

A Message from Ron Corbett, Mayor, City of Cedar Rapids

On December 3, 2009, I held a public meeting at the IBEW hall with individuals whose residences were impacted by the June 2008 flood. The purpose of the meeting was to begin an on-going conversation between my office and those affected by the flood. Peter R. Teahen facilitated the meeting.

I will be holding another Town Hall meeting on January 14, 2010, at the IBEW hall. Representatives from the City, State, and the Federal Emergency Management Agency (FEMA) will be joining me to provide information and answer questions regarding the recovery process.

The following statements are opinions expressed by individuals who attended the December 3 meeting. I have categorized the statements as issues of Advocacy, Communication, and Planning. In addition, I have indicated if the statements could best be addressed on the local, state or federal level.

Advocacy

- The entire process needs to be streamlined. There's bureaucracy at every office. What part of emergency don't we get? How can we streamline the system?
- **Property owners selling their property on contract** [also a **STATE** and **FEDERAL** issue]:
 - Property owners selling their property on contract did not get any FEMA money, because it went to the contracted buyer (even though contracted buyer had little principal paid).
 - IF that FEMA money was for personal possessions, that money should NOT be counted as DOB against property. If that FEMA money is for structure, then it's being counted as DOB for the contract seller even though the contract seller didn't get any of the FEMA money. This must be changed!
- Some flood victims sold their house after the flood at a loss because of misinformation and confusion from the City.
- Protection to renters to get deposit back [**STATE** issue].
- **Landlords:**
 - Inconsistent federal help. Landlords received no money from FEMA for structure, while renters (if they did *not* qualify for SBA) received FEMA money for personal possessions.
 - Landlord Jumpstart Assistance is extremely limited:
 1. Can only get up to \$24,999 to rebuild everything;
 2. *Non-receding* five year forgivable loan;
 3. Required to rent to low income qualified;
 4. Maximum required rent is set and landlord would lose money.
 - Loss of income from not being able to rent flooded property (small business, too).
 - Landlords need equal disaster assistance as our neighbors, the homeowners and business owners have received. We represent 53% of the homes that were

damaged. We provide a viable affordable service, and we have been ostracized. [also a **STATE & FEDERAL** issue]

➤ **Home-based businesses** [also a **STATE & FEDERAL** issue]:

- Have been completely excluded from ANY assistance.
- We file taxes, so it's easy to document.
- Many larger businesses started out this way.
- Jobs created in home-based businesses are NO less important than jobs in a separate place of business that are getting recovery assistance. Our jobs put food on our families' tables and pay the bills.

➤ **Non-river neighborhoods** (such as Cottage Grove Pkwy):

- We regularly get flooded.
- We need to have flood protection: We would like to see a berm. The City could dredge.
- Build us two new bridges, because the new bridge was not built to flood specifications.
- We feel unprotected.

➤ **Construction Zone** (554 homes; over 2000 people):

- We were prevented in the beginning from having building permits. We followed all restrictions and hired a structural engineer that told us that we were in the 500 year level and deemed the house structurally sound, so we rebuilt.
- We used our FEMA money and cashed in all our savings.
- Six months into the work, the city drew a line and put people in the Construction Zone.
- The City revoked all financial assistance, including previously approved financial support from Jumpstart.
- This area was deemed as the study area by Corps of Engineers to study public infrastructure, but the Corps did not recommend not to rebuild there.
- This area is similar to the line Sasaki Assn. drew for their revitalization area prior to flood.
- We are asking that the Construction Zone line be reconsidered and be moved to allow individuals who want to rebuild to do so.

➤ **Jumpstart:**

- Slow to pay contractors. If we don't pay our rent, we get eviction notice, but because it's coming from the City and Jumpstart, getting it 3-4 months late, it's okay.
- Deducted my \$5,000 sewer backup from down payment assistance at closing.
- Won't pay for down payment if sale is closed or doesn't have a loan.
- Different standards for those who chose to rebuild their house and those who walked away.
- Rules keep changing.
- Staff provides conflicting information.
- Not reimbursing all the money that was approved.
- Said down payment assistance wasn't a DOB, it was just a forgivable lien. Now they want their money back from the buyout.

- We've been getting the runaround. Jumpstart is not helpful. They're a farce in my book. They've done nothing to help.

