



Kim Reynolds  
GOVERNOR

**OFFICE OF THE GOVERNOR**

Adam Gregg  
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September 28, 2018

The Honorable Donald Trump  
President of the United States  
The White House  
1600 Pennsylvania Ave. NW  
Washington, DC 20500

Regional Administrator Paul Taylor  
FEMA Region VII  
11224 Holmes Road  
Kansas City, MO 64131

Dear Mr. President:

Under 44 CFR 206.46, I am respectfully appealing your September 14, 2018, letter denying Individual Assistance under FEMA-4392-DR for Marshall and Polk counties.

**Concentration of Damage**

In accordance with 44 CFR 206.48 (b), FEMA should consider the factors of severity, magnitude, and impact of the disaster to evaluate the need for assistance to individuals under the Stafford Act. The concentration of damage is further identified in 44 CFR 206.48 (b) (1) as the first contributing factor to that evaluation.

Damage from the July 19, 2018 tornadoes occurred over multiple counties in Iowa, however greater than 99 percent of damages and impacts to individuals occurred within a concentrated geographic area within the city of Marshalltown. This more concentrated area contains the majority of low- to moderate-income housing within the community as well as many of the major companies that employ these people. In short, not only is the damage concentrated geographically, the impacts are also concentrated in a manner that disproportionately affect low-income, minority, and elderly residents.

On September 20, 2018, after two months of structural damage assessment work, the City, with the assistance of an engineering firm, determined 1,532 structures were impacted by the tornado event. Sixty of these homes were deemed unsafe for occupancy. Disaster recovery case workers estimate approximately 40 percent of these homes were occupied at the time residents were

advised they were unsafe for occupancy. The remaining 36 homes were unoccupied at the time they were deemed unsafe, as residents were living with family or in hotels. An additional 173 homes currently have tarps serving as temporary roofing. In the upcoming winter months, families will be forced to vacate these structures or risk serious health consequences. A map illustrating the extent of the tornado path, along with severity indicators for the impacted structures, is included in this request.

<b>County Name</b>	<b>Destroyed</b>	<b>Major</b>	<b>Minor</b>	<b>Affected</b>	<b>Total</b>	<b>% Owner</b>	<b>% Insured</b>	<b>% Low income</b>
Marshall	24	197	809	502	1,532	59%	36%	79%
<i>Numbers based on assessments completed 9/20/2018, two months after tornado event</i>								

The assistance necessary to rebuild or repair these homes is not available. In addition to assistance not being available, a large percentage of impacted residents in Marshall County are classified as low income. The Small Business Administration (SBA), which made loans available to Marshall County residents, reports that 79 percent of the impacted residents fell in the low-income category, many with no assets to leverage for available credit. The low level of insurance coverage (36 percent) creates an unmanageable financial burden for the city and the state. If residents are unable to repair their homes, they may be forced to abandon their properties. Once those structures are abandoned, the City will be forced to take responsibility for not only the safety of the structure, but will have to absorb the cost of rehabilitating or demolishing them as well. Ultimately, this will lead to lost property tax revenues for the City of Marshalltown, Marshall County, Marshalltown Community School District, and the State of Iowa. Additionally, when the cost to repair a home is beyond the homeowner’s capacity to repay a loan, few financial institutions will assume that risk.

The City of Marshalltown, with support from many community organizations, contacted the residents of these impacted homes in order to assess long-term recovery needs. The overwhelming majority of impacted citizens are low-income families with children. Mid-Iowa Community Action (MICA), the organization providing disaster case management, estimates that of the individuals in the households they are serving, 44 percent are children under the age of 17. Additionally, 40 percent of the households are Latino or Hispanic, with a large proportion comprised of non-English speaking residents. These families have limited resources, are mostly without adequate insurance, and are struggling to access capital for the repair of their homes.

Marshalltown Community School District staff are an important resource for the community as it recovers from this event. Approximately 350 students are from families impacted or displaced by the tornado. The school is offering counseling services for children still struggling with emotional trauma. Staff members have organized clothing drives and facilitated food distribution for families in need. High school students logged over 2,200 volunteer hours and have held numerous fundraisers to assist their fellow classmates. The primary concern of the school district is the health and safety of its students in the upcoming winter months. Without the additional resources to repair, replace, or rebuild housing, these families will likely leave the community. If all of these students leave the city of Marshalltown, the school district would lose an estimated \$2.35 million dollars annually. Losing that number of students would be the equivalent of

closing one of the district's schools and laying off 60 staff members. This loss would also lead to large-scale disruption of essential community services and functions in the city.

