



INTERNATIONAL  
ECONOMIC DEVELOPMENT  
COUNCIL

# Companion Workbook

**Leadership in Times of Crisis: A Toolkit  
for Recovery and Resilience**

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# Leadership in Times of Crisis Workbook

This workbook is an accompaniment to *Leadership in Times of Crisis: A Toolkit for Economic Recovery and Resiliency*. The Toolkit is a comprehensive document to provide economic developers and local leaders with information on key aspects of preparing for and recovering after a disaster. This Workbook has been developed to summarize key points and provide more context through listing resources.

For each of the 13 chapters, there is a corresponding section of the Workbook, with a summary of main points and a list of resources. Not every chapter will have all of these materials, and some chapters may have more than others.

# Chapter 1: Introduction

## Summary

In disaster-impacted communities, economic development organizations (EDOs) are in a position to lead economic recovery efforts. Yet, all too often, economic recovery efforts are plagued by reactionary activities rather than a planned and strategic response. The key to more rapid recovery is to take steps ahead of time to ensure your organization can fulfill the needs of the community after any type of major incident. This Toolkit will help you to set up a plan of action to become a resilient community.

## Covid-19

This Toolkit reflects IEDC's 15-year experience of working in communities after disasters, beginning after Hurricane Katrina. It was first published in 2015 and has become an essential resource for economic developers. In 2020, economic developers everywhere faced a disaster of massive proportion- the Covid-19 pandemic. Thus, this updated version of the Toolkit has been re-written to incorporate the most recent findings on disaster resilience and recovery, including lessons learned from the pandemic. *Chapter 13, Disaster Recommendations Through a Pandemic Lens* looks specifically at the impact of the pandemic and strategies for preparedness, mitigation, and recovery.

## Economic Development Challenges and Issues with Disasters

While first responders are tasked with rescuing the injured and restoring lifeline infrastructures (e.g., water, power, communications, and transportation), EDOs and local officials are often left to lead the rebuilding process for the business community. There are several core issues that economic developers commonly face after major disasters.

- Communication outages and challenges
- Organizational capacity issues
- Assessing the damage to businesses and economy
- Retention of businesses from large to small
- Specific challenges for small businesses
- Navigating the federal system
- Lack of planning in advance
- Spurring redevelopment

## Role of EDOs and Chambers Following a Disaster

In many ways, economic developers are uniquely positioned to facilitate economic recovery initiatives after a disaster. The chart on the next page describes the various roles of economic

developers in a normal environment as compared to potential additional responsibilities in the event of a disaster.<sup>1</sup>

How the Roles of EDOs Are Impacted by Disaster		
	Normal Roles	Roles in a Disaster
Analyst/ Educator	<ul style="list-style-type: none"> <li>• Understands strengths, weaknesses, and comparative advantages of the local economy and local business climate.</li> <li>• Provides quantitative and qualitative information to decision-makers.</li> <li>• Keeps public officials and the general public adequately informed on the costs and benefits of economic development initiatives.</li> </ul>	<p><i>Before a Disaster</i></p> <ul style="list-style-type: none"> <li>• Seeks to understand vulnerabilities and risks to critical industries and businesses within the community.</li> </ul>
		<p><i>After a Disaster</i></p> <ul style="list-style-type: none"> <li>• Develops and distributes a disaster business recovery guide and assesses physical damage and business interruption impacts to industries and businesses.</li> <li>• Facilitates the communication of accurate response and recovery information between local businesses and local government and communicates dual messages: "We are open for business" and "We need help and resources" to appropriate audiences.</li> <li>• Assesses economic impacts or hires appropriate entity to inform economic analysis of disaster impact.</li> </ul>

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<sup>1</sup> The roles are excerpted from the Introduction to Economic Development Manual, IEDC, 2016.



Visionary / Catalyst	<ul style="list-style-type: none"> <li>Serves as a visionary leader who peers over the economic horizon to see what partnerships (both public and private) can be formed to stimulate working relationships in the future.</li> </ul>	<i>Before a Disaster</i> <ul style="list-style-type: none"> <li>Establishes an economic recovery group to identify immediate and long-term recovery resources and strategies.</li> </ul>
	<ul style="list-style-type: none"> <li>Engages key stakeholders in visioning process to identify goals, strategies, and resources for economic development.</li> </ul>	<i>After a Disaster</i> <ul style="list-style-type: none"> <li>With economic recovery group, envisions how the community can build back to be stronger and more resilient.</li> <li>In some cases, establishes an economic recovery group to identify immediate and long-term recovery resources and strategies.</li> </ul>
	<ul style="list-style-type: none"> <li>Provides incentives to leverage the investment or involvement of different public and private actors.</li> </ul>	<i>After a Disaster</i> <ul style="list-style-type: none"> <li>Creates a strategic plan for economic recovery embraced by community.</li> </ul>
	<ul style="list-style-type: none"> <li>Invokes enthusiasm and excitement for catalyst projects that can change the community's future.</li> </ul>	<i>After a Disaster</i> <ul style="list-style-type: none"> <li>Connects public/private resources for building back better.</li> </ul>
Gap Filler	<ul style="list-style-type: none"> <li>Provides assistance where the private sector cannot or will not meet community and business needs.</li> </ul>	<i>After a Disaster</i> <ul style="list-style-type: none"> <li>Conducts concerted BRE outreach to reconnect with businesses and identify at-risk companies.</li> </ul>
	<ul style="list-style-type: none"> <li>Leverages financing to facilitate enterprise development; assists existing businesses with expansion and works to attract new businesses.</li> </ul>	<ul style="list-style-type: none"> <li>Assists with short- and long-term financing and business counseling, particularly for small and at-risk businesses and develops programs to support long-term recovery</li> </ul>

Connector / Advocate	<ul style="list-style-type: none"> <li>Serves as key liaison between public, private sectors and the community on economic development initiatives and works with chamber of commerce representatives to create a concise message.</li> </ul>	<p><i>Before a Disaster</i></p> <ul style="list-style-type: none"> <li>Seeks funding opportunities and garners input and support for recovery initiatives.</li> </ul> <p><i>After a Disaster</i></p> <ul style="list-style-type: none"> <li>Addresses impacts/shortcomings of community's emergency management plan from a business perspective.</li> </ul>
	<ul style="list-style-type: none"> <li>Speaks out for the well-being of the community while protecting the interests of business.</li> </ul>	<p><i>Before a Disaster</i></p> <ul style="list-style-type: none"> <li>Advocates mitigation and preparedness efforts among businesses for the possible next disaster.</li> </ul>
	<ul style="list-style-type: none"> <li>Coordinates activities, communication, and resources between different actors to facilitate business partnerships.</li> </ul>	<p><i>After a Disaster</i></p> <ul style="list-style-type: none"> <li>Communicates local economic priorities and needs for policy changes to local, state, and federal governments.</li> </ul>

## Resources

Below is a list of resources that provide greater detail, or more examples of the key ideas from the chapter.

### Federal Agencies

#### Economic Development Administration (EDA)

EDA is a bureau of the United States Department of Commerce. The bureau provides grants to economically distressed communities in order to generate new employment, help retain existing jobs and stimulate industrial and commercial growth through a variety of investment programs.

EDA works directly with communities and regions to help them build the capacity for economic development based on local business conditions and needs. EDA's grant investments in planning, technical assistance, and infrastructure construction are designed to leverage existing regional assets to support the implementation of economic development strategies that make it easier for businesses to start and grow.

<https://www.eda.gov/>

#### Federal Emergency Management Agency (FEMA)

FEMA is a federal agency of the United States Department of Homeland Security. The agency is responsible for. The agency supports citizens and emergency personnel to build, sustain, and improve the nation's capability to prepare for, protect against, respond to, recover from, and mitigate all hazards.

<https://www.fema.gov/>

For Spanish speakers, resources are available here:

<https://www.fema.gov/assistance/languages>

### Policy & Practice

#### RestoreYourEconomy.org

IEDC created RestoreYourEconomy.org to provide resources and best practices information for public and private stakeholders seeking to rebuild their local economies after a disaster as well as assisting the business community in preparing for a disaster. It is funded via EDA.

<https://restoreyoureconomy.org/>

#### Stay in Business After a Disaster by Planning Ahead

FEMA shares several tips to help businesses prepare for disasters of any size.