➤ **Small Business Administration (SBA) Loan [FEDERAL]:**

- Renters (who qualified for SBA) are disqualified for FEMA money for personal possessions.
- Homeowners (who qualified for SBA) are disqualified for FEMA money for personal possessions, whether or not they took the SBA loan.
- High interest loan . up to 8-1/2%.
- Inconsistent with their interest, from 2% to 8-1/2%. Some people who disagreed with the offer got better interest.
- Flood victims are required to begin paying off SBA loan right away, even before they have rebuilt and began receiving income from their rentals / business.
- SBA comes from our taxes, so the interest SBA is charging flood victims is a duplication of benefits to the government.
- SBA is being counted as assistance and therefore counted as duplication of benefits and disqualifying flood victims for more free assistance. (SBA is a loan that has to be paid back with interest . it is not assistance.)
- SBA has subrogation rights, so when there is other assistance, most of it goes to paying back the SBA loan rather than using it as more assistance.
- As far as a duplication of benefits goes, they [SBA] are about the worst.

Insurance reform and issues [also FEDERAL and STATE issue]:

- Confusion and lack of information from insurance agent, such as some did not know that their flood insurance only paid off mortgage and nothing else.
- Was not directed to get flood insurance on second mortgage, so not covered.
- Flood insurance shouldn't count as DOB. I paid premiums at \$1,700 / year for 36 years.
- Private insurance for sewer back-up and personal contents should not be counted as DOB.

➤ **Buyout Process:**

- We need advocates especially to help during the buyout process, that aren't hired by the City Manager; it should be someone from here who has a vested interest in our city.
- We need help with flood property expenses we still have while waiting for buyout:
 1. Still liable and need to pay homeowner's insurance;
 2. Still have to pay flood insurance;
 3. Taxes have been abated only for July 1, 2008 . June 30, 2009 period, but still have to pay for current timeframe;
 4. Still paying mortgages.
- Not certain we will be bought out in time. We have two mortgages (flood home and new home).
- Seniors went from no mortgage to having mortgage + double taxes and insurance for flooded property and new property - all while being on fixed income.
- Need buyout money to pay loan on new house.
- Buyouts have been postponed. JCG Land Services said buyouts postponed to October because they don't have enough help (only 9 employees) for \$1,300 buyouts . There are a total 844 individuals in our areas that do this kind of work. They can chip in and help others if local or state governments would ask them.

- Legal and critical papers are sent in the mail. We should have a face-to-face meeting.
 - The dollar amount on the buyout papers is not the actual amount we will receive . the paperwork does not show that Jumpstart is deducted, so be careful.
- **Rehabilitation Issues:**
- I signed up for a buyout ONLY because I don't have enough money to rebuild my property. We need another option for the salvageable houses being bought out, so that the property owners can get help.
 - Businesses have rebuilt in Greenway and Construction Zone, but they're keeping homeowners from doing so. There needs to be consistency of where & who is allowed to (re)build.
 - Usually FEMA gives enough money up front to buy materials, but not enough money to pay contractors:
 - We're dependent on volunteer help;
 - Volunteers are unskilled and work is not done correctly;
 - Our city has a lot of skilled workers and they're not even using them.
 - We need to get un-stuck in this policy paralysis, i.e.:
 - Need more convenient times for testing, such as for electrical;
 - Contractors & friends of flood victims need to be allowed to help (for free), even if they are from outside the area or state;
 - Inconsistent requirements, i.e.: lead abatement training required of homeowner and contractor, but not volunteers.
- **We need protection, accountability, and transparency:**
- There has to be responsibility that goes with the volunteers or their sponsors.
 - Contractors have abused many flood victims. They have overcharged or required payment up front and then didn't do work or did bad work.
 - Regarding City contractors: Who's making money on all this money that's going out to - I call them, defrauding contracts? Who's responsible for that? They need to be brought to light.
 - I don't understand the accountability. The city can give \$700,000 to a church that doesn't pay taxes.
 - If we have to do this, then why isn't the City just as responsible to show how they spent *their* money to those same people like ProSource that can't answer our questions?
 - The City has all these grand ideas that they waste money on. They want to fix the Paramount that's sitting in the flood plain.
 - There's no protection from vandalism or theft in flood zone [also **STATE** issue].
 - Many prior assessments were low-balled; costly improvements on the home were not counted.
 - The City did nothing to prevent flooding since the 1993 flood.
 - City had been warned about flood by Army Corps decades ago . Accountability & Risk Assessment of floods [**STATE** and **FEDERAL** also].
 - It's ridiculous that we cannot criminally charge people who take advantage of elderly people.
 - Legislature did not adopt federal deductions for flood losses. Flood victims now owe back taxes [**STATE**].
 - State is using remains of flood victims' FEMA money to purchase flood insurance on the flooded property in Greenway [**STATE**].

