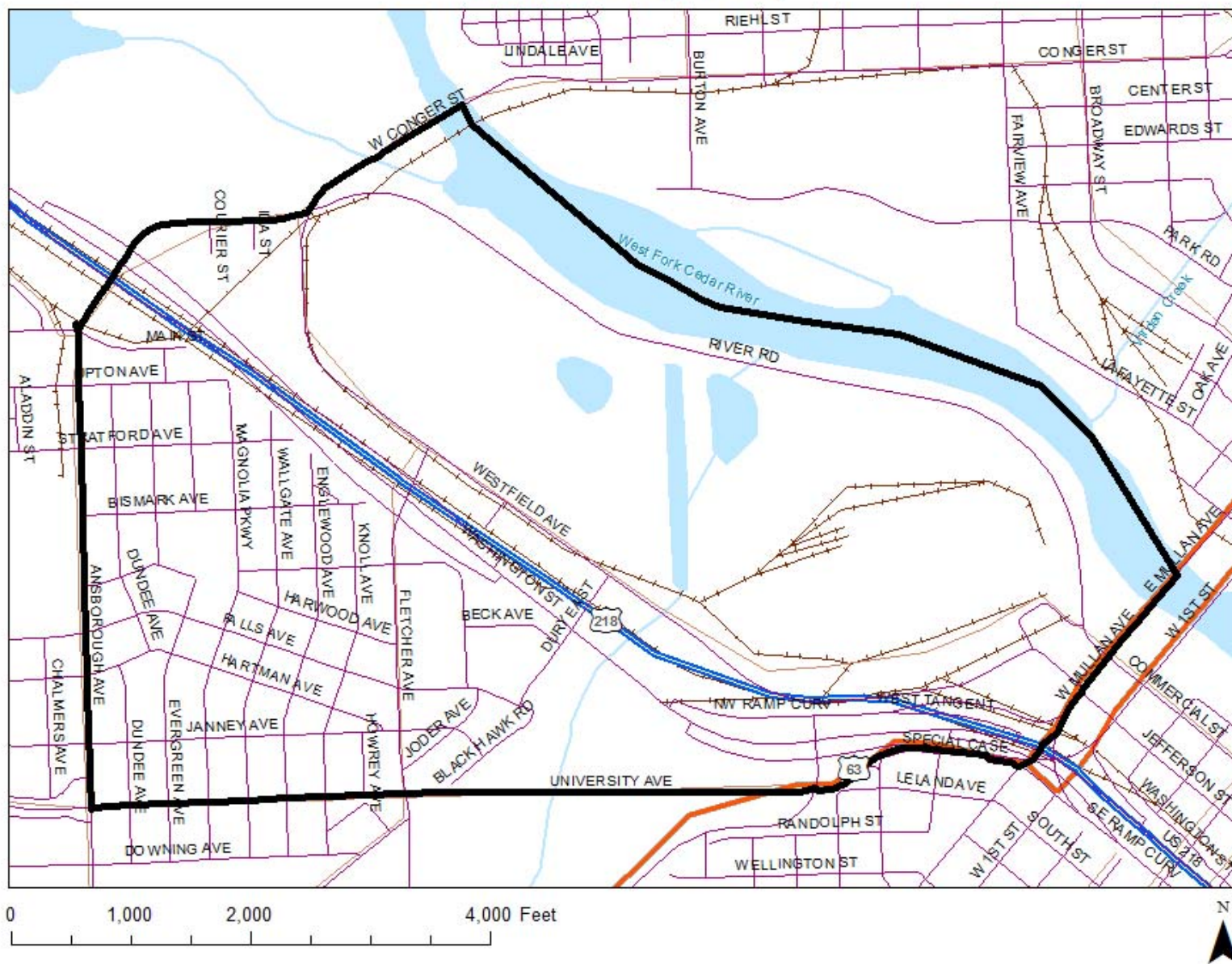
CT3. Belmont Park-Church Row

- Population: 3,045
- Median Single-family Home Value: \$75,500
- Median Household Income:
 - 4th lowest in the city - \$31,704
- Race and Ethnicity:
 - Fairly representative of city overall
 - 70% White, 19% Black, 4% Hispanic
- Under 18 Yrs Old: High
 - 35% under 18; 15% Under 5 yrs old
- Unemployment Rate:
 - 4th highest in the city – 14.5%
- Rentals: 4th highest in city- 59%
 - Only 48% of those are affordable
- Vacancy Rate: Highest in the city – 16.9%
- Cost Burdened Households:
 - 3rd highest in the city - 54%
- **Composite Need Score: 82**

Waterloo, Iowa

- Population: 68,406
- Median Single-family Home Value: \$97,700
- Median Household Income: \$38,779
- 79% White, 13.9% Black, 4% Hispanic
- 24% Under 18Yrs Old, 8% Under 5 Yrs Old
- Unemployment Rate: 7.1%
- Rentals: 33%
 - Only 52% of those are affordable by HUD standards
- Vacancy Rate: 5%
- Cost Burdened Households: 38%
- **Average Composite Need Score: 48**

John Deere (Tract 4)



Area Snapshot

(Sources: Census 2000; ACS 5-Year Estimates 2005-2009; HUD NSP3 Downloadable Data Files)

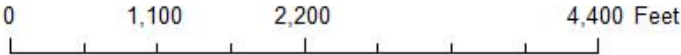
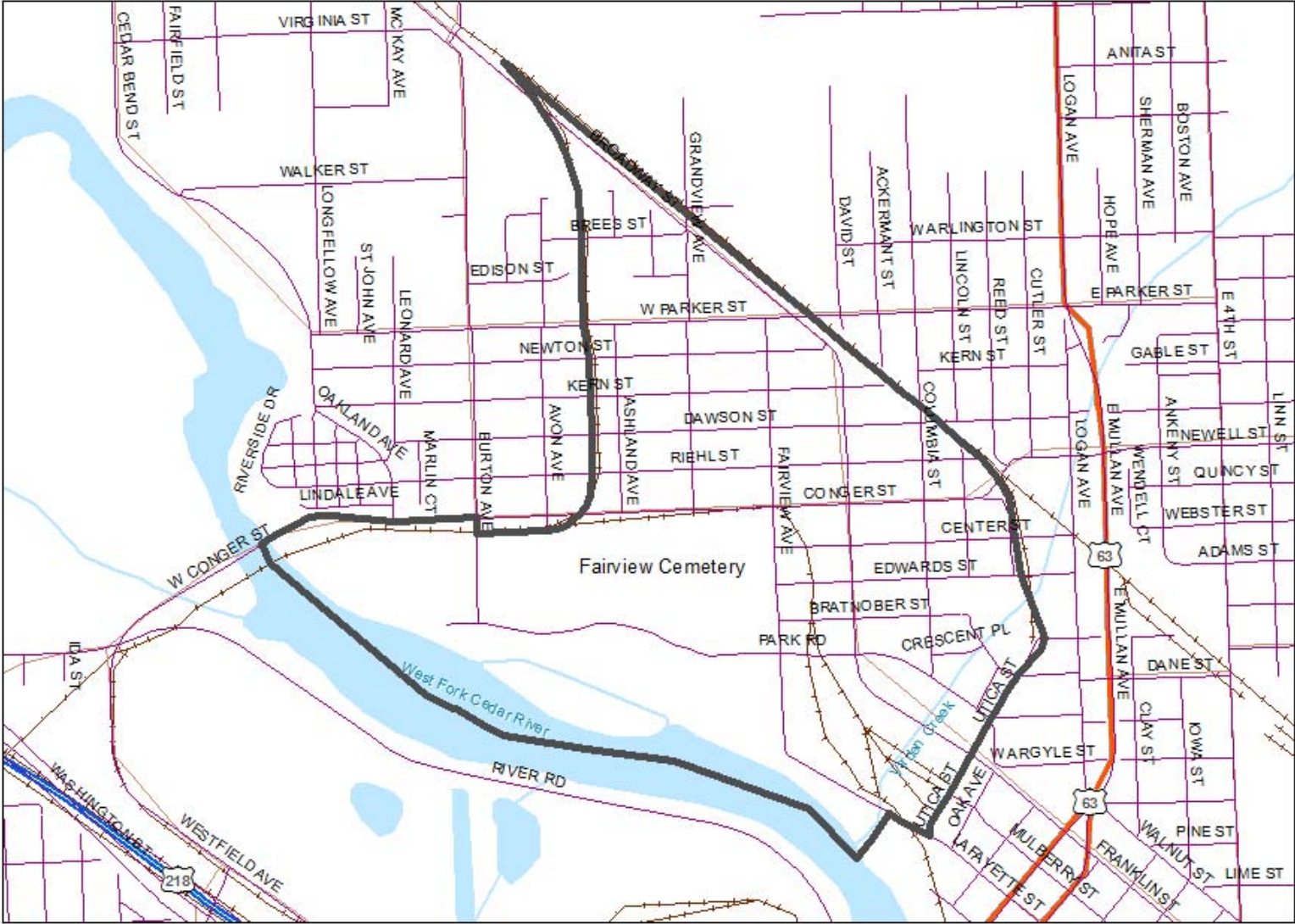
CT4. John Deere

- Population: 1,563
 - 4th least populous tract in the city
 - Population stable overall, but aging over decade
 - 26% decrease in 25-44 yr-olds from 2000
- Median Single-family Home Value: \$84,300
- Median Household Income: \$40,791
- Predominately Single-family Homes – 94%
- Fairly typical of the city overall on most indicators
- **Composite Need Score: 23**

Waterloo, Iowa

- Population: 68,406
 - 19% decrease in 25-44 yr-olds from 2000
- Median Single-family Home Value: \$97,700
- Median Household Income: \$38,779
- Single-family Homes: 69%
- **Average Composite Need Score: 48**

Fairview Cemetery (Tract 5)



Area Snapshot

(Sources: Census 2000; ACS 5-Year Estimates 2005-2009; HUD NSP3 Downloadable Data Files)

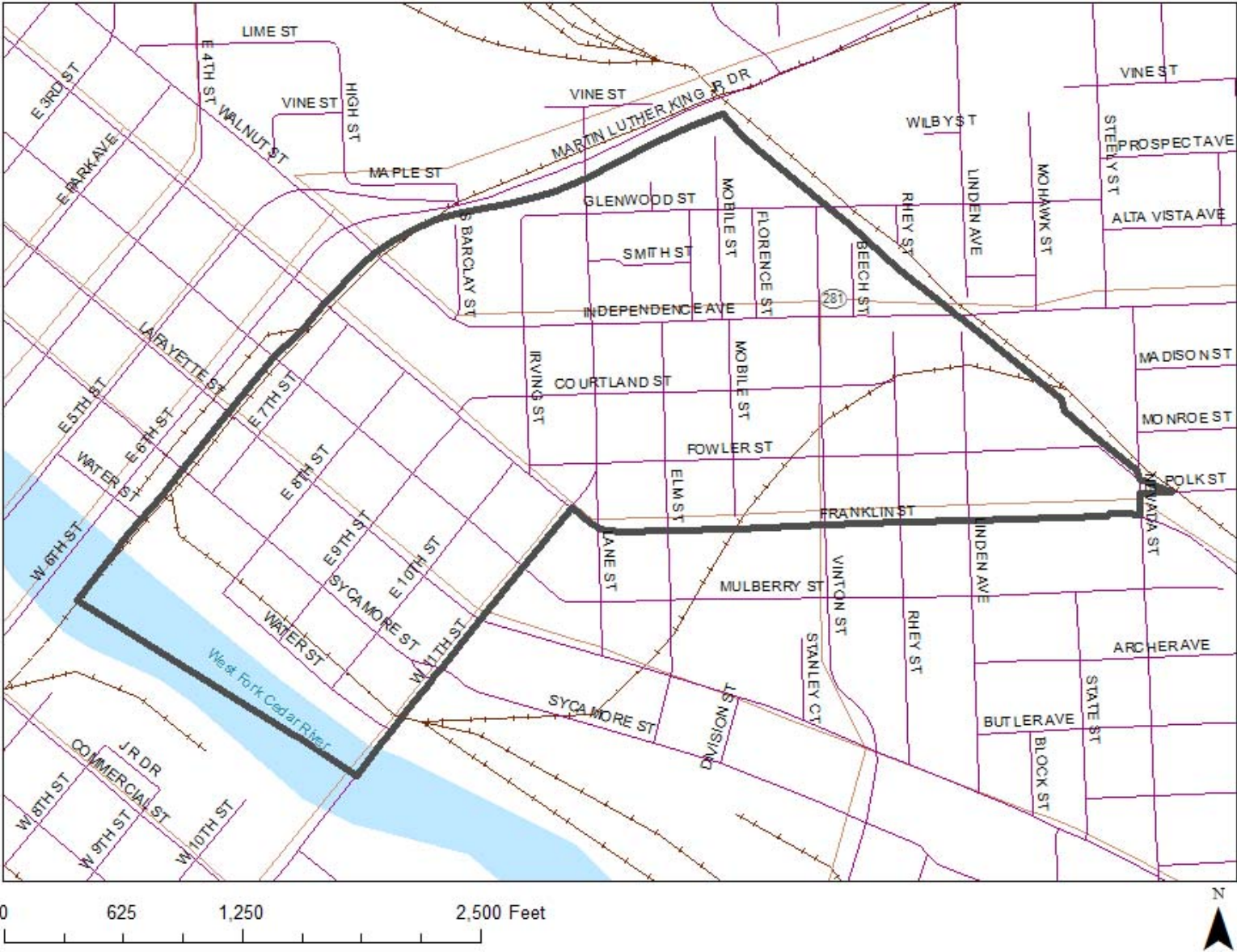
CT5. Fairview Cemetery

- Population: 1,623
- Area of racial concentration
 - 29% Black, 42% Minority
- Median Single-family Home Value:
 - 4th lowest in the city - \$63,300
- Median Household Income: \$34,244
- Virtually all single-family homes
- 8.3% loss in housing units from 2000
- Foreclosure rate twice as high as the citywide rate
 - New foreclosure starts did not slow down in 2010
- **Composite Need Score: 64**

Waterloo, Iowa

- Population: 68,406
 - 13.9% Black, 20% Minority
- Median Single-family Home Value: \$97,700
- Median Household Income: \$38,779
- Single-family Homes – 69%
- 3.4% gain in housing units from 2000
- **Average Composite Need Score: 48**

Near Downtown East (Tract 7)



Area Snapshot

(Sources: Census 2000; ACS 5-Year Estimates 2005-2009; HUD NSP3 Downloadable Data Files)

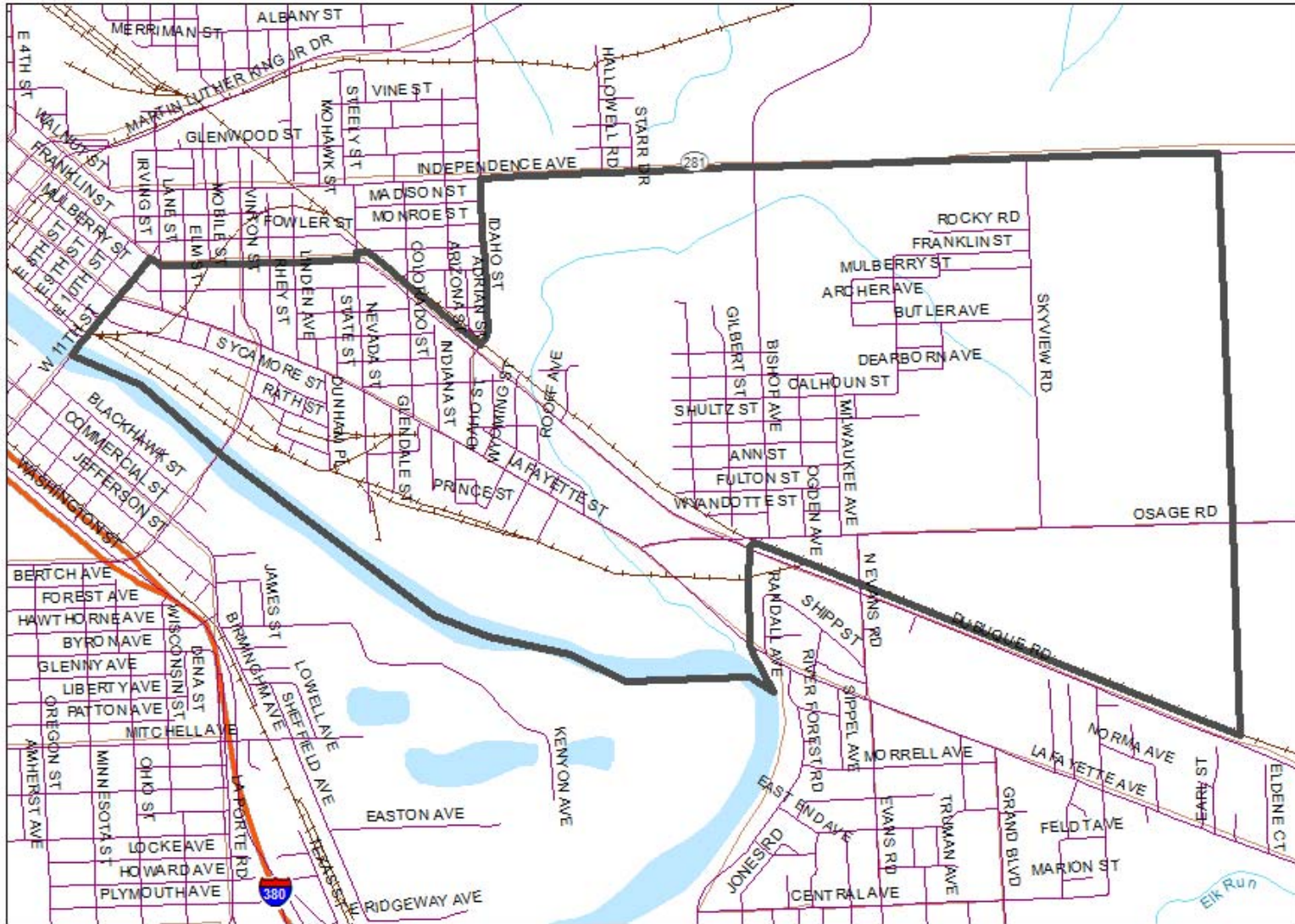
CT7. Near Downtown East

- Population: Least populous tract – 1,269
 - Large losses – 27% decrease from 2000
 - Aging - 39% decrease in 25-44 year-olds from 2000
- Median Single-family Home Value: 3rd lowest in the city - \$60,300
- Median Household Income: \$25,938
 - 5th lowest in the city
- Area of both racial and ethnic concentration
 - 43% Black, 62% Minority, 15% Hispanic
- Unemployment Rate:
 - 2nd highest in the city: 16.6%
- Vacancy Rate: 3rd highest in city – 14.4%
- Cost Burdened Households: High - 51%
- Rentals: 52%, Owner Occupied: 48%
- Most rentals (85%) considered affordable by HUD standards
- **Composite Need Score: 91**

Waterloo, Iowa

- Population: 68,406
 - 3.5% decrease from 2000
 - 19% decrease in 25-44 year-olds from 2000
- Median Single-family Home Value: \$97,700
- Median Household Income: \$38,779
- Blacks: 13.9%, Minorities: 20%, Hispanics: 4%
- Unemployment Rate: 7.1%
- Vacancy Rate: 5%
- Cost Burdened Households: 38%
- Rentals: 33%, Owner Occupied: 67%
- Affordable rentals: 52%
- **Average Composite Need Score: 48**

Rath-Maywood (Tract 8)



0 1,800 3,600 7,200 Feet



Area Snapshot

(Sources: Census 2000; ACS 5-Year Estimates 2005-2009; HUD NSP3 Downloadable Data Files)

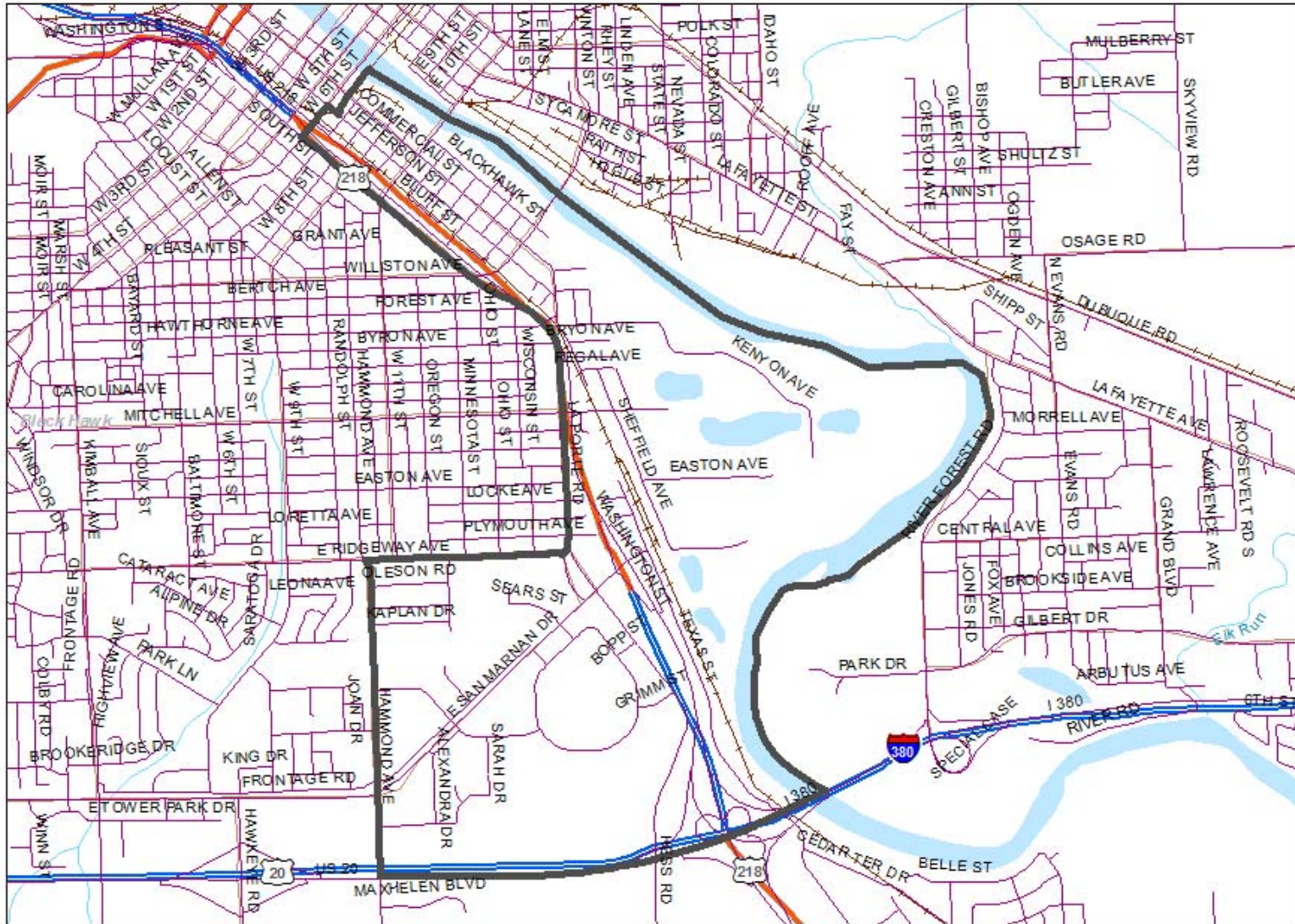
CT8. Rath-Maywood

- Population: 4th largest - 4,101
 - Stable overall with large increases in Hispanics
 - 197% increase in Hispanic population from 2000
- Median SF Home Value: 2nd Lowest in City - \$59,000
- Median Household Income: \$31,206
- New area of Ethnic Concentration
 - 15% Hispanic (up from 5% in 2000)
- Unemployment Rate:
 - 3rd highest in City – 15%
- **Composite Need Score: 73**

Waterloo, Iowa

- Population: 68,406
 - 3.5% decrease from 2000
 - 46.8% increase in Hispanic population from 2000
- Median Single-family Home Value: \$97,700
- Median Household Income: \$38,779
- Hispanics: 4%
- Unemployment Rate: 7.1%
- **Average Composite Need Score: 48**

Jefferson-Riverview (Tract 9)



0 2,350 4,700 9,400 Feet



Area Snapshot

(Sources: Census 2000; ACS 5-Year Estimates 2005-2009; HUD NSP3 Downloadable Data Files)

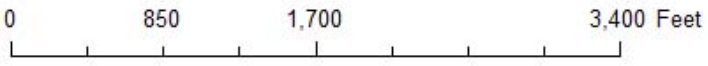
CT9. Jefferson-Riverview

- Population: 3rd least populous tract - 1,445
- Median Single-family Home Value: \$99,200
 - But only 31% SF homes
 - Lowest % SF homes in City
- Median Household Income:
 - 3rd lowest in city - \$22,471
 - But, one of few tracts where real median income remained stable from 2000
- Race and Ethnicity:
 - Representative of the city overall
 - 80% White, 14% Black, 4% Hispanic
- Unemployment Rate: Low – 3.1%
- Predominantly Multi-Units and Rentals:
 - Only 31% Single-family
 - Lowest in the city
 - Rentals: Tied for highest in the city- 74%
 - 60% of those are affordable by HUD standards
- 9.2% loss in housing units from 2000
- **Composite Need Score: 64**

Waterloo, Iowa

- Population: 68,406
- Median Single-family Home Value: \$97,700
 - 69% SF homes
- Median Household Income: \$38,779
 - 9% loss in real median income from 2000
- 79% White, 13.9% Black, 4% Hispanic
- Unemployment Rate: 7.1%
- Single-family – 69%
- Rentals: 33%
 - 52% affordable by HUD standards
- 3.4% gain in housing units from 2000
- **Average Composite Need Score: 48**

Cadillac Lanes (Tract 10)



Area Snapshot

(Sources: Census 2000; ACS 5-Year Estimates 2005-2009; HUD NSP3 Downloadable Data Files)

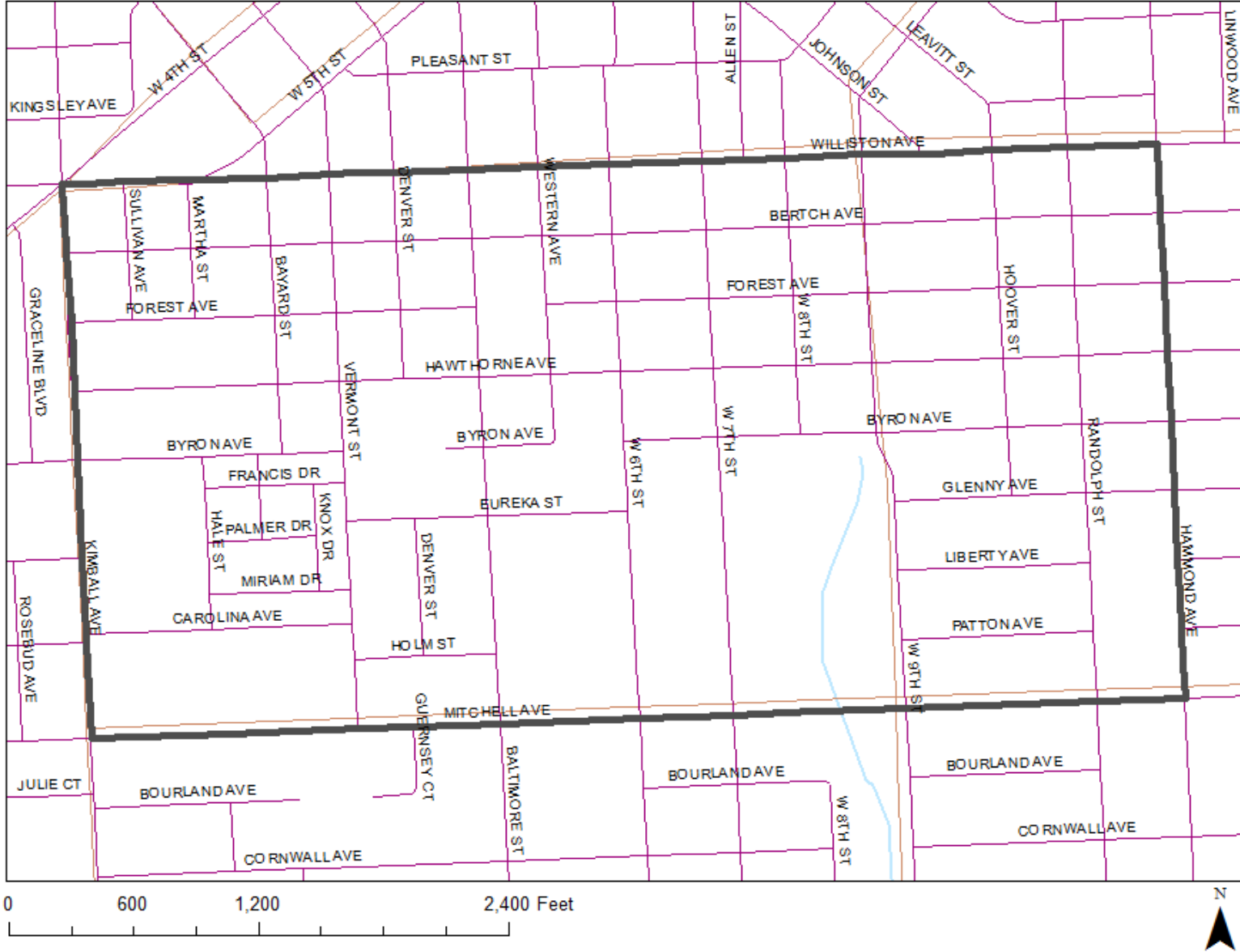
CT10. Cadillac Lanes

- Population: 3,496
 - 25 - 44 Year-Olds: Fairly stable
 - 7% decrease from 2000
 - 93% White
- Median Single-family Home Value: \$94,400
- Median Household Income: \$39,705
- Area of Ethnic Concentration: 14.1% Former Yugoslavia
- Unemployment Rate:
 - 2nd lowest in the city: 1.8%
- Vacancy Rate: Low – 1.8%
- Predominately Owner Occupied: 92%
- Predominately Single-family: 96%
- **Composite Need Score: 9**

