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Mary C. Comerio. *Disaster Hits Home: New Policy for Urban Housing Recovery.* Berkeley: University of California Press, 1998. xix + 300 pp. \$39.95 (cloth), ISBN 978-0-520-20780-6.



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Between 1989 and 1994, an unprecedented string of major natural disasters hit the United States. Hurricane Hugo devastated South Carolina in September, 1989, followed a month later by the Loma Prieta Earthquake which rocked Northern California. In August, 1992, Hurricane Andrew barely missed Miami but wiped out Homestead, Florida, along with its Air Force Base. In the spring and summer of 1993, the Great Midwest “500-year” Flood inundated several states, and, in January, 1994, the Northridge earthquake struck Los Angeles’ San Fernando Valley with major damage to property.

These disasters produced dramatic television footage of havoc, and the “CNN effect” triggered new levels of government response. But after the initial story, the long recovery and rebuilding process faded from public view. Mary C. Comerio’s new book, *Disaster Hits Home: New Policy for Urban Housing Recovery*, provides an accessible and refreshingly clear policy analysis of the rebuilding effort that has followed recent disasters, with a special focus on residential housing reconstruction. She develops her modest recommendations from four American case studies: Hugo, Loma Prieta, Andrew, and Northridge, as well as two non-American earthquakes, 1985 Mexico City and 1995 Kobe, Japan.

Comerio’s choices reflect her interest in earthquakes and her geographic location: she is a Professor of Archi-

ture at the University of California at Berkeley, which straddles a major fault line. As a result, floods, tornadoes, and fires receive little attention, an omission Comerio defends by claiming that earthquakes and hurricanes pose the major threats to urban areas (p. 5).

Mike Davis might take issue with this limited scope, but unlike Davis’s recent book, *Ecology of Fear: Los Angeles and the Imagination of Disaster* (1998), Comerio thankfully avoids most of the “doom and gloom” rhetoric that pervades disaster literature. Her recommendations offer an excellent starting point for planning officials and legislators looking for reasonable, incremental reforms, though they might crave a more specific legislative blueprint, given her expertise. Teachers of urban studies will find the clear prose of her chapters easily excerpted for undergraduate-level courses.

Several conclusions and recommendations may surprise lay audiences. First, Comerio calls for a move away from the traditional “death and dollars” measurements used by the media to define a disaster’s severity. Instead, she argues for a new “catastrophe index,” calibrated to the severity of the housing problems created by a disaster (Chapter Four). This new index goes deeper than a simple count of damaged buildings to assess the extent to which a disaster strikes the crucial rental and low-income markets, thereby creating a potential long-term housing

crisis.

For instance, after Loma Prieta in 1989, the loss of multi-family housing and single resident occupancy (SRO) units in San Francisco and Oakland produced a regional housing crisis. With a low vacancy rate, high housing costs, and limited affordable housing, homelessness in the Bay Area rose significantly, she says. By contrast, Northridge also caused extensive damage to multi-family apartment buildings but triggered only a limited housing crisis. High vacancy rates before the earthquake allowed victims to leave damaged units and find new apartments. Public concern shifted to abandonment, as uninsured apartment building owners had little incentive to repair or rebuild in a soft market.

Similarly, Hugo also damaged many multi-family units, but caused no severe crisis, as these units were mainly vacation rentals. Hugo's worst housing problems were experienced by rural, low-income homeowners without insurance. Finally, Andrew damaged primarily middle-class, insured Florida homes, and residents initially struggled to find acceptable temporary housing. But the loss of jobs meant many permanently relocated out of the area, and no significant housing crisis ensued.

Each disaster, Comerio explains, had distinct housing problems of varying severity, each requiring a tailored response. But Washington rushed in to provide aid without careful assessments of the housing market and its disruption, and well-intentioned federal programs never addressed critical problems, especially in the area of rental housing. She finds these federal programs, namely FEMA (Federal Emergency Management Agency) and SBA (Small Business Administration) home repair loans, to be counterproductive, "an absolute disincentive for all home owners to invest in mitigation or insurance" (p. 254).

Comerio calls for a shift in Federal policy away from homeowner rebuilding and towards a more targeted policy based on what she calls "a strategy of shared responsibility" between the private and public sectors (p. 252). Her recommendations involve a reordering of federal responsibility in some areas, and further action in new areas. Government at all levels, she says, should continue to assume primary responsibility for the immediate relief of emergency needs following a disaster, and here great progress has been made in intergovernmental coordination. But Washington should separate its relief and recovery roles (p. 237). Federal recovery efforts should be limited to public structures (schools, highways) and programs geared to addressing the specific housing cri-

sis generated by a disaster, such as the loss of low-income apartments or SROs.

Rebuilding private residential structures property, she contends, should be handled exclusively by private insurance. But only 30-35% of dwellings in the Loma Prieta area had earthquake insurance in 1989 (p. 72), and since Northridge, insurers have raised premiums or left the state entirely. Homeowners either cannot get or avoid getting coverage and hope the federal government will come to the rescue.

