

| | |
|------------|--|
| 241 | Introduction |
| 241 | Recovery and Resilience Strategies for Pandemics: What We've Learned from Covid-19 |
| 243 | Summary of Findings of Eight Communities |
| 243 | 1. Collaboration via Networks |
| 244 | 2. Funding and Financing with a Goal of Equity |
| 245 | 3. Accessing Up-to-Date Information |
| 247 | 4. Science-based Communication Leadership |
| 248 | 5. Technical Assistance to Access and Understand Federal Resources |
| 249 | 6. Reconfiguring Goals in Light of Changing Circumstances |
| 250 | 7. Redesigning for a Changed Society |
| 251 | 8. Ensuring Equitable Redevelopment of Downtown and Neighborhood Commercial Corridors |
| 252 | 9. Capturing Opportunities and Executing Pivots |
| 252 | Conclusion |

Chapter 13: Disaster Recommendations Through a Pandemic Lens

Introduction

Since the first edition of *Leadership in Times of Crisis: A Toolkit for Recovery and Resiliency* was released in 2015, it has served as the comprehensive source of information on disaster recovery for economic developers. In updating the Toolkit, IEDC is incorporating information gleaned from 15 years of technical assistance in disaster economic recovery funded by EDA, as well as insights regarding the Covid-19 pandemic.

Looking back over two years of a pandemic, economic development organizations (EDOs) are integrating lessons learned. They are taking stock of changing circumstances and new connections and bringing forward a new vision for economic health. The following recommendations build on IEDC's expertise and address new realities.¹

Recovery and Resilience Strategies for Pandemics: What We've Learned from Covid-19

The U.S. Economic Development Administration (EDA) provided funding to the International Economic Development Council (IEDC) to investigate communities' economic decision-making regarding disaster response, recovery, and resilience, including similarities and differences with respect to pandemics. This on-the-ground research has helped IEDC understand

1. How communities can best respond to and adapt to pandemics as conditions and impacts change.
2. How communities can incorporate preparedness and mitigation for a pandemic that could recur seasonally or occur due to a different disease.
3. How the pandemic is different and similar to other kinds of disasters and shifts the paradigm for how we consider disaster mitigation, recovery, and resilience.

¹ According to the International Economic Development Council's Introduction to Economic Development Manual, "Economic development can be defined as a program, group of policies, or set of activities that seeks to improve the economic well-being and quality of life for a community by creating and/or retaining jobs that facilitate growth and provide a stable tax base." Economic development organizations include municipalities, neighborhood groups, chambers of commerce, universities, utilities, state governments, regional entities such as public-private partnerships, and Economic Development Administration designated Economic Development Districts.

The 18-month research and evaluation project examines best and promising practices. IEDC has collected data over the period of February 2021 to February 2022, interviewing eight communities as they have implemented recovery and relief programs in relation to the COVID-19 pandemic. IEDC conducted a series of three informational interviews over the course of one year with organizations representing eight communities outlined below to better explore these ideas.

- Albemarle Commission, North Carolina
- Bent County Community Foundation, Colorado
- Develop Indy, Indianapolis, Indiana
- Jefferson Parish Economic Development Commission, Louisiana
- City of Martinsburg, West Virginia
- Port Arthur Economic Development Corporation, Texas
- Downtown Stockton Alliance, CA
- Tri-County Economic Development District

The communities applied to participate in this study, which was advertised through IEDC's marketing channels. IEDC based the selection of communities on a variety of factors. The chosen communities were matched with an IEDC member volunteer to provide technical assistance. Additionally, communities received resilience recommendations that can be integrated into their Comprehensive Economic Development Strategies (CEDs).

The white paper, [What We've Learned from Covid-19](#), provides a more in-depth analysis of the communities, and a profile of each one, along with insights into the nature of pandemics compared to other disasters.



Summary of Findings of Eight Communities

These participating communities differed in geography, demographics, and pandemic impacts. Yet, the following best and promising practices emerged from an analysis of the communities' responses. EDOs can learn from and implement these to increase recovery and preparedness.