<https://www.fema.gov/press-release/20210318/stay-business-after-disaster-planning-ahead>



# Chapter 2: Disaster Risk Management

## Summary

The rate of presidentially declared disasters in the United States has dramatically increased over the last 50 years, with a spike occurring in the last 20 years. This trend is accelerated by climate change, which can have profound economic implications. In addition to the public sector, there is also a greater need for economic developers in the private and non-profit sectors to engage in disaster risk management. There is an inextricable link between the consequences of disasters, the vitality of the local economy, and the opportunities for future business activity.

## The Economic Developers' Role in Disasters

There is a great need for economic developers and the private and non-profit sector to engage in disaster risk management. EDOs should be proactive in planning for disasters; establishing relationships and engaging in emergency management planning activities before an event takes place. For more information on preparation, please see *Chapter 3, Disaster Preparation* and *Chapter 9, Strategic Planning*.

The EDO's response to a local disaster includes:

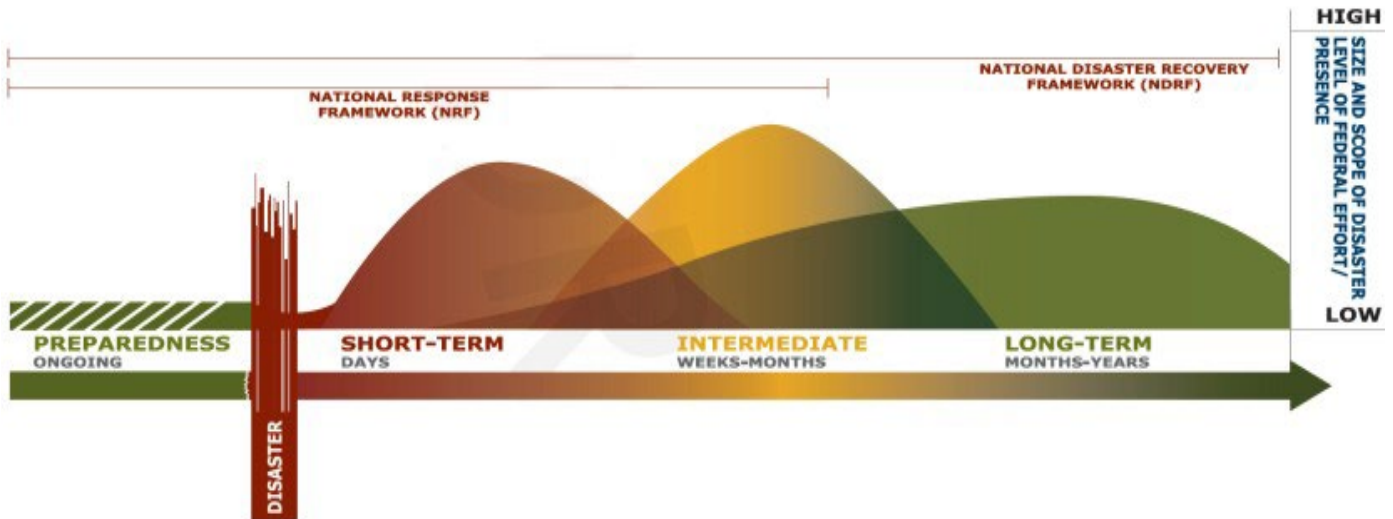
- Identify support resources at the local, state, and federal level and assist in disseminating this information to businesses
- Document the economic impact of disasters and/or continue to gather statistics that demonstrate key trends
- Strengthen collaboration and partnerships among local, regional, and state organizations
- Build working relationships with federal officials and their consultants
- Engage the private and non-profit sectors in recovery efforts
- Contribute input to their community's comprehensive plans and give feedback regarding infrastructure and other public services needed to improve commerce
- Update economic development strategic plans
- Work with local, state, and federal partners who are preparing economic development and strategic plans to ensure they include economic recovery and development priorities
- Execute project management that ensures effective implementation of those plans
- Take the lead or become a key partner in establishing a business recovery center to serve impacted local businesses
- Attract new investment and facilitate industry diversification, particularly when existing industries have sustained damage

## Cyclical Phases of a Disaster

In 1979, the National Governor's Association described a four-phase model — the Strategic Emergency Management Plan (SEMP) — to help emergency managers prepare for and respond to disasters.

1. Prevention and Mitigation- ongoing vigilance on the part of communities and, when possible, concrete actions
2. Preparedness - reducing the risks of negative impact on individuals, families, businesses, schools, and communities through education, outreach, and training can build capacity for response and recovery
3. Response - providing lifesaving and life-sustaining services in the face of immediate threats presented by a disaster
4. Recovery - achieving a degree of physical, environmental, economic, and social stability

The illustration below depicts the recovery continuum with the following phases: Preparedness, which begins before the disaster and is ongoing; Short-Term Recovery; Intermediate Recovery; and Long-Term Recovery. The short-term recovery period spans the days immediately following a disaster. Then, the intermediate period occurs in the weeks and months following a disaster. The third and most difficult phase is long-term recovery, it can take years or even decades for the community's economy to return to normal.



Source: [National Disaster Recovery Framework](#), FEMA, 2016

## Federal Government Response

Once an event is declared an emergency or major disaster, resources are released via the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. §§ 5121-5207 (the

Stafford Act) §401 ([Stafford Act](#))<sup>2</sup>. For more information about the Stafford Act, please see *Chapter 8, Accessing Federal Resources*.

The federal government's response to a local disaster includes:<sup>3</sup>

- Declare an emergency or major disaster declaration
- Identify federal programs that can effectively support recovery needs and make necessary adjustments to address recovery needs appropriately
- Ensure transparency and accountability of federal expenditures that aid disaster recovery
- Coordinate with the various state agencies and officials to ensure an understanding of how to avoid duplicate payments and whom to contact at the various federal agencies to answer related questions
- Deploy a Federal Coordinating Officer (FCO) and/or FDRO (Federal Disaster Recovery Officer) and activate Recovery Support Functions (RSFs)
- Support local, state, and Tribal recovery planning and mitigation efforts through technical assistance, expertise, or other assistance as requested
- Coordinate federal recovery efforts with private and nonprofit organizations
- Develop, or refine existing metrics to evaluate recovery progress and the achievement of federal disaster recovery objectives

## National Response Framework

The National Response Framework serves as a guide for how the Nation responds to all types of disasters and emergencies. It is built on scalable, flexible, and adaptable concepts identified in the national Incident Management System (NIMS) to align key roles and responsibilities across the country. The framework focuses on response efforts after a disaster; including the need to save lives, protect property, stabilize the incident, restore basic services, and ensure a safe and secure environment for communities to move on to recovery functions.

## Natural Disaster Recovery Framework (NDRF)

The National Disaster Recovery Framework outlines the different roles and responsibilities, defining how federal agencies will coordinate to meet the needs of local, state, territorial and Tribal communities in the recovery phase after a major disaster declaration. The framework will be updated for 2023, some new priorities include diversity; equity and inclusion; climate change and climate resilience.

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<sup>2</sup> [How a Disaster Gets Declared](#), FEMA, Sept. 2021

<sup>3</sup> [National Disaster Recovery Framework](#), FEMA, June 2016

## Recovery Support Functions (RSFs)

NDRF's eight principles are reflected in the six recovery support functions (RSFs). RSFs further coordinate and deliver federal assistance, supplementing local stakeholders not typically focused on emergency management but whose services are vital in rebuilding the community. The six RSFs include Community Planning and Capacity Building; Economic Recovery; Health and Social Services; Housing; Infrastructure Systems; and Natural and Cultural Resources. Each RSF is headed by a coordinating agency, under which more supporting agencies and entities provide subject matter expertise for a particular sector or issue.

## Economic Recovery Support Function (Economic RSF)

The U.S. Economic Development Administration (EDA) leads the Economic Recovery Support Function (Economic RSF) actions. Its mission is to integrate the expertise of the federal government to help governmental agencies and organizations to rebuild and develop sustainable and economically resilient communities after disasters. Most economic recovery efforts take place after the initial phase of disaster response, making the Economic RSF particularly useful to economic developers seeking to stabilize and rebuild their economies.