Waterloo, Iowa

- Population: 68,406
 - 19% decrease in 25-44 year-olds
 - 79% White
- Median Single-family Home Value: \$97,700
- Median Household Income: \$38,779
- Former Yugoslavia: 3.6%
- Unemployment Rate: 7.1%
- Vacancy Rate: 5%
- Owner Occupied: 67%
- Single-family: 69%
- **Average Composite Need Score: 48**

Williston South (Tract 11)



Area Snapshot

(Sources: Census 2000; ACS 5-Year Estimates 2005-2009; HUD NSP3 Downloadable Data Files)

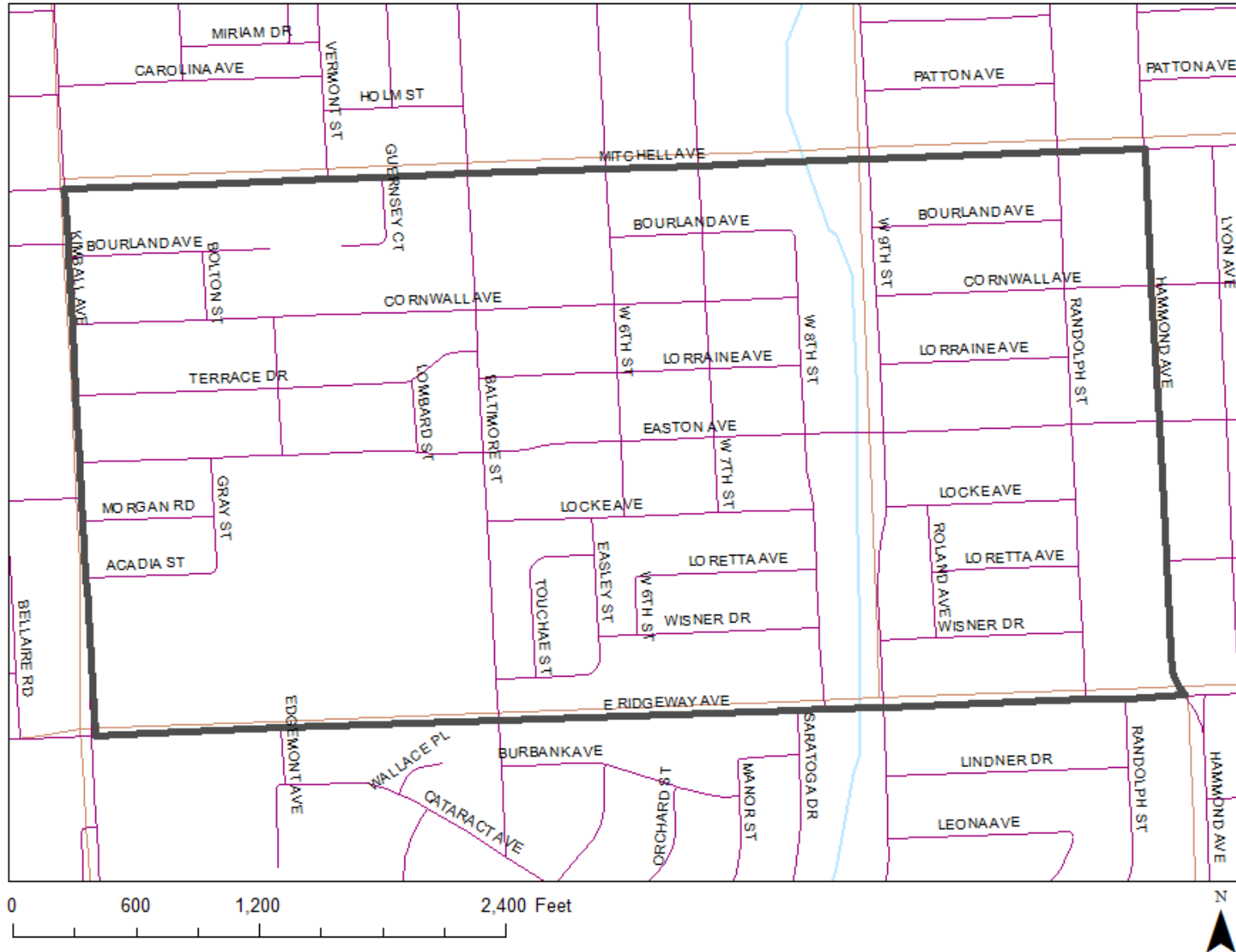
CT11. Williston South

- Population: 2,788
 - Stable
 - 91% White
- Median Single-family Home Value: \$84,600
- Median Household Income: \$37,092
- Predominately Single-family: 86%
- Fairly typical on most indicators
- **Composite Need Score: 27**

Waterloo, Iowa

- Population: 68,406
 - 3.5% loss from 2000
 - 79% White
- Median Single-family Home Value: \$97,700
- Median Household Income: \$38,779
- Single-family: 69%
- **Average Composite Need Score: 48**

West High (Tract 12)



Area Snapshot

(Sources: Census 2000; ACS 5-Year Estimates 2005-2009; HUD NSP3 Downloadable Data Files)

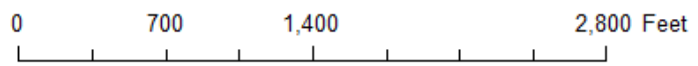
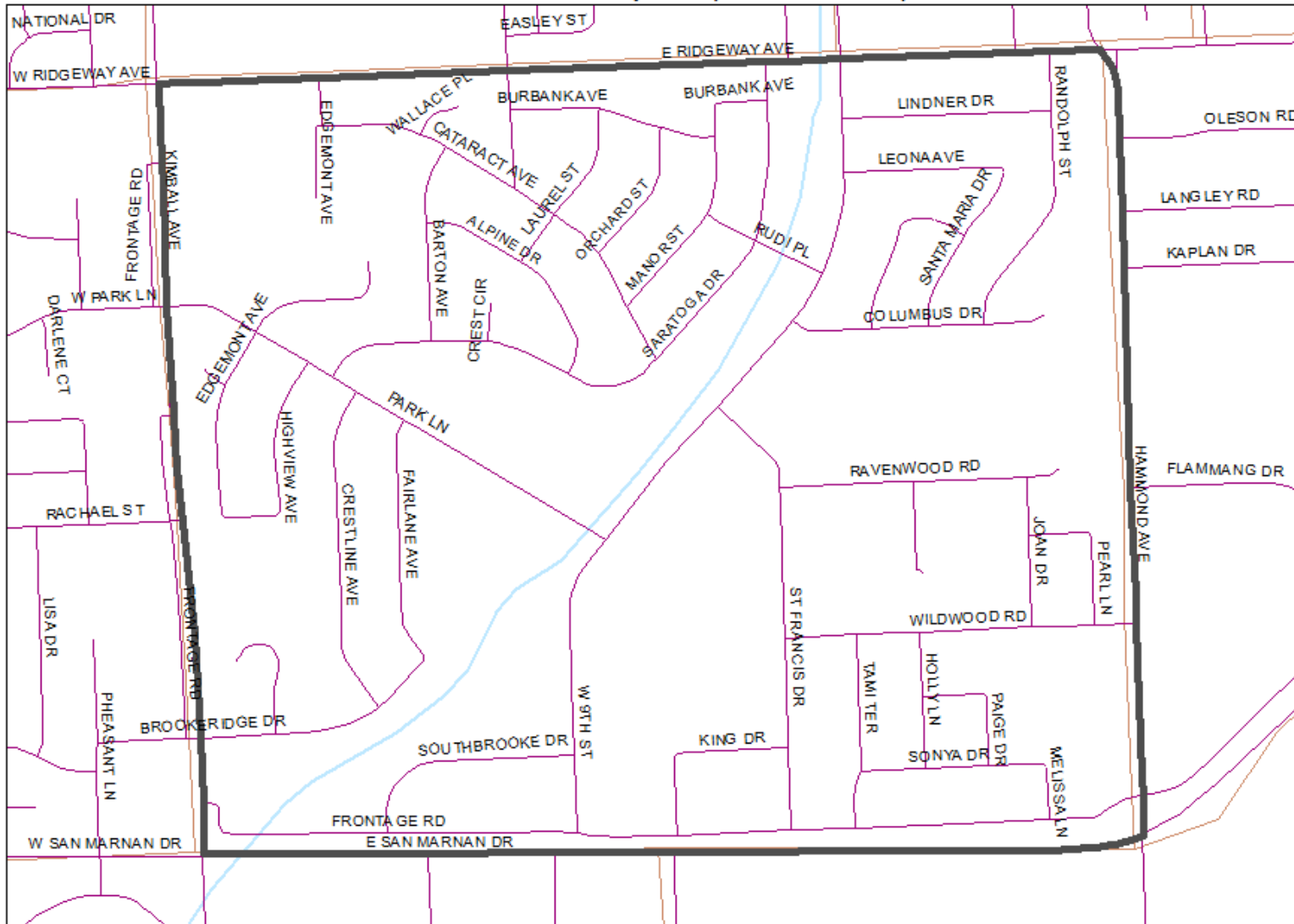
CT12. West High

- Population: 2,224
 - 96% White
- Median Single-family Home Value: \$108,500
- Median Household Income: \$47,607
- Predominately Single-family – 87%
- Fairly typical on most indicators
- **Composite Need Score: 23**

Waterloo, Iowa

- Population: 68,406
 - 79% White
- Median Single-family Home Value: \$97,700
- Median Household Income: \$38,779
- Single-family: 69%
- **Average Composite Need Score: 48**

Covenant Hospital (Tract 13.01)



Area Snapshot

(Sources: Census 2000; ACS 5-Year Estimates 2005-2009; HUD NSP3 Downloadable Data Files)

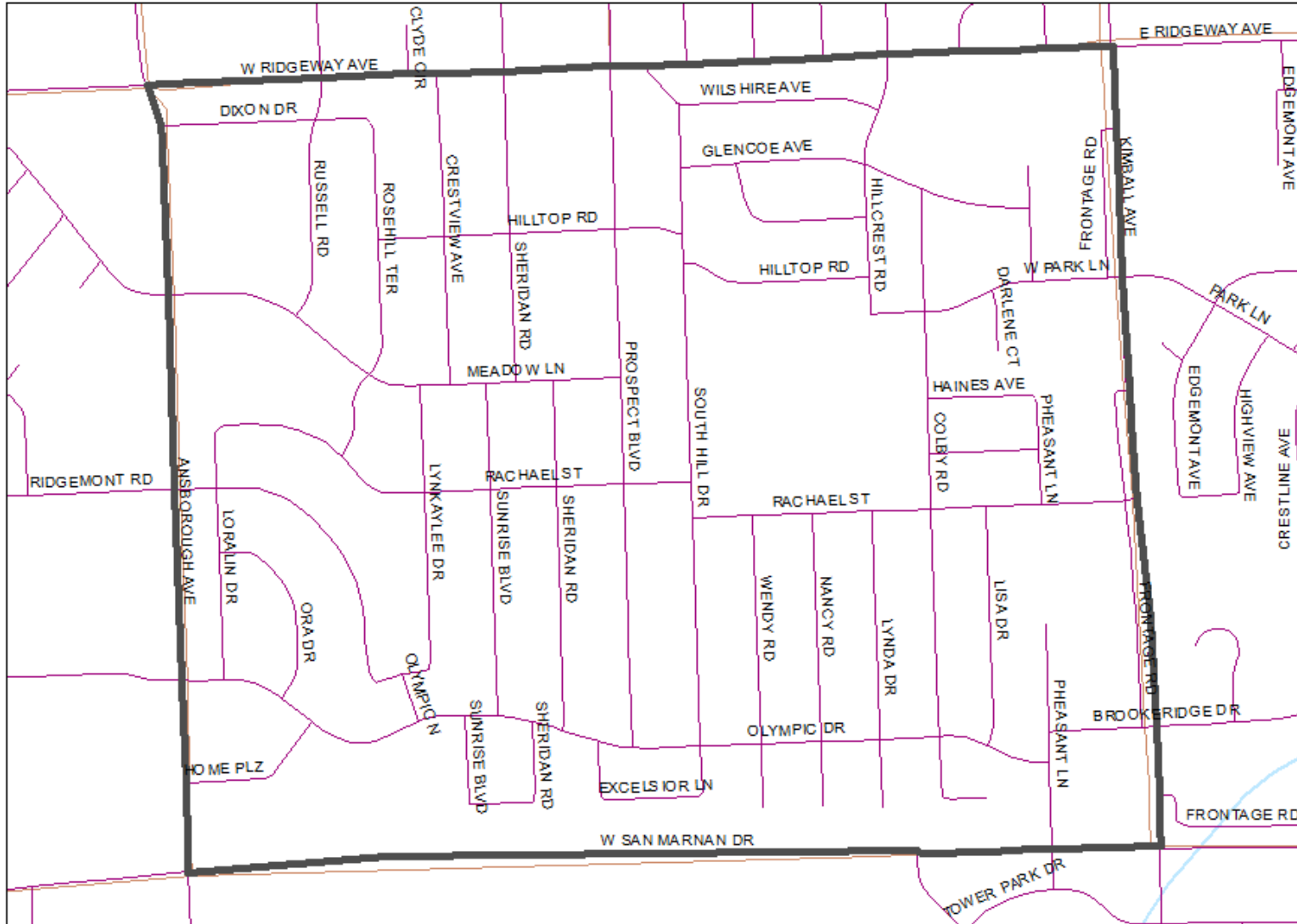
CT13.01. Covenant Hospital

- Population: 4,003
 - 90% White
 - Aging
 - Over 66 years old: 32%
 - 43% decrease in 25 – 44 year-olds from 2000
- Median Single-family Home Value: \$131,600
 - 4th highest in the city, but few SF Homes
- Median Household Income: \$32,862
- Predominantly Multi-Unit:
 - 2nd highest multi-unit in the city – 64%
- Predominantly Rentals: 55%
 - Only 43% of those are considered affordable by HUD standards
- **Composite Need Score: 41**

Waterloo, Iowa

- Population: 68,406
 - 79% White
 - Over 66 years Old: 13%
 - 19% decrease in 25 – 44 year-olds from 2000
- Median Single-family Home Value: \$97,700
- Median Household Income: \$38,779
- Multi-Unit: 31%
- Rentals: 33%
 - 52% affordable by HUD standards
- **Average Composite Need Score: 48**

Olympic-Prospect (Tract 13.02)



Area Snapshot

(Sources: Census 2000; ACS 5-Year Estimates 2005-2009; HUD NSP3 Downloadable Data Files)

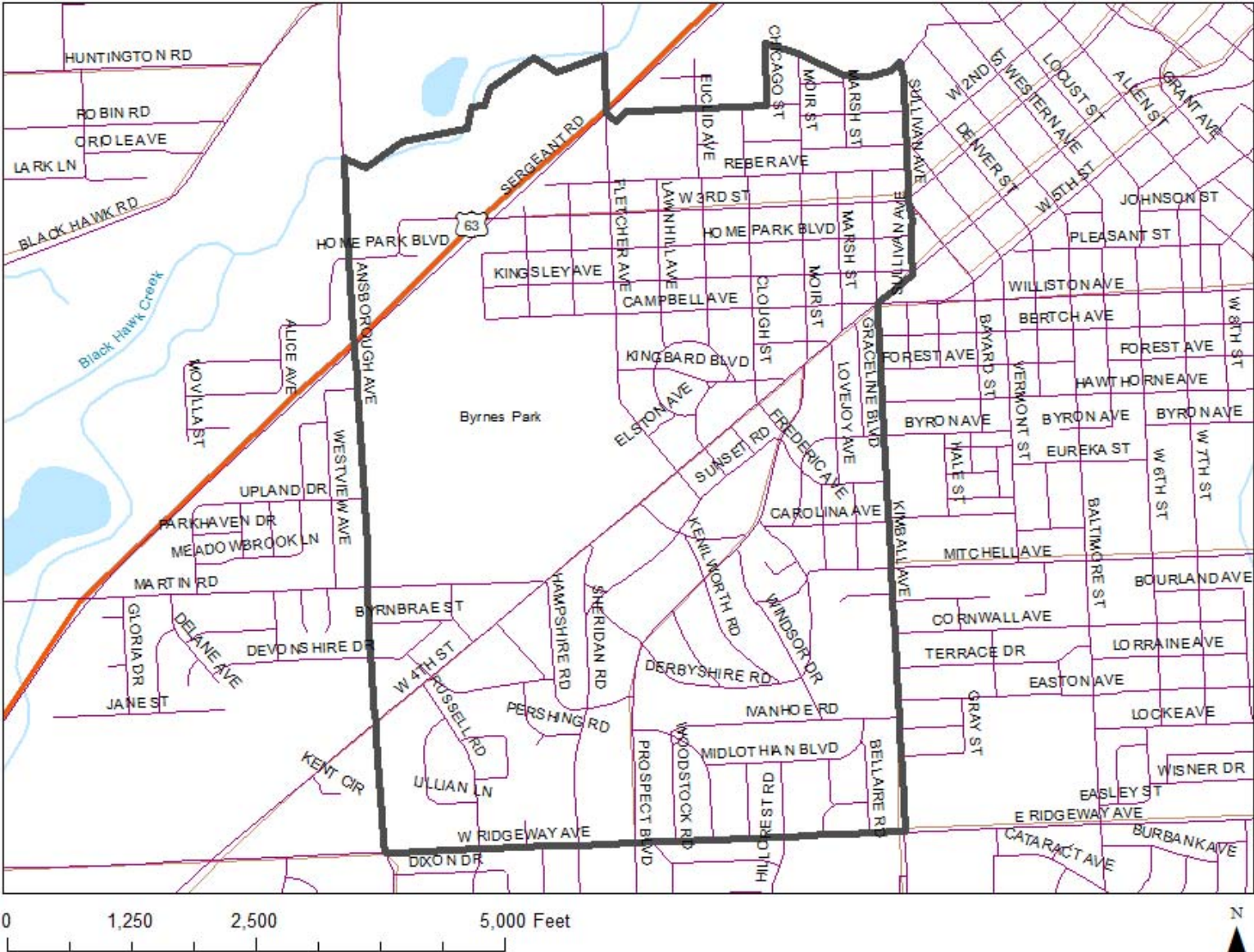
CT13.02. Olympic-Prospect

- Population: 3,763
 - 11.9% increase from 2000
 - Increase driven by Minorities other than Blacks and Hispanics
 - The only tract with an increase in 25-44 year-olds (increased by 12% from 2000)
- Median Single-family Home Value: \$156,400
 - Highest in the city, but only 41% SF homes
 - One of two tracts that saw no real gains in median home value from 2000
- Median Household Income: \$50,902
 - 3rd highest in the city
- Mix of Owner Occupied (55%) and Rentals (45%)
- Extremely Low Neighborhood Stabilization Need Score: 2
- Very Low Vacancy Rate: 1.1%
 - 3rd lowest in the city
- **Composite Need Score: 0**

Waterloo, Iowa

- Population: 68,406
 - 3.5% decrease from 2000
 - 19% decrease in 25 – 44 Year-Olds from 2000
- Median Single-family Home Value: \$97,700
 - 69% SF homes
- Median Household Income: \$38,779
- Owner Occupied: 67%
- Neighborhood Stabilization Need Score: 13
- Vacancy Rate: 5%
- **Average Composite Need Score: 48**

Byrnes Park-Prospect (Tract 14)



Area Snapshot

(Sources: Census 2000; ACS 5-Year Estimates 2005-2009; HUD NSP3 Downloadable Data Files)

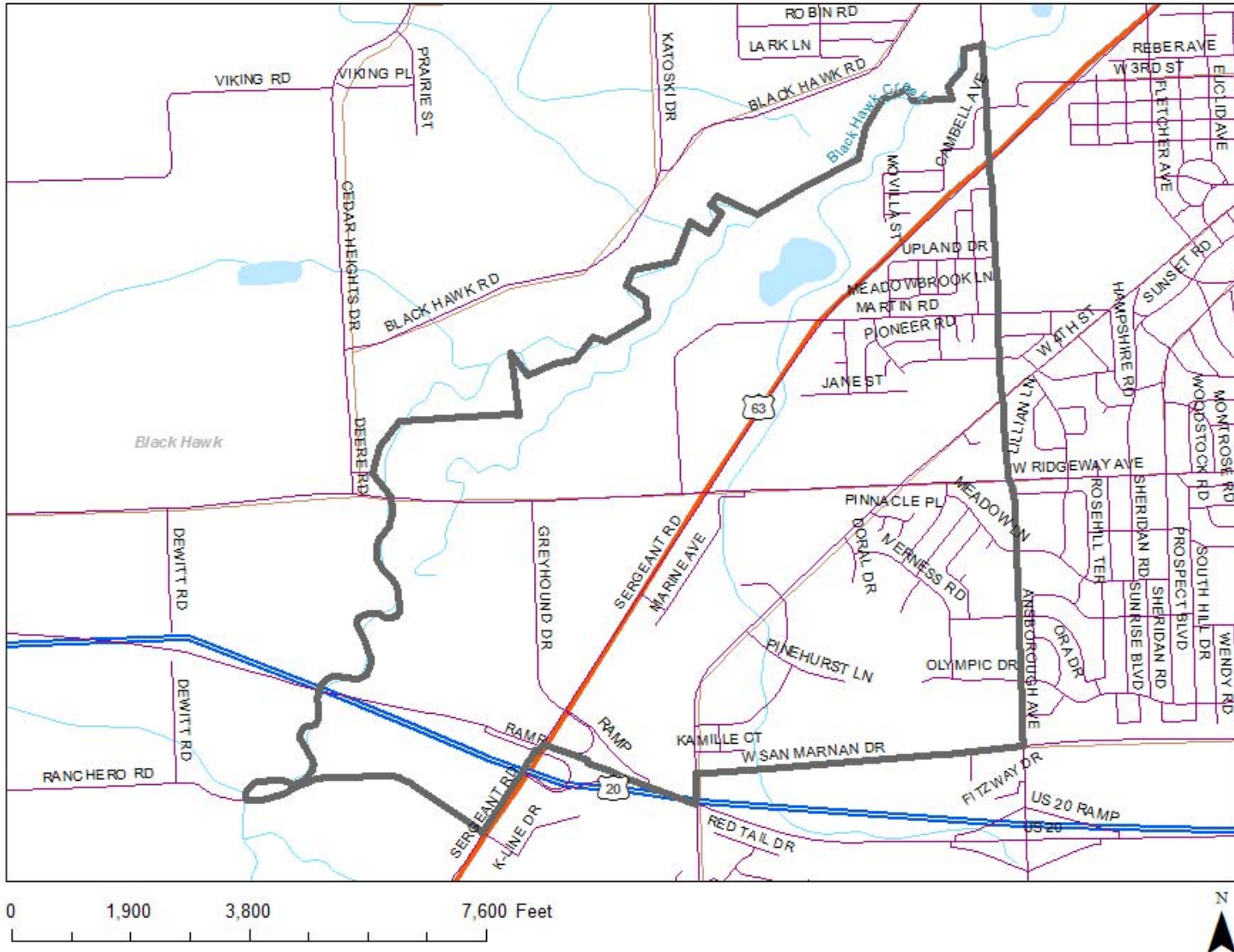
CT14. Byrnes Park-Prospect

- Population: 4,305
 - 2nd most populous tract
- Median Single-family Home Value: \$125,500
- Median Household Income: \$59,447
 - Highest in the city
- Mostly Owner Occupied: 85%
 - 3rd highest in the city
- Showing recovery from foreclosure crisis
 - New foreclosure starts fell by ½ in 2010
- **Composite Need Score: 18**

Waterloo, Iowa

- Population: 68,406
 - 19% decrease in 25 – 44 year-olds from 2000
- Median Single-family Home Value: \$97,700
 - 69% SF homes
- Median Household Income: \$38,779
- Owner Occupied: 67%
- **Average Composite Need Score: 48**

Martin Road-Sunnyside (Tract 15.01)



Area Snapshot

(Sources: Census 2000; ACS 5-Year Estimates 2005-2009; HUD NSP3 Downloadable Data Files)

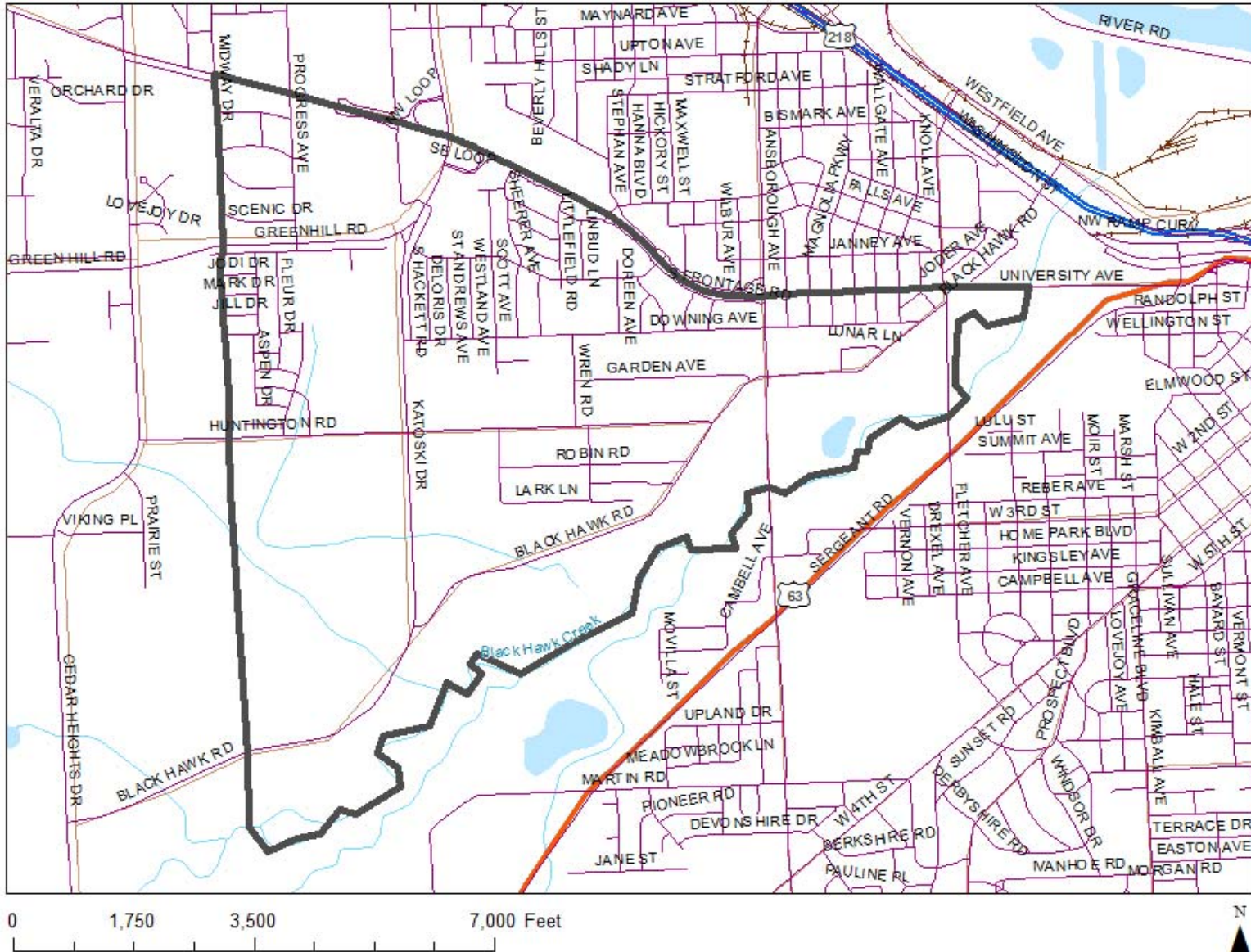
CT15.01. Martin Road-Sunnyside

- Population: 3,763
 - Only an 8% decrease in 25-44 year-olds from 2000
 - While still underrepresented at 7%, the Black population increased by 51% from 2000
- Median Single-family Home Value: \$134,800
 - 3rd highest in the city
- Median Household Income: \$43,672
 - 23% loss in real median income from 2000
- Mix of Owner Occupied (59%) and Rentals (41%)
- Low Vacancy Rate: 2%
- 9.1% growth in housing units from 2000
- **Composite Need Score: 0**

Waterloo, Iowa

- Population: 68,406
 - 19% decrease in 25 – 44 Year-Olds since 2000
 - Blacks: 13.9%
 - 3.5% decrease in Black population from 2000
- Median Single-family Home Value: \$97,700
- Median Household Income: \$38,779
 - 9% loss in real median income from 2000
- Owner Occupied: 67%
- Vacancy Rate: 5%
- 3.4% growth in housing units from 2000
- **Average Composite Need Score: 48**

Downing-Black Hawk (Tract 15.02)



Area Snapshot

(Sources: Census 2000; ACS 5-Year Estimates 2005-2009; HUD NSP3 Downloadable Data Files)

