

# Economic Development Lessons Learned

**IOWA**  
economic development

# Iowa Economic Development Programs

## » Background

- State of Iowa
  - Nearly \$900 million in CDBG Disaster Assistance
  - Presidentially declared disaster was declared for 85 of the 99 counties
  - Infrastructure, Housing and Economic Development programs
- Economic Development Program
  - \$127 million in CDBG Disaster Assistance
  - Eleven administrative entities
  - Ten Unique Economic Development Programs

# Cedar Rapids Pre-flood



# Cedar Rapids Post-flood



# Iowa Economic Development Programs

## » Background

- Ten Disaster Recovery Economic Development programs
  - Jumpstart
  - Steam Conversion/Steam Buy Down
  - Business Rental Assistance Program (BRAP)
  - Commercial Rental Revenue Gap (CRRG)
  - Expanded Business Rental Assistance Program (EBRAP)
  - Equipment Replacement Assistance Program (ERAP)
  - Flood Insurance Reimbursement Program (FIRP)
  - Loan Interest Supplement Program (LISP)
  - Residential Landlord Business Support (RLBS)
  - Relocation Assistance Program (RAP)

# Program Snapshot

Program	Number of Businesses Assisted	Dollar Awarded Per Program	Average Program Award Per Business
Jumpstart	406	\$16 million	\$39,400
Steam	128	\$9 million	\$55,000
BRAP	664	\$11 million	\$16,600
CRRG	100	\$4 million	\$40,000
EBRAP	181	\$21 million	\$116,000
ERAP	92	\$14 million	\$152,000
FIRP	183	\$0.5 million	\$2,800
LISP	241	\$8 million	\$33,200
RLBS	71	\$0.5 million	\$7,000
RAP	8	\$4 million	\$500,000

# Program Design

## » Program Development Considerations

- Establish a program that meets the needs of your area
  - Cedar Rapids had very little time to prepare for the disaster
  - The Business Rental Assistance Program and Equipment programs met the needs of this area
- Equipment programs work well at a variety of funding levels
  - Equipment ranked second only to construction in amount of loss experienced by businesses
  - Program cap was initially \$50,000, but has been increased to \$400,000
- Loan Interest Supplement program
  - A majority of businesses obtained a disaster loan to assist with recovery
  - The purpose of this program was unique, so there was no DOB

# Program Design

## » What Worked Well

- Kept program design simple in terms of program administration and documentation requirements
- Designed Programs to eliminate the need for significant underwriting
- Did not allow construction activities for a majority of the programs, thus avoiding Davis Bacon Requirements
- Offered a wide variety of programs in order to meet business needs
- Used outside resources to establish program guidelines and documentation requirements

# Program Design

## » What Did Not Work Well

- Had program rules that did not reflect the intent of the program
  - “Approved” vs. “Executed”
- Political Pressure to get funds out to businesses
- Required a significant amount of documentation in the original equipment program design
- Required Equipment program purchases to be made prior to providing applicants with assistance

# Program Implementation

## » What Worked Well

- Hosted a training session prior to releasing the programs and invited all administrative entities
- Conducted a “pre-audit” of all applications prior to disbursing funds
- Developed a “Disbursement tracker” to ensure applicants were not over disbursed
- Had HUD Disaster office expertise available to discuss program concerns

# Program Implementation

## » What Did Not Work Well

- No formalized appeals process at the beginning of the program
- Did not conduct a thorough Duplication of Benefits review prior to disbursing funds for the first program

# Contact Information

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[http://iowaeconomicdevelopment.com/jumpstart/business\\_rental.aspx](http://iowaeconomicdevelopment.com/jumpstart/business_rental.aspx)