1. Collaboration via Networks

Chapter 2, Chapter Disaster Management and Chapter 3, Disaster Preparation focus on planning and preparing for a disaster in collaboration with federal, state, and local partners. The pandemic revealed the need to build networks among public, private, non-profit, and institutional partners. Many communities had established these relationships in advance, but the pandemic highlighted the need to expand these networks. Potential new partners would include public health authorities and organizations with extensive reach into communities of color, where the pandemic affected the population the most acutely. Forming an economic recovery team is an established best practice, covered in the *Chapter 3, Disaster Preparation*. **Collaboration via networks** is an important principle for resilience and recovery.

An economic recovery team reviews the community's emergency response plan to evaluate how the business community and local economy might be impacted by decisions laid out in the plan. In the process of reviewing and rewriting plans, EDOs should recognize that the effectiveness of a region's response to a major disruption is enhanced if the public, private, educational, and non-profit sectors are all aware of each other's roles and responsibilities as they pertain to recovery.² In light of the pandemic, EDOs may have forged new relationships with health departments, emergency response offices, and other entities involved in designing a pandemic response. These include organizations that may have been active in the community for years but have not been realized as partners in resilience such as churches and non-profits. Most of the organizations interviewed in the study indicated that workforce development became a larger issue during the pandemic. These connections to workforce boards and educational institutions will be ongoing partners as recovery progresses. Institutions that mobilized to assist during Covid-19 and other past disasters should continue to be engaged as planning partners going forward. Expanding the number of organizations involved in planning will help to diversify the viewpoints represented, and when disaster strikes, will ensure service to all segments of the population.

This has been the case in Jefferson Parish, Louisiana. Learning from the experience of recovering from several hurricanes, the Jefferson Parish Economic Development Commission (JEDCO) has developed strong partnerships. Throughout the pandemic, JEDCO has worked closely with training providers and the local workforce investment board to provide training and make it easier to place people into jobs. Additionally, the public school system, which is the largest school system in Louisiana, has partnered with JEDCO to educate students about the types of jobs available within the parish.

² [Economic Resilience](#), Content, Comprehensive Economic Development Strategies, U.S. Economic Development Administration



2. Funding and Financing with a Goal of Equity

Chapter 4, Small Business Assistance and Chapter 5, Business Retention and Expansion address the health and continuity of businesses post disaster, including the importance of access to capital. The Covid-19 pandemic brought the issue of unequal access to capital to the forefront; therefore, the pandemic-focused recommendation is **funding and financing with a goal of equity**.

The pandemic catalyzed the need for immediate financing at a scale not seen since the Great Recession. During the Covid-19 pandemic, the federal government provided aid through stimulus checks and loan programs such as the Paycheck Protection Program and expanded SBA loans. Additionally, EDOs linked to city and county governments were able to use the Coronavirus Aid, Relief, and Economic Security Act (CARES) and American Rescue Plan Act funds to assist businesses.

Loans

Providing bridge financing is a pivotal role for an EDO in a post-disaster environment. After a disaster, businesses need financial support for many reasons – e.g., to keep employees on board, to expand production, and to pay creditors and landlords. In the pandemic, businesses could not open for protracted periods of time and faced high failure rates, especially those owned by people of color. *Chapter 4, Small Business Assistance*, has more information on this topic.

EDOs that have funds available are often able to deploy them sooner than financial institutions or the federal government. Depending on the type of funding and their role in dispensing it, EDOs can alter restrictions to make funds more easily available – for example, accepting alternative forms of credit for revolving loan funds. This is often crucial to make funds available to underserved populations that do not have formal relationships with banking institutions.