As a way out of this vicious circle, Comerio proposes a variety of remedies, including new requirements on insurers coupled with tax breaks to allow the accumulation of disaster-related reserves. Federal loan agencies should require disaster insurance, and Washington should stop signaling that it will bail out uninsured homeowners. Finally, tax incentives to property owners to upgrade their property to mitigate potential damage would limit costs in the future. Whether these modest changes can break the "insurance dilemma," as she calls it (p. 231), is unclear, though any strategy relying on private insurance will likely require both state subsidies and state regulation given an imperfect market.

To these incremental reforms, Comerio adds the need for new federal programs to target specific housing problems related to her "catastrophe index," particularly the loss of multi-family and SRO units. To make her case for this new state responsibility, she compares earthquakes in Mexico City and Kobe, representing opposite ends of the spectrum of state response. The Mexican government assumed primary responsibility for rebuilding after the 1985 earthquake devastated densely settled, working-class neighborhoods and public housing towers. Comerio praises the government's publicly-funded, three-story replacement housing as a model rebuilding effort (p. 143).

By contrast, the Japanese government left the rebuilding of Kobe largely to the private market, with negative consequences. Following the 1995 disaster, which hit older, downtown areas the hardest, thousands relocated outside the city, and several years after the disaster only partial rebuilding has taken place.

Comerio is critical of the Japanese response and sides with the Mexican model, particularly for dense urban areas facing acute housing crisis following a disaster (p. 159). With current American policy leaning in the Japanese direction, with no program to rebuild older, low-income apartment buildings in urban areas, she hy-

pothesizes that “... the next American disaster could easily resemble Kobe. Thousands will be forced to relocate outside the city. The old, the poor, and all those without private resources will wait for years in temporary shelters, or they will be forced to leave the areas” (p. 188). The mechanisms of how a Mexican-style public building program would work in the United States, given antipathy towards public housing, is undiscussed.

The “shared responsibility” approach relies heavily on private insurance, and Comerio’s analysis is surprisingly sympathetic to the insurance industry. One of her more interesting finds is the strong possibility that insurers have been routinely fleeced by its policyholders after disasters. She finds, as the insurance companies painfully learned, that in each disaster the early damage estimates made by inspectors and the eventual claims made by policy holders were “wildly out of sync” (p. 104). At Northridge, for instance, city inspectors estimated \$1.5 billion in property damages and the insurance industry figured \$2.5 billion. But two years later, the tab for insurance losses amounted to a whopping \$12.5 billion.

Several factors receive blame. First, the insurance industry settled claims too quickly, in Comerio’s view, particularly at Northridge. Insurers feared more bad press, particularly after embarrassing criticism of the industry following wildfires in Oakland in 1991 and Malibu in 1993. But she also suggests that the insurance companies were fleeced by Los Angeles residents who took advantage of the Northridge event to cash in. “Nearly everyone in the [San Fernando] valley got a new T.V. set, and many had their homes redecorated as a result of small cracks in the plaster.” (p. 106). But can this kind of activity explain the \$12.5 billion figure? Presumably the insurance industry has a better answer, but readers are left wanting more detail on this crucial explosion in costs.

The ballooning of costs is alarming and vital to Comerio’s argument that a shift in policy is essential. Neither the federal government nor insurance companies,

she says, have the resources to handle the “Big One” in California. She specifically questions the will of Washington to respond to a future crisis, citing the slow response of Congress in 1997 to North Dakota’s floods as an example of an increasing public unwillingness to pay for rebuilding (p. 298).

But here Comerio misreads Congress, and her contentions run contrary to her earlier descriptions of an escalating federal role in disaster recovery (p. 224). A future “Big One” in the Bay Area will certainly generate political pressures for a massive federal response. Moreover, Congress actually has fewer fiscal constraints than it did in the early 1990s, with the federal budget now in surplus. The problem is not whether Congress will come up with the money, but whether it will be used wisely.

Comerio’s incremental reforms will not satisfy those, like Mike Davis, seeking radical changes in the urban landscape in the name of disaster preparedness. But radical steps are not needed. California survived both Loma Prieta and Northridge without apocalyptic consequences. The loss of life in disasters is still an important measure, and here the improvement in America is undeniable. Sixty-three died at Loma Prieta and fifty-seven at Northridge, while, by contrast, an estimated 6,000 people lost their lives at Kobe in 1995, with shaking similar to Northridge (pp. 10-12, 186). Comerio admits that superior American building codes and materials contributed to this dramatic difference (pp. 103, 148).

In short, the sky is not falling. America’s \$7 trillion economy can afford to rebuild after the next series of natural disasters. Comerio’s modest policy changes, if implemented, will help reduce damages, rationalize risk, and avoid crises. This is good, if unsensational, public policy, and Comerio should be applauded for it.

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