Economic recovery initiatives are typically focused on:

- Encouraging businesses and industry leaders to resume operations through improving the flow of restoration information
- Enabling communities to retain businesses and their local workforce
- Encouraging greater access to needed financing for working capital and rebuilding purposes
- Connecting businesses with existing assistance services
- Supporting the creation of new business development and a diversified local economic base for building resiliency
- Facilitating interagency and intergovernmental coordination to improve economic recovery support

## Responsibility of State Government

The state government's response to a local disaster includes:<sup>4</sup>

- Determine if the severity and magnitude of the disaster is beyond the capabilities of the state and local government and if needed, make a request for federal assistance by requesting a Presidential Disaster Declaration
- Assess the capacity of the local government to recover from the specific incident and help them to identify appropriate recovery resources
- Coordinate state recovery planning and assistance to impacted communities

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<sup>4</sup> [National Disaster Recovery Framework](#), FEMA, June 2016



- Lead unified recovery efforts for state agencies, this includes setting appropriate state policies to guide activities, and informing agencies of the application process for federal funding
- Manage federal grant resources, ensure efficient use of federal funds, and enforce accountability and compliance
- Direct volunteer and donation management
- Oversee an accessible case management process
- Develop strategies for leveraging recovery funds through private investments, charity, and state sources such as emergency funds and taxes
- Provide timely public information and manage expectations
- Enact exemptions to state regulations to facilitate rebuilding and promote safer building practices
- Coordinate with federal law enforcement to prosecute disaster-related fraud and abuse
- Establish metrics to evaluate recovery progress and the achievement of statewide disaster recovery objectives
- Ensure safety and health of state workers

## Local Responsibility in Response & Recovery

Local government often takes the following response actions:<sup>5</sup>

- Develop and implement recovery and mitigation plans
- Ensure integrated efforts across government agencies, the private sector, and nongovernmental organizations (NGOs) during the formulation and implementation phase of recovery projects
- Lead efforts to restore all sectors of the community and maintain essential services, including critical infrastructure
- Engage in business outreach and business retention activities
- Assist with temporary and permanent housing needs of residents
- Undertake an appropriate community planning process

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<sup>5</sup> [National Disaster Recovery Framework](#), FEMA, June 2016

## Resources

Below is a list of resources that provide greater detail, or more examples of the key ideas from the chapter.

### Policy & Practice

#### Hazard Mitigation Planning

State, local, and tribal governments identify likely natural disasters that could occur in their area; after assessing risk and possible damage, plans are created and implemented to minimize damage to life and property. This type of training can be critical in creating a strategic emergency management plan (SEMP).

<https://www.fema.gov/emergency-managers/risk-management/hazard-mitigation-planning>

#### Homeland Security Exercise Evaluation Program (FEMA)

The evaluation program was designed to help communities assess their own emergency management preparedness and run training exercises at a standardized national level.

<https://preptoolkit.fema.gov/web/hseep-resources>

#### Economic Development Administration Investment Priorities

This list, updated in 2021, provides an overarching framework to ensure that the EDA's investment portfolio contributes to local and regional efforts to build, improve, or better leverage economic assets that allow businesses to succeed and regional economies to prosper and become more resilient.

<https://eda.gov/about/investment-priorities/>

#### National Response Framework

The National Response Framework guides the nation on how to respond to all types of disasters and emergencies. It is structured to help jurisdictions, citizens, nongovernmental organizations, and businesses to develop community plans, integrate continuity plans, build capabilities that respond to failures, and collaborate to stabilize lifelines and restore services.

<https://www.fema.gov/emergency-managers/national-preparedness/frameworks/response?id=7371>

#### National Disaster Recovery Framework

The structure of the National Disaster Recovery Framework (NDRF) is intended to ease access, communication, and responsibilities amongst stakeholders and recovery professionals, with guidance for pre-disaster and post-disaster planning. The NDRF is driven by eight principles to build a path for communities' full recovery and capacity-building: planning; public information and warning; operational coordination; economic recovery; health and social sciences; housing; infrastructure systems; natural and cultural resources.

<https://www.fema.gov/emergency-managers/national-preparedness/frameworks/recovery>

National Emergency Training Library

The US Fire Administration's online archive of emergency management and natural disaster data.

<https://www.usfa.fema.gov/library/index.html>

Ready Campaign (FEMA)

Ready.gov provides free disaster preparedness materials for every stage of disaster planning and a variety of potential hazards, including disaster-specific planning toolkits:

Ready Business Hurricane Toolkit,

[https://www.ready.gov/sites/default/files/2020-04/ready\\_business\\_hurricane-toolkit.pdf](https://www.ready.gov/sites/default/files/2020-04/ready_business_hurricane-toolkit.pdf)

Ready Business Quakesmart Toolkit,

[https://www.ready.gov/sites/default/files/2020-04/ready-business\\_quakesmart\\_toolkit.pdf](https://www.ready.gov/sites/default/files/2020-04/ready-business_quakesmart_toolkit.pdf)

Ready Business Power Outage Toolkit,

[https://www.ready.gov/sites/default/files/2020-04/ready\\_business\\_power-outage-toolkit.pdf](https://www.ready.gov/sites/default/files/2020-04/ready_business_power-outage-toolkit.pdf)

Ready Business Inland Flooding Toolkit,

[https://www.ready.gov/sites/default/files/2020-04/ready\\_business\\_inland-flooding-toolkit.pdf](https://www.ready.gov/sites/default/files/2020-04/ready_business_inland-flooding-toolkit.pdf)

## Examples

U.S. Economic Development Administration Supports Disaster-Impacted Missouri Businesses and Communities in Times of Need

The EDA outlines some deliverables that they have supplied for the state of Missouri.

<https://www.eda.gov/success-stories/disaster/stories/mo-businesses.htm>

## Templates & Worksheets

Risk Assessment Table

Assessing your risk, and learning how to do so, is an important part of disaster planning. Ready.gov provides a Risk Assessment Table to catalogue and categorize all relevant information. You can print the table and user instructions here,

[https://www.ready.gov/sites/default/files/2020-07/business\\_risk-assessment-table.pdf](https://www.ready.gov/sites/default/files/2020-07/business_risk-assessment-table.pdf)

## Miscellaneous

How a Disaster Gets Declared

FEMA provides procedural information on the Stafford Act declaration process that is intended for emergency managers, elected officials, media, and stakeholders that are interested in the formal declaration process.

<https://www.fema.gov/emergency-managers/national-preparedness/frameworks/recovery>

### National Risk Index

An interactive geo-mapping program, the index uses data on historic loss ratio, exposure, and annualized frequencies to predict when and where communities are at risk for natural hazards. As of 2022, the index tests for likelihood and potential timing of 18 natural disasters: avalanche, coastal flooding, cold wave, drought, earthquake, hail, heat wave, hurricane, ice storm, landslide, lightning, riverine flooding, strong wind, tornado, tsunami, volcanic activity, wildfire, and severe winter weather.

<https://hazards.fema.gov/nri/>

### Billion Dollar Weather and Climate Disasters

The National Center for Environmental Information (NCEI), a subset of the National Oceanic and Atmospheric Administration (NOAA), releases up to date mapping and data on disasters in the United States and their cost. In the first half of 2022 alone, there were nine natural disasters that exceeded over \$1 billion dollars in losses for the United States.

<https://www.ncei.noaa.gov/access/billions/>

# Chapter 3: Disaster Preparation

## Summary

EDOs that take steps to prepare for a disaster; educating and training local businesses in disaster preparedness, will have the capacity to provide effective support during a crisis. This chapter covers internal and external planning for EDOs, as well as suggestions for engaging businesses in continuity planning.

## Internal Planning: Ensuring EDO Continuity

Internal preparedness includes the physical, digital, and organizational steps to take in preparation for any kind of disaster.

1. Identify critical business functions  
Understand the organization's key business functions and who will carry them out will ensure continuity in case of a disaster.
2. Confirm organization can be in touch with employees, partners, and businesses  
Establish staff redundancies and ensure transparent and accessible information through a shared database such as Customer Relationship Management software.
3. Ensure data safety  
Back up important documents to the cloud, a remote server, or a combination of the two. Parallel systems should be created to provide a seamless transition if core software is compromised.
4. Prepare a crisis communications plan  
Create a plan for how and when to contact different audiences. More information can be found in *Chapter 7, Crisis Communications*.
5. Collect needed supplies for disaster response  
Include personal protective equipment such as face shields and masks as well as supplies to ensure survival.
6. Arrange for alternative office locations  
Consider employees' personal situations; they may be affected by damage to a home, or disruption of childcare.
7. Establish a 501(c)3 fund for business recovery  
Form a 501(c)3 nonprofit, preferably prior to a disaster, as it allows for flexibility in accepting and disbursing donations.

## External Planning: Engaging the Business Community in Disaster Preparedness

External preparedness involves working with a recovery team of governmental agencies across all levels, and public and private stakeholders, to influence and engage planning and disaster management efforts prior to an event. The local government has legal responsibility to address disaster risks and create emergency management plans, but the community and local businesses will recover more effectively from a disaster if business needs are incorporated into preparedness planning. In this scenario, EDOs can serve as a liaison.