- The money on the buyout papers is not the actual amount . they have not deducted Jumpstart, so be careful.
 - Jumpstart needs to be held accountable: they keep changing rules, and they give out different information to different people, including inaccurate information (such as the 60% rule that was really 50% this entire time).
 - Everything the City says, you can't believe them.
- ***There is too much debt load from the flood. We have no financial security:***
- We need the City to help with costs, such as our property taxes.
 - We need the State to help with costs, such as our income taxes [STATE].
 - Housing gap: New mortgage is higher, because there wasn't affordable housing to buy.
 - New taxes are higher.
 - Still replacing lost items lost.
 - Was going to retire, but can't now; I'm in my 60's and still working.
 - Public and other buildings are being made financially whole so why not the families and individuals? [also STATE issue] We need to change this attitude of not making the flood victims 100% financially whole.
 - There are so many financial issues that aren't even being considered: what we could've sold our house for had the flood not come, money that was spent on the flood that they otherwise could've invested or made interest off of, helping children with their costs or college tuition and now their children are going farther into debt.
 - Spent savings and cashed in retirement, because we didn't get enough financial help from flood.
 - Seniors went from no mortgage to having mortgage + double taxes and insurance for flooded property and new property - all while being on fixed income.
 - I'm hoping that my children don't have to take care of me in the long run.
 - Still paying off loan for flood-related costs from 1993 flood.
 - If the government at all levels is made to be more financially responsible for flood victims up to 100%, then maybe, hopefully, they will become more proactive in protecting the people from the waterways in the first place and then this will never happen.
- ***We need DIRECT advocacy:***
- We need leadership and that's why I voted for you, because you were willing to take it on.
 - Is our city government going to address the legislature?
 - Council involvement with constituents. I lost 4 properties, and I haven't even seen my council rep. They need to get out and see who their constituents are.
 - I found out after the flood, we had to do our own thing. I'm 83.
 - Case managers have not been helpful. I'm on my fourth case manager, and all I've gotten is a refrigerator.
 - There's so much paperwork involved in this, ya just get fed up.
 - I've come across EVERY obstacle thrown at me by the City. To this day, I have a gas heater, my parents are in their house, but they have no heat.
 - We need legal help, especially during the buyout process. We can't afford, as the city keeps telling us to do, hire a lawyer.
 - ProSource . I brought all receipts to prove everything as to how it was spent. They wanted the *original* receipts, which wasn't more legible than the copies.

- We need advocates especially for elderly and disabled as well as for everyone going through the buyout process.
 - No one helping them get \$, not helping them rehab, not helping them save their life-long home.
 - Getting a contractor is balancing act, because we need competent contractors. We need help finding competent and affordable contractor.
 - We're getting zapped either way, and it's all to the benefit of the businesses and the bureaucracy of the government. They don't want to do a thing to help the flood victims. Just suck it up and move on. I can't.
- **Neighborhood Area:** Bring back the trash pick-up in the flood neighborhoods. People rebuilding also still need trash removal for post flood debris and recovery operations.
 - **We need a plan for assistance for added costs of post-rehab (unforeseen needs) i.e. settling cracks, pipes corrosion...**
 - **We need better communication, consistent rules, and a way to know them.**
The thing that frustrated me the very worst was that no one could give me an answer. We went to a meeting and one councilman answered the question, then another said, I'm not sure that's right. So this is what we need. I challenge you to bring this city together so that we can go to one place and get an answer rather than five places.