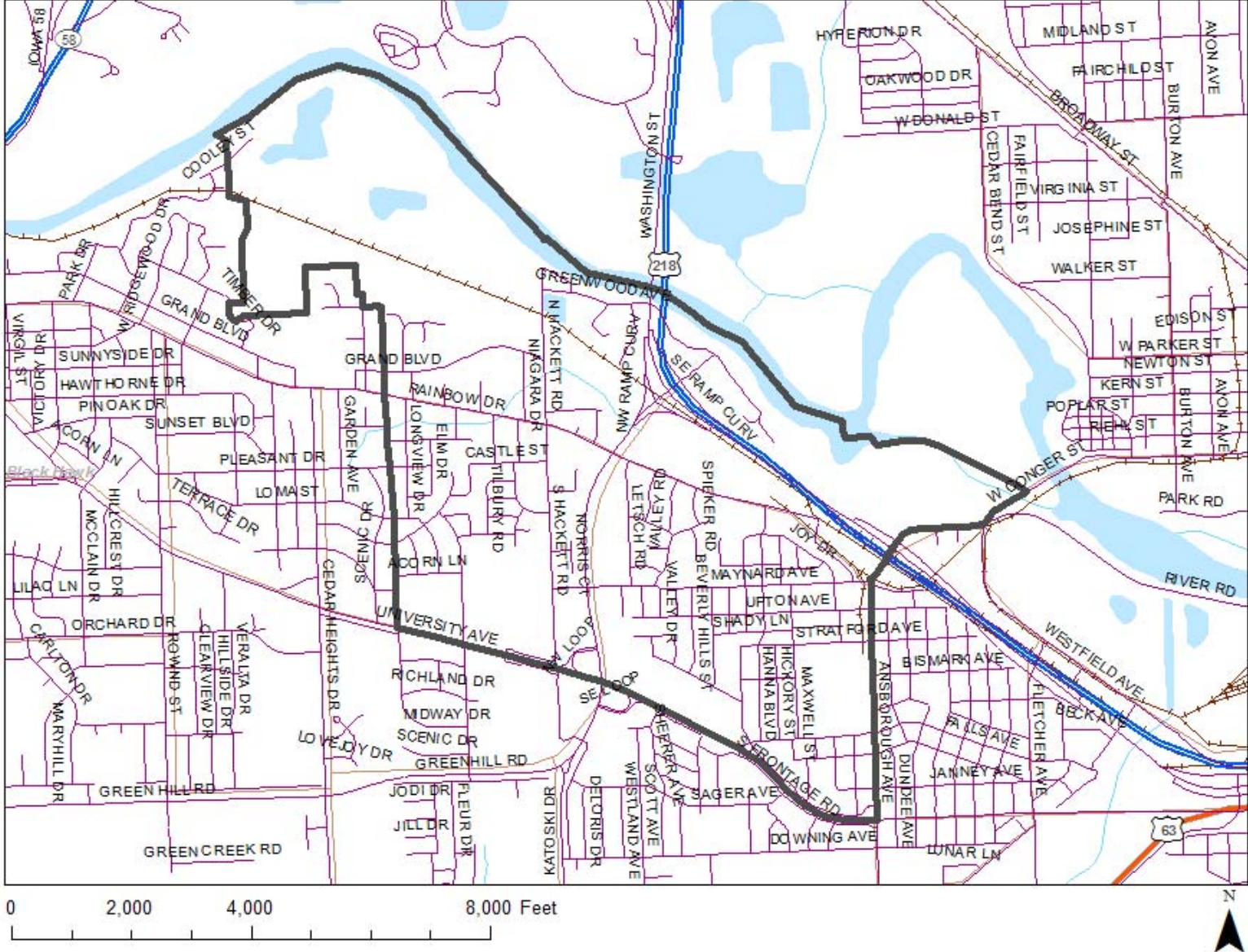
CT15.02 Downing-Black Hawk

- Population: 4,344
 - Most populous tract
 - 94% White
 - 7.1% increase in population from 2000
 - Attributed to increase in Whites
 - Only a 5% decrease in 25-44 year-olds from 2000
- Median Single-family Home Value: \$107,200
- Median Household Income: \$48,198
 - 4th highest in the city
 - One of few tracts where real median income remained stable from 2000
- Vacancy Rate: 1%
 - 2nd lowest in the city
- 8.1% increase in housing units from 2000
 - 4th highest in the city
- **Composite Need Score: 0**

Waterloo, Iowa

- Population: 68,406
 - 3.5% decrease from 2000
 - 19% decrease in 25 – 44 Year-Olds since 2000
- Median Single-family Home Value: \$97,700
- Median Household Income: \$38,779
- Vacancy Rate: 5%
- 3.4% increase in housing units from 2000
- **Average Composite Need Score: 48**

Castle Hill (Tract 15.03)



Area Snapshot

(Sources: Census 2000; ACS 5-Year Estimates 2005-2009; HUD NSP3 Downloadable Data Files)

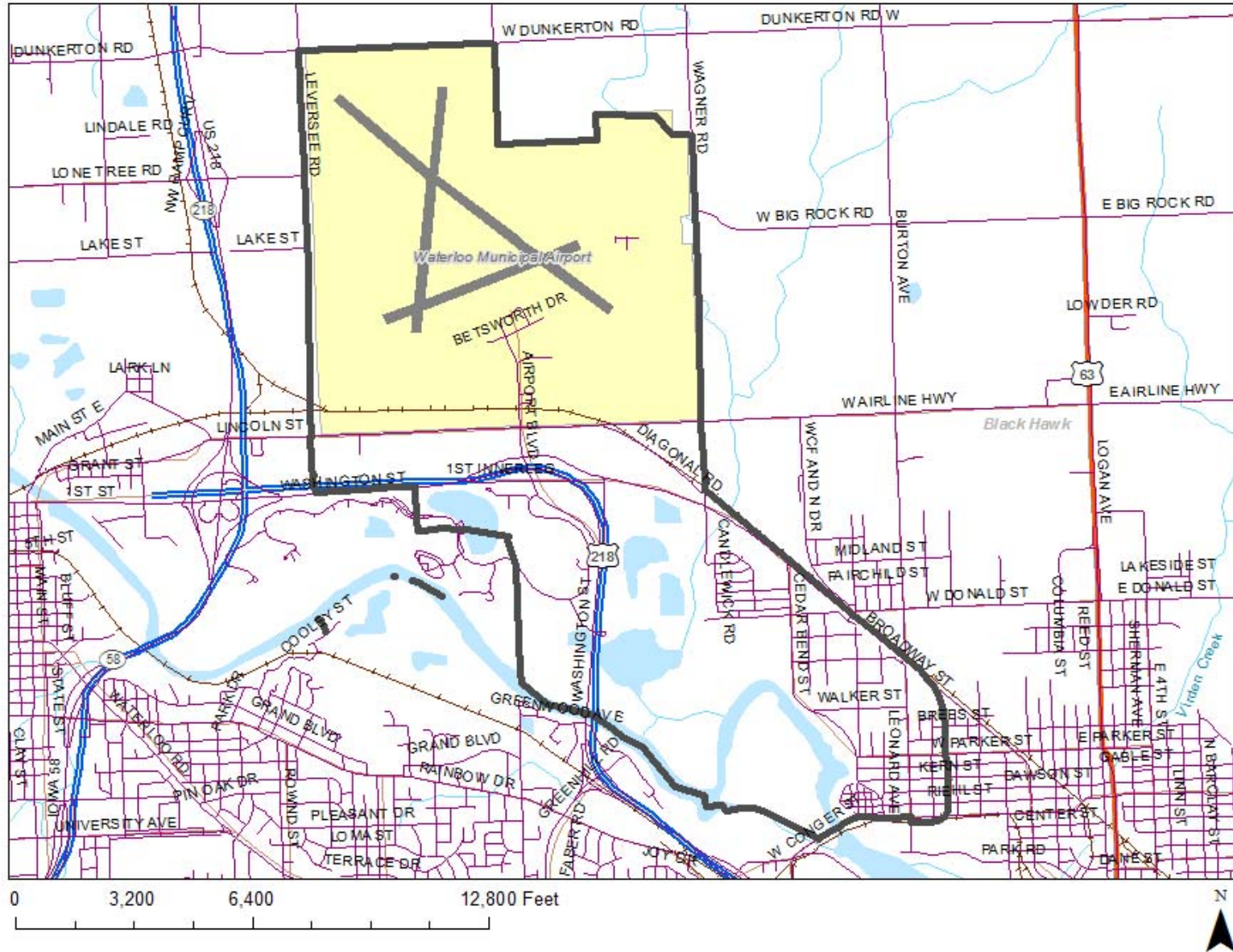
CT15.03. Castle-Hill

- Population: 3,764
 - Stable overall
 - Whites: 93%
 - While still underrepresented at 4%, the Black population increased by 83% over the decade
- Median Single-family Home Value: \$118,700
 - SF homes: 91%
- Median Household Income: \$54,122
 - 2nd highest in the city
- Owner Occupied: 82%
- **Composite Need Score: 0**

Waterloo, Iowa

- Population: 68,406
 - 79% White
 - Blacks: 13.9%
 - 3.5% decrease in Black population over the decade
- Median Single-family Home Value: \$97,700
 - SF Homes: 69%
- Median Household Income: \$38,779
- Owner Occupied: 67%
- **Average Composite Need Score: 48**

Cedar Bend-Greenbrier (Tract 16)



Area Snapshot

(Sources: Census 2000; ACS 5-Year Estimates 2005-2009; HUD NSP3 Downloadable Data Files)

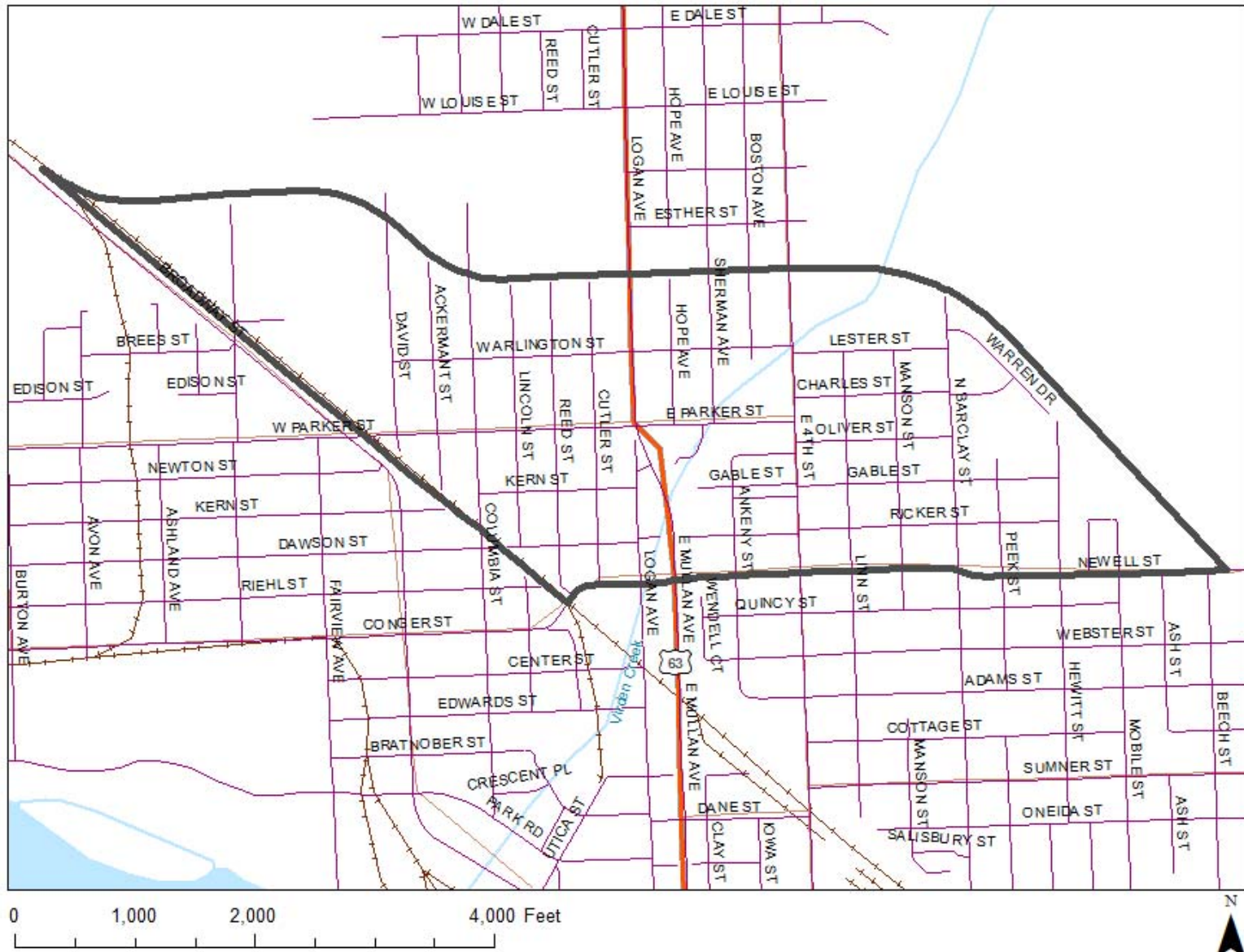
CT16. Cedar Bend-Greenbrier

- Population: 2,690
 - 11.3% decrease from 2000
 - Aging: 35% decrease in 25-44 year-olds
- Median Single-family Home Value: \$81,200
- Median Household Income: \$34,489
- Primarily Owner Occupied: 88%
 - 2nd highest in the city
- Foreclosure rate 1.9X the citywide rate
 - New foreclosure starts did not slow in 2010
- **Composite Need Score: 50**

Waterloo, Iowa

- Population: 68,406
 - 3.5% decrease from 2000
 - 19% decrease in 25-44 year-olds
- Median Single-family Home Value: \$97,700
- Median Household Income: \$38,779
- Owner Occupied: 67%
- **Average Composite Need Score: 48**

Hwy 63-St. Mary's (Tract 17.01)



Area Snapshot

(Sources: Census 2000; ACS 5-Year Estimates 2005-2009; HUD NSP3 Downloadable Data Files)

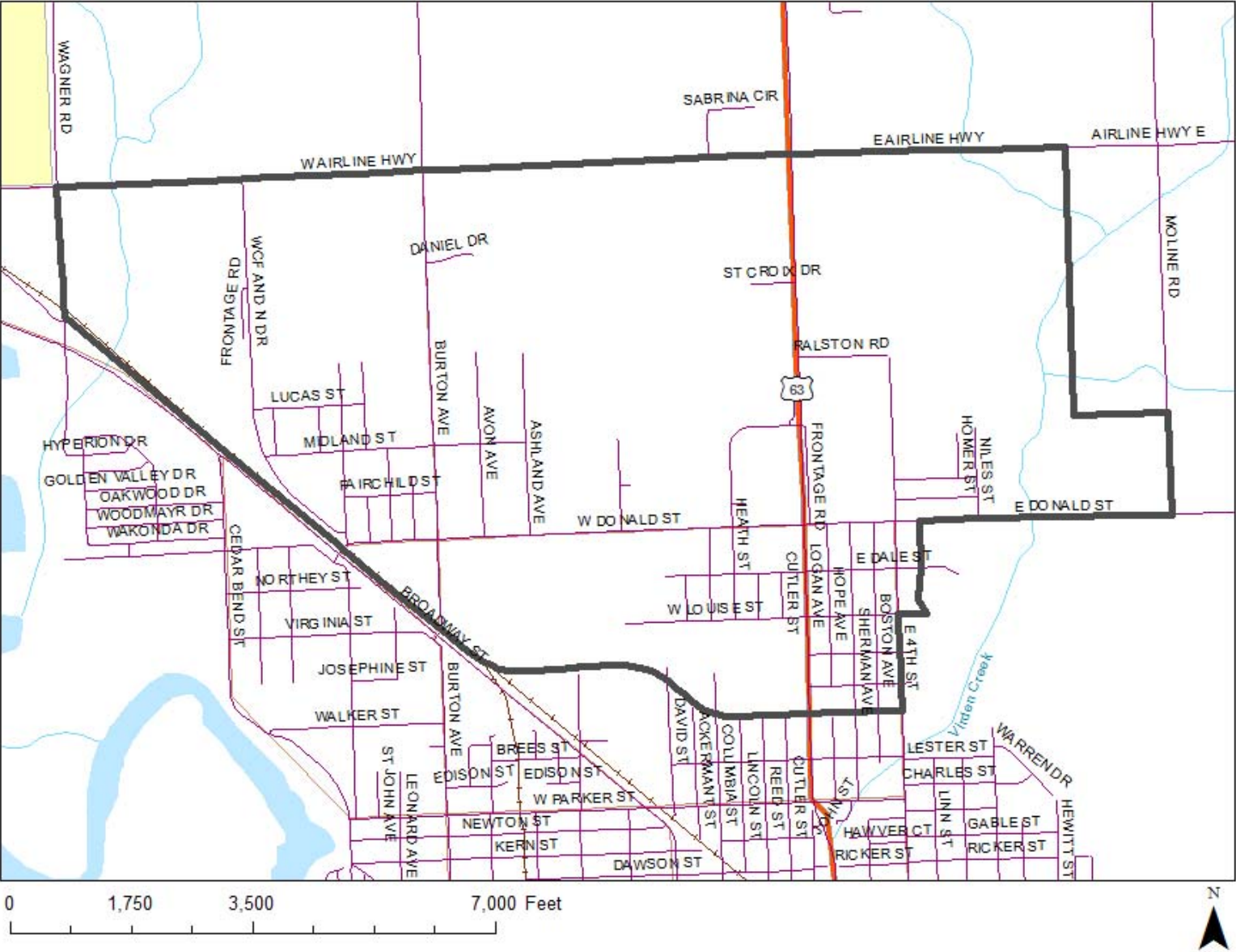
CT17.01. Hwy. 63-St. Mary's

- Population: 1,911
 - 17.1% decrease in population from 2000
 - 2nd largest losses in the city
 - Losses across all racial groups
 - 37% decrease in 25-44 year-olds from 2000
- Area of Racial Concentration
 - 48% Black, 63% Minority
- Median Single-family Home Value: \$48,600
 - Lowest in the city
 - No gain in median real home value from 2000
- Median Household Income: \$20,601
 - 2nd lowest in the city
 - 33% loss of real median income from 2000
- By far the most cost burdened households: 75%
- Unemployment: 22.1%
 - Highest in the city
- Vacancy Rate: 7.1%
 - Middle range
- High scores for income diversity
- **Composite Need Score: 100**

Waterloo, Iowa

- Population: 68,406
 - 3.5% decrease from 2000
 - 19% decrease in 25 – 44 Year-Olds from 2000
- 13.9 Black, 20% Minority
- Median Single-family Home Value: \$97,700
 - 20% gain in median real home value from 2000
- Median Household Income: \$38,779
 - 9% loss of real median income from 2000
- Cost burdened households: 38%
- Unemployment Rate: 7.1%
- Vacancy Rate: 5%
- More income diversity within tracts than between
- **Average Composite Need Score: 48**

Hwy 63-Allen (Tract 17.02)



Area Snapshot

(Sources: Census 2000; ACS 5-Year Estimates 2005-2009; HUD NSP3 Downloadable Data Files)

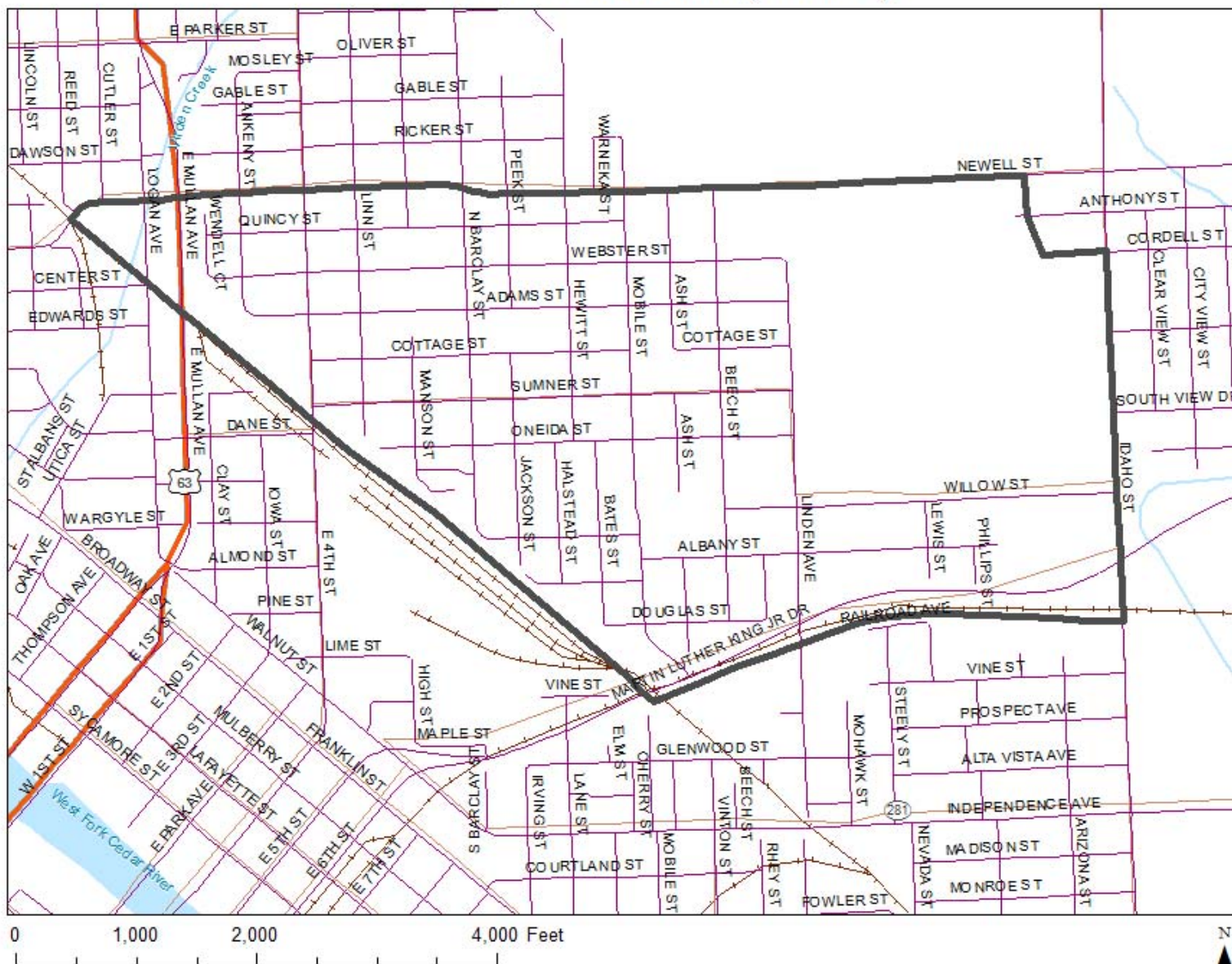
CT17.01. Hwy. 63-Allen

- Population: 2,206
 - 12.9% decrease in population from 2000
 - 28% decrease in 25-44 year-olds
 - 5 largest loss in the city
- Median Single-family Home Value: \$82,200
- Median Household Income: \$30,877
 - Real income remained stable across the decade, whereas most other tracts saw losses.
- Area of racial concentration:
 - 47% Black, 50% Minority
- Mix of Owner Occupied (56%) and Rentals (44%)

Waterloo, Iowa

- Population: 68,406
 - 3.5% decrease from 2000
 - 19% decrease in 25 – 44 Year-Olds since 2000
 - 13.9 Black
- Median Single-family Home Value: \$97,700
- Median Household Income: \$38,779
- 13.9% Black, 20% Minority
- Owner Occupied: 67%,
- Rentals: 33%

Near Northeast Side (Tract 18)



Area Snapshot

(Sources: Census 2000; ACS 5-Year Estimates 2005-2009; HUD NSP3 Downloadable Data Files)

CT18. Near Northeast Side

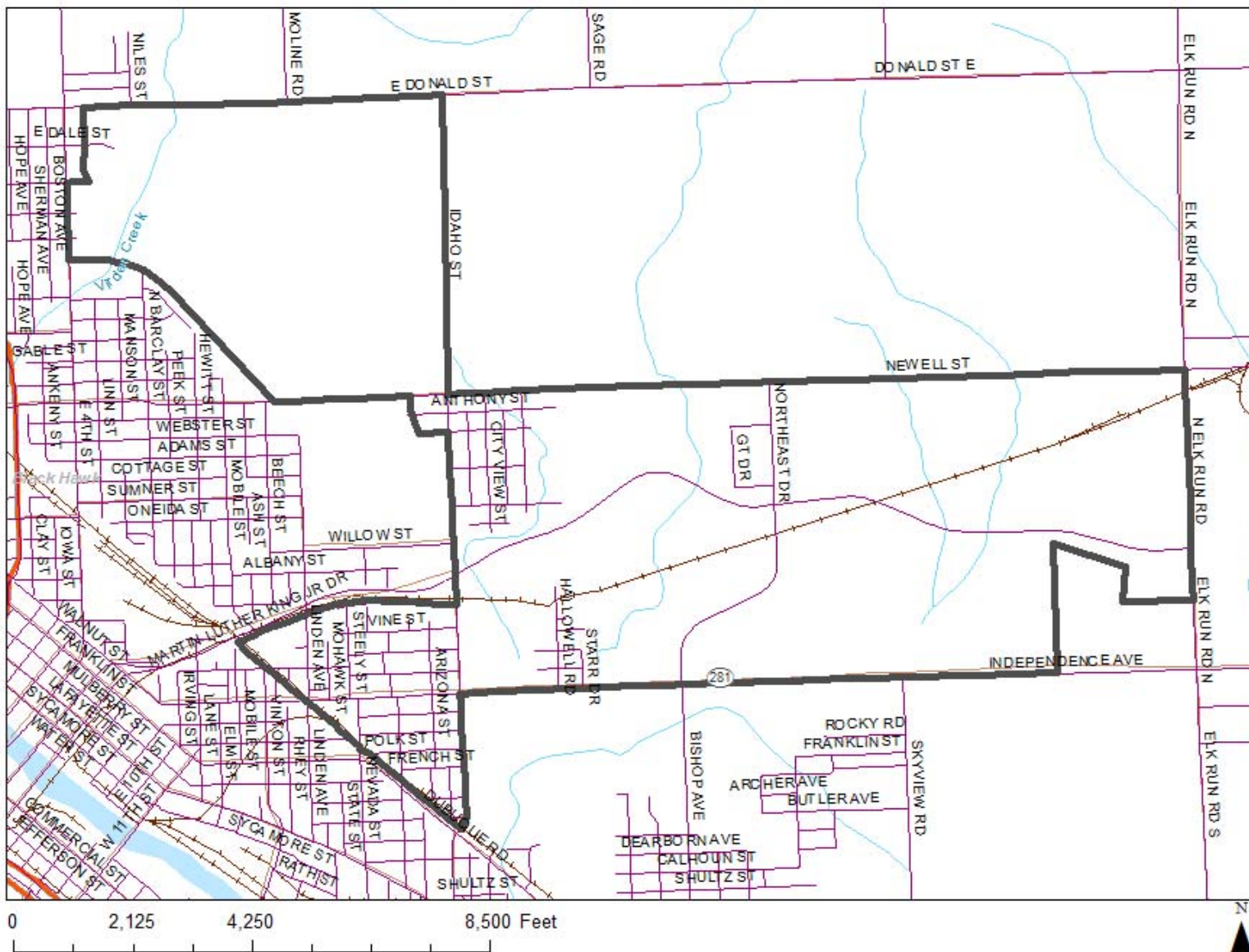
- Population: 1,371
 - 2nd least populous tract
 - 9% decrease in 25-44 year-olds, 4th smallest loss
- Median Single-family Home Value: \$64,900
- Median Household Income: \$28,404
 - 25% loss of real median income from 2000
- Area of racial concentration: 88% Black, 93% Minority
- Predominantly Single-family: 94%
- Predominantly Owner Occupied: 80%
- Extremely High Rate of Black Homeownership: 83%
- Neighborhood Stabilization Need Score⁵:
 - Highest in the city – 18
 - One of the highest in the state
 - Driven by large numbers of high interest rate mortgages executed between 2004 – 2007
- Half of all households are cost burdened
- Foreclosure rate is nearly 4 ½ times the citywide rate
 - New foreclosure starts nearly doubled in 2010
- **Composite Need Score: 77**

Waterloo, Iowa

- Population: 68,406
 - 19% decrease in 25-44 year-olds
- Median Single-family Home Value: \$97,700
- Median Household Income: \$38,779
 - 9% loss of real median income from 2000
- Blacks: 13.9%, Minorities: 20%
- Single-family: 69%
- Owner Occupied: 67%
- Black Homeownership Rate: 39%
- Neighborhood Stabilization Need Score: 13
- Housing Cost Burdened: 38%
- New foreclosure starts decreased slightly overall
- **Average Composite Need Score: 48**

⁵Need Score is based on foreclosures, vacancies, high cost loans, and delinquent mortgages. It ranges from 0 – 20.