This was the case in Stockton, California. Downtown Stockton Alliance manages the Downtown Stockton Enterprise Loan Fund (DSELF), a non-profit, multi-bank community development corporation that provides small business loans. At the beginning of the pandemic, DSA decided to defer repayment of active small business loans in order to remove that stressor during a difficult and uncertain time. Additionally, after further comparison with other non-profit lenders and speaking with local business owners who couldn't apply for a DSELF loan due to the requirements, DSA permanently updated the guidelines to make the loans more accessible. Small business owners had reported that the qualifications were difficult to meet, and as a result, DSA was having trouble lending out the money in the program. DSA simplified the background and financial information needed to apply for the loan by decreasing both the number of months of financial statements and the collateral required. While this was a necessary change regardless of the pandemic, the pandemic provided the impetus for it.

Grants

Outside of disaster situations, grants traditionally have not been a common financing avenue for private businesses. However, in response to Covid-19, many local governments used the flexibility of the CARES Act funding to provide \$5,000 to \$10,000 grants to help small businesses weather the pandemic's impact. Many small businesses do not want to or cannot afford to take out additional loans, so grants are often the only way they will access support. Grants are most effective when targeted to specific populations of businesses or owners, specific neighborhoods, or highly impacted industries.

The Covid-19 pandemic was especially difficult for food and beverage businesses. Develop Indy in Indianapolis, Indiana, created the Hospitality Establishment Lifeline Payment (HELP) Program to provide rent relief in the form of grants to businesses in this sector.³ This program covered any unpaid rent from April to December; businesses were required to stay open to receive funding. In addition to retaining businesses, the program helped stabilize the city's tax base because it maintained revenue from the local food and beverage tax. Develop Indy also targeted grants toward businesses that prioritized safety. The Ready to Restart Program reimbursed businesses for any expenditures they made for personal protective equipment.⁴

3. Accessing Up-to-Date Information

Chapter 6, *Assessing the Economic Impacts of a Major Disaster* explains the benefits, techniques, and uses of tracking disaster impacts to measure severity. Qualitative and quantitative data allow communities to show the amount of damage and are useful when applying for grants and federal resources. This information also helps communities understand how their economies, populations, and industries change. With conditions shifting rapidly as the Covid-19 pandemic evolved, decision-makers were challenged to understand how their communities were being impacted. The pandemic-focused recommendation related to this topic is **accessing up-to-date information**.

During the pandemic, local health regulations were dictated by data collected through public health data systems. National economic data, however, tend to lag, especially since economic impacts are not limited to a specific area but affect national trends. Traditional data sources that track economic and demographic information at the national level rarely updated fast enough to help economic developers shape decisions. Furthermore, for smaller jurisdictions, federal data sources are not specific enough to guide local economic policy.

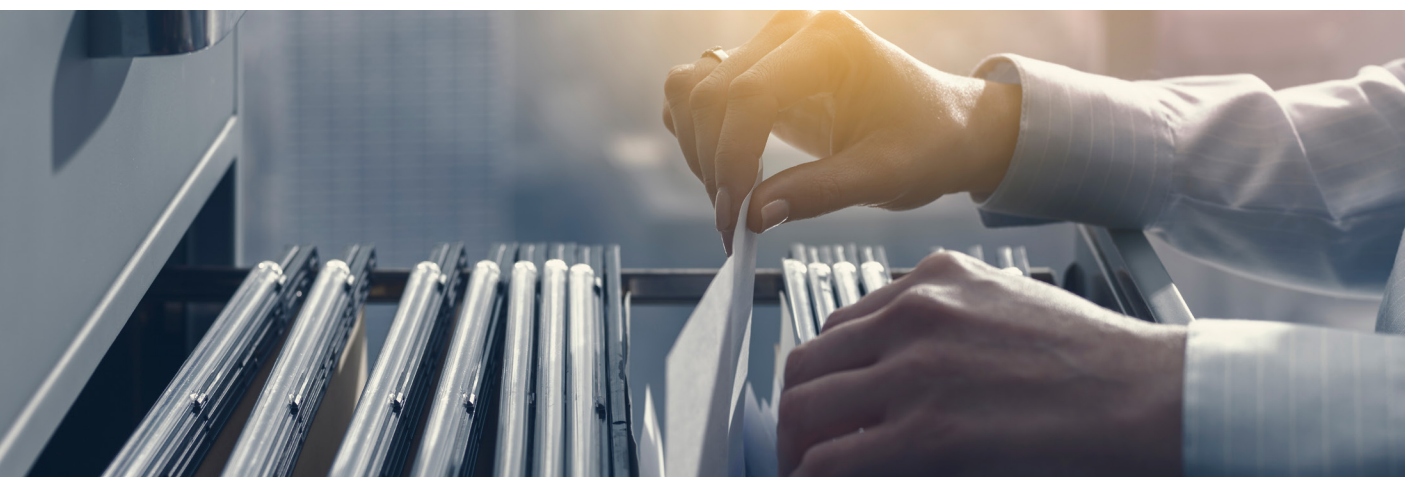
Two trends emerged throughout the pandemic that resulted in more useful data for local policymakers. The first is the creation of new public information infrastructures. For example, many online news publications, including the *New York Times* and *Washington Post*, made their coverage of the Covid-19 pandemic available at no charge. The *New York Times* allowed users to track case and death rates in their county or state. This action helped establish a baseline of knowledge about the spread of the virus. The second is that existing sources pivoted and became more responsive to pandemic-related data needs.