## Engage Business Representatives in Planning

Beyond serving as the voice of businesses, EDOs can actively engage local business representatives in planning efforts that will not only protect their business assets but will also expedite the recovery of the local economy in the event of a major catastrophe.

1. Build an Economic Recovery Team  
Private, nonprofit, and public sector involvement on this team will ensure that communication flows between these groups and will bring to light any potential conflicts or duplication of efforts in the recovery process. Leadership for this team should be someone who understands the needs of the private sector and can facilitate participation from all team members; EDO leadership may be best fit to fill this role due to their advocacy for the private sector.
2. Review Comprehensive Emergency Management Plans  
The economic recovery team should be involved in emergency preparation and planning activities. Specifically, EDOs or another representative of the team should be involved in state and local hazard mitigation planning processes. These plans are primarily concerned with safety and may overlook consequences to businesses. Engaging the economic recovery team in planning efforts ensures their concerns are addressed.
3. Consider the Emergency Support Function (ESF) System  
At the national level, 15 different ESFs provide a structure for all the different agencies involved in response. Some states mirror this and have specific 'business and industry' ESFs to ensure the business community is appropriately involved in recovery.
4. Establish Roles and Responsibilities for EDOs Post Disaster  
In preparedness planning, the roles of each EDO in the community, as well as the roles of public and private partners, should be clarified. In particular, the organizations involved with the Emergency Operations Center should be identified.
5. Discuss Post Disaster Economic Threads and Recovery Strategies  
Recovery teams should meet on a bi-monthly or quarterly basis to identify possible economic redevelopment and recovery strategies.

## Business Continuity Training for Small Businesses

Business continuity planning is the process of considering how a business will stay in operation in the event of a disaster. EDOs should provide training on business continuity to local businesses and connect them to appropriate resources. EDOs and chambers of commerce should consider holding workshops and/or webinars to disseminate important disaster-related information including continuity efforts and how to obtain business interruption insurance.

Elements of a Business Continuity Plan:

- Determine and document which staff, materials, procedures, and equipment are essential for business operations,
- Identify and document suppliers, shippers, and resources,
- Define and document crisis management procedures and individual responsibilities in advance,
- Plan for the building, plant, or store being inaccessible,

- Plan for payroll continuity,
- Share contact information and business continuity plans with other businesses in the building or industrial complex,
- Keep copies of important records such as site maps, building plans, insurance policies, employee contact and identification information, bank account records, supplier and shipping contact lists, and computer information in multiple secure locations,
- Include staff from all levels in planning and as active members of the emergency management team, and
- Review emergency plans semi-annually.

## Resources

Below is a list of resources that provide greater detail, or more examples of the key ideas from the chapter.

### Policy & Practice

#### Backup and Disaster Recovery

Tips from IBM on utilizing technology effectively before a disaster strikes so that materials are not lost, and downtime is minimized.

<https://www.ibm.com/cloud/learn/backup-disaster-recovery>

#### Build a Kit

This site provides a useful list for creating a disaster kit that can be helpful in a disaster scenario.

<https://www.ready.gov/kit>

#### Disaster Financial Management Guide

FEMA has published this guide to help outline good steps to take with respect to monetary aspects when faced with a disaster.

<https://www.fema.gov/sites/default/files/2020-07/disaster-financial-management-guide.pdf>

#### Engaging Small Businesses in Disaster Preparedness

This guide is meant to help larger organizations effectively approach smaller businesses as they address disaster preparedness.

[https://restoreyoureconomy.org/clientuploads/2014/06/BCP\\_ReducedForWeb.pdf](https://restoreyoureconomy.org/clientuploads/2014/06/BCP_ReducedForWeb.pdf)

#### Establishing a 501C3 for Economic Development & Recovery

The Workbook includes an informative presentation given by the Joplin MO Chamber of Commerce and their lawyer detailing the need for and legal process of establishing a nonprofit, which is also available digitally at:

[www.restoreyoureconomy.org](http://www.restoreyoureconomy.org).

#### Revolving Loan Funds for Disaster Recovery

There is a folder of documents for this webinar presentation that can be downloaded when clicking on "Click Here to Download the Webinar Presentation". The presentation can be useful for understanding Revolving Loan Funds.

<https://restoreyoureconomy.org/blog/2019/03/29/news-and-resources/webinar-recording-revolving-loan-funds-for-disaster-recovery/>

#### Stay Open for Business

This guide from the Insurance Institute for Business & Home Safety can help give an overview of various preparation steps that can be taken to avoid the worst effects of a disaster. See:



<https://disastersafety.org/wp-content/uploads/2019/06/OFB-EZ-Toolkit-IBHS.pdf> or  
<https://disastersafety.org/business-protection/ofb-ez/>

## Miscellaneous

National Business Emergency Operations Center

FEMA hosts this Center to make it easier to share information between various parties across the country as it relates to field knowledge of disaster operations. See here:

<https://www.fema.gov/business-industry/national-business-emergency-operations-center>

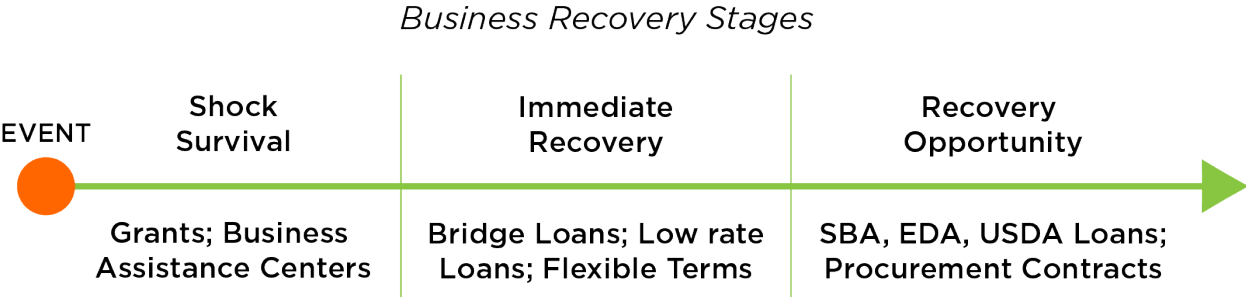
# Chapter 4: Small Business Assistance

## Summary

Small businesses—defined as having fewer than 500 employees<sup>6</sup>—are integral to the functionality of U.S. commerce and economic development. They make up more than 99 percent of American businesses and consistently create and sustain job growth at higher rates than larger firms.<sup>7</sup> Unfortunately, they are frequently under-prepared to resume operations after enduring any kind of crisis. With the ongoing Covid crisis and recurring natural disasters, it is crucial that economic development organizations (EDOs) assist businesses in disaster prep and resiliency.

## A Framework for Post-Disaster Small Businesses Assistance

The three stages of recovery, outlined below as shock survival, immediate recovery, and recovery opportunity, require different skill sets, goals, and even funding resources that EDOs must coordinate.



*Business Recovery Tools*

Source: [Gulf Coast Business Reinvestment Forum Executive Report](#), IEDC 2005

## Shock Survival

In the immediate aftermath of a disaster, establishing Business Recovery Centers (BRCs) is critical to connect business owners to available government programming and funding. For example, grants are very useful to recovering small businesses. However, funding these grants can be difficult; often BRCs connect small businesses to low-interest government loans from the Small Business Administration (SBA), or more commonly to the U.S. Department of Housing and Urban Development (HUD)'s Community Development Block Grant Disaster Recovery fund (CDBG-DR).

<sup>6</sup> Small Business Administration

<sup>7</sup> [Business Dynamics Statistics Trace Evolution of Job Growth](#), US Census, Feb 2022

## ***Establishing a Business Recovery Center for Business Assistance***

BRCs provide businesses with technical advice and counseling. This includes information on the resources needed for short-term and long-term financing for business operations or restoration. Technical assistance should include financial and business counselling services and locally relevant information, such as updates on utility restoration. The BRC facilitates the flow of critical communication to businesses owners as BRC staff typically has up-to-date information or have a relationship with the community's Emergency Operations Center (EOC). EOCs are often responsible for establishing a BRC alongside regional, state, and federal partners. Potential partners vary and may include:

- U.S. Department of Agriculture (USDA)
- Local community development financial institutions (CDFIs)
- Local chapter of the Service Corps of Retired Executives (SCORE)
- Workforce Investment Boards (WIBs)
- Small Business Development Centers (SBDCs)
- Manufacturing Extension Partnership (MEP), a program of the National Institute of Standards and Technology (NIST). Typically, in a region with strong industrial business sectors.
- Chambers of commerce, particularly racial and ethnic chambers of commerce.