Highland-City View (Tract 19)



Area Snapshot

(Sources: Census 2000; ACS 5-Year Estimates 2005-2009; HUD NSP3 Downloadable Data Files)

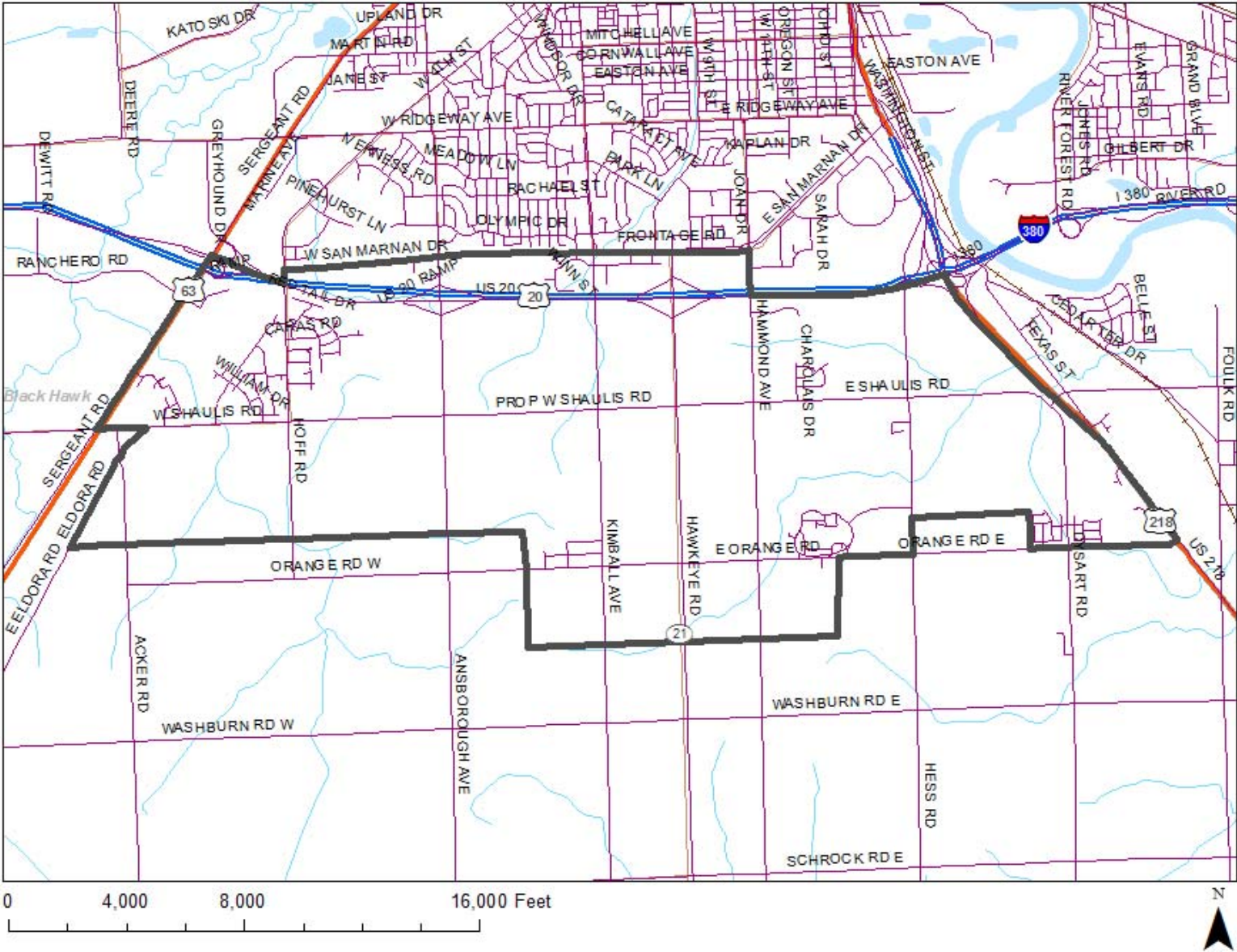
CT19. Highland-City View

- Population: 2,358
 - 7.3% increase from 2000
 - Tied with the Far South for 2nd highest
 - Nearly a 500% increase in the Hispanic population
- New area of Ethnic Concentration:
 - 14% Hispanic (up from 2.5% in 2000)
- Area of Racial Concentration:
 - 32% Black, 47% Minority
- Median Single-family Home Value: \$70,600
- Median Household Income: \$37,750
- **Composite Need Score: 82**

Waterloo, Iowa

- Population: 68,406
 - 3.5% decrease from 2000
 - 46.8% increase in Hispanic population
- 4% Hispanic
- 13.9% Black, 20% Minority
- Median Single-family Home Value: \$97,700
- Median Household Income: \$38,779
- **Average Composite Need Score: 48**

Far South (Tract 30.01)



Area Snapshot

(Sources: Census 2000; ACS 5-Year Estimates 2005-2009; HUD NSP3 Downloadable Data Files)

CT30.01 Far South

- Population: 4,299
 - 3rd most populous tract
 - 7.3% increase from 2000
 - 93% White
- Median Single-family Home Value: \$152,300
 - Bimodal distribution
 - A cluster low, and a cluster high
- Median Household Income: \$47,875
- Only 44% Single-family
- Vacancy Rate: 0.1%
 - Lowest in the city
- 18% increase in housing units from 2000
 - By far most growth in the city
 - Double the 2nd highest growing tract
- Extremely low Neighborhood Stabilization Need
 - Score: 2
- **Composite Need Score: 9**

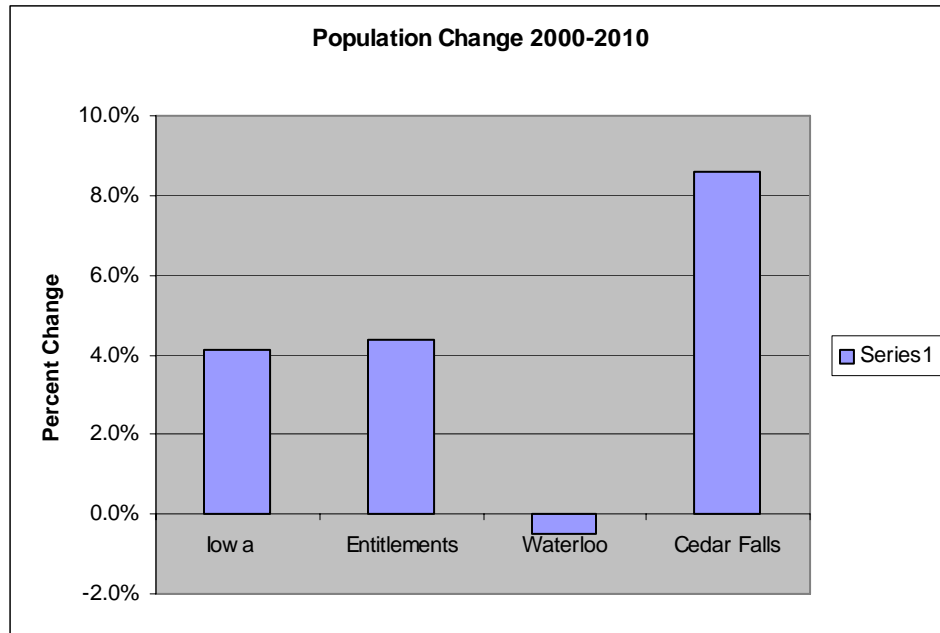
Waterloo, Iowa

- Population: 68,406
 - 3.5% decrease from 2000
 - 19% decrease in 25 – 44 Year-Olds since 2000
 - 79% White
- Median Single-family Home Value: \$97,700
- Median Household Income: \$38,779
- Single-family: 69%
- Vacancy Rate: 5%
- 3.4% increase in housing units from 2000
- Neighborhood Stabilization Need
 - Score: 13
- **Average Composite Need Score: 48**

Population Trends

Iowa's population has grown relatively slowly over the past decade seeing a 4.1% increase from 2000-2010. This is in contrast to the overall U.S. population growth rate of 9.7% over the same time period. The gain that Iowa did see was driven by growth in metropolitan areas in the face of rural population declines. The Polk-Story and Linn-Johnson County areas account for the majority of the overall population increase. In spite of the flood of 2008, Waterloo's population remained relatively stable at 68,406, a loss of only .5% - a smaller loss than what was predicted by previous Census Population Estimates (U.S. Census 2010).

Figure 1⁶



All Entitlement Communities		
City	Population 2010	%Change 2000-2010
West Des Moines	56,609	22.0%
Ames	58,965	16.2%
Iowa City	67,862	9.1%
Cedar Falls	39,260	8.6%
Council Bluffs	62,230	6.8%
Cedar Rapids	126,326	4.6%
Des Moines	203,433	2.4%
Davenport	99,685	1.3%
Dubuque	57,637	-0.1%
Waterloo	68,406	-0.5%
Sioux City	82,684	-2.7%

*Source U.S. Census Bureau

⁶ Note: An Entitlement Community is a city or urban area with a population of 50,000 or more that receives Community Development Block Grant funds directly from HUD.

Although Waterloo lost population overall, this trend was not uniform across census tracts or racial and ethnic groups. Figure 1 is a dot density map in which blue dots represent net population gains and red dots, net losses⁷. Table 1 shows population change by race and Hispanic origin across all Waterloo census tracts. Information is based on the 2000 Census and the 2005-2009 ACS 5-Year Estimates.

With the exception of Highland-City View, the primary areas of growth are on the South and Southwest sides of the City. Table 1 sorts tracts by those showing the greatest population growth rates to those showing losses. Olympic-Prospect, Highland-City View, the Far South, and Downing-Black Hawk all showed strong growth (ranging from 7-12% growth rates) as compared with the citywide average (-3.5)⁸. Near Downtown East and Hwy 63-St. Mary's showed the biggest population losses with -27.5% and -17.1%, respectively, although several other tracts on both sides of the river showed losses of greater than 10%.

The picture looks somewhat different when the population is broken down by race and ethnicity. The overall proportion of Whites and Minorities did not change much from the 2000 Census with the exception of a very large influx of Hispanics. While keeping in mind that the proportion of Hispanics in Waterloo (4%) is still small compared with Whites (79%) and Blacks (13.9%), the percentage of Hispanics did increase by nearly 50% over the time period. This is in line with statewide trends over the decade. Whites, Blacks, and other Minorities, however, all declined in numbers. Without the increasing numbers of Hispanics, population loss would have been roughly one-half percentage point larger, overall.

HUD defines an area of racial or ethnic concentration to be ten percentage points higher than the citywide rate. As of the 2000 Census, only one tract – Near Downtown East – met that definition for Hispanic concentration. Two more tracks are now included. The Hispanic population in Highland-City View increased by 493% over the time period and now stands at 14% Hispanic. Also, Rath-Maywood at 15% Hispanic, increased by 197% from 2000. Near Downtown East still qualifies as an area of Hispanic concentration (15% Hispanic), although it has lost 22.8% of its Hispanic population since the 2000 Census. The proportion of Hispanics in this track remained stable, overall, only due to large losses of Whites, Blacks, and other Minorities.

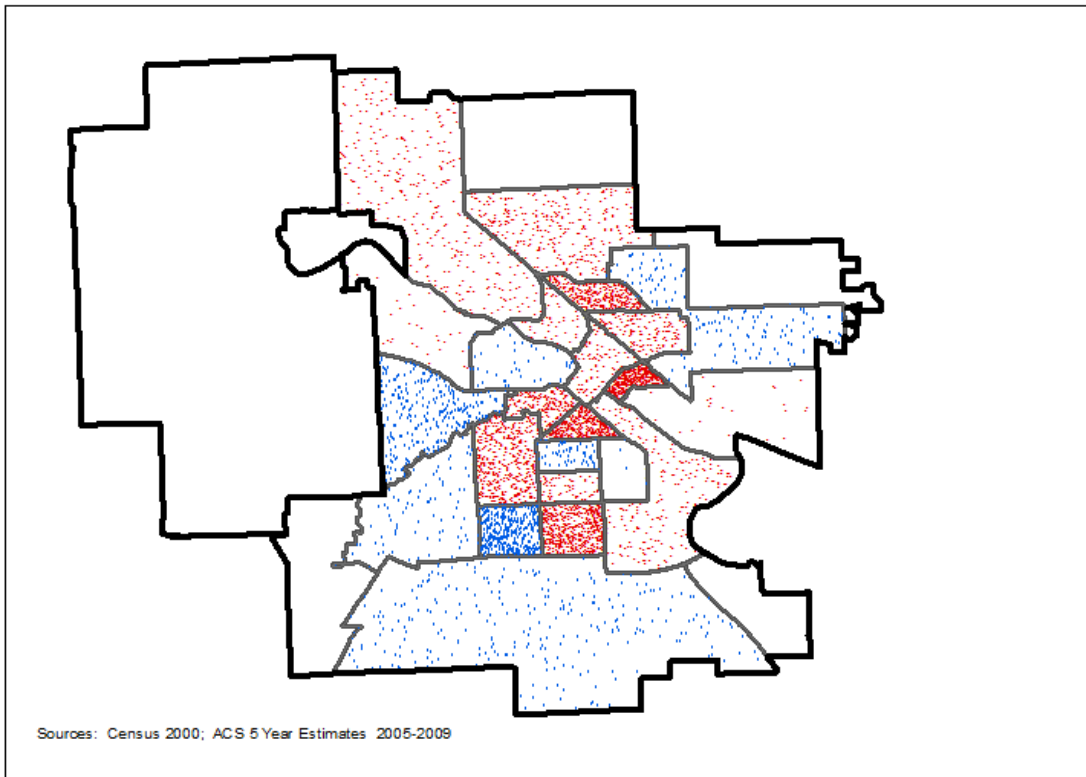
There has been little to no change with respect to proportions of Blacks and Minorities, overall, since the 2000 Census. This is true citywide and within census tracts. Downtown East-West and Near Downtown East both saw declining numbers of Blacks, but not at greater rates than other groups. The only exception might be Hwy 63-St. Mary's whose proportion of Blacks dropped ten percentage points as Blacks left at greater rates than Whites.

⁷ The dot density map shows density by census tract and masks *within* tract differences in density. Dots would likely be concentrated in areas with more housing units and population within the tract, for example.

⁸ Results differ from Census 2010 numbers presented earlier as ACS tract level estimates are based on sample data collected across the 2005-2009 time period, and the Census 2000 is a point-in-time, 100% count of the population.

Figure 1A.

Population Change 2000 - 2005/2009 Waterloo, IA



Legend

Waterloo Census Tracts

Growth = Blue Dot
Loss = Red Dot

Table 1. Waterloo Population Change by Race and Hispanic Origin

	Census Tract	Total	Change	%Chg	% White	%Chg	%Black	%Chg	% Hispanic	%Chg	% Minority	%Chg
	All Tracts 2000	68747	---	---	82%		13.9%	---	3%	---	---	---
	All Tracts 2005-2010	66351	-2396	-3.5%	79%	-6.9%	13.9%	-3.5%	4%	46.8%	20%	
13.02	Olympic-Prospect*	3763	400	11.9%	88%	5.5%	2%	0.0%	1%	0.0%	8%	0.0%
19	Highland-City View*	2358	161	7.3%	52%	-9.0%	32%	1.3%	14%	492.6%	47%	25.0%
30.01	Far South*	4299	293	7.3%	93%	4.5%	2%	44.6%	1%	31.9%	6%	46.9%
15.02	Downing-Black Hawk	4344	289	7.1%	94%	8.2%	3%	-3.8%	1%	-45.5%	5%	-15.2%
4	John Deere	1563	42	2.8%	93%	2.0%	3%	0.0%	3%	73.9%	7%	-2.7%
15.01	Martin Road-Sunnyside*	3122	82	2.7%	90%	1.4%	7%	50.7%	3%	78.3%	10%	17.7%
11	Williston South	2788	55	2.0%	91%	-0.9%	1%	-26.1%	5%	255.3%	9%	28.9%
10	Cadillac Lanes	3496	4	0.1%	93%	-2.7%	2%	63.0%	3%	134.1%	5%	31.5%
8	Rath-Maywood*	4101	-25	-0.6%	74%	-12.4%	7%	-19.6%	15%	196.6%	25%	24.3%
15.03	Castle Hill	3764	-37	-1.0%	93%	-4.2%	4%	83.3%	0%	-66.7%	6%	35.7%
12	West High	2224	-77	-3.3%	96%	-3.7%	1%	-60.0%	0%	-100.0%	3%	-35.6%
5	Fairview Cemetary	1623	-61	-3.6%	57%	-17.3%	29%	6.0%	8%	72.7%	42%	8.1%
1	Downtown East-West	2026	-102	-4.8%	45%	-15.0%	42%	-5.7%	11%	42.7%	55%	-7.5%
3	Belmont Park-Church Row	3045	-210	-6.5%	70%	-14.6%	19%	13.1%	4%	-35.0%	29%	-4.1%
14	Byrnes Park-Prospect	4305	-515	-10.7%	94%	-12.3%	2%	41.7%	1%	-25.6%	6%	-3.8%
18	Near Northeast Side	1371	-171	-11.1%	7%	-19.1%	88%	-11.7%	2%	20.0%	93%	-11.5%
16	Cedar Bend-Greenbrier*	2690	-343	-11.3%	84%	-8.8%	11%	-23.8%	1%	-49.2%	15%	-31.4%
17.02	Hwy 63-Allen*	2206	-326	-12.9%	50%	-16.9%	47%	-6.0%	1%	-35.9%	50%	-10.8%
2	Williston North	2825	-422	-13.0%	71%	-24.7%	18%	32.6%	9%	107.9%	29%	17.7%
13.01	Covenant Hospital	4003	-600	-13.0%	90%	-14.5%	7%	25.2%	2%	75.0%	10%	9.4%
9	Jefferson-Riverview	1445	-220	-13.2%	80%	-16.3%	14%	24.7%	4%	0.0%	20%	-10.6%
17.01	Hwy 63-St. Mary's	1911	-395	-17.1%	34%	-22.5%	48%	-31.0%	1%	-77.2%	63%	-21.2%
7	Near Downtown East	1269	-481	-27.5%	36%	-35.7%	43%	-32.0%	15%	-22.8%	62%	-38.7%

* Data are included for only the portion of the tract located within Waterloo.

Areas of racial and/or ethnic concentration.

Sources: U.S. Census Bureau, Census 2000 (STF1); American Community Survey 5-Year Estimates 2005-2009

White=White alone, not Hispanic or Latino

Black=Black or African American alone, not Hispanic or Latino

Hispanic=Hispanic or Latino, all races

Minority=All categories in the ACS other than White alone, not Hispanic or Latino and Asians. While typically counted as a minority, Asians in Waterloo exhibit socioeconomic characteristics more similar to Whites. They actually have a higher median income than Whites. This focus on low income groups is consistent with the mission of Community Development. Also, there is a very small percentage of Asians in Waterloo.

Maps 1-2 show the distribution of Blacks and Hispanics in Waterloo. Blacks continue to be concentrated on the East Side, particularly the Near Northeast Side, where they comprise 88.7% of the population. All tracts on the East Side of the river meet the HUD definition of racial concentration for Blacks with the exceptions of Cedar Bend-Greenbrier and Rath-Maywood. There is no change from the 2000 Census. A 2009 report commissioned by Waterloo Community Development cites Waterloo as the most residentially segregated City in Iowa. The report, by Mullin & Lonergan Associates and based on 2000 Census data, utilizes the Index of Dissimilarity (DI)⁹. This is a common index used to measure the degree various groups are spatially separated. It ranges from 0-100, where a score of zero represents perfect residential integration, and a score of 100 represents total segregation. The index can be interpreted as the percentage of the minority group's population that would have to move in order to achieve full integration.

Table 2 updates the previous report using the ACS 2005-2009 5-Year Estimates.

Table 2. Waterloo Dissimilarity Indices 2000, 2005-2009

	DI with the White population	
	2000	2005-2009
Black	62.3	58.8
Hispanic	44.4	51.0
Minority	50.2	51.0
Former Yugoslavia	---	46.0

Sources: U.S. Census Bureau, Census 2000; American Community Survey 5-Year Estimates 2005-2009

The residential segregation level for Blacks has potentially decreased a few percentage points since 2000. This could be partially due to the loss of Black population in the Hwy 63-St. Mary's and Rath-Maywood areas and its increase in Castle Hill and Martin Road-Sunnyside. Again, because the ACS is based on estimates, this may not represent a statistically significant decline.

The level of residential segregation for Hispanics increased from a DI of 44.4 to 51 across the time period. This is not surprising considering the influx of Hispanics over the decade, and that they have settled increasingly in the Highland-City View and Rath-Maywood areas. This is not an uncommon pattern with immigrant populations for various reasons. Migrant networks arise with kinship ties and shared community origin. Private and voluntary organizations develop along side these networks and provide social resources that can be used by future immigrants to gain access to employment opportunities, for example (Massey, Durand, and Malone 2003, pp. 18-21).

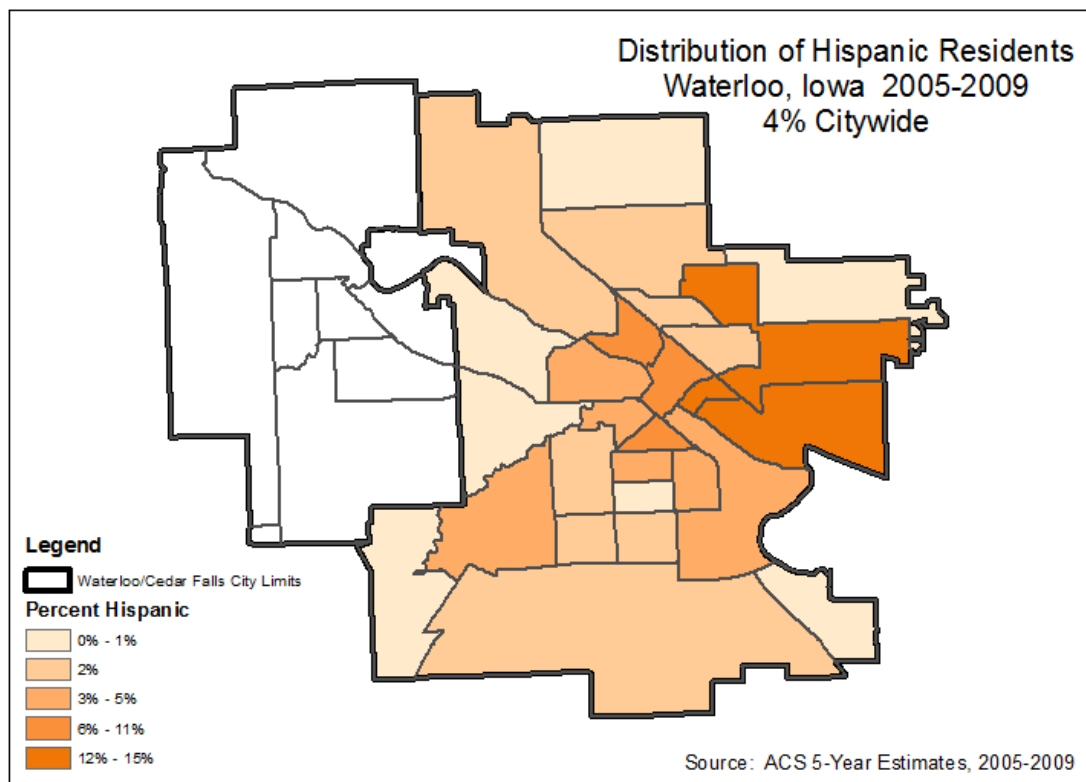
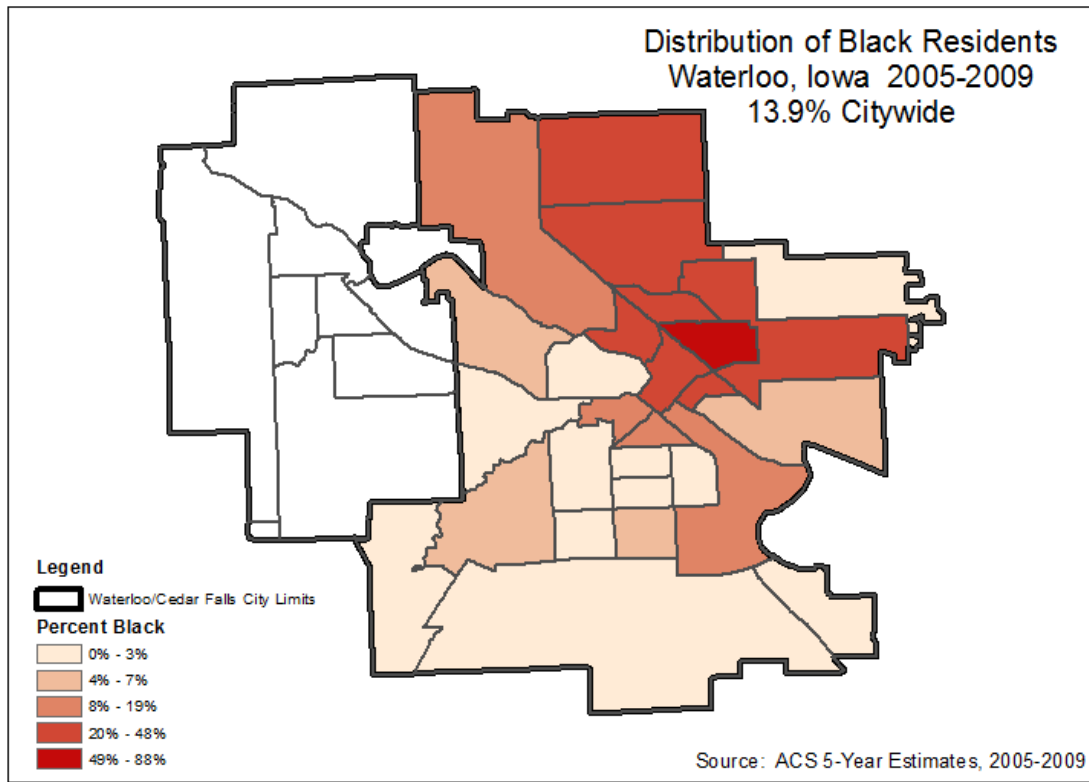
In addition to increasing numbers of Hispanics, immigration from the region of the former Yugoslavia has increased over the past two decades. Neither the Census nor the ACS has a direct measure for this group, and the group is extremely ethnically and religiously diverse within itself. The ACS asks respondents to report ancestry, however, and this can be used as a proxy measure. There were three options under first ancestry reported referring to the region:

⁹ $\frac{1}{2} \sum \text{ABS} [(b/B)-(a/A)]$, where **b** is the subgroup population of a census tract, **B** is the total subgroup population in a city, **a** is the majority population of a census tract, and **A** is the total majority population in the city. **ABS** refers to the absolute value of the calculation.

Yugoslavia, Croatia, and Serbia. These three together can be used to make rough approximations about the immigrant population. This estimate shows immigrants from the region make up around 3.6% of Waterloo's population, approaching the proportion of Hispanics citywide (4%).

The group is heavily concentrated in the Cadillac Lanes (14.1%) and Williston North (10.3%) areas. The Cadillac Lanes tract meets HUD's definition of ethnic concentration with respect to immigrants from the former Yugoslavia. The DI between this group and other Whites is .46 and similar to that of the White-Hispanic DI.

Maps 1-2



Age Structure

The “graying of America” phenomenon refers to America’s aging population. As baby boomers age there will be increasing pull on government entitlement programs and health care services and a corresponding change in housing demand. McIlwain divides the baby boomer group into two subgroups: the older baby boomers (ages 55 to 64) and the younger baby boomers (ages 46 to 54); both of which have different housing needs. The older boomers are healthier than previous generations, are living longer, and many must postpone retirement due to the recent recession. The housing market bust has left many of the older boomers stuck in their homes, and some owe more than their houses are worth. Those boomers that can sell will be transitioning to retirement communities and condominiums. The boomers will prefer mixed-age, mixed-use communities that are pedestrian friendly and close to work, health care, and other amenities (Mullins 2010). In the past, the younger boomers would’ve been the age group to “move up” into the homes of the older boomers. Again, the recession and housing bubble burst has eroded their ability to do so. They also have a smaller age cohort (generation Y) to sell to, who itself has different housing preferences than previous generations. Many do not share their parents’ emphasis on homeownership and are disillusioned with the prospect of increasing wealth through property investment. All of these factors, according to McIlwain, will result in a glut of suburban type homes on the market, a return to urban centers, downsizing homes, and greater rental demand.

Not everyone agrees entirely with this scenario. Some believe that shrinking household size will be the most important factor affecting housing demand (Greenblat 2011). As household size shrinks, there will be more households, and a demand for a greater number of units and new construction. Many do agree, however, that “bigger and bigger houses farther out from job centers – has gone out of style” (Larson in Greenblat 2011). Some believe that immigrants could provide the key to finding buyers for some of the baby boomers’ homes. Immigration is expected to increase in coming years, and immigrants tend to have larger, multi-generational households, and many immigrant groups are exhibiting upward economic mobility (Mullins 2010). Finally, some social scientists predict that native household size will grow, not shrink, as boomers move in with adult children, and grandchildren “boomerang” back home with their parents (Greenblat 2011). Both of these possibilities would strengthen demand for existing boomer generation single-family, suburban type housing.

Waterloo exhibits many of these national trends. Waterloo’s median age of 36.2 years is comparable to the national median age of 36.5 and is lower than Iowa’s median age of 37.9. Metro areas, in general, tend to be younger than rural areas in Iowa. However, Waterloo has the second oldest median age among the Entitlement Communities.

Figure 2 shows Waterloo’s age structure.

Figure 2. Waterloo Age Structure 2005-2009



Source: American Community Survey 5-Year Estimates

It is helpful to consolidate these groupings into a smaller set that corresponds to housing demand and other housing needs. The size and rate of change in these groups over time signal future changes may be needed in various social and educational programs as well as other governmental services:

Children under 5 are a high-risk group due to their high susceptibility to lead poisoning and their greater risk of living in poverty¹⁰. Twenty-seven percent of children in Waterloo live beneath the poverty line. These issues are discussed in further detail later.

The 25 – 44 age group is of critical importance because of its relationship to owner occupied, single-family housing demand and because of its relationship to labor supply. This group is most likely to be in the work force and be having children and starting families (Swenson, O'Brien, Borich, Johnston, and Logan 2009).

The graying of America phenomenon indicates that the over-66 group is growing and will continue to grow. Furthermore, members of this group may be on fixed incomes and have special needs related to aging. In Waterloo, however, the elderly are less likely than the general

¹⁰ According to a recent Census report, a family of four is officially classified as poor if its annual cash income, before taxes, is \$22,314 or less. For a two-person household, the threshold is \$14,218.

population to be living in poverty. Nine and a half percent of people over the age of 64 are in poverty as opposed to 17.5% of the general population. The elderly are also less likely to be cost burdened in terms of housing than the population at large.

In Waterloo, the 25-44 year-old cohort has shrunk across the decade, from 28% of the total population in 2000 to 23% in 2005-2009. The majority of this loss was absorbed by the 45-66 year-old cohort which increased from 23% to 27% across the same time period. This upward movement indicates that increases in the over 66 year-old cohort can be expected in the future. See figure 2.B.