Communication

- There's too many UNANSWERED QUESTIONS!
- We don't have a consistent communication plan out of the city. We don't get straight answers, and that leads to mistrust. So, we're not seeing any kind of leadership at all out of city council or any of the city staff.
- Is there any assistance for the flood victims who sold their house after the flood at a loss because of misinformation and confusion from the City? Where can I go to get money for replacement items?
- Running around in circles . being told by one group to go to another. Jumpstart is sending everyone to JCG and JCG is sending us to Jumpstart.
- There's no one you can talk to. We get the run around.
- **Construction Zone (554 parcels):**
Construction Zone LIMBO. There is no clear plan so flood victim knows future. City declared the Construction Zone after they told us to rebuild or tear down at owner's expense, which I did. How can someone sell a house in that situation?
- **Flood Protection:**
 - We're talking about people rebuilding, and the city wants to rebuild its tax base, so they're going to try to get a whole bunch of people back into this risk area, this flooded area. Is that moral? Is that ethical? Or do we want to bring in a whole bunch

of developers so we can rebuild the city's tax base and have all that wiped out again?

- We're building a federal courthouse one block from the river. Why? If we have a flood of this size, we're not going to be able to use it, because we're not going to be able to get to it.
- What is our town doing *right now* for flood protection . just crossing its fingers?
- There's things that just don't make sense, and these are some of the questions that we need to talk about. Millions and millions of dollars to rebuild city's entities, and are they going to be safe? How irresponsible are we going to be with taxpayers' money? It's OUR money; it's not theirs.

➤ **Jumpstart:**

- Why does Jumpstart require receipts for \$28,800 FEMA \$ (incl. personal losses) before can get help? There were personal losses beyond the house structure. Jumpstart says that all the FEMA money has to go into building materials or they won't help.
- Where's the money for *my* personal losses beyond building the house? Retired 12 days before the flood. I don't have the money. If people were able to use that money for personal losses, why can't I get the credit for mine?
- I'm concerned if Jumpstart is paying my interim mortgage assistance.
- Is the Jumpstart money taxable?

➤ **Small Business Administration (SBA) Loan [FEDERAL]:**

- Why is the interest so high for some and not for others?

➤ **Insurance [also FEDERAL and STATE issue]:**

- Told that will not be repaid if floods again, but still have to keep flood insurance on it.
- Flood insurance misinformation regarding what it covers. I didn't know it only covered my mortgage [STATE and FEDERAL]. Now Iowa is having me pay back the FEMA money.
- I got flood insurance, put \$30,000 back into home . sent to pay off mortgage, mtg sent back and said it has to go to rebuild home, and if not using it for that, need to send it back to insurance company.

➤ **Buyout Process:**

- Who exactly is ELIGIBLE for buyout? I got letter from city stating that my house is not considered for buyout because it's wasn't in Greenway.
- Why haven't they closed out these buyouts earlier? (We still have costs of mortgages, taxes, and insurance on these properties.)
- Why did buyout timeframe change / get moved back?
- When am I going to get my money?
- The City received \$95 million CDBG for buyouts. Where is the money? Is the city drawing interest? Is city manager keeping it so they can make more money?
- Am I going to be bought out & when am I going to find out? I am scheduled for buyout, but I don't know if or when to make decisions.
- Have received Jumpstart money, but have held that money because I don't know if they're going to buy me out . what should I do with it? Do I need to give Jumpstart money back? I assume I don't if they are going to buy me out.

- Why can't the city afford more real estate experts to help with buyouts and demolition at a faster pace? Top priority seems to be downtown. Homeowners always are last on the list.
- Is the buyout money taxable amount?
- Will I get full buyout amount if I tore my house down myself?

➤ ***Bought Out Homes:***

- Is the city going to fix up the houses they are buying up to provide affordable housing?
- What's another option for the houses being bought out?
- What is city doing with these properties that CAN be fixed, but they're just not giving enough money to do it?
- Is city going to have an auction to sell these so they can be repaired?

➤ ***Local Option Sales Tax (L.O.S.T.):***

- Where is the L.O.S.T. money?
- How will it help homeowners?
- When will it be distributed and the process?
- Hearsay that if not used by January 1st, it goes into general funds . is that true? Is there any deadline to use it, and if so, when?
- How can it be used to fill in gaps?
- Is it duplication of benefits and if so, can we get that determination changed?
- I heard that the City wants to use other funds first before L.O.S.T. Is that true?