3 [HELP Grants](#), Indy Chamber Rapid Response, April 2020.

4 [RESTART](#), Indy Chamber Rapid Response, April 2020.

New Access to Private Data

Data technology that previously had not been freely available to the public also was employed to track the pandemic. For instance, the [Opportunity Insights Economic Tracker](#), a joint initiative of Harvard University, Brown University, and the Bill and Melinda Gates Foundation, uses anonymized data from private companies such as credit card processors and payroll firms to create up-to-date statistics on consumer spending, employment rates, and other indicators by county, industry, and pre-crisis income level.⁵ This timely, detailed data tracking delivers more tailored insights on specific areas and subgroups. EDOs can use this data to understand which industries are most impacted, for example, comparing current job postings in retail and hospitality to pre-pandemic levels, or tracking consumer spending to understand the impact to local retail.



Existing Sources Pivot and Respond

Existing sources of information also established new databases and continued tracking and analyzing useful data. The Census Bureau launched the Small Business Pulse Survey, which, as of March 2022, has surveyed small businesses during eight three-month periods to gauge outlooks and concerns. Other government data sources, such as the Federal Reserve, have continued to update their services and provide analysis of the data collected. In particular, the Federal Reserve Bank of St. Louis's [FRED](#) (short for Federal Reserve Economic Data) is an online database consisting of hundreds of thousands of economic data time series from national, international, public, and private sources.⁶ The Federal Reserve Bank of St. Louis also has a Covid-19 Research Resources section featuring articles by economists analyzing data trends.

Exploring data at a national level, including consumer trends, migration patterns, demand for goods and services, and household income changes can indicate national trends. These resources can also be used to drill down into local areas to understand how a community is impacted. A best practice is to compare this information to intelligence gathered from businesses and other stakeholders in the community via surveying, focus groups, and other feedback systems.

5 [The Economic Impacts of Covid-19: Evidence from a New Public Database Built Using Private Sector Data](#), Opportunity Insight.

6 [What is FRED?](#) Economic Research, Federal Reserve Bank of St. Louis.

4. Science-based Communication Leadership

Chapter 7, Crisis Communications, outlines EDO communications before and after a disaster. EDOs often speak on behalf of the business community while also serving as a conduit from the public sector to the business community, especially in the case of disaster. The pandemic recommendation adds another responsibility – **science-based communication leadership**.