Figure 2.B

Sources: U.S. Census Bureau, Census 2000 (STF1); American Community Survey 5-Year Estimates 2005-2009

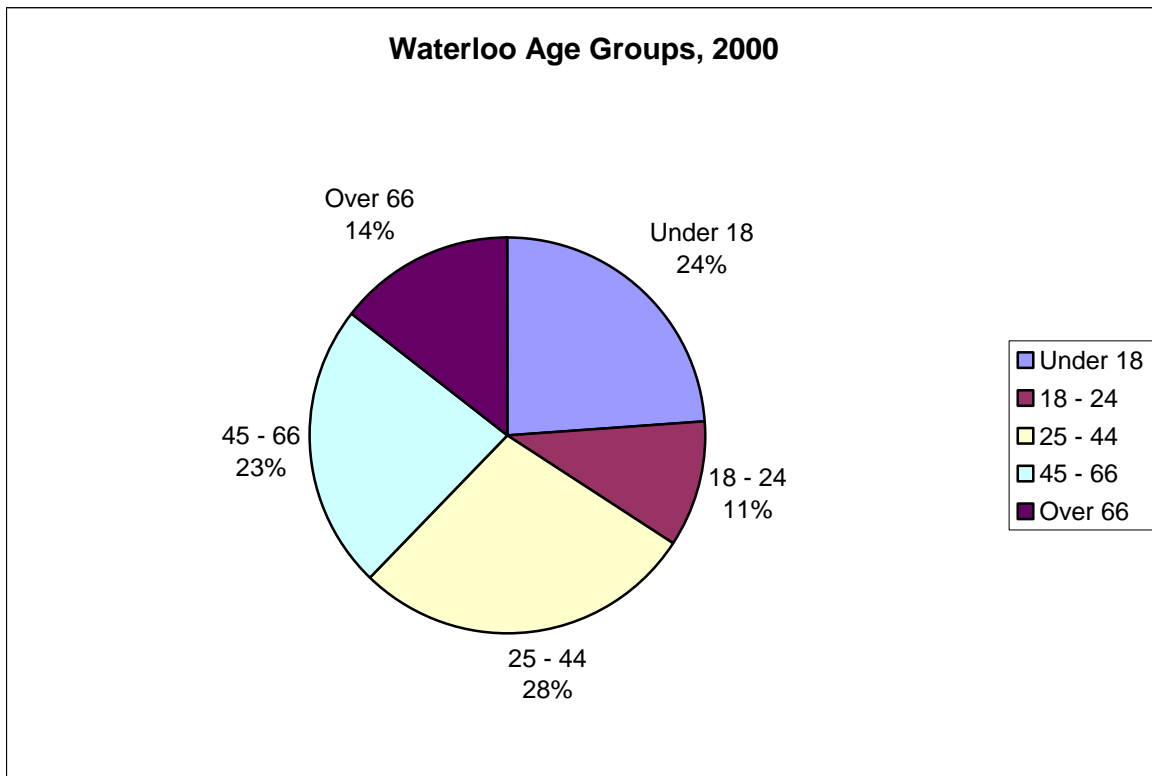
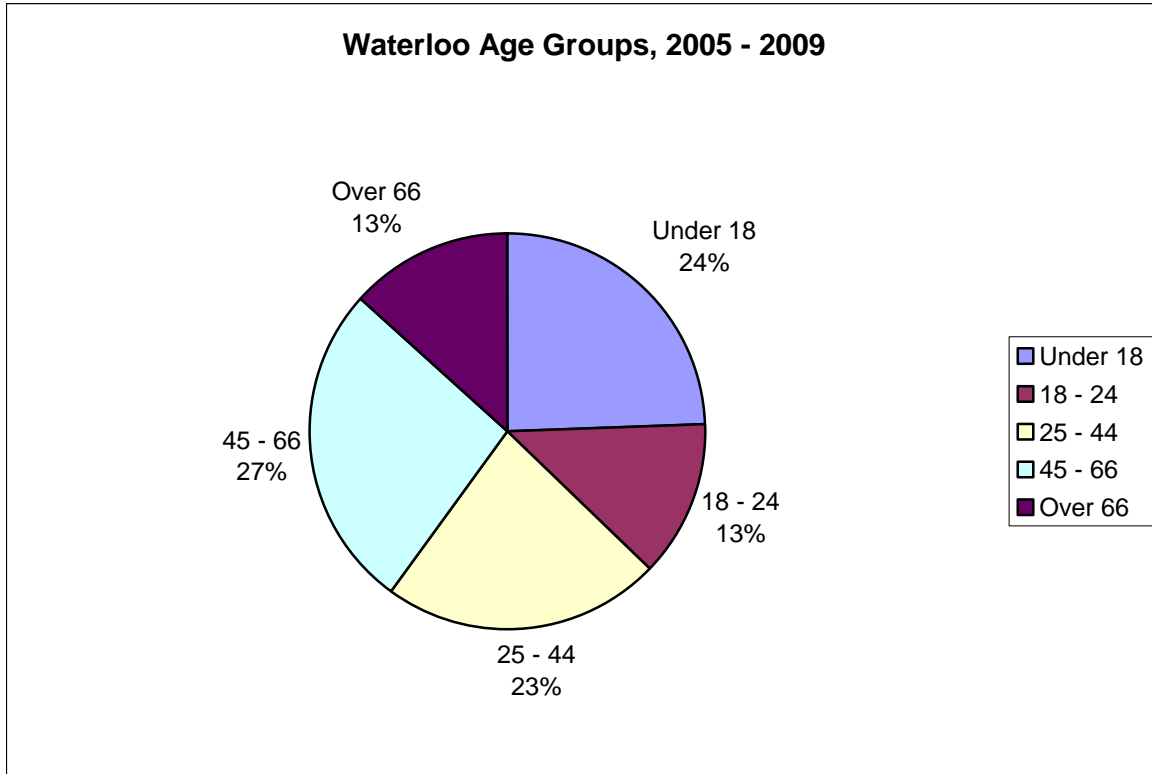


Table 3 lists these groupings for Iowa, Cedar Falls, Waterloo, and by census tract.

Table 3. Age Cohorts, Waterloo, Iowa 2005-2009

		Under 5	Under 18	18-24	25-44	45-66	>66 years
	Iowa	7%	24%	11%	25%	27%	13%
	Cedar Falls	5%	16%	35%	18%	20%	11%
	Waterloo - All Tracts	8%	24%	13%	23%	26%	13%
1	Downtown East-West	4%	18%	23%	25%	23%	11%
2	Williston North	11%	34%	11%	30%	20%	5%
3	Belmont Park-Church Row	15%	35%	13%	25%	20%	7%
4	John Deere	7%	19%	16%	25%	26%	13%
5	Fairview Cemetary	5%	28%	10%	27%	27%	8%
7	Near Downtown East	11%	31%	11%	22%	29%	8%
8	Rath-Maywood*	10%	33%	11%	23%	25%	8%
9	Jefferson-Riverview	11%	27%	15%	29%	16%	12%
10	Cadillac Lanes	7%	23%	9%	26%	26%	17%
11	Williston South	16%	32%	7%	27%	20%	14%
12	West High	3%	20%	11%	20%	29%	19%
13.01	Covenant Hospital	5%	12%	21%	14%	20%	32%
13.02	Olympic-Prospect*	8%	22%	14%	23%	24%	18%
14	Byrnes Park	9%	23%	9%	24%	32%	12%
15.01	Martin Road-Sunnyside*	10%	20%	19%	20%	25%	16%
15.02	Downing-Blackhawk	5%	24%	12%	28%	26%	10%
15.03	Castle Hill	6%	21%	7%	23%	33%	16%
16	Cedar Bend-Greenbrier*	10%	22%	16%	20%	29%	12%
17.01	Hwy 63-St. Mary's	10%	29%	10%	20%	29%	11%
17.02	Hwy 63-Allen*	4%	28%	8%	19%	32%	13%
18	Near Northeast Side	4%	28%	11%	22%	27%	13%
19	Highland-City View*	7%	29%	12%	22%	29%	7%
30.01	Far South*	5%	19%	17%	21%	31%	12%

Source: American Community Survey 5 Year Estimates 2005-2009

* Data are included for only the portion of the tract located within Waterloo.

Waterloo's age distribution closely follows the state of Iowa, as a whole, except that there may be slightly fewer 25 – 44 year-olds and slightly more 18 – 24 year-olds. Likewise, with a few exceptions, there is not much difference in the age distribution within census tracts compared to the citywide distribution. There are several large assisted living facilities located within the Covenant Hospital tract, and it therefore contains a higher percentage of people over the age of 66. Additionally, this area is a good example of McIlwain's ideal boomer community with its easy access to good and services, healthcare, employment, and other amenities. Downtown East-West has a higher percentage of 18 - 24 year olds (and renters at 74%) than the city as a whole. This translates into higher demand for rentals in the downtown area. This age group may be attracted to the downtown area by the close proximity to employment opportunities and active social venues (see Molseed 2011). Children under 18 are concentrated in the Williston North, Belmont Park-Church Row, and Williston South areas, which may result in a higher incidence of lead poisoning in these areas.

While there is not a great deal of variation between Iowa and Waterloo in terms of age structure, there is some difference among Waterloo, Cedar Falls, and the other Entitlement Communities. The major differences are that the university cities contain much higher proportions of 18 – 24 year-olds and that there is some degree of variation within the 25 – 44 year-old age group. Waterloo contains the lowest percentage of 25 – 44 year-olds which is indicative of lower single-family, owner occupied housing demand than the others in the group. See table 4.

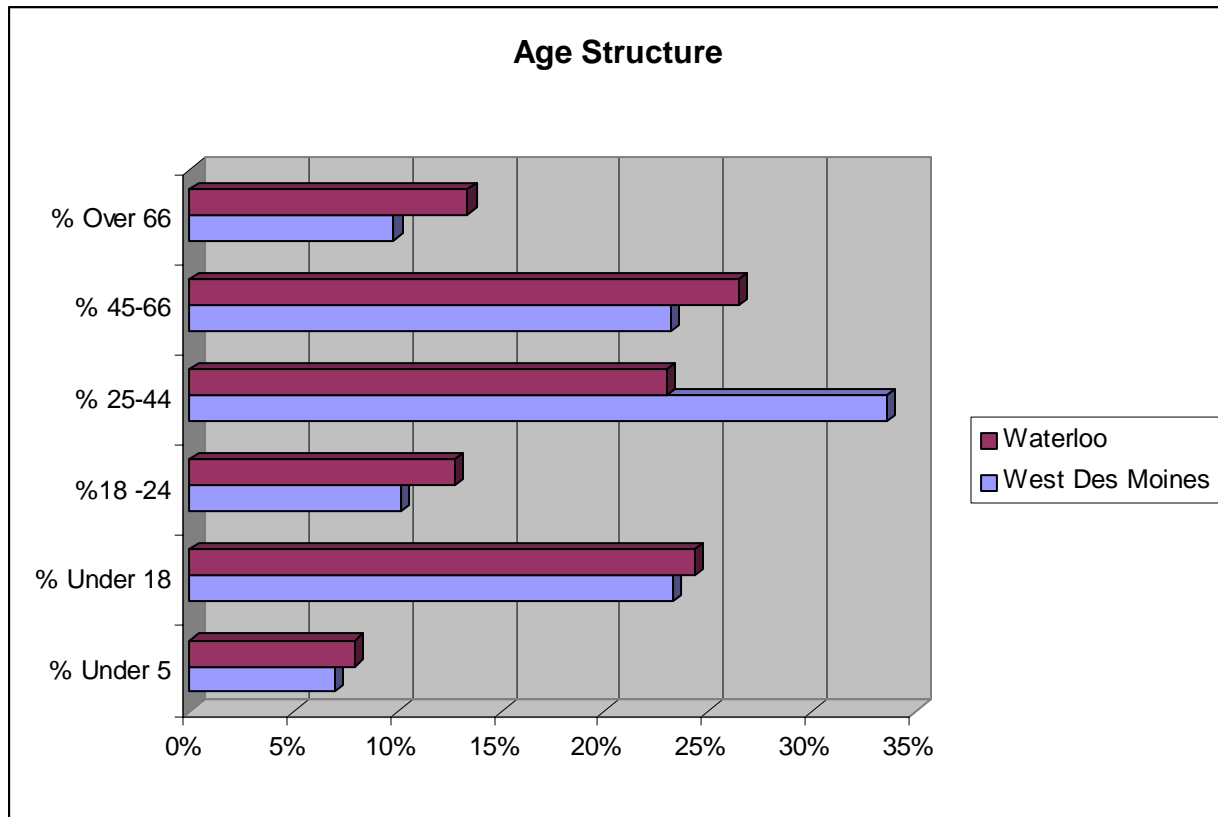
Table 4. Entitlement Communities, 25-44 Year-Olds

Entitlement Community	Age % 25-44 years
West Des Moines	34%
Des Moines	31%
Cedar Rapids	30%
Davenport	29%
Council Bluffs	28%
Sioux City	26%
Dubuque	24%
Waterloo	23%

*Source: American Community Survey 5-Year Estimates 2005-2009

Figure 3 compares the two ends of the spectrum in this example – Waterloo and West Des Moines. Note that there is not much difference in the age distribution of the two cities except that West Des Moines has a markedly higher percentage of 25-44 year-olds, and Waterloo has a slightly greater proportion of each of the other groups.

Figure 3. *Source: American Community Survey 5-Year Estimates 2005-2009



Swenson, et. al. (2009) identify the change in the 25 – 44 cohort has as a key indicator in changing housing needs and housing demand. The proportion of 25 – 44 year-olds in Waterloo has decreased from 28% in 2000 to 23% in 2005-2009 indicating falling single-family housing demand in the city as a whole. This decrease is partly due to the aging of the population. While the 25 – 44 year cohort shrunk, the 45 – 66 year cohort grew by 4 percentage points. Table 5 shows Waterloo’s changing age distribution across the time period.

Table 5 focuses specifically on the rate of change in the 25 – 44 year cohort in Waterloo and across tracts. Notably, Waterloo’s rate of decrease (19%) in this group is triple that of the Entitlement Communities overall (6%). Also, Table 1 showed that the rate of population loss for Waterloo as a whole was 3.5%. Therefore, Waterloo is losing people from the 25 – 44 year cohort at a rate more than 5 times greater than the overall population loss. See map 3.

The differences are even starker across tracts. While every tract except Olympic-Prospect lost members of this cohort, the severity of the loss varied widely across tracts. Covenant Hospital lost 43% of its 25 –44 year cohort (as opposed to 13%, overall), but as discussed previously, this area is unique in its focus on assisted living facilities and proximity to various health care and social services for the elderly. The tract is also within walking distance to many other amenities (restaurants, drug stores, groceries, churches, etc.), and exhibits many of the characteristics that McIlwain predicted for the aging baby boomer generation. Near Downtown East, Hwy 63-St. Mary’s, and Cedar Bend-Greenbrier all lost more than 30% of their 25 –44 year population. While all three of these tracts lost population in general, the rates of loss out of the 25 – 44 year cohort were 10-20% higher than their overall rates. This discrepancy was particularly large in Cedar Bend-Greenbrier where overall population was lost at a rate of 11%, yet there was a 35% decline in the numbers of 25-44 year-olds.

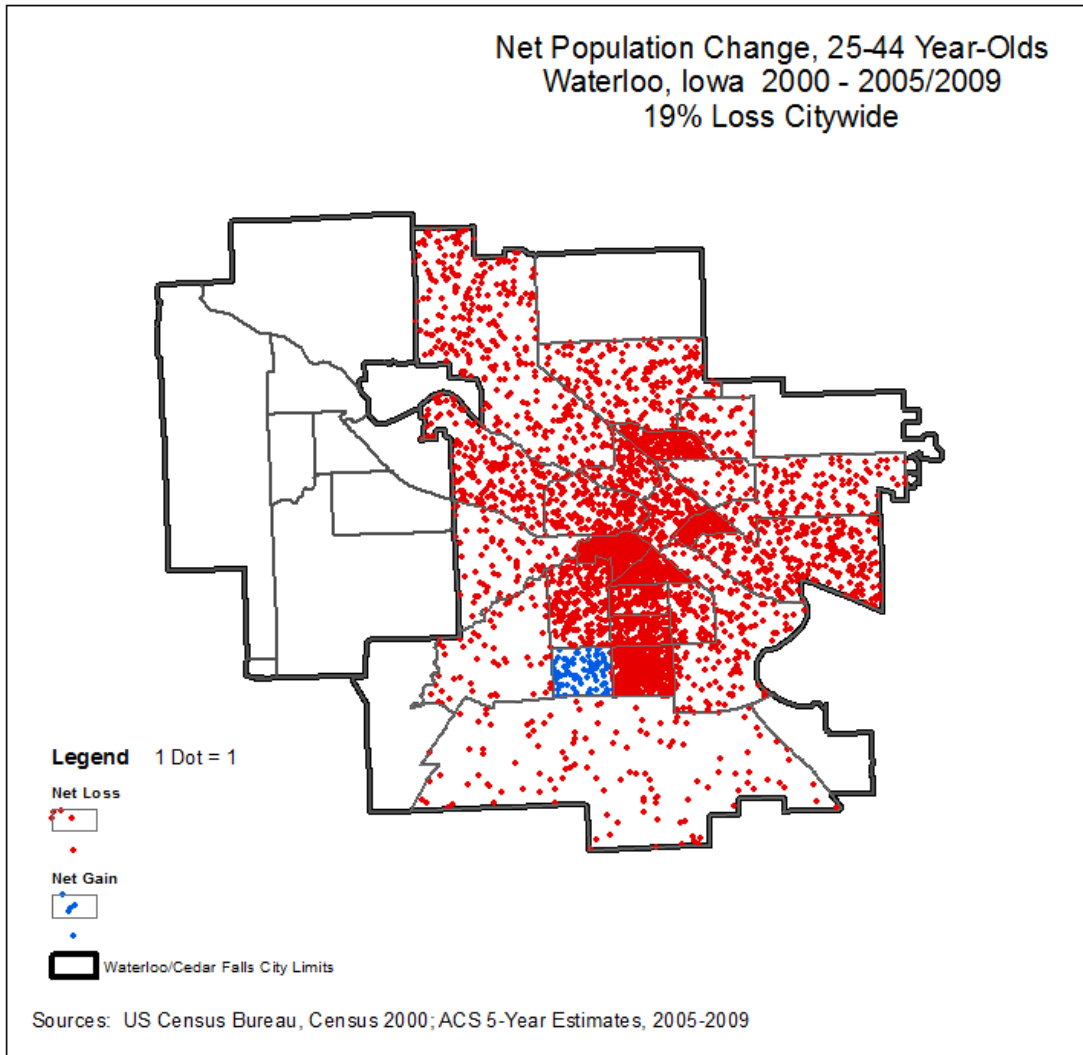


Table 5. Waterloo Population Aged 25 – 44 Years Old, 2000 – 2005/2009

		2005-2009	2000	Change	%Change
	EC's	243,362	259,211	-15,849	-6%
	Cedar Falls	6,638	7,447	-809	-11%
	Waterloo - All Tracts	15,265	18,926	-3,661	-19%
13.01	Covenant Hospital	557	977	-420	-43%
7	Near Downtown East	282	465	-183	-39%
17.01	Hwy 63-St. Mary's	377	599	-222	-37%
16	Cedar Bend-Greenbrier*	549	846	-297	-35%
17.02	Hwy 63-Allen*	422	588	-166	-28%
3	Belmont Park-Church Row	748	1039	-291	-28%
4	John Deere	397	539	-142	-26%
19	Highland-City View*	529	700	-171	-24%
12	West High	439	575	-136	-24%
9	Jefferson-Riverview	420	550	-130	-24%
2	Williston North	846	1091	-245	-22%
8	Rath-Maywood*	959	1236	-277	-22%
15.03	Castle Hill	855	1039	-184	-18%
5	Fairview Cemetary	438	531	-93	-18%
1	Downtown East-West	514	623	-109	-17%
14	Byrnes Park	1054	1260	-206	-16%
11	Williston South	752	856	-104	-12%
30.01	Far South*	914	1035	-121	-12%
18	Near Northeast Side	298	328	-30	-9%
15.01	Martin Road-Sunnyside*	637	695	-58	-8%
10	Cadillac Lanes	895	963	-68	-7%
15.02	Downing-Blackhawk	1222	1280	-58	-5%
13.02	Olympic-Prospect*	856	765	91	12%

Sources: American Community Survey 5-Year Estimates 2005-2009

* Data are included for only the portion of the tract located within Waterloo.

Income Analysis and Mixed-Income Neighborhoods

In early 2006, the U.S. economy was soaring. Housing and stock values continued to rise, and interest rates and gas prices were low. However, the housing bubble burst shortly after which was a major trigger of the global financial crisis beginning in 2008. The United States found itself in the worst economic downturn since the great depression. Millions of Americans lost their jobs, their savings, and their homes. Rising unemployment and falling real wages became the norm. While Iowa was seemingly sheltered from the brunt of this collapse, the effects of the recession were not entirely thwarted. Table 6 shows the fall in real median household incomes (inflation adjusted) for Iowa's Entitlement Communities.

**Table 6. Entitlement Cities and Cedar Falls
Median Household Income 2000 – 2005/2009 in 2009 Inflation Adjusted Dollars**

City	Census 2000	ACS 2005-2009	% Change
West Des Moines	\$67,674	\$61,462	-9%
Cedar Rapids	\$54,630	\$48,501	-11%
Cedar Falls	\$50,283	\$45,951	-9%
Des Moines	\$48,010	\$44,022	-8%
Davenport	\$46,553	\$43,676	-6%
Council Bluffs	\$45,276	\$43,116	-5%
Sioux City	\$46,786	\$42,902	-8%
Dubuque	\$45,981	\$41,879	-9%
Waterloo	\$42,615	\$38,779	-9%
Iowa City	\$43,721	\$38,361	-12%
Ames	\$45,053	\$37,188	-17%

*Source: U.S Census Bureau, Census 2000; American Community Survey 5-Year Estimates 2005-2009

Every city listed lost real median household income (MHI) across the time period with an average decrease of 9.4%. Adjusted to 2009 dollars, Waterloo’s MHI dropped close to \$4,000 from 2000 to 2005-2009 translating into a 9% loss in real purchasing power. Once again, the decrease was not even across tracts. Table 7 lists MHI’s in order of 2005-2009 income levels by census tract. At least eight tracts saw MHI’s fall by more than 20% with Hwy 63-St. Mary’s seeing a 33% decline. These losses in real income are not confined to the lower income tracts as Martin Road-Sunnyside’s MHI, among others, dropped by 23%.

Table 7.

Median Household Income 2000 – 2005/2009 in 2009 Inflation Adjusted Dollars

		2000	2005-2009	%Change
	United States	\$52,493	\$51,425	-2%
	Iowa	\$49,336	\$48,052	-3%
Tract	Waterloo Overall	\$42,615	\$38,779	-9%
1	Downtown East-West	\$15,910	\$12,424	-22%
17.01	Hwy 63-St. Mary's	\$30,716	\$20,601	-33%
9	Jefferson-Riverview	\$23,078	\$22,471	-3%
3	Belmont Park-Church Row	\$31,704	\$25,868	-18%
7	Near Downtown East	\$33,364	\$25,938	-22%
18	Near Northeast Side	\$37,709	\$28,404	-25%
2	Williston North	\$38,959	\$28,438	-27%
17.02	Hwy 63-Allen*	\$30,896	\$30,877	0%
8	Rath-Maywood*	\$38,376	\$31,206	-19%
13.01	Covenant Hospital	\$41,909	\$32,862	-22%
5	Fairview Cemetary	\$30,023	\$34,244	14%
16	Cedar Bend-Greenbrier*	\$39,434	\$34,489	-13%
11	Williston South	\$42,768	\$37,092	-13%
19	Highland-City View*	\$47,024	\$37,750	-20%
10	Cadillac Lanes	\$44,765	\$39,705	-11%
4	John Deere	\$38,803	\$40,791	5%
15.01	Martin Road-Sunnyside*	\$56,490	\$43,672	-23%
12	West High	\$47,440	\$47,607	0%
30.01	Far South*	\$50,521	\$47,875	-5%
15.02	Downing-Blackhawk	\$48,654	\$48,198	-1%
13.02	Olympic-Prospect*	\$54,543	\$50,902	-7%
15.03	Castle Hill	\$61,069	\$54,122	-11%
14	Byrnes Park-Prospect	\$65,970	\$59,447	-10%

Source: American Community Survey 5-Year Estimates 2005-2009

*Data are included for only the portion of the tract located within Waterloo.

The median income is a useful summary statistic, but it does not give any information about the variance or “spread” of income within groups. Consider two hypothetical cities that both have three residents and median incomes of \$40,000.

Example 1: With no income inequality, the residents earn the following income:

Rudy: \$40,000 Nancy: \$40,000 Ann: \$40,000

Example 2: With a high degree of income inequality, the residents earn the following income:

Mark: \$0 Valerie: \$40,000 Danielle: \$1,000,000,000

In both examples, the median income is \$40,000, yet there are clearly differences in income inequality between the two cities. If the two cities were to merge, the level of income inequality would change again, but the median income would still be \$40,000.

Income inequality is of particular importance for its direct impact on residential segregation, fair housing choice, and many indicators of quality of life. To the extent that income inequality does

exist, mixed-income neighborhoods and housing developments are beneficial to low-income residents, whereas concentrated poverty has been shown by scholars and policymakers to have very deleterious results. William Julius Wilson argues that, “the isolation of the poor from middle- and working-class institutions and role models encourages and reinforces nonmainstream behavioral characteristics such as weak labor force participation and results in an ‘underclass’ culture” (Schwartz and Tajibakhsh 1997, pp. 72). Others point to high crime, structural decay, poor education, welfare dependency, racial segregation, and family instability as negative outcomes of the concentration of poverty (e.g. HUD 2003, Leslie 2007, Massey and Denton 1993). In addition, research has consistently shown that the overall socioeconomic status of a classroom is the number one predictor of academic performance. Many studies have shown that the academic performance of low-income pupils is substantially improved when surrounded by middle class peers. Others have found that the performance of the higher income students is not hindered when surrounded by modest amounts of low-income students (HUD 2003).

From this perspective, income inequality within a neighborhood can be viewed as desirable, and might better be referred to as income diversity. In light of the ultimate failure of many inner city high-rise public housing projects and the racial and economic ghettos they produced, public housing policy has shifted over the past decades to focus on the economic integration of neighborhoods (HUD 2003, Leslie 2007, Schwartz and Tajibakhsh 1997). The idea is that increased exposure to higher income residents gives low-income residents access to social networks and opportunity structures that can facilitate upward mobility. Another take posits that the introduction of upper income residents to low-income neighborhoods generates new market demand, and the political pressure generated by higher income residents leads to higher quality goods and services available to all residents (Leslie 2007).

The implementation of mixed-income housing initiatives faces many challenges, however. NIMBY (“Not In My Backyard”) sentiments often generate considerable public opposition to the introduction of low-income people into middle- and upper- income neighborhoods (e.g. Section 8), and it may be difficult to attract higher income people to low-income neighborhoods they view as less desirable (HUD 2003). Therefore, proactive strategies and political coalitions are essential to build sustainable mixed-income developments. Such strategies include inclusive zoning policies, tax credit incentives, flexible financing mechanisms, and large homeowner subsidies.

It is also difficult to measure the degree of mixed-income neighborhood creation. There was pronounced differences in inequality between the hypothetical cities presented earlier, for example. In example number one, there is no income inequality, but how much exists in example 2? If more residents were added, how would those examples compare? Would there be more inequality within or between cities? The Theil index¹¹ is a measure of inequality that can begin to answer these questions. Like the DI, the Theil has a minimum value of zero that represents perfect equality. The Theil has no maximum limit as income is a continuous variable

$$T_T = T_{\alpha=1} = \frac{1}{N} \sum_{i=1}^N \left(\frac{x_i}{\bar{x}} \cdot \ln \frac{x_i}{\bar{x}} \right)$$

and theoretically has no upper bound. It is therefore most useful for comparison of various nations, cities, or neighborhoods, for example.

The Theil is based upon population and income. Table 8 lists all the Entitlement Cities in Iowa, each city's proportion of the overall population (households), and each city's share of total income.

Table 8. Entitlement Communities; Population Share, Income Share, RMD

City	Pop. Share	Income Share	RMD
West Des Moines	12.0%	16.4%	1.36
Cedar Rapids	14.7%	15.5%	1.05
Cedar Falls	3.7%	3.8%	1.01
Des Moines	16.4%	16.2%	0.99
Davenport	11.0%	10.4%	0.94
Iowa City	7.3%	6.9%	0.94
Dubuque	6.4%	5.8%	0.92
Ames	5.6%	5.1%	0.91
Council Bluffs	6.7%	6.0%	0.89
Sioux City	8.5%	7.6%	0.89
Waterloo	7.7%	6.4%	0.83

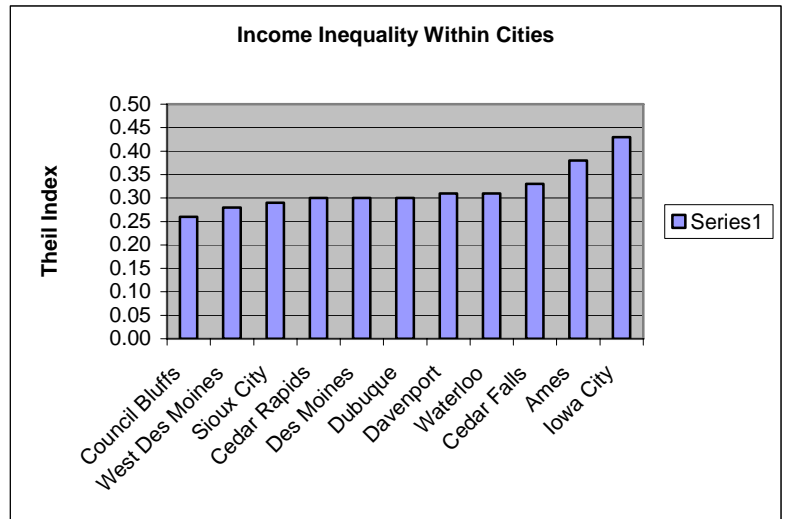
Source: American Community Survey 5-Year Estimates

West Des Moines, for example, contains 12% of the combined households in all cities, yet earns 16.4% of the total income. In a scenario of perfect income equality *between* cities, population share and income share by city would be equal. If this were the case, the relative mean difference (RMD) would equal one. An RMD greater than one would mean that a city has a greater income share than it's population indicates. An RMD of less than one indicates that the city possesses less than its equal share of income. The RMD reveals that most cities in this sample earn less than their population share would indicate (i.e. $RMD < 1$). Waterloo has the biggest discrepancy between population share and income share with an RMD of .83. Of course, there are many possible explanations for these differences among cities including varying demographics, occupational structures, unemployment rates, and costs of living.

