
Iowa Fiscal Partnership

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Strong Foundations? Housing Issues Follow Storms Both Long, Short-Term Focus Needed

IOWA CITY, Iowa (Sept. 4, 2008) — The Rebuild Iowa Advisory Commission correctly focuses on a quick and sustained approach to meet housing needs following Iowa's 2008 storm disasters, but misses on one proposed tool by promoting the discredited enterprise zone program, according to analysts for the Iowa Fiscal Partnership (IFP).

"Rebuilding must be quick but deliberate. Displaced people need temporary housing, but they also need long-term solutions that make sense for the new and coming economy," said Christine Ralston, a research associate for the Iowa Policy Project (IPP) and one of the authors of a new report for the IFP, a joint policy analysis effort of IPP and the Child & Family Policy Center (CFPC) in Des Moines.

The report is the fifth in an IFP series examining issues for public policy responses to devastating storms in Iowa, particularly the mid-June flooding that hit many communities. It follows Tuesday's 45-day response report from the Rebuild Iowa Advisory Commission.

Ralston said the commission's report to Governor Culver addresses the need for quick and deliberate rebuilding — particularly for immediate housing needs before cold weather — and the need to assure affordability and adequacy of housing for rent or purchase.

"It's a good starting place for Iowa's policy makers and the public, but we'll need to see more detail to assure the stated goals of the report are met," she said.

The IFP report took issue specifically with one commission proposal: to assure that projects in disaster-damaged areas are eligible for the state's enterprise zone (EZ) program. IFP has reported on the deficiencies in the EZ program. <<http://www.iowafiscal.org/2008docs/080421-EZ.pdf>>

"This is not a time for business-as-usual responses. We need to choose solutions that we know will work, and will effectively target our resources," said Victor Elias, senior associate for CFPC. "The enterprise zone proposal is a mistake because it is shown already to poorly target assistance and does not hold up as a way to boost distressed areas."

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Ralston said that to increase the amount of affordable housing — which already was a problem — the state should also include a disaster housing tax credit program that could provide an incentive for developers to quickly build affordable replacement housing.

“This kind of credit could be designed to meet our need for a targeted and timely response for these displaced Iowans,” Ralston said, noting IFP recommends that responses be timely, targeted and transitional to most effectively help flood victims with public resources.

Immediate housing issues noted by the IFP report:

- A vast number of rental units were lost in flooding, with demand remaining affordable rentals pressed as well by homeowners temporarily or permanently displaced.

- FEMA trailers, if guaranteed safe, can be combined with city-code changes to allow homeowners to live in personally owned campers on their properties temporarily.

- Lenders could be encouraged to make time allowances or reductions in mortgage payments for affected clients.

Longer-term solutions:

- Acquisition of flooded properties, to mitigate future hazards, create public spaces and offer funds to flooded property owners. The excessively long process, however, makes it difficult for homeowners and renters in affected areas to make their own decisions quickly. Streamlining the process helps all involved.

- Replacing housing needs to recognize the need for mixed-income and mixed-use housing; one example recently approved by the Iowa Finance Authority was the Roosevelt apartment project for 97 units in Cedar Rapids. Also, communities should consider manufactured housing as a quick, cost-effective and long-term solution.

- Green design in rebuilding would encourage cost-effective, health-conscious and environmentally responsible rebuilding decisions.

The Iowa Fiscal Partnership is a joint initiative of the Iowa Policy Project and the Child & Family Policy Center, two nonprofit, nonpartisan Iowa-based organizations that cooperate in analysis of tax policy and budget issues facing Iowans. IFP reports are available on the web at <http://www.iowafiscal.org>.

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