➤ ***Protection, accountability, and transparency:***

- Everything is ambiguous with the City. No one has an answer. We go round and round. And I really truly don't believe them. In the meantime, we still have to pay for those things.
- City had been warned about flood by Army Corps decades ago . why aren't they held accountable? [**STATE** and **FEDERAL** also]
- Why isn't city accountable to show how their money is spent money and how 3rd parties are spending our money?
- Why are businesses allowed to rebuild in the Greenway and Construction Zone + getting financial help too, but individuals are not allowed?
- Why are their liens on my rehabbed work? And why would I need a mechanics lien on my sub floor?
- I was not allowed to go back into the house to get things out. Everyone else decided that for me.
- Gov. Culver is asking the question that if the city is going to make certain entities, like the Paramount and the library, 100% whole. why aren't the flood victims going to be made financially whole?
- What is the FINANCIAL PLAN of the city and does that match with what the voters' priorities are? I think we have a big mismatch. We either don't have a financial plan or we get fed several plans, so we don't know what to believe.
- People brought up we've got L.O.S.T. and heard that FEMA has distributed funds, but we don't see a PRIORITY LIST of where the MONEY's being spent. I'm tired of hearing in the media about all the great things we can do for the U.S. Cellular Center that's never made money. Why aren't we buying out PEOPLE first and fix the infrastructure in the city? It will bring business, which is going to bring revenue.

- What are the priorities of the rebuilding process? Why is all the money going to non-profits, business, and arts over homeowners?
- I have to pay back all my FEMA money - \$50 / month. I called FEMA and they said what is wrong with your state that they're making you pay this back?

➤ **Neighborhood Upkeep:**

- What is to happen to houses not being rehabbed & who is responsible for upkeep (during interim / prior to buyout)? City contracts out \$75 a lawn mowing and they don't do a very good job.
- Why is city boarding up after 1 ½ yrs? Why wasn't it done sooner? The City put a notice on my home that they are going to board up my property, so I contacted the city as to why. They didn't contact me back or tell me why. I don't think it's going to stop people.
- Which houses are being boarded up and how is it being determined?
- Isn't the City required to notify the property owner beforehand?
- Who is paying for it?
- Why won't they let me in my own house, yet they're still charging us taxes?
- City has never said they will pay for demolition. Who pays demolition costs? I heard tonight that the demolition costs will be deducted from the buyout.
- How many houses have been razed? And how many more will be destroyed? : It would be great to have a demolition plan on the website so we can see when each house is going to be demolished.
- No notification of demolition. I was not notified. A friend called me and told me my house was gone.

Planning:

➤ **Buyouts:**

- The City needs to develop a plan for buyouts and communicate that plan so flood victims aren't in limbo. Am I going to be bought out & when am I going to find out? I'm scheduled for a buyout, but don't know if or when to make decisions.

➤ **Construction Zone / Greenway:**

- The City needs to develop an honest and transparent plan for the Construction Zone (554 parcels) and communicate the plan to those whose homes were in that area so those who rebuilt or want to return are not left in limbo. We're asking this line be reconsidered and be moved to allow individuals who want to and have rebuilt to do so. We need to be able to move on with our lives and not be told that 5, 10, 15 years down the road we will have to sell.
- The City needs a concrete plan also for the Greenway. Flood victims are unable to make decisions and plan for their future without knowing their own financial impact. Example: For those who restored their home in Greenway or Construction Zone what plans do they have?

➤ **Flood Protection:**

- The City needs to develop a plan for flood protection for non-river neighborhoods (such as Cottage Grove Pkwy) and all tributaries that flow into the river. The City allowed building there we didn't build there. We feel like our city has done very little to protect us.

- Our government needs to develop a plan to prevent and protect us from floods. The Army Corps of Engineers warned our city for decades, but our city did not take action or even inform us of these formal warnings so we could take some level of precautions for such an event.
- There's been no accountability for the lack of warning of the flood. Why didn't the City tell people to save whatever they could when they could, instead of evacuating them at the last minute and losing everything they own?
- We're spending millions and millions of dollars to rebuild city's entities, and are they going to be safe? How irresponsible are we going to be with taxpayers' money? It's OUR money; it's not theirs.

➤ **Financials:**

- The City needs to streamline the process and stop hiring 3rd parties to manage every step of our recovery OR at least hold them accountable. Flood victims and contractors need to know when they will receive the money, so they can plan their own finances.
- The City needs a Financial Plan. We need a priority list of where the money's being spent so flood victims can have a financial plan. What is the financial plan of the city and does that match with what the voters' priorities are? I think we have a big mismatch. We don't have a financial plan or we get fed several plans, so we don't know what to believe.