

HFA: Iowa Finance Authority
Nominee: Jumpstart Iowa Housing Program
Category: Special Achievement

Entry Description

Numerous natural disaster devastated much of Iowa in 2008, destroying and severely damaging thousands of homes. The tornadoes and flooding that ravaged our state left thousands of Iowans without a home or job. The Iowa Finance Authority (IFA) is proud to administer several programs that are helping our state and its residents recover from the worst year of storms in our history.

After the disasters, Iowa Governor Chet Culver immediately formed a 15-member non-partisan Rebuild Iowa Advisory Commission (RIAC) and a Rebuild Iowa Office by Executive Order. The Members of the RIAC assist the Rebuild Iowa Office in providing the vision and leadership to identify, prioritize and address the short- and long-term issues of recovery.

IFA was a key partner in the recovery process from the beginning. One IFA staff person was immediately appointed to staff the Rebuild Iowa Office to serve as the expert in housing-related recovery.

The Rebuild Iowa Commission spurred the development of the Jumpstart Iowa Program, a housing and economic development program designed to address the financial needs of Iowans affected by the 2008 storms, flooding and tornadoes. Homeowners in presidentially declared disaster areas (86 of Iowa's 99 counties) were eligible to apply for assistance through the program.

The initiative contains two programs: one to address housing needs in storm-impacted communities, which IFA administered, and one to help small businesses, administered by the Iowa Department of Economic Development.

Homeowners could apply for funds from the Jumpstart Housing Program for several purposes: down payment assistance on a new home, rehabilitation of their current home, or interim mortgage assistance to help pay the mortgage while homeowners wait for a buyout from FEMA. The maximum down payment assistance and housing rehabilitation assistance award is a \$60,000, a loan that is forgiven if the homeowner stays in the house for five years.

Partnerships were a key factor to the success of the Jumpstart program. Through the networks that were established quickly, IFA was able to allocate millions in crucially needed Jumpstart housing funds in a matter of weeks.

Eleven regional Council of Governments and Entitlement Cities applied for the funds through IFA, and then accepted applications and allocate the funds to homeowners at a local level. The goal was to effectively allocate as much funding as possible get the maximum number of Iowans back into a safe home as quickly as possible. Close cooperation was among many agencies was a necessity to ensure efforts aren't duplicated or misdirected.

To spread the word to homeowners who need the help the most, IFA used the network of state agencies to do a variety of outreach, including sending letters to residents in flood impacted areas to educate them on the Jumpstart Housing program and the options it offered.

Because IFA is also a partner of the Iowa Mortgage Help foreclosure prevention effort, it was a natural fit to provide disaster victims information on the free state mortgage counseling hotline in the time of crisis. Each Council of Government and Entitlement City had the Iowa Mortgage Help materials available to provide to disaster-impacted homeowners. The mediation professionals involved in the Iowa Mortgage Help partnership have relationships with mortgage servicers, and often times, could use the jumpstart funds as a leveraging tool to negotiate a better outcome for the homeowner.

Jumpstart targets the financial needs of Iowans affected by the natural disasters of 2008. The housing program assists homeowners in making a down payment on a new house, repairing their current home, or by providing interim mortgage assistance.

Reaching displaced potential clients requires a marketing plan using limited media. The emergency nature of the program required immediate implementation. "Time is of the essence" was taken to a new level to meet the needs of so many in as few days as possible. The mission, administrative rules, and marketing were completed in a very short time frame—much of the damage occurred in June and Jumpstart was implementation-ready in August.

In the fall of 2008, IFA allocated \$20 million in state funds to eligible homeowners. Additional funds were allocated in 2009.

- Total number of applicants approved to-date: 2,025
- Total amount obligated to homeowners: \$34.1 million
- Total amount disbursed to or on behalf of homeowners: \$29.6 million
- Average award: \$16,839

Temporary housing by means of FEMA trailers or hotels was limited or costly. Many homeless victims were co-habituating with relatives and friends.

Nearly 200 families have moved out of the FEMA-provided trailers because of Jumpstart assistance. Helping families/individuals return to a home or establish a new home as quickly as possible provided innumerable benefits, some of them include:

- Establishing a residence is necessary to receive and pay bills, crucial in job searches (many individuals also lost their jobs).
- As families were able to move back to homes or acquire other housing, a sense of belonging to a neighborhood evolves bringing normalcy back to lives. Crime is also reduced.
- Schools are able to better serve students as they return to original neighborhoods. It is difficult for schools to plan for the number of students or to communicate with potential families if they are living in temporary housing.
- Retail services revitalize around neighborhoods that are repopulating.

Because of the urgency of the situation and crucial need for the funds, IFA did not receive any administrative fees for administering the program IFA staff took on this project in addition to their regular duties, and have been commended by the Governor for the extraordinary success of the program.

Unfortunately, in recent years natural disasters have struck state's and communities, leaving them to rebuild, with often no disaster plan of the needed magnitude developed. The Jumpstart Housing Program is a process that can easily be implemented by other states to quickly find displaced disaster victims both short and long-term adequate housing.

The ability to assess the scope of need quickly, partner with government agencies, and develop a marketing plan to reach displaced clients could be easily replicated regardless of the disaster or location.