During the pandemic, providing science-based communication to businesses to combat rumors and misinformation became an important role for EDOs. In speaking to businesses, EDOs often served as trusted sources of facts, spreading the message that adherence to preventive measures would lessen the pandemic's impacts, severity, and length. Alternatively, through marketing campaigns and other public outreach, often in tandem with health departments, EDOs shared expectations with customers about engaging with businesses – for example, highlighting the importance of wearing masks or showcasing restaurants' new takeout options. Seven of the eight organizations profiled indicated that they had created a webpage of Covid-19 information and resources.

In Northeast Washington, the Tri-County Economic Development District (TEDD) was a key partner in health messaging. The local health department asked for TEDD's help in the early stages of the pandemic after recognizing that its social media pages had very few followers compared to TEDD's. In response, TEDD's marketing team shared all health and safety information from the health department to keep the community updated on regulations, Covid-19, and other information. In addition to health-related communications, TEDD's marketing team worked to share the positive news coming out of Northeast Washington. Calling this the Good News Campaign, they included positive stories of small businesses and promoted pandemic-safe outdoor recreation opportunities in the region. Especially at the very beginning of the pandemic, this allowed TEDD to promote the region and its offerings responsibly and safely.





5. Technical Assistance to Access and Understand Federal Resources

Chapter 8, Accessing Federal Resources addresses the federal government's role as an essential partner in local disaster recovery. In the wake of any disaster, EDOs often work with businesses to apply for federal assistance or refer them to other organizations, such as the local Small Business Development Center. The federal government response to the pandemic was robust, and many EDOs found themselves in the role of coaching businesses through the process of applying for assistance, especially as new programs were initiated at the state and federal levels. Recognizing this emerging role, the pandemic-focused recommendation is **technical assistance to access and understand national resources**.

One program that many businesses found challenging was the Small Business Administration's Paycheck Protection Program, which disbursed loans via financial institutions to maintain employment. The first iteration of the program was criticized for providing the majority of loans to larger businesses; 1 percent of the program's 5.2 million borrowers received more than a quarter of the \$523 billion disbursed.⁷ Smaller businesses, which were less likely to have relationships with banks or to have the capacity to apply, seemed to be at a disadvantage in securing funds.

Providing small businesses – especially those owned by women or people of color – with technical assistance is one way to ensure access to federal resources during a crisis. Technical assistance can help business owners obtain financing, develop business plans, identify and expand markets, and practice sound management in terms of accounting, record-keeping, and taxes. For business owners from disadvantaged populations, technical assistance is critical to bridge gaps in business knowledge and financial capacity.

Access to capital was one of the most common issues about which businesses approached the Bent County Development Foundation (BCDF). Many businesses found themselves with reduced income but the same expenses. The BCDF indicated there was also low availability of capital locally. Beyond access to capital, many businesses struggled to understand and comply with changing local, state, and federal rules and regulations for obtaining funding.

⁷ [1 Percent of P.P.P. Borrowers Got Over One-Quarter of the Loan Money](#), New York Times, Oct 11, 2021.



6. Reconfiguring Goals in Light of Changing Circumstances

Chapter 9, Strategic Planning details an effective planning process. The Covid-19 pandemic has prompted community leaders to revisit strategic planning with a different understanding of the needs of their community. The pandemic-focused recommendation is to **reconfigure goals in light of changing circumstances**.

Strategic plans and economic and community goals must adapt to new realities in any post-disaster environment. New issues will have emerged based on the massive changes in a post-pandemic society. Communities will need to examine previous policies and practices around housing, land use, infrastructure, workforce, and targeted industries.

In North Carolina, the Albemarle Commission initiated a strategic planning process as its primary long-term response to the pandemic, then focused on workforce training and upskilling. It focused on its CEDS process and community engagement, but also helped economic development organizations and municipalities in the region update their strategic plans to focus on long-term recovery from the pandemic.

7. Redesigning for a Changed Society

Chapter 10, Infrastructure discusses common vulnerabilities and methods for planning and funding infrastructure projects. Covid-19 laid bare the challenge of inadequate broadband access when millions of workers and students shifted from offices and schools to working from home. In addition, as manufacturing, supply chain, and consumption trends shift, new systems will be needed to meet manufacturing and shipping requirements. The pandemic-focused recommendation is **redesigning for a changing society**.