While the City, State, and various voluntary organizations continue to offer sheltering, food, temporary repairs, and other essential resources, no long-term option for these families exists without federal support. The Iowa Individual Disaster Assistance Grant Program application period, extended twice at my direction, will exhaust more than \$1.59 million and closes October 31. The concentration of damage in the city of Marshalltown, and the resources necessary for long-term recovery, are extensive. Assuming all of the destroyed housing units are rebuilt and all of the units with major damage are repaired at approximately 50 percent of the replacement costs, it is estimated the occupants can expect to spend a total of \$1.9 million on the destroyed housing units, or a cost of \$34,708 per resident. Occupants can expect to spend an estimated \$14.5 million on the units with major damage, or a cost of \$31,760 per resident.

### **Economic Impact**

Business activities continue to be focused on short-term recovery. JBS Swift & Company (JBS), the largest employer in Marshalltown, lost more than 24 million pounds of pork product due to loss of power. JBS was able to restart plant operations within one week of the tornado, but in order to maintain operations long term, employees need safe, habitable, and sanitary places to live. The company's contribution of \$1 million to community organizations focused on housing recovery highlights its interest in maintaining this important workforce.

The JBS pork facility processes more than five million pigs per year, feeding approximately 80 million people per week, according to a company press release. In the release, Martin Dooley, president and chief operating officer of JBS USA Pork, said Marshalltown is one of the company's flagship operations. "We routinely bring consumers, customers and foreign dignitaries to see the plant and experience the community of Marshalltown. The plant and the town are well-known and respected all around the world. We hope that getting the plant up and running again, coupled with our financial investment in the community, will help bring some modest amount of relief and comfort to the people of Marshalltown." The Marshalltown plant has been part of the community since 1880 and was acquired by JBS USA in 2007.

Lennox, a major employer in Marshalltown, is committed to rebuilding in the community. The Lennox facility sustained significant impact when its roof was blown off, walls torn down, and the building's contents destroyed. Lennox indicated the timeline for these rebuilding efforts will continue over the next 12 to 18 months. The loss of revenue associated with diminished plant operations is projected to exceed \$100 million.

Smaller businesses in the center of town are still struggling to reopen. Collectively, these businesses lost more than \$30 million due to property damage, clean-up expenses, loss of inventory, and loss of business income. The Lost and Fanned pet supply store is one example of a locally-owned business that has not been able to reopen after the tornado. Although the owner does have insurance, the reimbursement process requires up-front capital to finance the necessary repairs, which is difficult when there is no revenue being generated. The City of

Marshalltown has stepped in to provide micro-loans to several businesses to cover that gap and to expedite their reopening.

### **Community-Led Recovery Efforts**

City of Marshalltown staff are leading the long-term rebuilding effort providing technical assistance and financial contributions. In addition to the \$2.5 million lost in assessed residential valuations, the City is doing the following:

- Waiving all demolition fees and residential building permit fees (noncommercial)
- Dedicating \$50,000 to a new position for construction management
- Engaging a structural engineering firm to support the building inspection process
- Acting as the applicant for demolition projects associated with the Public Assistance Program. The City will also be responsible for all asbestos abatement related to those properties.

The Marshalltown Chamber of Commerce leads business community efforts for rebuilding, especially in the hardest-hit area of historic downtown. Many small businesses were uninsured or underinsured, mainly due to a lack of knowledge and language barriers. The main obstacles to long-term recovery include:

- Insufficient resources for rebuilding in historically significant areas
- Insufficient affordable housing for employees
- Insufficient legal aid resources for working through insurance coverage conflicts

The Marshall County Emergency Management Agency and regional planning organizations will continue to assist with the long-term recovery efforts including:

- Standing up a long-term recovery committee
- The Marshall County Board of Supervisors is supporting calls to the Iowa Insurance Commissioner regarding difficult insurance claims processes
- Mid-Iowa Community Action staff has implemented the Iowa Individual Disaster Assistance Grant Program and the Disaster Case Management Program for the city of Marshalltown. They are also handling private donations for the rebuilding efforts.
- Region VI Council of Government planning staff are actively identifying homes for repair and organizing resources. To date, they have identified 13 roofing projects that can be fully funded utilizing its financial resources. After spending over \$100,000 in the last few weeks, they have identified an additional 137 residential roofing projects under their programs.