Figure 4 examines levels of income inequality *within* cities.

Figure 4.

City	Theil
Council Bluffs	0.26
West Des Moines	0.28
Sioux City	0.29
Cedar Rapids	0.30
Des Moines	0.30
Dubuque	0.30
Davenport	0.31
Waterloo	0.31
Cedar Falls	0.33
Ames	0.38
Iowa City	0.43



*Source: American Community Survey 5-Year Estimates

Waterloo is in the middle of the pack when it comes to income inequality within cities. Its score is similar to other Iowa River cities with which it shares an industrial, manufacturing background (e.g. Davenport and Cedar Rapids). To put these scores in a broader context consider some large, diverse American cities. New York City would score a .400, Atlanta a .403, and Houston a .390. Rancho Santa Fe, California, on the other hand, an exclusive, homogenous suburb in San Diego County (with a median income of nearly \$250,000) would score a .16. A very homogenous community on the impoverished side of the income spectrum would also have a very low Theil score. Note that Iowa’s university cities, particularly Iowa City, have very high income inequality/diversity scores.

A statistical test comparing within-city inequality versus between-city inequality for the eleven cities in this sample finds that these cities have greater inequality/diversity within than between.

This method of analysis can also be applied to Waterloo’s census tracts. Table 9 lists the Theil indices by tract.

Table 9. Theil Indices, Waterloo Tracts 2005-2009

Tract	Waterloo Within Group T	Theil	Median Income	%Minority
		0.31	\$38,779	20%
12	West High	0.18	\$47,607	3%
5	Fairview Cemetary	0.18	\$34,244	42%
11	Williston South	0.20	\$37,092	9%
16	Cedar Bend-Greenbrier*	0.21	\$34,489	15%
18	Near Northeast Side	0.22	\$28,404	93%
10	Cadillac Lanes	0.22	\$39,705	5%
15.02	Downing-Blackhawk	0.23	\$48,198	5%
8	Rath-Maywood*	0.25	\$31,206	25%
13.01	Covenant Hospital	0.25	\$32,862	10%
3	Belmont Park-Church Row	0.26	\$25,868	29%
15.03	Castle Hill	0.26	\$54,122	6%
17.02	Hwy 63-Allen*	0.27	\$30,877	50%
14	Byrnes Park-Prospect	0.27	\$59,447	6%
30.01	Far South*	0.31	\$47,875	6%
15.01	Martin Road-Sunnyside*	0.31	\$43,672	10%
4	John Deere	0.33	\$40,791	7%
13.02	Olympic-Prospect*	0.34	\$50,902	8%
2	Williston North	0.34	\$28,438	29%
9	Jefferson-Riverview	0.35	\$22,471	20%
1	Downtown East-West	0.35	\$12,424	55%
19	Highland-City View*	0.35	\$37,750	47%
7	Near Downtown East	0.40	\$25,938	62%
17.01	Hwy 63-St. Mary's	0.43	\$20,601	63%

Source: American Community Survey 5 Year Estimates 2005-2009

* Data are included for only the portion of the tract located within Waterloo.

In keeping with the earlier finding that there is more within-city income diversity than between, Table 9 shows a greater range of Theil scores for Waterloo’s tracts than was found for the range of cities. West High and Fairview Cemetery are both very homogenous with scores of .18, and Near Downtown East and Hwy 63-St. Mary’s are more heterogeneous with scores over .40. There is a moderate correlation between the level of income heterogeneity (Theil) and the median income of the tract, as well as between the level of heterogeneity and the racial make-up of the tract.¹² The *lower* the median income, the *higher* the Theil score tends to be (more heterogeneous). The *higher* the percentage of minorities, the *higher* the Theil score tends to be. Therefore, lower-income, minority neighborhoods tend to be more income diverse than those with higher median incomes and more White residents in Waterloo. Overall, there is much more within-tract heterogeneity (T=.27) than between-tract (T=.04). This indicates that Waterloo is not extremely segregated by income. However, there is not an extremely wide income distribution to begin with in comparison to other cities.

¹² The Pearson r correlation coefficient measures the magnitude and direction of the association between two variables that are on an interval or ratio scale. Both relationships score Pearson r’s that would be considered moderate by statistical standards.

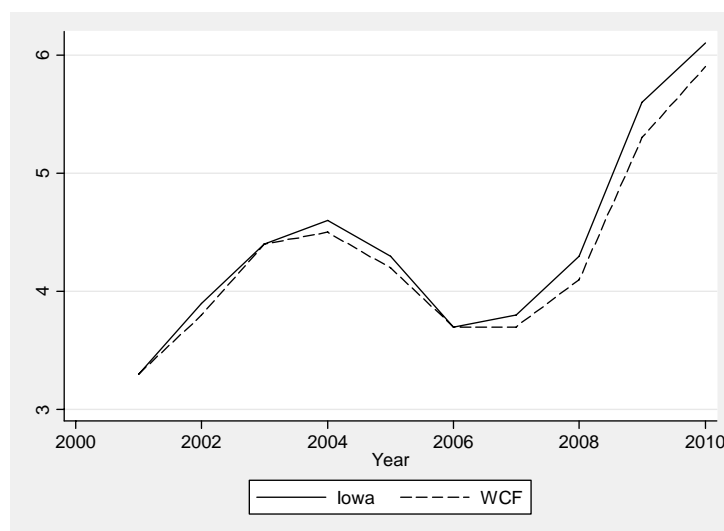
Unemployment

One consequence of the recent national recession has been extremely high levels of unemployment. According to the U.S. Department of Labor, the average annual national unemployment rate in 2010 was 9.6% (up from 4% in 2000), but many states and localities have unemployment rates that are much higher. Iowa's average annual rate for 2010 (6.1%) was significantly lower than the U.S. as a whole, but Iowa has not entirely escaped the effects of the national recession. In 1999 Iowa's unemployment rate was only 2.5% – at the time, an historic low for the state and the lowest state unemployment rate in the nation. Iowa is now tied with Nebraska for the 4th lowest unemployment rate (U.S. Department of Labor).

Figure 5 shows that the Waterloo-Cedar Falls Metro Area unemployment rate has tracked very closely with the state's rate across the decade climbing steadily from the beginning of the housing crisis in 2006. As with the other indicators in this report, the unemployment rate varies widely across geographic areas and demographic groups. Figure 5 plots unemployment rates for the Waterloo-Cedar Falls Metro area across the decade, and Table 10 lists Waterloo's estimated unemployment rates by census tract and gender.

Figure 5.

Unemployment Rates, Iowa and Waterloo-Cedar Falls 2000-2010



*Source: U.S. Department of Labor; Current Employment Statistics

Table 10 estimates Waterloo's 2005-2009 unemployment rate to be 7.1%. This is on par with the figures from the Department of Labor as those statistics show that the rate rose from the high three's mid-decade to greater than six in 2010, and so lends credence to the ACS estimates. The ACS estimates show that the City of Waterloo's unemployment rate is higher than the Cedar Falls-Waterloo Metro Area combined. The table again uncovers that some tracts suffer disproportionately high rates of unemployment with four tracts having double the citywide rate—Hwy 63-St. Mary's (22.1%), Near Downtown East (16.6%), Rath-Maywood (15%), and

Belmont Park-Church Row (14.5%). Tracts with exceptionally low rates of unemployment include Castle Hill (1.3%), Cadillac Lanes (1.8%), and Martin Road-Sunnyside (2.3%). Note that Jefferson-Riverview is a low-income area with large numbers of renters, but has a low level of unemployment at 3.1%. It can be inferred that this area contains a large percentage of working poor.

There are also definite differences in employment rates by race and gender. Men have a slightly higher rate of unemployment than women at 7.3% and 6.9%, respectively. Many of the jobs most affected in the economic downturn were those traditionally occupied by men causing it to be dubbed the great “he-cession”. Black men, in particular, have an estimated unemployment rate of 19%, more than 2.5 times the citywide rate, and Black women’s rate stands at 13.1%.

Table 10. Unemployment, Waterloo Tracts 2005-2009

	Census Tract	Total	Labor Force	Total Rate	Rate Men	Rate Women
	All Tracts 2005-2010	2396	33777	7.1%	7.3%	6.9%
17.01	Hwy 63-St. Mary's	193	873	22.1%	25.4%	19.1%
7	Near Downtown East	91	548	16.6%	14.9%	18.7%
8	Rath-Maywood*	296	1972	15.0%	16.2%	13.8%
3	Belmont Park-Church Row	211	1456	14.5%	13.2%	15.6%
2	Williston North	140	1121	12.5%	16.1%	7.5%
5	Fairview Cemetary	107	886	12.1%	13.2%	11.1%
18	Near Northeast Side	76	664	11.4%	9.7%	12.8%
19	Highland-City View*	117	1245	9.4%	10.2%	8.7%
1	Downtown East-West	41	457	9.0%	5.4%	12.3%
17.02	Hwy 63-Allen*	91	1025	8.9%	12.1%	6.2%
16	Cedar Bend-Greenbrier*	112	1366	8.2%	4.3%	11.2%
11	Williston South	99	1325	7.5%	1.3%	14.3%
30.01	Far South*	176	2438	7.2%	7.0%	7.4%
14	Byrnes Park-Prospect	134	2445	5.5%	5.5%	5.4%
13.01	Covenant Hospital	96	2005	4.8%	5.9%	3.3%
4	John Deere	39	968	4.0%	7.1%	1.3%
13.02	Olympic-Prospect*	76	2015	3.8%	3.2%	4.5%
12	West High	42	1296	3.2%	3.4%	3.1%
15.02	Downing-Blackhawk	76	2402	3.2%	5.3%	0.7%
9	Jefferson-Riverview	22	706	3.1%	6.5%	0.0%
15.01	Martin Road-Sunnyside*	39	1703	2.3%	0.0%	4.4%
10	Cadillac Lanes	33	1874	1.8%	1.3%	2.2%
15.03	Castle Hill	26	1949	1.3%	1.8%	0.8%
Source: American Community Survey 5-Year Estimates 2005-2009						
* Data are included for only the portion of the tract located within Waterloo.						

Tenure, Age of Housing Stock, and Unit Types

Waterloo's rate of home ownership is equal to the national rate of 67%, but lower than Iowa's overall rate of 73%. This has not changed across the past decade. There is a lot of variation in terms of the mixture of owner occupied and rental properties across the city. There are some areas dominated by owner occupied housing, some by rentals, as well as some mixed neighborhoods. These patterns can be seen on both sides of the river. Table 11 lists tenure by tract and race and ethnicity. Rates of home ownership range from highs of 92% in Cadillac Lanes and 88% in Cedar Bend-Greenbrier to lows of only 26% in Downtown East-West and Jefferson-Riverview. Some tracts, on the other hand, contain a fairly even mixture of rentals and owner occupied properties such as Olympic-Prospect and Near Downtown East.

There are stark differences in rates of home ownership across racial and ethnic groups. Whites are more likely to be homeowners than the general population (72% versus 67%) and are 1.5 times more likely than Blacks to own their own home. Black rates of home ownership have decreased across the decade from 46% in 2000 to 39% in 2005-2009. In contrast, Hispanics, as a group, have increased their rate of home ownership from 47% in 2000 to 61% in 2005-2009. This rate of increase is even more impressive when coupled with the fact that the Hispanic population has increased so drastically over the past ten years. When considering that Whites and Blacks both lost population and that their rates of homeownership have either remained stable or decreased, Hispanics have provided at least somewhat of a buoy for the local housing market.

In addition to race and ethnicity being related to the likelihood of homeownership, geography is another variable that interacts with both race and tenure. In other words, the relationship of race to the likelihood of homeownership is different depending upon where one lives and the racial makeup of the neighborhood. The Near Northeast Side, for example, is predominantly comprised of owner occupied units (80%) and Black head-of-households (83%). Therefore, it is not surprising that rates of Black homeownership are much higher than the citywide rate. However, these two statistics alone cannot account for the extremely high rate of Black homeownership (78%) in comparison to other areas. Virtually all owner occupied units in this area are occupied by a Black head-of-household. In fact, 20% of all Black homeowners in the city live in this one tract, and it contains the fewest number of housing units – less than 1/3 the units that many other tracts contain. Conversely, Whites comprise 7% of the households, yet are virtually all renters, and Hispanics also have a higher rental rate than they do in the city at large. It will later be estimated that nearly half of all mortgages executed between 2004-2007 in the Near Northeast Side (tract 18) were considered to be high cost loans. This has undoubtedly contributed to high foreclosure rates and neighborhood destabilization in the area, as well as the decreasing rate of Black homeownership in the city overall.

In other examples, Blacks have higher than expected rates of homeownership in Cadillac Lanes and West High where there are very few Black head-of-households and very few rental units. There are also higher than expected rates of home ownership for Blacks and Hispanics in Hwy 63-St. Mary's, and for Hispanics in the Far South, and Rath-Maywood.

Table 11. Tenure by Race & Ethnicity, Waterloo Tracts, 2005-2009

		Occupied			%White	Rate	Rate	%Black	Rate	Rate	%Hisp	Rate	Rate
Census Tract		Units	%Owner	%Renter	HH	Own	Rent	HH	Own	Rent	HH	Own	Rent
All Tracts 2000		28166	67%	33%		71%	29%		46%	54%		47%	53%
All Tracts 2005-2010		28202	67%	33%	84%	72%	28%	12.8%	39%	61%	3%	61%	39%
10	Cadillac Lanes	1573	92%	8%	94%	92%	8%	3.1%	100%	0%	2.2%	100%	0%
16	Cedar Bend-Greenbrier*	1161	88%	12%	83%	91%	9%	11.5%	70%	30%	0.5%	100%	0%
14	Byrnes Park-Prospect	1853	85%	15%	97%	88%	12%	2.0%	0%	100%	0.0%	--	--
15.03	Castle Hill	1667	82%	18%	96%	84%	16%	3.2%	42%	58%	0.0%	--	--
12	West High	1069	82%	18%	98%	82%	18%	1.1%	100%	0%	0.0%	--	--
18	Near Northeast Side	481	80%	20%	7%	100%	0%	83.0%	78%	22%	1.9%	33%	67%
11	Williston South	1128	80%	20%	95%	81%	19%	1.4%	0%	100%	4.9%	69%	31%
8	Rath-Maywood*	1523	78%	22%	87%	81%	19%	6.1%	19%	81%	5.3%	100%	0%
15.02	Downing-Black Hawk	1764	77%	23%	95%	79%	21%	3.9%	17%	83%	1.1%	45%	55%
30.01	Far South*	1931	73%	27%	96%	76%	24%	3.8%	14%	86%	3.0%	93%	7%
4	John Deere	711	72%	28%	94%	74%	26%	5.1%	31%	69%	1.3%	100%	0%
17.01	Hwy 63-St. Mary's	829	65%	35%	44%	69%	31%	49.3%	59%	41%	1.4%	100%	0%
5	Fairview Cemetary	614	63%	37%	75%	77%	23%	23.3%	20%	80%	7.0%	65%	35%
15.01	Martin Road-Sunnyside*	1454	59%	41%	89%	65%	35%	11.0%	8%	92%	0.0%	--	--
19	Highland-City View*	973	58%	42%	56%	72%	28%	37.1%	32%	68%	10.2%	85%	15%
17.02	Hwy 63-Allen*	968	56%	44%	58%	70%	30%	40.8%	35%	65%	0.0%	--	--
13.02	Olympic-Prospect*	1592	55%	45%	91%	55%	45%	2.3%	24%	76%	2.4%	0%	100%
7	Near Downtown East	496	52%	48%	47%	47%	53%	44.2%	56%	44%	11.9%	85%	15%
13.01	Covenant Hospital	1890	45%	55%	91%	49%	51%	6.2%	8%	92%	1.6%	29%	71%
3	Belmont Park-Church Row	1178	41%	59%	76%	47%	53%	16.0%	28%	72%	2.3%	33%	67%
2	Williston North	1045	38%	62%	81%	47%	53%	16.5%	4%	96%	7.3%	28%	72%
9	Jefferson-Riverview	771	26%	74%	85%	30%	70%	11.7%	6%	94%	3.4%	0%	100%
1	Downtown East-West	767	26%	74%	63%	21%	79%	32.9%	32%	68%	10.4%	23%	78%

Source: American Community Survey 5-Year Estimates 2005-2009

HH=Household. The head of the household was used to determine the race or ethnicity category. There is some overlap in the table as a Hispanic HH may also be counted as either a White or Black HH.

* Data are included for only the portion of the tract located within Waterloo.

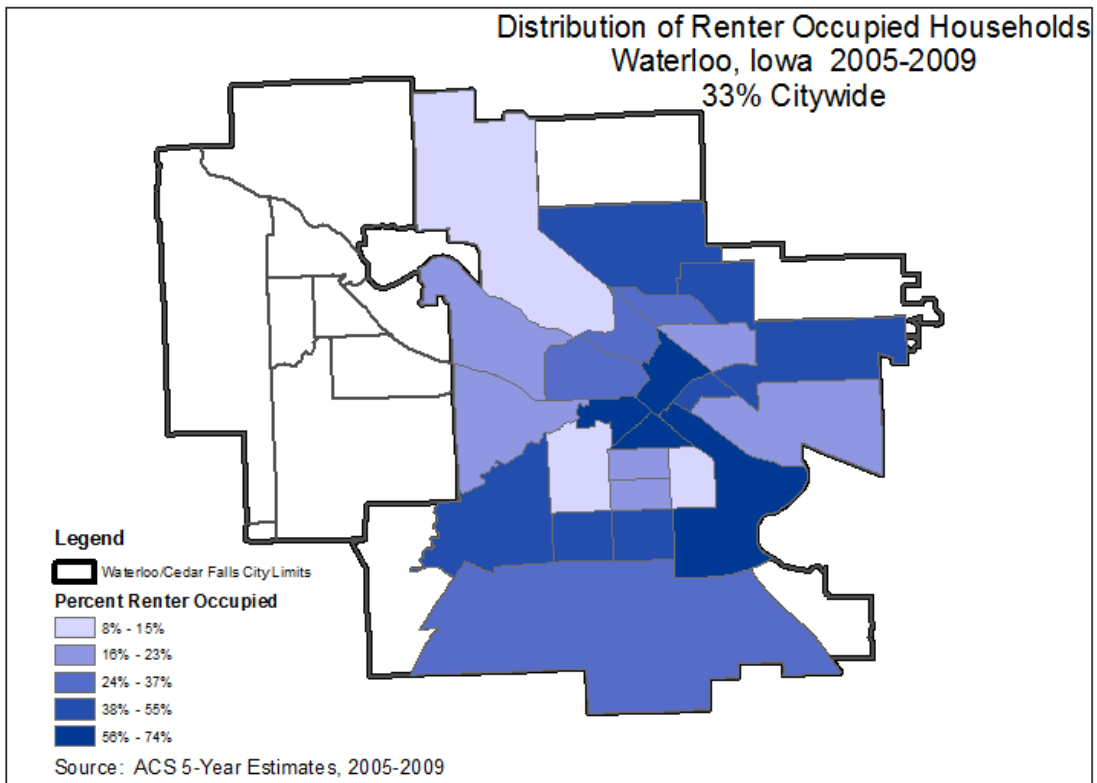
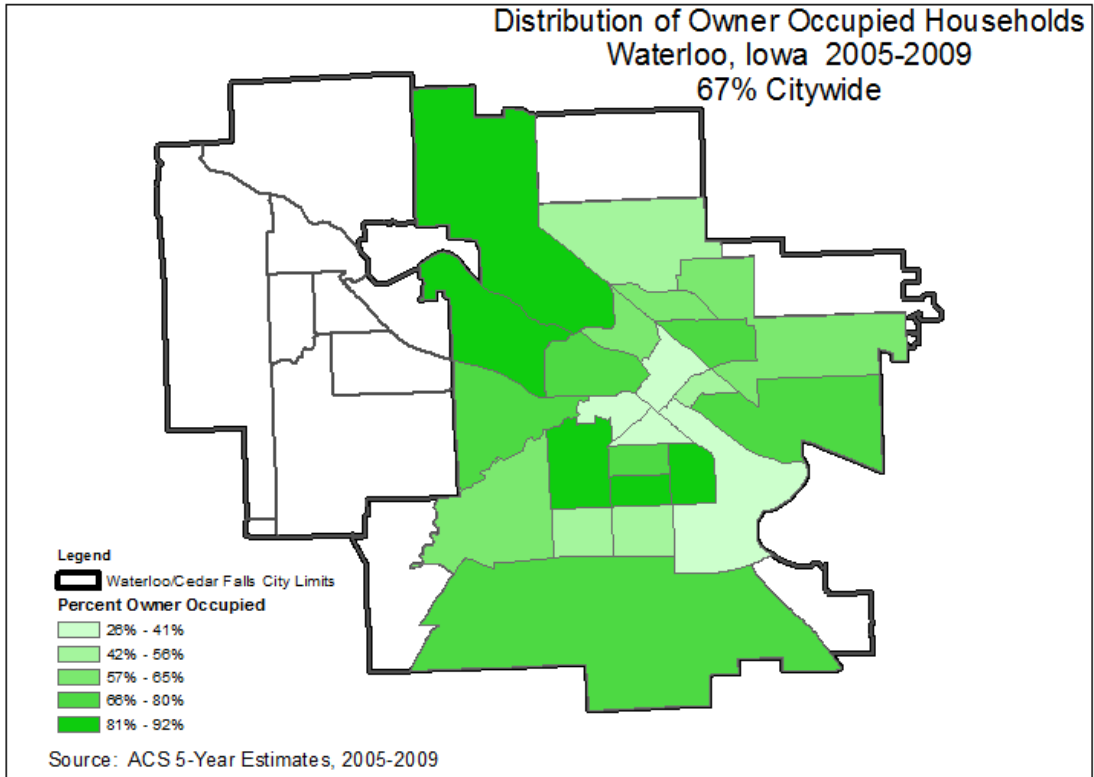


Table 12 shows that Waterloo has added approximately 1000 units to its overall housing stock across the decade with the bulk of that occurring in the Far South, Downing-Black Hawk, Covenant Hospital, Martin Road-Sunnyside, and Olympic-Prospect. Map 6 is a dot density map showing net gains and losses across the city.

Table 12. Net Change in Housing Units 2000 – 2005/2009

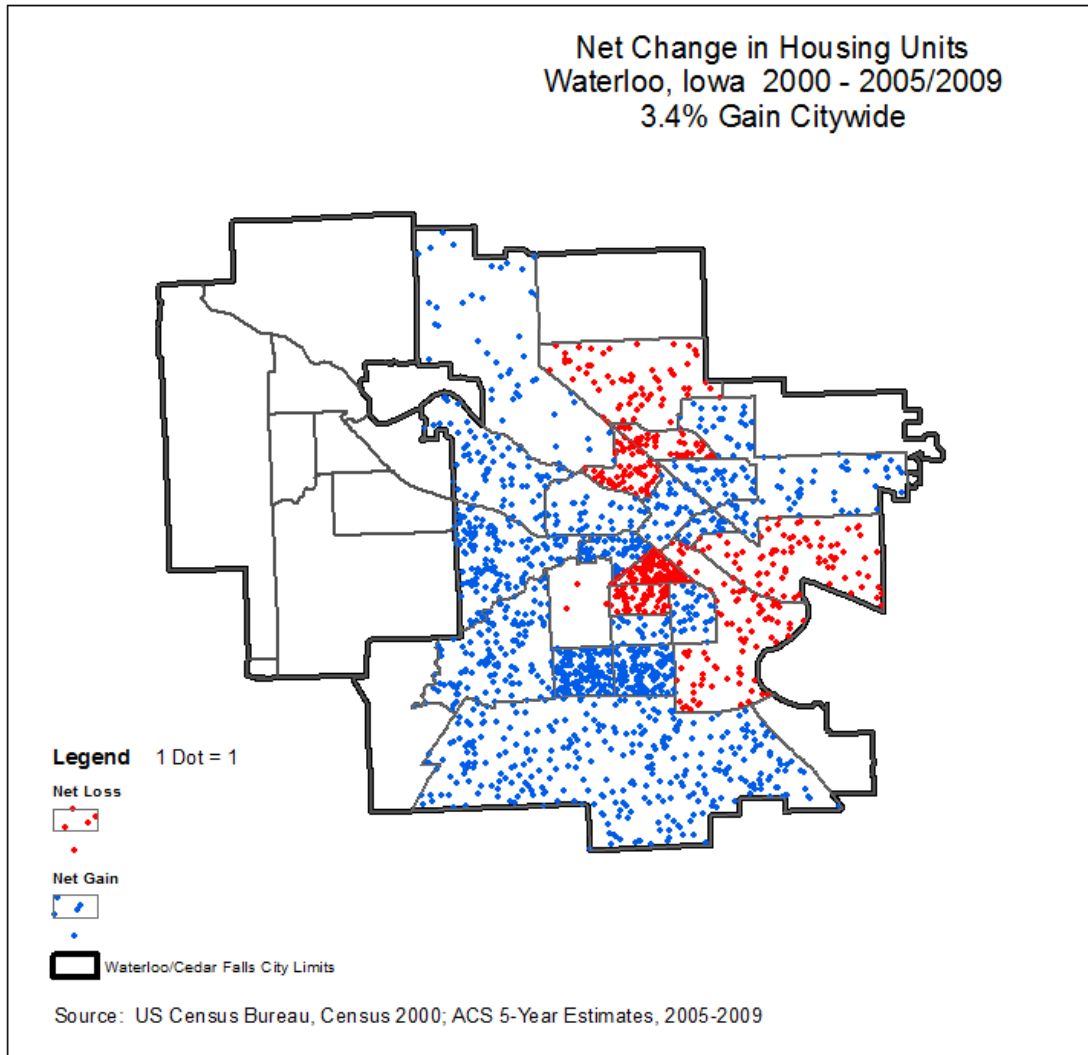
	Census Tract	Total	Change	%Chg
	All Tracts 2000	29,479	---	---
	All Tracts 2005-2010	30,478	999	3.4%
30.01	Far South*	2062	312	17.8%
15.01	Martin Road-Sunnyside*	1516	126	9.1%
19	Highland-City View*	988	80	8.8%
15.02	Downing-Black Hawk	1798	134	8.1%
13.02	Olympic-Prospect*	1706	125	7.9%
13.01	Covenant Hospital	1948	130	7.2%
18	Near Northeast Side	630	35	5.9%
3	Belmont Park-Church Row	1505	65	4.5%
4	John Deere	742	32	4.5%
15.03	Castle Hill	1707	68	4.1%
16	Cedar Bend-Greenbrier*	1317	46	3.6%
6	Near Downtown East	648	21	3.3%
1	Downtown East-West	1058	30	2.9%
10	Cadillac Lanes	1607	31	2.0%
12	West High	1107	17	1.6%
14	Byrnes Park-Prospect	1958	-3	-0.2%
11	Williston South	1162	-53	-4.4%
8	Rath-Maywood*	1632	-77	-4.5%
17.01	Hwy 63-St. Mary's	883	-42	-4.5%
17.02	Hwy 63-Allen*	1076	-60	-5.3%
5	Fairview Cemetery	642	-58	-8.3%
9	Jefferson-Riverview	801	-81	-9.2%
2	Williston North	1221	-132	-9.8%

*Sources: U.S. Census Bureau, Census 2000; ACS 5 Year Estimates 2005-2009

*Data are included for only the portion of the tract located within Waterloo.

Many government housing demolition projects focus on the removal of blighted structures from low-income neighborhoods. While this strategy can be very effective in arresting neighborhood decay and improving public safety, care should be taken not to displace low-income residents from their neighborhoods. This can have the unintended consequence of further concentrating poverty in other households or areas of the city. The Rath-Maywood area, in one example, has lost 4.5% of its units across the decade (and 19% of its real median income), yet it's population has remained stable.

Map 6.



Most of the housing stock in Waterloo (69%) consists of 1-unit, detached homes. The highest concentrations of these single-family homes are located in predominantly owner occupied areas such as the Near Northeast Side, Cadillac Lanes, and Fairview Cemetery. The highest concentrations of multi-unit complexes tend to be in areas with more renters such as Jefferson-Riverview, Downtown East-West, Belmont Park-Church Row, and the Far South.

Eighty-five percent of the housing stock in Waterloo was built prior to 1978, and can be assumed to contain lead paint unless otherwise known. In many areas, that percentage is even higher and is over 90% in nearly half of census tracts. On the other side of the spectrum, there is very little housing that has been built after 2000 (4% overall). The majority of new construction over this time period has occurred in the Far South with some units also built in Martin Road-Sunnyside, Downing-Black Hawk, Castle Hill, and Highland-City View. Table 13 lists the percentage of 1-unit, detached units and the percentages of all units built pre-1978 and post-2000.