Broadband

As of 2021, roughly three-quarters of Americans reported having a broadband internet connection at home.⁸ Those who do not have a home broadband connection are likely to be racial minorities and populations with lower levels of education and income.⁹ Yet with the onset of the pandemic, broadband became indispensable for businesses to operate and for many to participate in work, school, healthcare, and other aspects of life.

Expanding access to fast, reliable internet can revitalize economies that were lagging pre-pandemic, providing education opportunities, increased wages, and greater connection. Economic developers can be leaders in this initiative by convening stakeholders, gathering data, engaging in strategic planning, helping evaluate solutions, and helping to secure financing.¹⁰

Supply Chain Changes

The Covid-19 pandemic interrupted global supply chains, leading to shortages, lack of product, and ultimately higher prices for the consumer in the early days of the pandemic. Due to these challenges, economic developers expect domestic manufacturing, and potentially exporting, to increase. Industry analysts agree; Deloitte predicts a 4.1 percent increase in manufacturing through 2022.¹¹

Port Arthur, Texas, is using the influx of federal funds resulting from the pandemic to address infrastructure needs. The City of Port Arthur, the Port of Port Arthur, and Lamar State College received CARES Act Recovery Assistance grants from the U.S. Economic Development Administration. The City of Port Arthur received a grant of \$3 million to support the design and construction of data cabling and fiber optic infrastructure downtown, as well as general economic resiliency. The Port of Port Arthur Navigation District received a \$3 million grant to construct a new cargo handling, staging, and transport area that will increase the port's ability to handle exports. Lamar State College Port Arthur received a \$4.3 million grant to design and construct a commercial driver education and examination center. These improvements will help Port Arthur adapt to a changing economy post-pandemic.

8 [Internet/Broadband Fact Sheet](#), Pew Research Center, April 7, 2021

9 [Internet/Broadband Fact Sheet](#), Pew Research Center, April 7, 2021

10 [Getting Connected: How Economic Developers are Expanding Broadband Access](#), IEDC, 2021.

11 [2022 manufacturing industry outlook](#), Deloitte, June 2022

8. Ensuring Equitable Redevelopment of Downtown and Neighborhood Commercial Corridors

Chapter 11, Neighborhood Revitalization, focuses on the challenges of revitalizing commercial corridors post-disaster. The Covid-19 pandemic heavily impacted downtowns and neighborhood commercial corridors. Urban downtowns are heavily skewed toward office uses - in the 30 largest U.S. metropolitan areas, offices make up 71 percent of real estate.¹² With office workers pivoting to remote work, downtowns saw a ripple effect as businesses and restaurants serving this population lost revenue and scaled back jobs. Downtown hotels also suffered huge losses as tourism halted, with more than a 50 percent revenue decline in 2020.¹³ As the pandemic declines, economic developers will need to **ensure the equitable redevelopment of both downtown and neighborhood commercial corridors**.

As a result of the pandemic's effect on downtown businesses and hotels, the tax base suffered. Decline in downtown areas results in lower revenue for the community as a result of decreased taxes, including sales, commercial property, tourism and hotel taxes. This loss of revenue can create fiscal shortfalls for many communities, making it difficult to support efforts that bolster the business sector. For example, contributions to business improvement districts or hotel taxes that support convention and visitors' bureaus may decline.

The restaurant and retail businesses that closed in downtown areas and along neighborhood commercial corridors leave behind vacancies and unemployed workers. Nationally, the leisure and hospitality sector, which encompasses restaurants and hotels, lost 1.5 million jobs, or 9 percent of its workforce.¹⁴ The National Restaurant Association estimates that over 90,000 restaurants have closed.¹⁵

Downtowns and commercial districts have the opportunity to rebuild in a way that increases diversification of businesses and populations, thereby increasing resilience, and rebuilding the tax base. This can take several forms, such as EDOs assisting small businesses into moving into the downtowns or commercial areas via incubator programs and access to capital. Additionally, some communities are using this opportunity to expand beyond the traditional downtown dynamic of office and service jobs into new industries and institutions. For example, universities opening up new campuses or residences in aging commercial buildings. Second-tier office spaces can also be converted into affordable or workforce housing that meets a market need while also creating a more vibrant district.