## ***Resources for Business Recovery Centers***

- [U.S. Department of Housing and Urban Development's Community Development Block Grant Disaster Recovery \(CDBG-DR\)](#)  
Funds can be allotted to a wide variety of economic development needs for disaster-impacted communities including housing, infrastructure, and prevention of further damage.
- [U.S. Economic Development Administration's Economic Adjustment Assistance \(EAA\)](#)  
Provides flexible funding to hire staff resources, planning assistance, and even construct facilities to support long-term economic development and recovery.
- [Small Business Development Centers \(SBDCs\)](#)  
SBDCs regular funding, as well as increased funding post-disaster, can be allotted for any business assistance resources.

## ***Steps for Establishing a Business Recovery One-Stop Center***

The following steps help to establish a BRC, ideally a community will have conducted some pre-disaster preparation activities:

1. Gather resources for financial and technical assistance
2. Select a physical space that is centrally located
3. Identify resources to increase staff capacity for BRC operations
4. Set up an easily accessible method to access business recovery services
5. Market BRC services to local businesses through both traditional and grassroots methods
6. Prepare the paperwork

7. Train staff to be sensitive to mental health needs
8. Plan for the long term

## Immediate Recovery

In the weeks following a disaster, immediate access to traditional capital will likely be delayed; this is especially difficult for small businesses that cannot work with commercial banks. Unfortunately, disasters often create additional expenses, in addition to normal operating costs. Local funds are the quickest way to receive financing, usually through revolving loan funds (RLFs) and bridge loans.

### *Establishing Local Funding Pools*

Revolving loan funds are partnerships with public and private sector funds, wherein new capital is brought in as old funds are granted or loaned out for communities or businesses in need. As funds are constantly being recycled, RLFs can continue into perpetuity if well-managed. Bridge loans are specifically designed to cover immediate costs resulting from a disaster. They are offered from a state or municipality with little to no fees and a low interest rate. The terms of what they can cover—inventory, real property, etc.—is flexible, but eligibility and usage is fixed to a certain period.

### *Outreach and Working with Local Financial Institutions, CDFIs, and Other Alternative Financing*

EDOs should contact local financial institutions about their lending programs and capacity and uncover any reason(s) behind funding gaps. EDOs and these financial institutions can be powerful supporters for small businesses facing financing difficulties. As part of pre-disaster planning, EDOs should organize a group of local financial institutions to provide funds for business recovery post-disaster.

## Recovery Opportunity

Once businesses begin to re-open resources are needed to cover expenses that may not have been prioritized (e.g., payroll, mortgage/rent, inventory). These medium-term and long-term needs can require additional paperwork and financing, especially if a business's products or services have changed during the recovery process. Federal and local governments, EDOs, and insurance claims can be useful resources.

### *Federal Sources for Small Business Financing*

Federal entities fund individual businesses as well as programs that assist small businesses. Through SBA and USDA, individual businesses can access financial assistance following a disaster. For federal programs that support programming, see *Chapter 8, Accessing Federal Resources*.

## *U.S. Small Business Administration*

The SBA's Disaster Loan Program serves as a major source of business recovery assistance after a disaster. SBA's disaster loans are the primary form of federal assistance for the repair and rebuilding of non-farm, private sector disaster losses. Applicants can use the online [Disaster Loan Assistance](#) portal to apply for all SBA loans.

## *Internal Revenue Service*

Taxpayers adversely affected by a presidentially declared disaster qualify for tax relief from the Internal Revenue Service (IRS), this relief includes a postponement of tax filing as well as being able to claim losses on the previous year's taxes. Webinar trainings are available on the IRS's website, as well as discussion of business continuity planning, insurance coverage, and financial record keeping.

## *Procurement (Local Contracts)*

State and municipal governments will have contracts in place with local services to cover temporary housing, grant writing, transportation, and other needs during disaster recovery. EDOs can connect businesses to these types of opportunities and instruct them on requirements (i.e., business registration).

## *Procurement (Federal Agency Contracts)*

Businesses interested in becoming a federal contractor, particularly in a specialized field, should go through the local Procurement Technical Assistance Center (PTAC) as well as fill out forms with the System for Award Management, which includes a disaster response form lifted from the Disaster Response Registry utilized by FEMA and the U.S. Army Corps of Engineers.

## Resources

Below is a list of resources that provide greater detail, or more examples of the key ideas from the chapter.

### Policy & Practice

#### Establishing a Business Recovery Center

The staff of a business recovery center (BRC) work with business owners to build up staff capacity, access federal financial resources, and host recovery workshops. BRCs have several models: brick-and-mortar, virtual, and case management (where BRC staff go directly to business owners to provide counsel or services). Example of a virtual BRC can be found here,

<https://www.sba.gov/offices/disaster/dfocw/resources/1696917>

#### Small Business Administration

The SBA is a governmental agency that provides resources to small businesses and entrepreneurs through connecting them with lenders and funding them in the early stages of the business.

<https://www.sba.gov/>

#### Small Business Development Centers

Small Business Development Centers can utilize increased funding from the SBA, their state, and (if applicable) hosting university for BRC support, in addition to their regular funds.

<https://www.sba.gov/local-assistance/resource-partners/small-business-development-centers-sbdc>

#### Disaster Loan Assistance

Applicants seeking an SBA loan can apply through the disaster loan portal, this portal can be used for all SBA loans.

<https://disasterloanassistance.sba.gov/ela/s/>

#### Economic Injury Disaster Loans (EIDL)

Financing only available to small businesses that would otherwise not qualify for credit. EIDLs allow these businesses to cover operating expenses and financial obligations that otherwise would be defaulted.

<https://www.sba.gov/funding-programs/disaster-assistance/economic-injury-disaster-loans>

#### Military Reservist Loans

Eligible businesses must have a minimum of one essential employee unavailable due to being called to active duty directly connected to the disaster that damaged the business. Funds can only apply to operating expenses, not lost income, refinancing or debt.

<https://www.sba.gov/funding-programs/disaster-assistance/military-reservist-loan>

### Mitigation Assistance Loans

These loans are specifically intended to pay for preventive measures during a business's rebuilding process, not to restore the property to its former state.

<https://www.sba.gov/funding-programs/disaster-assistance/mitigation-assistance>

### Physical Damage Loans

This loan can be used to replace or repair damage of items not covered by insurance. This includes physical premises (if property of business), machinery, equipment, fixtures, inventory, and any applicable leasehold improvements.

<https://www.sba.gov/funding-programs/disaster-assistance/physical-damage-loans#section-header-17>

### Community Development Block Grant Disaster Recovery Program

The Community Development Block Grant (CDBG), a program from the U.S. Department of Housing and Urban Development, has disaster recovery grants for affected areas seeking to rebuild. This resource provides an overview of the program as well as a list of available grants and other resources.

[https://www.hud.gov/program\\_offices/comm\\_planning/cdbg-dr](https://www.hud.gov/program_offices/comm_planning/cdbg-dr)

### Gulf Coast Business Reinvestment Forum

Shortly after the Gulf Oil Spill IEDC co-sponsored the Gulf Coast Business Reinvestment Forum with the U.S. Chamber of Commerce. The forum included over 130 economic development business and policy leaders who collaborated to create strategies to enhance the position of the Gulf Coast. The forum and the findings from it have been fundamental in on-going efforts for the region.

<https://restoreyoureconomy.org/blog/2013/02/26/economic-recovery-planning/gulf-coast-business-reinvestment-forum/>

## Examples

Enhanced Local Government Support—Vallejo, Calif. and Chattanooga, Tenn. (2021)

Some city governments have created or expanded their advocacy role for small businesses, particularly those vulnerable to closure during Covid. The City of Chattanooga produced SBA loan application training for Minority and Women-owned businesses via radio shows and webinars; local nonprofits later provided similar trainings to Spanish-speaking business owners. Vallejo's Office of Economic Development provided counseling to local businesses on state and private financing.

<https://www.nlc.org/article/2020/04/14/five-ways-local-governments-are-supporting-small-businesses-during-covid-19/>

New Orleans, L.A.—Business Continuity Guide (2016)

In 2016, the City of New Orleans published a business continuity guide in a wide-spread campaign to encourage small businesses to develop a business continuity plan to ensure continued operations, post-disaster.