The local voluntary organizations are coordinating the following:

- The Marshalltown Area Red Cross processed 268 cases, and provided tens of thousands of tarps, rakes, and totes
- The United Way is providing nonperishable foods for approximately 60 families per week
- The Salvation Army provided 17,000 meals, \$40,000 in gift cards, and \$19,000 in products from its thrift store, including cleaning supplies and diapers. The organization is also processing \$5,000 donations per family for building supplies with a \$50,000 total program limit.
- House of Compassion is serving 3,300 individuals and recently added 275 families to its active list, serving meals nightly to 85 people.

The State of Iowa, through the efforts of the Marshalltown Housing Recovery Task Force, is assisting the City of Marshalltown with its long-term recovery efforts. Current state resources dedicated to these efforts include:

- \$250,000 in Housing Trust Fund dollars
- A \$260,000 Iowa Economic Development Volunteer Commission Grant
- A \$100,000 Iowa Economic Development Community Development Grant to Habitat for Humanity
- Staff from the State Fire Marshal Division to assist with the housing inspections
- \$1.59 million from the Iowa Individual Disaster Assistance Grant Program
- Iowa State University's community and regional planning graduate students will dedicate time to the City of Marshalltown's redevelopment plan. This will include providing architecture and design expertise to rebuilding efforts in the northeast part of town, where the majority of the destroyed structures are located.

### **Other Disasters**

During June and July 2018, 30 counties in the state of Iowa experienced significant impacts from severe storms and flooding. In particular, Polk County experienced more than 20,000 reports of flood damage to residences and businesses. One week after flood waters receded, 21 tornadoes impacted communities in central and eastern Iowa. The cities of Bondurant (Polk County), Marshalltown (Marshall), and Pella (Marion County), all struck by tornadoes, are expending already-stretched local resources to aid in the recovery of citizens, businesses, and community infrastructure and services, and are also requesting State of Iowa resources and programs to assist with recovery efforts.

Below is a summary of resources that have been expended, along with recovery needs identified, during the joint local/state/FEMA preliminary damage assessments.

- Nearly \$3 million has been expended as part of the Iowa Individual Disaster Assistance Grant Program, which provides assistance to families with incomes of up to 200 percent of the federal poverty level. Through the program, \$1.7 million has been expended for the residents of the 30 counties impacted by the recent flooding, along with an additional \$1.59 million for residents impacted by the tornado event. These dollars do not include any local resources or other state programs currently being utilized.
- Iowa's Disaster Case Management Program has provided disaster resource coordination support for 569 households impacted by the tornadoes and 264 households impacted by the flooding. For the flooding alone, over a period of three months, more than \$54,146 has been expended through the program. The tornado event is expected to exceed \$500,000 or more in program funding. As additional needs are identified, the Disaster Case Management Program will continue to assist residents with their recovery needs.
- Thousands of vehicles were destroyed in the areas affected by flash flooding and tornadoes. Vulnerable populations (low- to very-low income families) have few resources to replace a vehicle, adding additional hardship to those who must now find alternatives for commuting to work, school, medical visits, etc.

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- Communities in Polk and Marshall counties are struggling to address unmet needs. Based on a recent housing study, the city of Marshalltown has a tight housing market for low-income residents. Even before the tornado impacted more than 1,500 structures in Marshalltown, the waiting time for Section 8 housing was one year or more. Many of the areas impacted by flooding in Polk County were populated by low-income residents.
- A review of the damage to structures categorized as “affected” and “minor” in the city of Marshalltown suggests the amount needed to make repairs will in many cases exceed the value of the structure. In certain parts of the city, homes have been owned by families for multiple generations. Insurance coverage is low and resources are limited.

Based on the new information provided in this appeal letter and the demonstrated concentration of damage that exists in the city of Marshalltown, I am respectfully asking for an Individual Assistance declaration. While we all understand the subjectivity and complex calculations that go into these difficult decisions, I truly believe federal funding will be vital to the long-term recovery of the state of Iowa.

Sincerely,



Kimberly K. Reynolds  
Governor, State of Iowa

Attachment A: July 19, 2018, Marshalltown Tornado Path Map