Table 13. Single-Family Units, Year Built-All Units, Waterloo Tracts, 2005-2009

		All Units			
		%1 Unit	%Built	%Built	#Built
Census Tract		Detached	Pre-1978	Post-2000	Post-2000
	All Tracts 2005-2010	69%	85%	4%	1259
5	Fairview Cemetery	100%	100%	0%	0
10	Cadillac Lanes	96%	97%	2%	21
18	Near Northeast Side	94%	90%	1%	13
4	John Deere	94%	94%	2%	21
17.01	Hwy 63-St. Mary's	93%	96%	0%	0
15.03	Castle Hill	91%	83%	9%	116
14	Byrnes Park-Prospect	88%	94%	2%	32
12	West High	87%	93%	3%	43
11	Williston South	86%	99%	0%	0
19	Highland-City View*	86%	82%	9%	122
16	Cedar Bend-Greenbrier*	84%	86%	3%	40
15.02	Downing-Blackhawk	81%	75%	10%	130
8	Rath-Maywood*	70%	77%	5%	68
17.02	Hwy 63-Allen*	66%	78%	2%	25
7	Near Downtown East	59%	94%	1%	19
15.01	Martin Road-Sunnyside*	54%	68%	2%	27
2	Williston North	53%	98%	0%	6
30.01	Far South*	44%	37%	28%	359
3	Belmont Park-Church Row	44%	94%	0%	0
13.02	Olympic-Prospect*	41%	72%	8%	98
1	Downtown East-West	40%	89%	3%	35
13.01	Covenant Hospital	36%	73%	3%	44
9	Jefferson-Riverview	31%	77%	3%	40

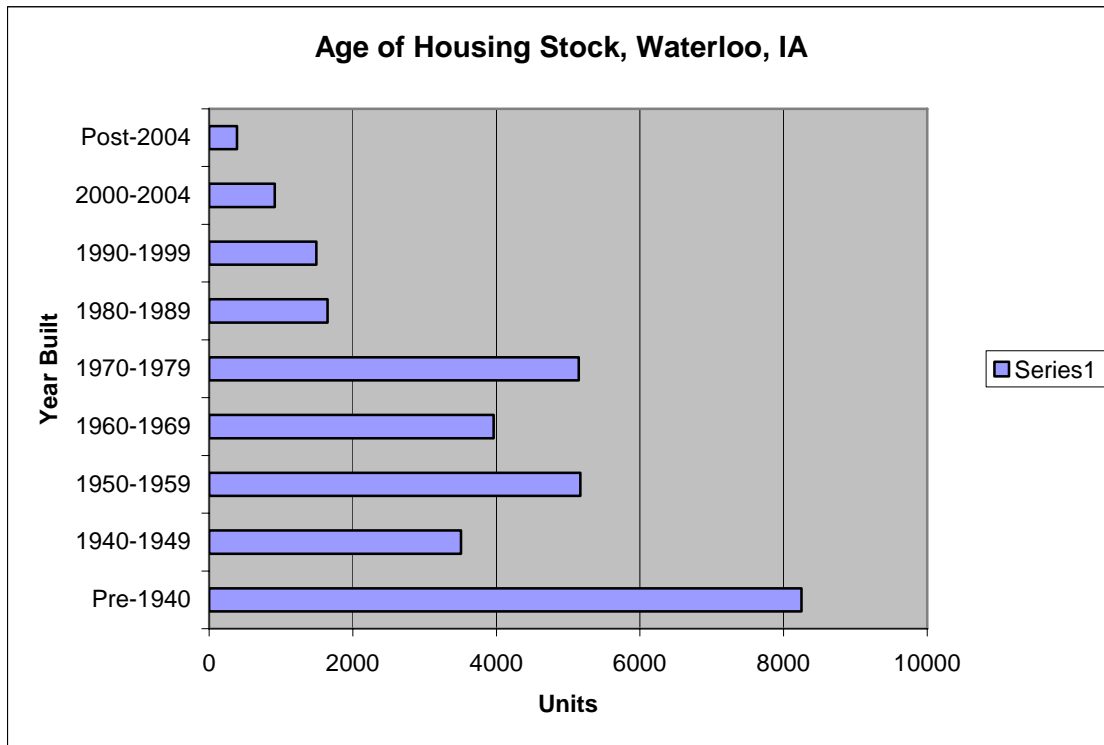
Source: American Community Survey 5-Year Estimates 2005-2009

* Data are included for only the portion of the tract located within Waterloo.

Figure 6 shows that new housing construction peaked in the 1950's and again in the 1970's, averaging slightly over 500 new units per year, and then fell sharply in the 1980's coinciding with major job cuts at John Deere and the Rath Packing Plant, two of Waterloo's major

employers at the time. It has remained at roughly 130 to 170 units, on average, per year since that time.

Figure 6.

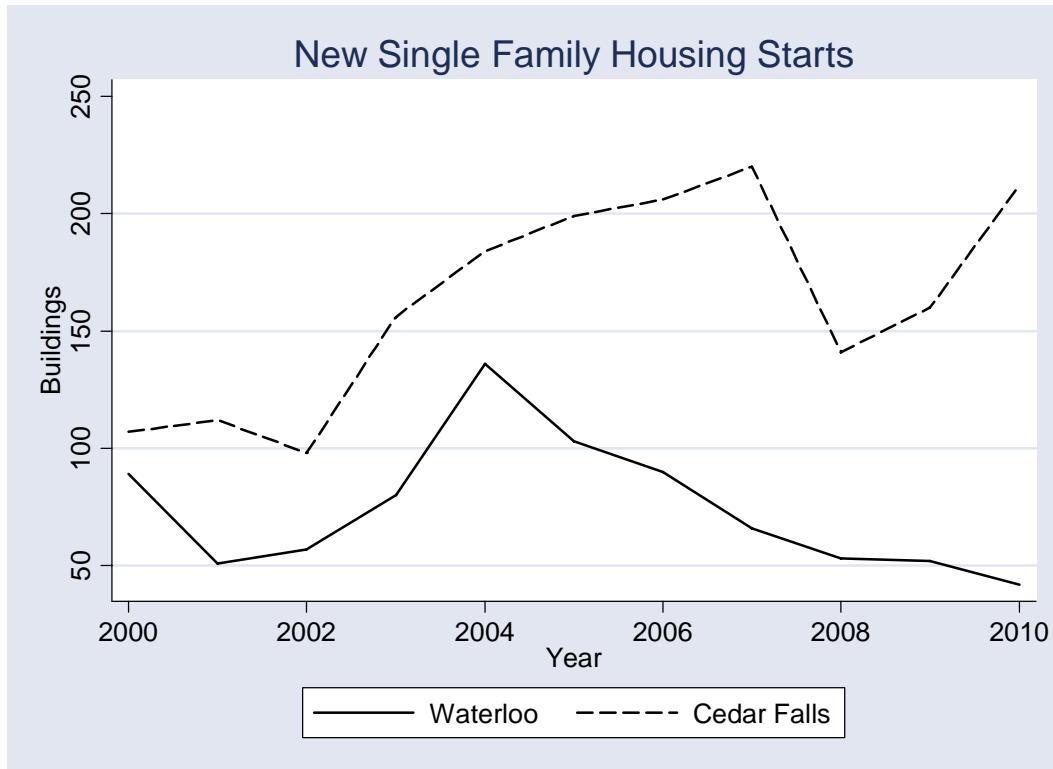


*Source: American Community Survey 5-Year Estimates 2005-2009

The majority of Waterloo’s housing stock is single-family units, and the bulk of it’s new construction is also single-family units. In the early 2000’s, construction of single-family units accounted for about ½ of all new units. The proportion of new construction that can be attributed to single-family homes has increased since 2004, however. At the same time, overall residential construction has steadily fallen. In 2003, the number of total units built was at its highest (188 units), and 43% of those units were single-family homes. In 2010, overall units built had decreased to 63, of which 71% were single-family homes (U.S. Census Building Permit Data).

Figure 7 utilizes building permit data to show single-family housing starts for both Waterloo and Cedar Falls over the past decade. Waterloo and Cedar Falls are not at all correlated in terms of single-family home starts ($r=.23$). Waterloo peaked in 2004 with 136 starts which, at the time, accounted for 84% of all new units. That number has declined steadily to a low of 42 in 2010. Whereas Waterloo shows a trend of steady decline from 2004, Cedar Falls shows a pattern of steady increase through 2007, a sharp drop-off following the start of the housing crisis, and then a rebound beginning in 2009. In 2010, there were five times as many single-family home starts in Cedar Falls as there were in Waterloo (212 versus 42).

Figure 7.

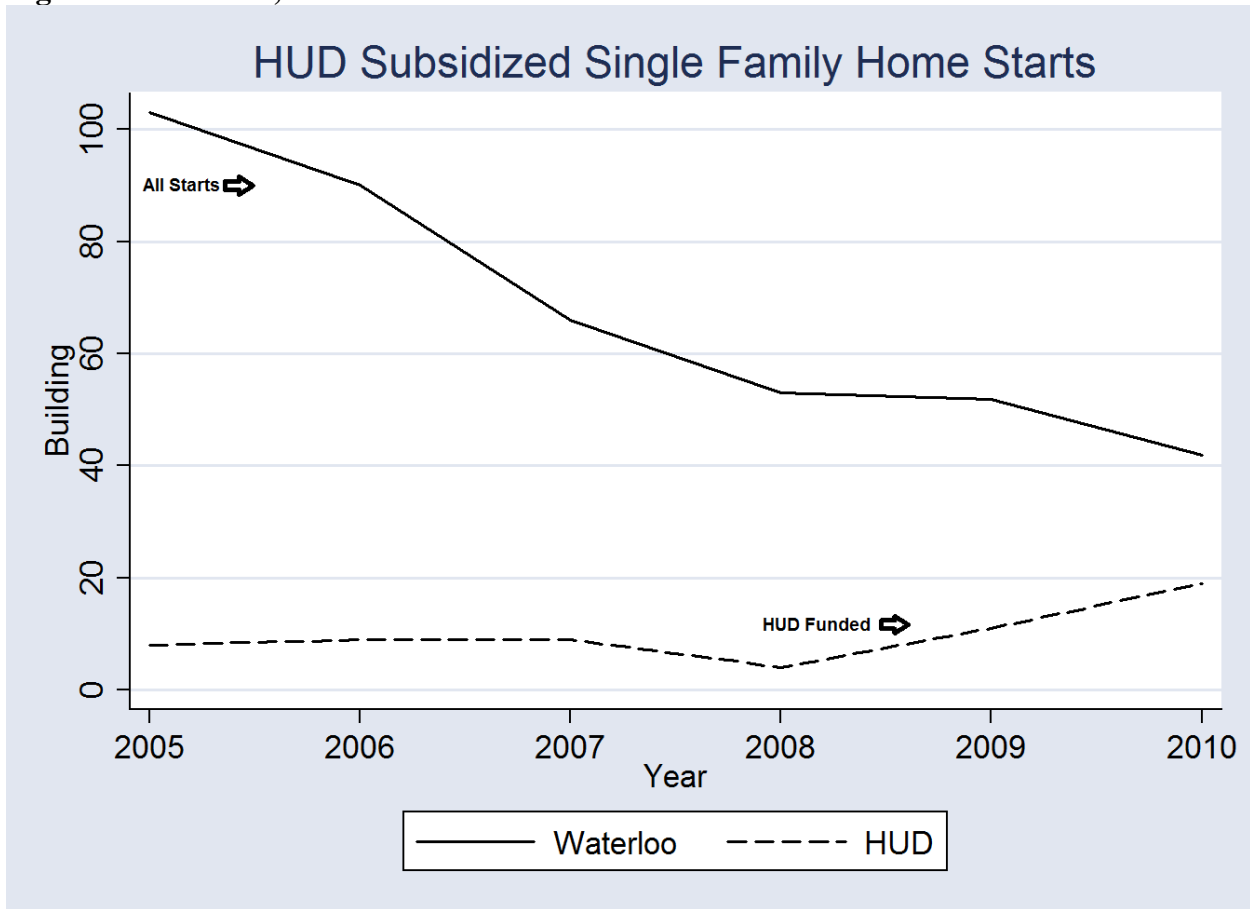


Source: U.S. Census Building Permits Data

Figure 8 examines total new single-family housing starts in Waterloo over the past five years along with number of homes that were in somewhat subsidized by HUD. The majority of the subsidies were the result of programs administered by Waterloo Community Development such as the Neighborhood Stabilization Program, the Iowa Department of Economic Development Single-Family New Production program, and HUD's annual allocation of HOME money. Much of the HOME money is awarded to Habitat for Humanity as a Community Housing Development Organization. In addition, some of the subsidies were a result of programs administered through the Waterloo Housing Authority.

Of note here is that while overall single-family housing starts in Waterloo have decreased by almost 60%, from 103 in 2005 to 42 in 2010, the proportion of those starts that are HUD funded has increased from 7% to 45%, respectively. As federal funding for HUD programs continues to face cuts, this may indicate an overreliance on federal funding for affordable housing in Waterloo. New and more varied sources of funding should be identified.

Figure 8. Waterloo, Iowa



Sources: U.S. Census Building Permits Data, City of Waterloo Community Development

Lead Paint Hazards

Children have a higher susceptibility to lead poisoning than adults and are often exposed through the ingestion of lead-based paint chips. Those living in older homes have a higher likelihood of exposure. Lead interferes with the development of the nervous system and can lead to permanent learning and behavior disorders.

The City of Waterloo has a significant lead-based paint problem. As previously noted, Waterloo has a high percentage of aging homes, and thus a greater prevalence of lead-paint hazards. According to the ACS, 8,249 or 27% of all units were built before 1940 and 25,004 or 82% were built before 1978 and can be assumed to contain lead paint. Approximately ¼ of homes have been rated as deteriorated, seriously deteriorated, or dilapidated in past surveys by the University of Northern Iowa Center for Social and Behavioral Research.

From 2006 through 2010, the Black Hawk County Health Department and other agencies screened 7,632 children for lead poisoning in Waterloo. Of these, 355 or 4.65% had elevated levels as defined by the Center for Disease Control (CDC). This is down from 7.85% in 2003.

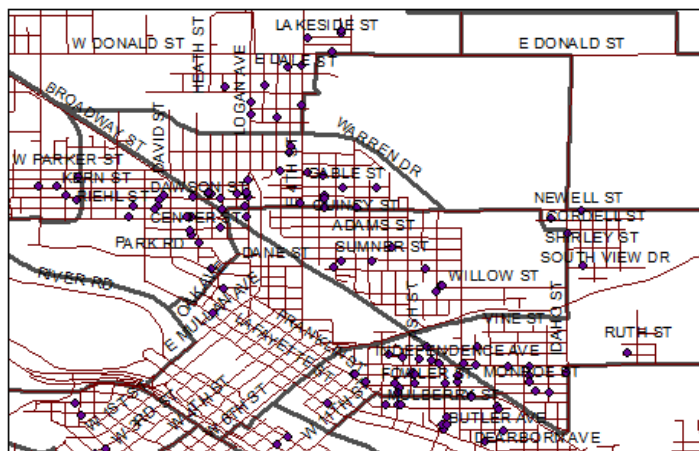
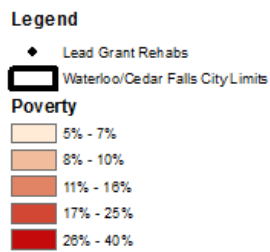
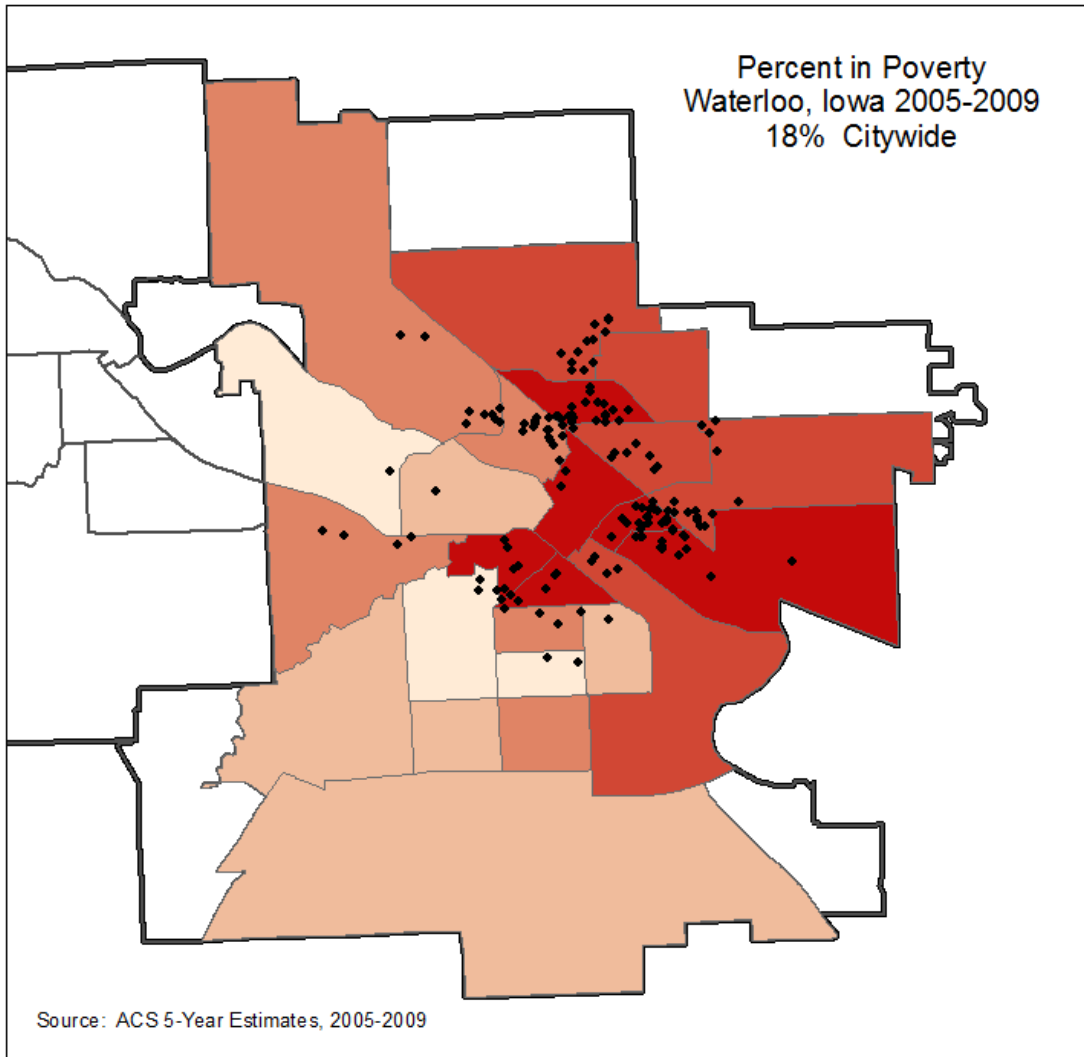
The 50703 zip code¹³, specifically, saw a drastic decrease across that time period from 20.9% in 2002 to 3.9% in 2010. In fact, the area now has a lower incidence of lead poisoning than the city as a whole. Both decreases are likely due, in part, to an increase in public awareness and a state bill passed in 2007 requiring all children entering school in Iowa to be tested for lead poisoning by the age of six. In addition, the targeting of LEAD grant and other CDBG rehabilitation dollars in the area was a major contributor to the extreme decrease seen in the 50703 zip code. Of approximately 155 units rehabilitated with LEAD grant funds since FY2004, 75% were located in the 50703 zip code area. Many of these units (40%) were located in two tracts - Near Downtown East and Hwy 63-St. Mary's.

While the efforts of the Community Development Lead and Rehabilitation programs have been very successful, there are still lead hazards and lead poisoning in Waterloo. The greatest need for lead hazard control appears to have shifted from the East Side to the Near West Side. There is now a higher incidence of lead poisoning outside the 50703 zip code. Belmont Park-Church Row and Williston North, in specific, not only contain large concentrations of low income people and old housing stock, but also higher than average rates of children under five (15% and 11%, respectively). Additionally, Williston South has double the citywide percentage of children under five at 16%, but is somewhat economically better off. This is not to say there are no low-income people in this area, however. The median income in Williston South is comparable to the city as a whole.

Belmont Park-Church Row and Williston North have a large number of renter occupied properties (60%), therefore lead reduction efforts in these areas might focus on rental rehabilitation and strict code enforcement. In the past, a lack of landlord participation has resulted in difficulties administering rental rehabilitation programs. Also, lead hazard reduction in large apartment complexes or multi-family properties can be cost prohibitive. If lead poisoned children are identified in these areas, however, there are legal mechanisms that can compel landlord participation. Community Development partners with the Black Hawk County Health Department, and the Health Department conducts citywide door-to-door canvassing for lead poisoned children. The Health Department could effectively focus its efforts on the Near West Side to identify potential rental rehab candidates. An alternative strategy would be to focus efforts on the owner occupied units and/or single-family units that do exist in this area. In either case, there would be a need for public awareness of any new target areas located on the West Side as much previous work has focused on the East Side. Map 7 shows the approximate distribution of lead grant funded rehabilitations by poverty rates.

¹³ The 50703 zip code includes most of the East Side and the Neighborhood Revitalization Strategy Area excluding the City View area and the eastern part of Rath-Maywood.

Map 7. Distribution of Lead Grant Funded Rehabilitations



Subprime Lending, Foreclosures, and Vacancies

Another socially devastating consequence of the recent recession includes high rates of foreclosures and vacancies. The Obama administration housing policy has attempted to address this problem on several fronts. The Homeowner Affordability and Stability Plan was an initiative to help households avoid foreclosure and refinance for lower interest rates and monthly payments. Many experts have lamented that this plan has not succeeded and that the actual number of people helped is far below expectations. Additionally, Congress allocated funds through the Housing and Economic Recovery Act (HERA) of 2008 and the American Recovery and Reinvestment Act (ARRA) of 2009. The Neighborhood Stabilization Program (NSP) came out of these Acts with the intent of arresting neighborhood decay in areas suffering from foreclosures, vacancies, abandonment, and blight.

The City of Waterloo was awarded \$850,570 in the first round of NSP funding and \$904,000 in round three. In conjunction with NSP, HUD compiled data from various sources including the United States Postal Service and the Home Mortgage Disclosure Act (HMDA) detailing the percentage of mortgages that are high cost and/or serious delinquent, vacancy rates, the fall in home values, and the number of Real Estate Owned properties (REO's). These statistics were then used to predict expected foreclosure rates by area and to develop a composite NSP3 need score. This score was the basis for determining eligibility of NSP3 target areas during the grant application process.

Table 14 lists some statistics deemed vital by HUD in determining neighborhood stabilization need.

Table 14. Waterloo Neighborhood Stabilization Program Need Scores, High Cost Loans (2004-2007), Estimated Delinquency Rates (June 2010), Vacancy Rates (March 2010), and Foreclosures (FY2010)

Census Tract		NSP Need	High Cost	Delinquency	Vacancy	Foreclosures (FY2010)	
		Score	Loans	Rate	Rate	Completed	Starts
All Tracts		13	23%	----	5.0%	143	132
18	Near Northeast Side	18	47%	12.8%	9.3%	8	18
1	Downtown East-West	17	45%	10.3%	16.5%	2	0
17.01	Hwy 63-St. Mary's	15	41%	9.3%	7.1%	7	11
19	Highland-City View*	14	37%	8.6%	8.4%	7	6
5	Fairview Cemetery	14	37%	8.5%	7.7%	5	7
17.02	Hwy 63-Allen*	14	34%	8.3%	3.6%	7	7
7	Near Downtown East	13	39%	7.3%	14.4%	2	0
8	Rath-Maywood*	13	38%	7.9%	7.7%	9	1
16	Cedar Bend-Greenbrier*	13	35%	7.4%	6.4%	11	12
2	Williston North	12	29%	7.0%	9.5%	8	11
3	Belmont Park-Church Row	11	36%	6.4%	16.9%	6	7
9	Jefferson-Riverview	9	24%	5.7%	4.6%	2	3
4	John Deere	9	25%	5.5%	1.5%	5	0
15.03	Castle Hill	6	15%	4.4%	3.6%	8	7
11	Williston South	6	17%	4.5%	2.8%	7	7
10	Cadillac Lanes	6	17%	4.7%	1.8%	9	5
15.02	Downing-Blackhawk	6	15%	4.4%	1.0%	9	5
14	Byrnes Park-Prospect	5	13%	4.1%	2.5%	11	5
12	West High	5	13%	3.8%	2.2%	4	3
15.01	Martin Road-Sunnyside*	4	12%	3.7%	2.0%	4	4
13.01	Covenant Hospital	4	14%	3.5%	1.8%	4	4
13.02	Olympic-Prospect*	2	5%	2.3%	1.1%	3	3
30.01	Far South*	2	11%	2.6%	0.1%	5	6

Source: HUD NSP3 Downloadable Data Files

* Data are included for only the portion of the tract located within Waterloo.

With a possible range of 0 – 20, Waterloo received an NSP3 need score of 13, overall, which was the minimum score required to apply for funding. The Near Northeast Side received a need score of 18 and comprises most of the NSP3 target area. There was only one tract in the state that scored higher with a 19. That tract is located in Des Moines to the northeast of Drake University, and like the Near Northeast Side, it is primarily a minority (77%) and owner occupied neighborhood (64%). There are only a few other tracts in the entire state that also scored an 18 located in Charles City, Sioux City, Des Moines, and Lee County.

The primary factor driving the extremely high NSP3 need score in the Near Northeast Side is the high percentage of high cost¹⁴ mortgages that were executed between 2004 and 2007 – nearly half of which were considered sub-prime (HMDA). High interest rates and low incomes combine to produce high delinquency and foreclosure rates. Approximately 13% of mortgages in the area are estimated to be seriously delinquent (>90 days), and 14% of foreclosure starts in

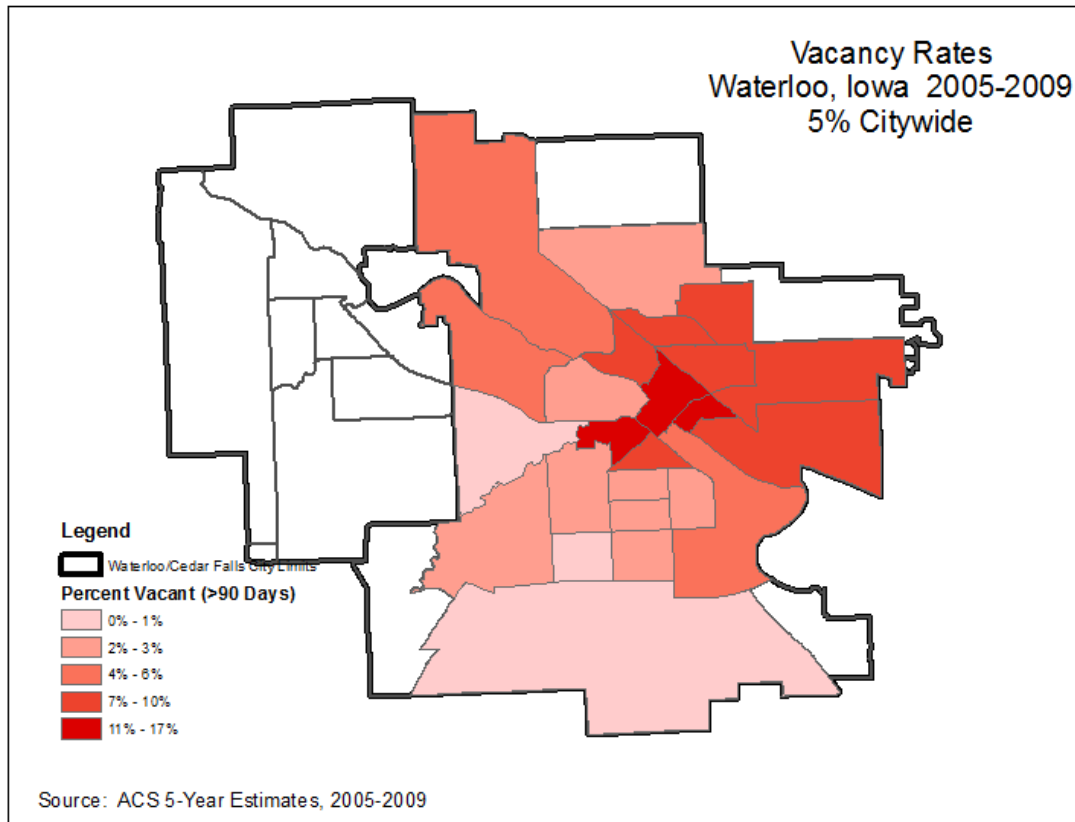
¹⁴ These are loans that are more than 3% above treasury notes.

the city are estimated to be in that single tract. There are also disproportionately high rates of high cost loans in all other tracts on the East Side and Belmont Park- Church Row.

Although rates of subprime lending are much higher on the East Side, the raw number of estimated foreclosures are comparable to the West Side. Additionally, home values on the West Side were more negatively impacted by the housing crisis. While the numbers of foreclosures are roughly equal on both sides of the river, they are more geographically concentrated on the East Side. This means that the same number of foreclosures would have a greater impact on individual neighborhoods. Another difference between tracts is the rate of recovery from the foreclosure epidemic. The crisis in the Near Northeast Side may still be worsening, as there were 8 completed foreclosures and 18 new starts in FY2010. In Byrnes Park-Prospect, on the other hand, there were 11 completions and only 5 new starts.