<http://ready.nola.gov/NOLAReady/media/Documents/Business-Continuity-Guide-8-16-16.pdf>

Washington, D.C.—Business Grant Programs (2022)

While not a frequent or traditional source for financing, since the beginning of Covid, some EDOs and local governments have been able to utilize federal funds for grants to small businesses, preventing some closures. Washington, D.C.'s Bridge Fund is an example of ongoing investment to critical local enterprises that had few alternatives in traditional financing.

<https://mayor.dc.gov/release/mayor-bowser-launches-new-40-million-%E2%80%9Cbridge-fund%E2%80%9D-support-small-businesses>

Bowie, M.D.—Online Training and Database (2021)

The Bowie Business Recovery Program hosted a series of training webinars to help businesses access available resources to cover their COVID-related losses, including reviews of the Paycheck Protection Program and Economic Injury Disaster Loans (EIDLs). These trainings are still available and serve as an educational tool for businesses outside the Bowie community.

<https://bowiebusinessrecovery.com/session-library/>

## Miscellaneous

Business Dynamics Statistics Trace Evolution of Job Growth

The United States Census Bureau provides annual statistics on establishment openings and closings, firm startups and shutdowns, and job growth and losses. This provides a look into the economic trends around the nation and can be useful for a variety of EDOs.

<https://www.census.gov/library/stories/2022/02/united-states-startups-create-jobs-at-higher-rates-older-large-firms-employ-most-workers.html>



# Chapter 5: Business Retention and Expansion

## Summary

The economic fallout from disasters is exacerbated by a lack of pre-disaster business continuity planning. There are a variety of unseen challenges that businesses face that can have sudden and severe impacts on employees, facilities, customers, suppliers. In addition to this, communication channels can become disrupted and chaotic. In this way EDOs play a pivotal role as the business community will look to them for information on available resources and the progress of recovery efforts. This chapter will provide EDOs with insight on business retention and expansion (BRE) programs and processes that can help to alleviate the stress and uncertainty for a community following a disaster.

## Business Retention and Expansion

Business Retention and Expansion (BRE) programs are a fundamental service that EDOs can provide to local businesses to help them survive difficult crises; with the right advising and training, businesses can even expand their capacity, including their workforce.

BRE is one of the key services an EDO offers. The primary objectives of BRE programs are:

- Understanding the needs of specific local firms, especially those firms that are at risk of closing or relocating
- Responding to those needs using a wide variety of services, such as technical assistance, workforce training or development, financing, and building new markets
- Addressing local practices or systems hindering businesses' growth potential<sup>8</sup>

A BRE program can build capacity for pre-disaster preparedness and facilitate post-disaster recovery.

## Disaster Preparedness and Resiliency

The first step in integrating disaster preparedness and resiliency into a BRE program is to conduct a community analysis considering strengths, weaknesses, opportunities, and threats (SWOT) through the perspective of businesses. Then a survey that assesses businesses' disaster readiness levels should be conducted, some questions look as follows:

- Do you have customer relations management (CRM) software?
- Do you have an updated business continuity plan?
- What are the components of your business continuity plan? Do you regularly review it?

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<sup>8</sup> Business Retention and Expansion Manual, IEDC 2016

- How much of your revenue do you allocate for your emergency fund?
- In case utilities are lost following a disaster do you have a plan in place for how the business would run?

Participants' responses help to identify their level of risk for closure if a disaster hits. Early warnings include:

- No prepared business continuity plan
- No CRM system or outdated CRM system
- No emergency fund or low emergency fund
- No offsite or digital back-up of important records
- No plan in place in the case that utilities are lost

## Using BRE to Increase Businesses' Resiliency

The insights gained from the BRE process can inform the EDO on how to engage the community in disaster preparation. For example, if many businesses that take the survey indicate a lack of a business continuity plan, then an outcome would be to hold a business continuity planning training. Potential preparedness-oriented questions to include are presented in the table below, along with suggested interventions.

BRE Survey Questions	Business Answer	Strategy EDO Should Take
<ul style="list-style-type: none"> <li>• <i>Do you have an agreed-upon plan for what to do in case of an emergency?</i></li> <li>• <i>Do your employees know where this plan is and what it contains?</i></li> </ul>	No	Hold a business continuity planning training.
<ul style="list-style-type: none"> <li>• <i>Do you have business insurance and are you aware of what it covers?</i></li> <li>• <i>Are you located in an area that is particularly vulnerable to specific hazards such as tornadoes, earthquakes, flooding, or hurricanes?</i></li> </ul>	No	Encourage business self-assessments for insurance liabilities
<ul style="list-style-type: none"> <li>• <i>Do you have customer and employee cell phone number, emails, addresses?</i></li> </ul>	No	Collect critical emergency contact information
<ul style="list-style-type: none"> <li>• <i>Do you know if your business is located in a disaster-prone area?</i></li> <li>• <i>Are there any sensitive materials stored at your business that would be destabilized without refrigeration?</i></li> </ul>	No	Establish a tiered system for business re-entry
<ul style="list-style-type: none"> <li>• <i>Do you have an emergency fund?</i></li> </ul>	No	Set up collaborative post-disaster funds

<ul style="list-style-type: none"> <li>• <i>How would you cover expenses in the case of a major disaster?</i></li> </ul>		
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## Tactics to Retain a Business

Even when an EDO has engaged in pre-disaster planning, disasters create a chaotic and unexpected environment. An EDO should be ready with a wide variety of resources and knowledge for effective business recovery and retention. After a disaster, EDOs must quickly source recovery information, financial and technical assistance, and planning resources, and determine the best method to deliver services to businesses. Clear and organized support from an EDO is the most effective way to help stabilize the business community in the aftermath of a disaster. Key activities for business recovery and retention are:

1. Survey local businesses
2. Establish a business recovery center and hotline
3. Deliver business recovery workshops
4. Communicate and provide outreach
5. Provide short-term and long-term financial services
6. Provide or facilitate access to short-term/gap financing
7. Facilitate access to long-term financing
8. Facilitate access to federal financial sources

## Effective Use of Incentives

Incentives are useful in times of a disaster to provide a boost to less-impacted businesses. They can be used to reduce the cost of doing business, increase the flow of capital for business recovery and growth, persuade businesses to reinvest, and prompt real estate investment in impacted areas. Incentives can be implemented in a variety of ways and EDOs can examine how other communities and states have developed or advocated for incentives to encourage redevelopment following a disaster.

### State Incentives

After a disaster, the most vital incentives help businesses renovate and upgrade facilities and equipment, retool for new markets, train employees with needed skills, and conduct other recovery activities.

- **Property improvement/restoration incentives:** These can be used to defer property taxes on renovations and improvements to facilities.
- **Equipment/machinery incentives:** This includes exemptions on property, sales, usage, franchise, or state income taxes on new building materials, machinery, and equipment.
- **Retention/reinvestment incentives:** These are based on saving jobs and investments at a company that may be in danger of closing.

## *Federal Incentives*

Federal incentives can be helpful for private businesses and individuals interested in investing in a local communities' recovery. Examples of federal incentive programs include Opportunity Zones and New Markets Tax Credits (NMTC). Federal incentives are typically specific to an area, such as a low-income census tract. Economic developers can highlight available incentives to expanding or relocating businesses and can help those businesses understand how to take advantage of tax savings.

## Resources

Below is a list of resources that provide greater detail, or more examples of the key ideas from the chapter.

### Policy & Practice

Insurance Institute for Business & Home Safety

The Open for Business-EZ kit is a free guide for small and mid-size businesses to learn business continuity planning and develop their own BCPs. EDOs and chambers can also utilize the guide to conduct trainings for their members. It is available in both English and Spanish.

<https://disastersafety.org/wp-content/uploads/2019/06/OFB-EZ-Toolkit-IBHS.pdf> or  
[https://disastersafety.org/wp-content/uploads/2021/03/ofb-ez\\_2020\\_SPANISH.pdf](https://disastersafety.org/wp-content/uploads/2021/03/ofb-ez_2020_SPANISH.pdf)

Registering Your Business

The Small Business Administration (SBA) has a guide for how businesses can register themselves. Please note processes and laws may vary from state to state and even county to county.

<https://www.sba.gov/business-guide/launch-your-business/register-your-business>

Business Continuity Plan Template (FEMA)

FEMA produced a how-to guide on how business can operate or restore their business after faced with a crisis.

<https://arlingtonva.s3.amazonaws.com/wp-content/uploads/2019/08/COOP-Template-Business-Continuity.pdf>

Business Retention and Expansion Manual (IEDC)

IEDC's manual on business retention and expansion explores the strategies needed to retain the existing economic base by making businesses and the surrounding communities more competitive. The manual covers issues such as how to apply a wide range of economic development resources, tools, and techniques to support local businesses through the creation of a successful business retention and expansion program.