During the pandemic, Port Arthur Economic Development Corporation continued working on downtown revitalization to help improve economic opportunity in a low to moderate income community which is 35 percent Hispanic and 38 percent Black. One of the projects that was completed was the renovation of a 4500-square foot building housing space for coworking, office space for smaller businesses, and a culinary school. Their work downtown corresponds with their focus on small businesses and entrepreneurship. These businesses can also access space in the newly retrofitted downtown building. Additionally, to support downtown revitalization, PAEDC is working with partners to increase the supply of affordable one- and two-bedroom apartments downtown geared towards workers.

12 [To recover from Covid-19, downtowns must adapt](#). Brookings, April 15, 2021.

13 [Covid-19 Devastating Hotel Industry](#). American Hotel and Lodging Association, April 22, 2020.

14 [The Employment Situation – March 2022](#). Bureau of Labor Statistics, U.S. Department of Labor.

15 [National Statistics](#). National Restaurant Association, 2021.

9. Capturing Opportunities and Executing Pivots

Chapter 13, Economic Diversification explains how a diverse mix of industries creates a more resilient economy. Because a disaster will impact some industries more than others, a diversified economic base helps to distribute risk more evenly. The tumult of a disaster can also help spur innovation and entrepreneurship, as formerly employed workers look to new opportunities. The Covid-19 pandemic was no exception; as the economy changed, EDOs shifted strategies to help firms adapt their business models and support emerging industries. The pandemic-focused recommendation is **capturing opportunities and executing pivots**.

Economic diversification is a multifaceted strategy that aims to attract and grow new industries and companies. Key strategies to do so include developing regional clusters, supporting entrepreneurship and small business creation, strengthening the local workforce, and increasing export activity.

Regional cluster growth must be aligned with, or complement, national cluster growth. The pandemic changed many sectors. In March of 2022, employment in transportation and warehousing had grown by 584,000 jobs since February 2020, while, during the same time, jobs in healthcare decreased by 306,000, or 1.9 percent.¹⁶ Economic developers must follow these trends closely to understand where opportunities lie for their community. For example, many EDOs are working to take advantage of the rise in e-commerce signaled by increases in demand for transportation and warehousing. Decreases in jobs can signal the adoption of new technology, such as telehealth, which increased during the pandemic.¹⁷

EDOs can build economic diversification into their day-to-day work. In Louisiana, the participating organization JEDCO continued throughout the pandemic to find innovative solutions to practicing economic development fundamentals. Business retention and expansion activity continued through virtual visits. Business attraction strategies continued with a shift towards reshoring strategies. As more workers looked to start their own businesses during the pandemic, entrepreneurship and innovation continued to be an important focus. Furthermore, it worked closely with workforce partners to support existing and emerging industries.

Conclusion

During the Covid-19 pandemic, economic developers found themselves with the same mission of creating a healthy economy, but in a new, unfamiliar situation. In many ways, the pandemic highlighted underlying economic problems, and engendered new solutions with old and new partners. For example, nearly every community cited a renewed focus on workforce, and many pointed to innovative new alliances, such as partnerships with local public health departments. Looking to the future, economic developers can harness these new programs and partnerships for increased resilience across activities such as planning, response, and the ongoing pursuit of economic health.

¹⁶ [The Employment Situation – March 2022](#), Bureau of Labor Statistics, U.S. Department of Labor.

¹⁷ [Trends in Use of Telehealth Among Health Centers During the COVID-19 Pandemic, Morbidity and Mortality Weekly Report](#), Centers for Disease Control and Prevention, February 19, 2021.