Three tracts have vacancy rates that are approximately triple the citywide rate of 5%; Belmont Park-Church Row (16.9%), Downtown East-West (16.5%), and Near Downtown East at 14.4%. In addition to being low-income areas that have lost population over the decade, they contain mostly renters who tend to be more mobile. In fact, 1 in 4 people in Downtown East-West and Belmont Park-Church Row had not lived in the same unit for more than one year. That figure was 1 in 5 for Near Downtown East (ACS 5-Year Estimates). High vacancy rates contribute to abandonment, blight, and general neighborhood decline.

Map 8.



Home Values and Cost Burdened Households

Table 15 lists the change in median home values for the United States, Waterloo, Cedar Falls, and by Waterloo tracts over the past decade. While Waterloo's median home value is roughly \$50,000 less than that of Cedar Falls, it has shown slightly more growth in terms of percentage increase over the decade, increasing by 19.5% (in 2009 inflation adjusted dollars). This trend can be seen within Waterloo as well. The areas with the most expensive housing, Olympic-Prospect and the Far South, actually saw real home values fall slightly. Areas with the least expensive housing tended to see the greatest percentage increase in home values. One possibility is that the lower price range may have been more protected from the housing crisis. Waterloo homes may have been less susceptible to the housing bubble and were possibly not as over-inflated in the first place (see Map 9).

Table 15. Median Real Home Values (2000 – 2005/2009 in 2009 Inflation Adjusted Dollars)

		Median 2000	Median 2005-2009	%Change
	United States	\$149,500	\$185,400	24.0%
	Cedar Falls	\$128,125	\$147,900	15.4%
	Waterloo - All Tracts	\$81,750	\$97,700	19.5%
17.01	Hwy 63-St. Mary's	\$47,625	\$48,600	2.0%
8	Rath-Maywood*	\$44,500	\$59,000	32.6%
7	Near Downtown East	\$39,625	\$60,300	52.2%
5	Fairview Cemetery	\$37,625	\$63,300	68.2%
18	Near Northeast Side	\$52,625	\$64,900	23.3%
1	Downtown East-West	\$35,750	\$67,800	89.7%
19	Highland-City View*	\$58,000	\$70,600	21.7%
3	Belmont Park-Church Row	\$47,250	\$75,500	59.8%
2	Williston North	\$59,500	\$76,200	28.1%
16	Cedar Bend-Greenbrier*	\$58,125	\$81,200	39.7%
17.02	Hwy 63-Allen*	\$69,000	\$82,200	19.1%
4	John Deere	\$57,125	\$84,300	47.6%
11	Williston South	\$72,000	\$84,600	17.5%
10	Cadillac Lanes	\$75,125	\$94,400	25.7%
9	Jefferson-Riverview	\$51,625	\$99,200	92.2%
15.02	Downing-Black Hawk	\$88,500	\$107,200	21.1%
12	West High	\$85,625	\$108,500	26.7%
15.03	Castle Hill	\$103,500	\$118,700	14.7%
14	Byrnes Park-Prospect	\$111,125	\$125,500	12.9%
13.01	Covenant Hospital	\$110,875	\$131,600	18.7%
15.01	Martin Road-Sunnyside*	\$118,875	\$134,800	13.4%
30.01	Far South*	\$153,625	\$152,300	-0.9%
13.02	Olympic-Prospect*	\$160,875	\$156,400	-2.8%

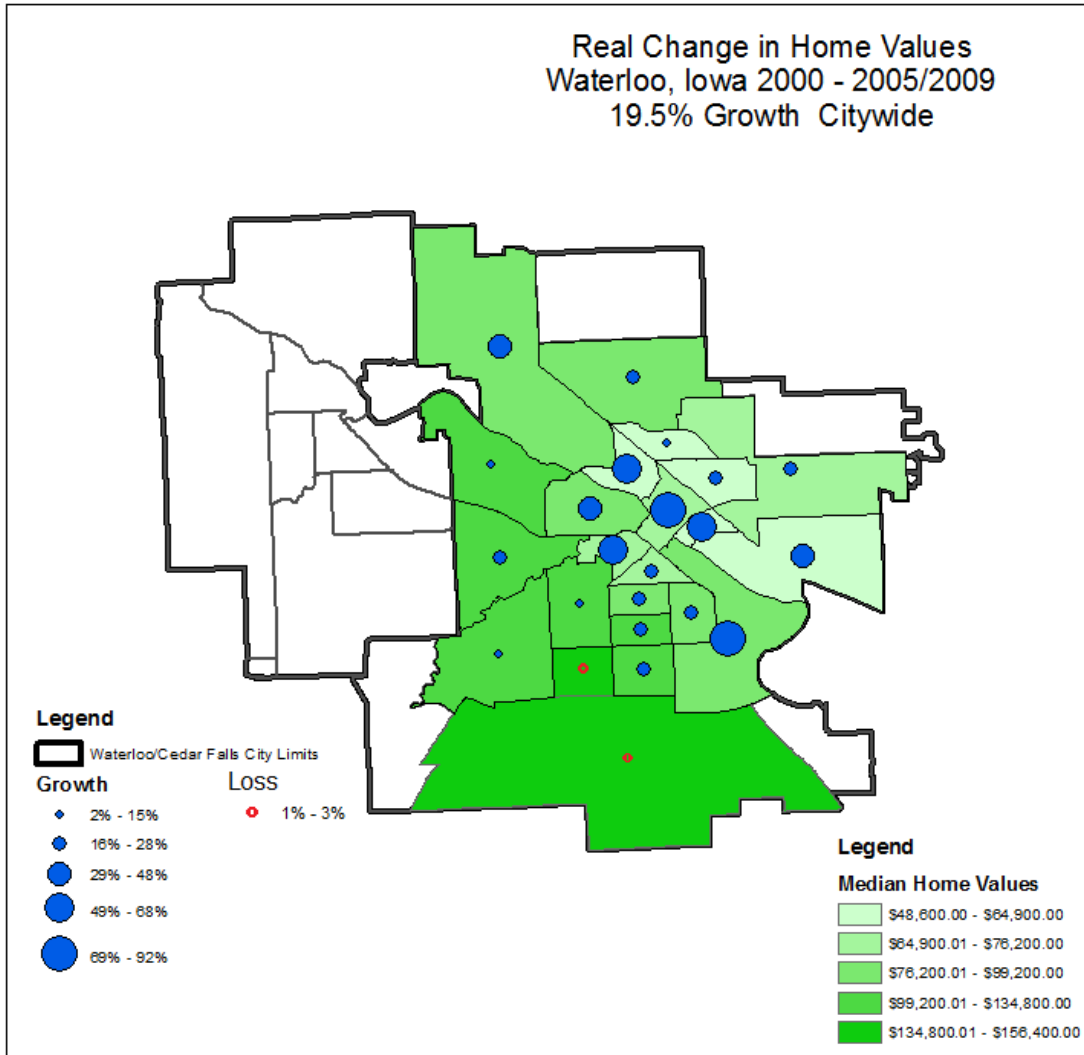
Sources: U.S. Census Bureau, Census 2000; ACS 5-Year Estimates 2005-2009

* Data are included for only the portion of the tract located within Waterloo.

Figure 9 shows frequency distributions of owner occupied home values by tract. This provides a visual representation of the number of housing units in each tract and the range of home values. The distribution is cut off on the upper end at \$275,000 to make the graphs more readable. The vast majority (96%) of owner occupied housing in Waterloo falls within this range, and only .6%

(or about 110 units) are valued at over \$500,000. Notice that Cadillac Lanes has a median home value of \$94,400 and is similar to the citywide median. The home values in the area are all fairly similar with 82% ranging between \$65,000 and \$112,000. The Far South, on the other hand, has the second highest median income in the city at \$152,000, but its distribution of home values is much different than Cadillac Lanes, for example. The distribution of housing values in the Far South is bimodal where the bottom 1/3 of units have very low values of around \$30,000 – \$35,000, and the top 2/3, very high values, averaging over \$225,000. This is a very large census tract containing a diverse housing stock including upscale housing developments and mobile home parks.

Map 9.



Source: ACS 5-Year Estimates, 2005-2009; US Census 2000

Figure 9. Owner Occupied Home Value Frequencies (Homes<\$275,000) and Median Home Value by Tract



Source: American Community Survey 5-Year Estimates

According to HUD, housing is generally considered affordable if a household pays no more than 30% of its annual income on it. Families who do pay more than 30% of their income for housing are considered cost burdened and may have difficulty affording other necessities.

In Waterloo, 8,051 households (38%) with either a rent or mortgage payment spend more than 30% of their household income on housing indicating that there is a significant need for affordable housing. Additionally, of those that are cost burdened, nearly half spend over 50% of their income on housing. The following table lists the percent of households with a rent or mortgage payment who are considered to be housing cost-burdened.

Table 16. Housing Cost Burdened Households With a Rent Payment or a Mortgage

		Cost Burdened	
		#	%
United States		36,073,309	41%
Iowa		267,303	30%
EC's & Cedar Falls		107,396	36%
Tract	Waterloo Overall	7,947	38%
17.01	Hwy 63-St. Mary's	497	76%
1	Downtown East-West	381	56%
3	Belmont Park-Church Row	603	54%
7	Near Downtown East	219	51%
18	Near Northeast Side	178	51%
2	Williston North	478	51%
17.02	Hwy 63-Allen*	329	43%
13.01	Covenant Hospital	612	43%
19	Highland-City View*	329	40%
4	John Deere	219	40%
9	Jefferson-Riverview	257	39%
5	Fairview Cemetery	187	37%
10	Cadillac Lanes	397	36%
30.01	Far South*	497	35%
8	Rath-Maywood*	305	32%
16	Cedar Bend-Greenbrier*	256	31%
13.02	Olympic-Prospect*	382	31%
12	West High	237	30%
15.03	Castle Hill	328	30%
11	Williston South	228	29%
15.01	Martin Road-Sunnyside*	314	29%
15.02	Downing-Black Hawk	344	26%
14	Byrnes Park-Prospect	370	26%

Source: American Community Survey 5-Year Estimates 2005-2009

-Housing costs include rent and utilities for renters, and mortgage payment, taxes, various insurance, utilities, fuels, and condo fees for owners.

* Data are included for only the portion of the tract located within Waterloo.

Table 16 includes all renters and mortgagors and excludes owner occupied households without a mortgage¹⁵. Hwy 63-St. Mary's has the highest percentage of cost burdened households by a wide margin at 76% followed by Downtown East-West and Belmont Park-Church Row with 56% and 54%, respectively. Covenant Hospital and Belmont Park-Church Row contain the greatest numbers of cost burdened households with both greater than 600.

Renters are much more likely than mortgagors to be cost burdened. In fact, half of all Waterloo renters spend more than 30% of their income on rent compared to 28% of mortgagors. This is not surprising considering that the median income for renters in Iowa's Entitlement Communities is only 30 -50% that of homeowners. There are, however, numerically more homeowners than renters in Waterloo. So, it turns out that, of all cost burdened households, 58% are renters and 42% are homeowners. The greatest numbers of cost burdened renters are concentrated in Covenant Hospital, Williston North, and Belmont Park-Church Row. There are less renters that live in Hwy 63-St. Mary's and Near Downtown East, but those that do, are very likely to be cost burdened.

The largest numbers of cost burdened mortgagors are found in Cadillac Lanes (371), the Far South (247), Hwy. 63-St. Mary's (241), and Castle Hill (239). Hwy. 63-St. Mary's, however, is much worse off than the others in terms of percentage with 67% of it's mortgagors being cost burdened. Similarly, the Near Northeast Side contains 63% cost burdened households as well as a fairly high number at 159.

HUD sets fair market rent (FMR) standards each year based on the leases of recent movers. The FMRs are set for metropolitan areas and non-metro counties. The limit includes utilities and is set at the 40th percentile of all recent leases. For the Waterloo-Cedar Falls metro area, the 2011 FMR for a 2 bedroom apartment is \$616, for example. In Waterloo, 52% of rentals are affordable by this FMR standard. Therefore, rent prices are generally more affordable in Waterloo than Cedar Falls. There is still a significant need for affordable rentals in Waterloo, however. This is evinced by the fact that so many renters (50%) are cost burdened, and renter's median incomes are much lower than owner's. Additionally, there are currently over 1,000 Section 8 voucher holders in the city, and there is a 3-year waiting period for new applicants. Moreover, not all of those rental units that are considered affordable may be safe and sanitary, and much of the affordable rental housing is concentrated in areas that tend to have more dilapidated housing.

Map 9B shows the distribution of affordable rentals and map 10, the distribution of Section 8 voucher holders. One of the goals of Section 8 is to encourage mixed-income housing and the deconcentration of poverty through the dispersal of low-income people throughout the community. As discussed earlier, this allows low-income people to have more housing choice, access to beneficial social networks and opportunity structures, and to avoid the pitfalls that often accompany the concentration of poverty. Map 9 shows that Section 8 is not succeeding in this vein in Waterloo. (Although this is not to say that there are not many other positive benefits

¹⁵ While owner occupied homes without a mortgage are less likely to be cost burdened than those with a mortgage, there are those that are cost burdened due to taxes, insurance, and utilities.

of the program). Virtually all Section 8 voucher holders are located on the East Side and the Near West Side in the low-income neighborhoods. This outcome is not unique to Waterloo as the national Section 8 program has, in general, had similar issues. Leslie (2007) identified the major roadblocks to achieving the desired dispersal including “housing discrimination, the reluctance of low-income voucher holders to relocate far from their current neighborhoods and social networks, and program restrictions that rule out large portions of the rental market as too expensive to qualify for vouchers” (pp. 2). Other cities have enacted progressive programs that help to relocate low-income people and provide aggressive counseling to help them adjust (e.g. Chicago with the Gautreaux voucher program). While Waterloo is not nearly as segregated by income as many larger urban areas, this pattern still points to the existence of housing discrimination and the need for more affordable rental units.

The foreclosure crisis has also negatively impacted renters, as they must compete with foreclosed homeowners (Hodges 2011). There are more renters (including former owners with higher incomes) competing for a limited supply of rental properties. Landlords are less likely to renew leases and to more likely to raise rents. Waterloo’s Iowa Legal Aid office recently noted this trend locally.

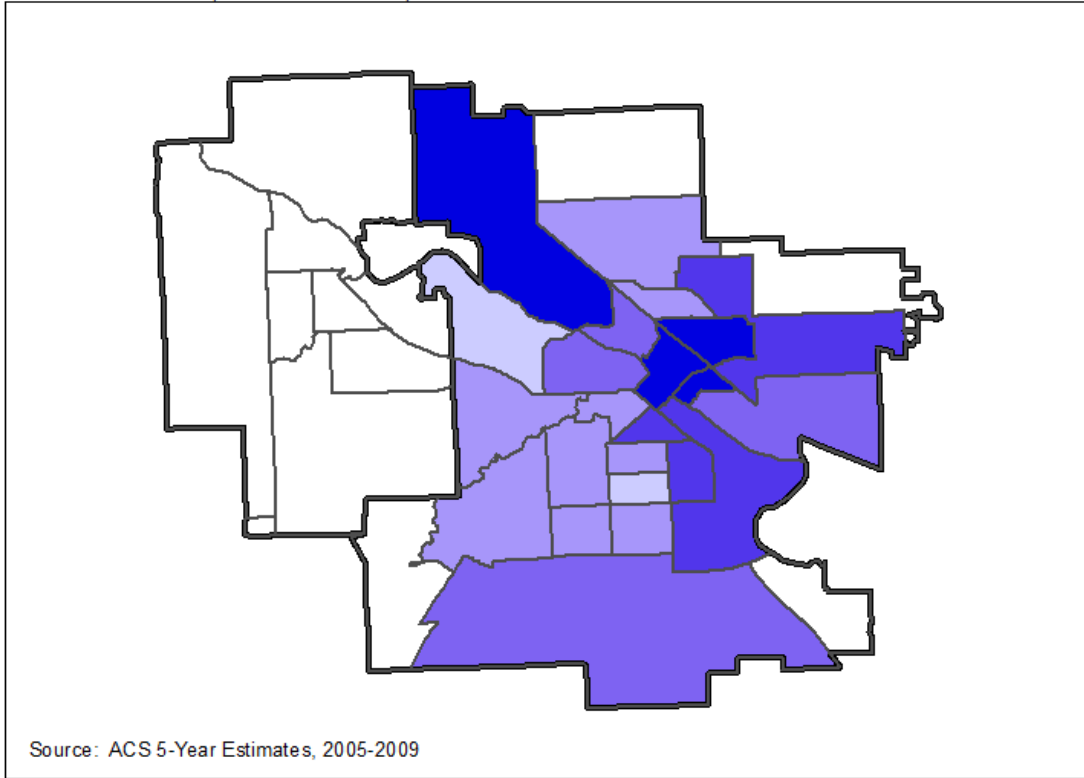
Table 17. Affordable Rental Units

		Affordable Rentals
	Waterloo Overall	52%
7	Near Downtown East	85%
16	Cedar Bend-Greenbrier*	78%
18	Near Northeast Side	76%
1	Downtown East-West	74%
10	Cadillac Lanes	67%
2	Williston North	62%
19	Highland-City View*	61%
9	Jefferson-Riverview	60%
5	Fairview Cemetery	56%
4	John Deere	56%
30.01	Far South*	56%
8	Rath-Maywood*	54%
3	Belmont Park-Church Row	48%
17.02	Hwy 63-Allen*	48%
15.01	Martin Road-Sunnyside*	47%
14	Byrnes Park-Prospect	46%
15.02	Downing-Black Hawk	44%
13.01	Covenant Hospital	43%
11	Williston South	40%
13.02	Olympic-Prospect*	40%
17.01	Hwy 63-St. Mary's	39%
15.03	Castle Hill	34%
12	West High	22%

Source: American Community Survey 5-Year Estimates 2005-2009

Map 9B.

Affordable Rental Units, Waterloo, 2005-2009 4,672 Units, 52% of All Rental Units



Note: Affordable rental housing is equal to or less than HUD's Fair Market Rents.

Legend

Waterloo/Cedar Falls Boundaries

Affordable Rentals

22% - 34%

35% - 48%

49% - 56%

57% - 67%

68% - 85%

Fair Market Rents (Utilities Included)

Efficiency: \$419

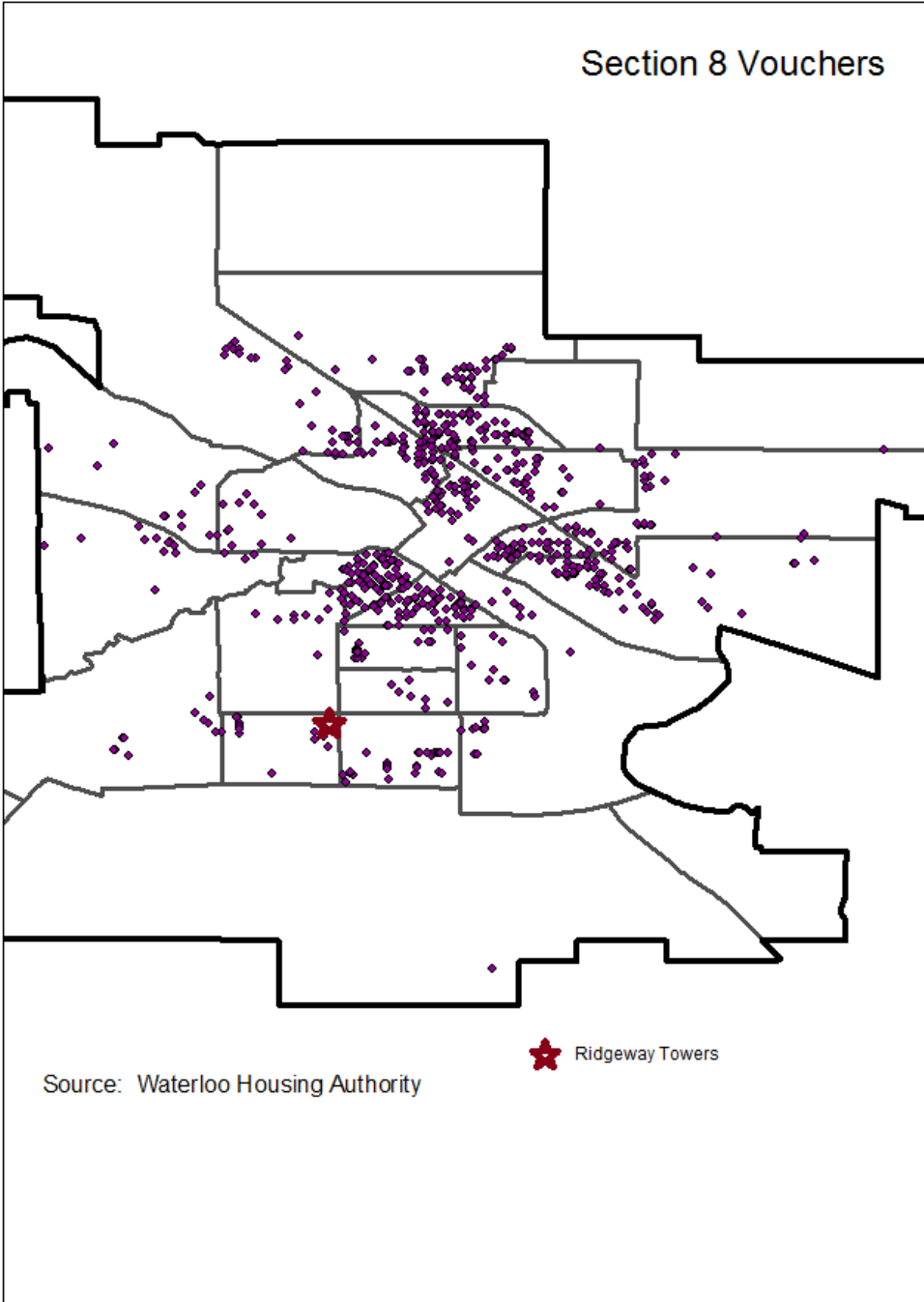
1 Bedroom: \$516

2 Bedroom: \$616

3 Bedroom: \$756

4 Bedroom: \$927

Map 10. Distribution of Section 8 Voucher Holders

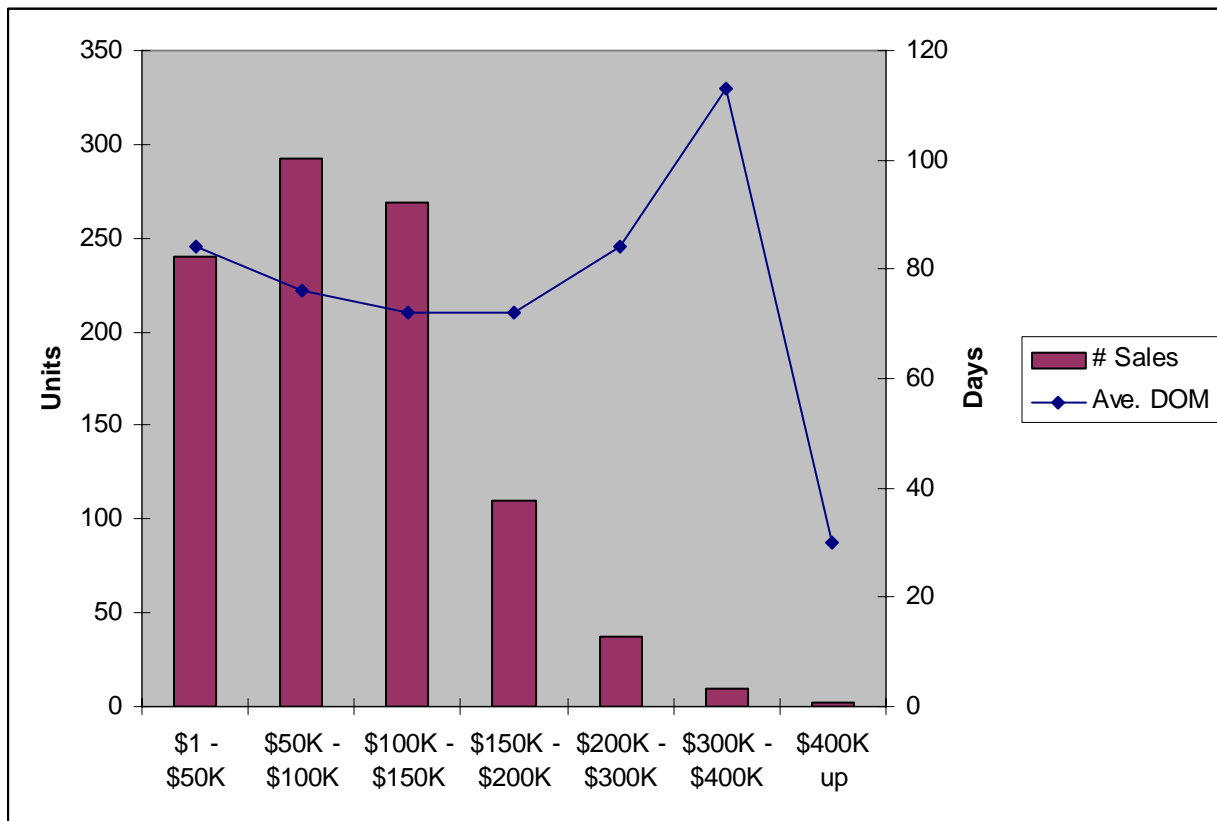


Homes Sales

According to the Waterloo-Cedar Falls Board of Realtors there were 960 homes sold between August 1, 2010 and August 31, 2011 in Waterloo. The average sales price was \$97,369, and the buyers were able to purchase their homes for about 5% less than the asking price, on average. The average home was on the market for approximately 2 ½ months, and these data¹⁶ show very weak correlation ($r=-.27$) between the average home sale and the average days on the market.

The majority of homes that were sold (95%) were sold for less than \$200,000, and half of all homes sold were less than \$100,000.

Figure 10. Waterloo Residential Sales by Price Range and Average Days on the Market August 1, 2010 through August 31, 2011



Source: Waterloo – Cedar Falls Board of Realtors MLS

Housing Need Composite Index

This section develops a composite housing need index that is based on indicators presented in previous tables. It is modeled after an index developed in a 2009 housing needs assessment

¹⁶ In order to run the Pearson's correlation coefficient, the data had to be expanded using the average sales price in each category. In the \$100-\$150K category, for example, the data were reshaped to show 169 homes sold for \$121,758 (the average price). The real home values range across the category, of course. The data might show more of a correlation if full data were available.

conducted by Iowa State University that was prepared for the Iowa Finance Authority. The variables are adjusted to reflect the mission of Waterloo Community Development and HUD. There are ten components to the index:

Population Variables/Housing Demand: Percentage loss in population, percentage loss in 25 – 44 year-olds, percentage increase in minority population

Economic Variables: Median income, percent in poverty, unemployment rate

Housing Unit Supply Variables: Percentage loss in housing units, percent vacant

Housing Affordability Variables: Percentage cost burdened households, NSP3 Need Score

All variables are scored based on their tract weighted average value relative to the citywide value. Following Swenson et. al. (2009), if the tract value is greater than the citywide value, it scores 100, and if not, it scores 0. “The initial expected weight of the variables is 1.0; however, weights of 1.5 were applied to...the most critical factors...” (p. 52). The percentage loss in 25 – 44 year-olds is given a 1.5 due to that group’s importance to housing demand. This index uses losses as opposed to gains in 25-44 year-olds, assuming that government subsidies would be targeted to areas that show weak demand. One might reverse this and focus on gains rather than losses, depending on the specific program and desired outcomes. Percent in poverty is also weighted at 1.5 due to Community Development’s focus on benefiting low to moderate-income people. The percent in poverty represents the low end of the income spectrum, and also takes into account household size.

For each tract, the sum of its scores divided by the sum of the weights yields the composite score. This provides a comparative ranking of housing needs for all tracts in the city. The scores range from 0 – 100, and the average score was a 48 with about half of the tracts scoring higher than average. Hwy 63-St. Mary’s scored the maximum possible housing need score based on these indicators.

Table 18. Composite Housing Need Index, Waterloo, Iowa

	25-44				Median Income	Unemploy- ment	Units		%Cost Burdened	NSP3 Need	Composite Score
	Population %Loss	Year-Olds %Loss	%Minority	%Poverty			%Loss	%Vacant			
Hwy 63-St. Mary's	100	150	100	150	100	100	100	100	100	100	100
Williston North	100	150	100	150	100	100	100	100	100	0	91
Near Downtown East	100	150	100	150	100	100	100	100	100	0	91
Hwy 63-Allen*	100	150	100	150	100	100	100	0	100	100	91
Downtown East-West	100	0	100	150	100	100	100	100	100	100	86
Belmont Park-Church Row	100	150	100	150	100	100	0	100	100	0	82
Highland-City View*	0	150	100	150	100	100	0	100	100	100	82
Near Northeast Side	100	0	100	150	100	100	0	100	100	100	77
Rath-Maywood*	0	150	100	150	100	100	100	100	0	0	73
Fairview Cemetery	100	0	100	0	100	100	100	100	0	100	64
Jefferson-Riverview	100	150	0	150	100	0	100	0	100	0	64
Cedar Bend-Greenbrier*	100	150	0	0	100	100	0	100	0	0	50
Covenant Hospital	100	150	0	0	100	0	0	0	100	0	41
Williston South	0	0	0	0	100	100	100	0	0	0	27
John Deere	0	150	0	0	0	0	0	0	100	0	23
West High	0	150	0	0	0	0	100	0	0	0	23
Byrnes Park-Prospect	100	0	0	0	0	0	100	0	0	0	18
Cadillac Lanes	0	0	0	0	0	0	100	0	0	0	9
Far South*	0	0	0	0	0	100	0	0	0	0	9
Olympic-Prospect*	0	0	0	0	0	0	0	0	0	0	0
Martin Road-Sunnyside*	0	0	0	0	0	0	0	0	0	0	0
Downing-Black Hawk	0	0	0	0	0	0	0	0	0	0	0
Castle Hill	0	0	0	0	0	0	0	0	0	0	0
Weights	1	1.5	1	1.5	1	1	1	1	1	1	

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