<https://members.iedconline.org/ItemDetail?iProductCode=250>

### Examples

Halifax County, North Carolina (2014)

Halifax County Economic Development produced a report identifying how BRE programs could identify local institutions as potential technical assistance providers to assist local businesses' retention and operations efforts, both before and during the disaster recovery stage. Halifax's ongoing surveys and SWOT analyses also served as an effective measurement of businesses' resilience levels.

[https://ncgrowth.unc.edu/wp-content/uploads/2015/02/HalifaxFinalReport\\_01272015.pdf](https://ncgrowth.unc.edu/wp-content/uploads/2015/02/HalifaxFinalReport_01272015.pdf)



# Chapter 6: Economic Impact Analysis

## Summary

After a major disaster strikes, public officials, economic developers, and business leaders almost immediately question the severity of the impacts and their effects on the community. To help address these questions, there are a variety of impact assessments that are conducted as standard practices post disaster. These assessments determine communities' eligibility for state or federal disaster declarations, inform local decision-making processes, help quantify the economic effects, and highlight impacts to specific sectors like infrastructure, housing, and particular industries. Economic development organizations (EDOs) play a critical and active role in assessing and analyzing the impacts of a disaster on the local economy and business community.

There are many different types, methods, and applications of conducting economic impact studies. Studies can be both quantitative and qualitative, depending on the goal of the assessment. It is critical that EDOs and local officials set forward a clear expectation of what the study is intended to achieve.

## The Purpose of Post-Disaster Impact Studies

Post-disaster impact studies provide public officials, economic developers, and business and industry leaders with insight to an economy's reaction to a disaster. In comparison, traditional economic impact studies are narrow in scope and look at how a single policy or project will affect the economy. Post-disaster economic impact studies can include business interruptions due to the closure of a port, the shutdown of a major bridge or road, or a natural disaster that disrupts the entire community or region.

An impact assessment aids public officials, economic development organizations, and local businesses by:

- Developing a clear picture of how industry and business has been impacted by the disaster
- Understanding how current and future tax revenues have been negatively impacted by the event
- Understanding how employment, wages, and tax revenues have been adversely affected
- Providing support for identifying strategies, programs, and projects for short- and long-term recovery
- Knowing the current market situation for business planning purposes
- Understanding how labor markets and supply chains have been impacted

## Types of Economic Studies

There are a variety of economic impact studies and assessments at the disposal of EDOs and economic developers. Below are a few examples of economic impact assessments:

- Market Studies
- Economic Impact Assessment/Analysis

- Industry Impact Assessments
- Workforce assessment/analysis
- Resilience Analysis
- Small Business Impact and Analysis
- Economic Development Assessments
- Cluster or Entrepreneurship Analysis

It is important for economic developers to make sure their study does not become overly academic. A clearly defined objective can help avoid this dilemma. When picking the type of study, EDOs should consider what the deliverable will be, how it will be used, how the study will improve the economy's resiliency, and how will the assessment support recovery decision-making and planning?

## Defining and Timing a Post-Disaster Economic Impact Study

Most post-disaster economic impact studies document the impacts using economic indicators such as physical property, business and industrial activity, loss in tax revenues, the loss of business income, and other damages to the local economy. However, there are impacts that cannot be measured quantitatively and need to be evaluated on the qualitative level. An economy cannot be defined by one measure, so it is important for impact studies to utilize an array of indicators when measuring the impacts of a disaster. A wide range of indicators helps economic developers to identify areas that were less impacted, where they need to focus their attention, and where resiliency can be improved.

## Challenges with Conducting a Study

There are many obstacles that communities should be aware of when planning to conduct a post-disaster impact assessment. Below are common issues that disaster-impacted communities face:

- Data availability and quality may be limited
- Disrupted communication channels with local businesses and stakeholders may make data collection difficult
- Local EDOs do not have the capacity to manage an assessment while also recovering from a disaster
- Businesses distrust of government entities can make data gathering difficult
- What to cover in the study and how to fund it may be difficult

## Timing the Analysis Process

Communication channels may be limited and severed during the immediate aftermath of a disaster, making information and data gathering difficult. In addition to this, businesses and stakeholders may not have the time to provide data and information within the first few months of the disaster striking. Professionals often acknowledge that there is a "Timing-Accuracy Continuum," where the sense of urgency behind completing a study must be balanced with the fact that as time passes, certain data becomes more accurate and complete. For the most efficient and accurate assessment, it may be best to wait a few months before commissioning a study, even though disasters force communities to react immediately.



## Conducting a Post-Disaster Economic Impact Study

There are several steps when designing a post-disaster economic impact study. First, it must be determined who will coordinate the study, what roles other groups will play in the process, and how the study will be funded. After these actions are completed and the community is ready to move forward with its disaster impact study, there are five basic steps that will follow:

### 1. Defining the Geographic Area

The geographic scope can vary greatly for an economic impact study, and it is typical for the party requesting the study to be the one that specifies the boundaries of the economic area that is to be analyzed. IEDC gathered several factors to consider when determining the economic area:

- *Cross boundaries:* The area impacted may not be centered around a single metro area but between several metro areas with economic interconnections. The way location data is reported by federal sources can make it difficult to determine and report on overlapping impacts. There have been some innovative academic papers trying to overcome this obstacle.
- *Consider impacts:* The epicenter of destruction is not always the center of regional commercial activity. Disasters may affect regional commercial centers secondarily or tertiarily through supply-chain disruptions or shifts in consumer demands.
- *Interdependence is inevitable:* It is often advisable to broaden the scope to an area beyond the borders of direct physical damage, because of the regional economic interdependence. A broader area of scope also helps differentiate between resident and job transfers from one county to a bordering county within the region and transfers from inside the region to outside the region.
- *Different types of disasters call for different geographic scopes:* In the case of a hurricane, one may observe rings around the immediate area along the coast, around the areas that are ten miles inland, and around an additional 100 miles where evacuees may relocate. Such an approach may not be appropriate for other types of disasters.
- *Non-declared disaster does not mean non-impacted:* Federal funds will be limited to eligible counties that are declared disaster areas, even though the damage may cover a broader geographic region than just eligible counties.

### 2. Select Economic Indicators to Measure

There are three levels of analysis a study should consider: direct impact, indirect impact, and induced impact. The level of analysis, as well as the number of industries, must be determined in order to select accurate indicators for a study. Common indicators include tax revenue, employment, wages, and business closures or relocation. Other indicators may be included in more in-depth studies, and may include capacity losses in logistics centers, declining enrollment in schools and childcare facilities, and tourism declines through loss of hotel revenue and tourist credit card sales.

### 3. Collecting Data

Data can be collected through a variety of avenues, such as public resources. This includes government provided data which is typically seen as a reliable source. The Department of Labor's Bureau of Labor Statistics, Bureaus of Economic Analysis, and Census Bureau are all good sources of public data. Data can also be collected through fee-for-service resources such as consultants, chambers of commerce, business councils, and other EDOs.

These groups may be able to provide data that they have previously collected. Universities, specifically ones with economic research centers, can be another valuable resource for data collection. To offset gaps in information primary data can be used. A common use of primary data is a business survey to gauge which firms have stayed in the region following a disaster, this helps to better understand how the disaster has impacted the business community. Data availability and reliability will always be a concern when performing a disaster economic impact analysis but tracking and storing local data can help overcome some of the data roadblocks that may arise during the beginning of the analysis process.

#### 4. Analyzing Data

There are many techniques for quantifying a post-disaster economic impact, one common one is an input-output analysis. This method illustrates how different industry sectors affect one another within a geographic area. The analysis is set up as a matrix and reports the dollars that each industry puts into and receives from other industries. Among consulting professionals, REMI, IMPLAN, and RIMS II are the most common tools used. There are also many pre-disaster data sources that can be used such as tax data, demographic and economic indicators, and business survey data.

#### 5. Reporting Data

It is important that disaster impact studies are not misrepresented by the media or the public. The EDO in charge of the of the disaster impact study is responsible for controlling and framing the information of the study. They must also vouch for the methods used to create the impact study. The findings are a projection of one or more possible scenarios, so it is important that EDOs or chambers use caution when sharing the results. It is important that studies are not quoted or taken as fact, as disasters develop information changes over time. Leadership should be prepared to back up methodology and figures to government officials. As previously mentioned, disasters change quickly which can cause uncertainty, it is important to point out the positives but to also be straightforward about setbacks or uncertainties throughout the study.

## Determining Goals, Evaluating Options, and Costs

It is important to determine the goals of the impact study and what the community is looking to get out of it. Determining proper goals can provide a rational basis to follow when deciding between multiple consultants who may have different methods.

There are several kinds of entities that perform economic impact studies. Given that many local governments or chambers of commerce do not have the capacity or expertise to conduct the necessary analyses in-house; it is a common practice to seek the services of a consulting firm or services from a local university department or center. Depending on the scope of the study, an economic impact study can cost anywhere from \$10,000 to several hundreds of thousands of dollars for an extensive study. While basic studies can be done for relatively low

costs, communities should plan to spend between \$40,000 and \$75,000 if they plan to request a relatively robust study.

## Resources

Below is a list of resources that provide greater detail, or more examples of the key ideas from the chapter.

## Policy & Practice

### Disaster Impact and Unmet Needs Assessment Kit - CDBG-DR Toolkits

The Department of Housing and Urban Development produced this toolkit to guide Community Development Block Grant Disaster Recovery grantees through a process for identifying and prioritizing critical unmet needs for long-term community recovery. The ultimate goal is to enable the grantee to better design recovery programs that are responsive to the types and locations of actual needs on the ground. Review the toolkit here:

<https://www.hudexchange.info/resource/2870/disaster-impact-and-unmet-needs-assessment-kit/>

### FEMA's HAZUS

A software program available for download, HAZUS is FEMA's methodology for estimating losses from earthquakes, floods, and hurricanes. The program combines scientific and engineering expertise with geographic information systems (GIS) technology to help users visualize the impacts it models; it can be used for both pre-disaster risk assessment and post-disaster economic impact. Find it here:

<https://www.fema.gov/flood-maps/products-tools/hazus>

### A Framework for Analyzing the Total Economic Impacts of Terrorist Attacks and Natural Disasters

From the Journal of Homeland Security and Emergency Management, this paper presents a comprehensive framework for the analysis and measurement of ordinary economic impacts and two categories of impacts that have recently gained the attention of analysts and policy makers, but for which operational definitions are lacking. The first is resilience, which refers to how the economy manages to keep functioning and how quickly it recovers, and the second pertains to behavioral and systems linkages. The framework can be accessed here:

<https://doi.org/10.2202/1547-7355.1399>

### Assessing Community Impacts of Natural Disasters

This technical paper from the American Society of Civil Engineers summarizes the principal feature of researching the impacts of disasters. The paper highlights how hazard mitigation and emergency preparedness can limit these impacts. Read more of the paper at:

[https://doi.org/10.1061/\(ASCE\)1527-6988\(2003\)4:4\(176\)](https://doi.org/10.1061/(ASCE)1527-6988(2003)4:4(176))

### Community Economic Analysis: A How-to Manual

Funded by the North Central Regional Center for Rural Development, this manual is intended for the individual interested in the analysis of a community's economy. It is not designed for direct use in citizens' meetings. Rather the publication is designed to assist

individuals who need to bring information to a group of citizens or decision makers concerned with the economic future of a community. The manual can be accessed at:

<https://www2.econ.iastate.edu/classes/crp274/swenson/CRP566/Readings/Community Economic Analysis Workbook HSP.pdf>

The Economic Impact of Covid-19 On Your Community – How to Make a Proper Assessment

This resource from EMSI Burning Glass was for community leaders who were unsure how to properly assess the impacts of Covid-19 on their local economies. The resource discusses what is needed to perform an impact analysis, including information on Input-Output modeling and its logistics. The link can be found here:

<https://www.economicmodeling.com/2020/04/09/economic-impact-of-covid-19/>

The Role of Business in Disaster Response

From the US Chamber of Commerce Foundation, this report describes ways that companies are thinking creatively about a host of social, environmental, community, and infrastructure challenges; and shows that businesses have a key role to play in disaster resilience, response, and recovery. Read the report here:

<https://www.uschamberfoundation.org/sites/default/files/publication/ccc/Role of Business in Disaster Response.pdf>

Economic applications in disaster research, mitigation, and planning

From FEMA and the Center for Economic Development and Research, this chapter examines the contributions of the economics discipline to disaster research, mitigation, and planning. The chapter gives particular attention to common and emerging techniques for assessing the indirect economic impacts of disaster events offering an assessment of the strengths and weaknesses of each analytic approach. Read the chapter here:

<https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Ftraining.fema.gov%2Fhiedu%2Fdocs%2Femt%2Fdisciplines%2520disasters%2520and%2520em%2520book%2520-%2520chapter-%2520econ%2520appli%2520in%2520disasters%2520research.doc&wdOrigin=BROWSELINK>

Economics of Natural Disasters: A Critical Review

This paper from WVU's Regional Research Institute Working Papers reviews the 1969 work titled "The Economic of Natural Disasters." The review is carried out through restructuring the framework of the paper with new findings from the recent studies and extending it to a regional context. The paper can be read here:

[https://researchrepository.wvu.edu/rri\\_pubs/131/](https://researchrepository.wvu.edu/rri_pubs/131/)

How Covid-19 Will Cost US Restaurants Billions

Produced by EMSI Burning Glass, this analysis shows how input-output modeling can be used to portray future losses due to a disaster. It provides an easy way to understand how I-O modelling works in an impact analysis. The analysis is hosted here:

<https://www.economicmodeling.com/2020/03/25/covid-19-effect-on-restaurants/>

## Examples

An Analysis of the Impacts of the Deepwater Horizon Oil Spill on the Gulf of Mexico Seafood Industry

Published in 2016 by US Department of the Interior, Bureau of Ocean Energy Management, this is an excellent example of how to analyze the impacts of a disaster on a specific industry. It is a great example of how it takes time to really be able to understand all of the damages that a disaster brings along. The analysis is at this link:

[https://www.wavy.com/wp-content/uploads/sites/3/2018/05/Effects20of20DeepwaterC2A0Horizon20spill20on20Gulf20of20Mexico20seafood20industry\\_1526336640398\\_42593345\\_ver1.0.pdf](https://www.wavy.com/wp-content/uploads/sites/3/2018/05/Effects20of20DeepwaterC2A0Horizon20spill20on20Gulf20of20Mexico20seafood20industry_1526336640398_42593345_ver1.0.pdf)

Impact of Covid-19 on Latino-Owned Firms in Minnesota

Published by University of Minnesota's Extension Office, this disaster impact analysis demonstrates how to effectively use business surveys to gather necessary data, making the analysis less reliable on data that is usually slow to come out. It shows best practices on how to utilize surveys for quick disaster impact analysis. Access here:

[https://conservancy.umn.edu/bitstream/handle/11299/218207/COVID\\_impact\\_on\\_Latino\\_businesses\\_FINAL--editEP2021.01.26.pdf?sequence=1&isAllowed=y](https://conservancy.umn.edu/bitstream/handle/11299/218207/COVID_impact_on_Latino_businesses_FINAL--editEP2021.01.26.pdf?sequence=1&isAllowed=y)

The Northridge Earthquake, USA and its Economic and Social Impacts

This impact analysis provides another great example of the many different factors that are measured when conducting an impact analysis. The report shows the level of detail that goes into an effective impact analysis. This can be accessed here:

[https://abag.ca.gov/sites/default/files/the\\_northridge\\_earthquake\\_and\\_its\\_economic\\_and\\_social\\_impacts.pdf](https://abag.ca.gov/sites/default/files/the_northridge_earthquake_and_its_economic_and_social_impacts.pdf)

Tourism Economic Impact Analysis for Galveston Island

The City of Galveston, Texas hired Angelou Economics to perform an impact analysis on the effects of tourism on the local economy and how Hurricane Ike impacted this industry. First, the analysis successfully demonstrates how tourism is a major contributor to the local economy and Galveston's economic success. The analysis then uses its tourism industry data to show how the industry was affected by Hurricane Ike. Find it through this link:

[https://tamug-ir.tdl.org/bitstream/handle/1969.3/28488/Tourism\\_Economic\\_ImpactAnalysis-Angelou\\_-\\_2008.pdf?sequence=1&isAllowed=y](https://tamug-ir.tdl.org/bitstream/handle/1969.3/28488/Tourism_Economic_ImpactAnalysis-Angelou_-_2008.pdf?sequence=1&isAllowed=y)

## Miscellaneous

IMPLAN

A software program created by MIG, Inc., with economic data organized as broadly as the national level to as narrowly as the ZIP Code level, which calculates economic impact. IMPLAN uses Social Accounting Matrices (SAMs) to calculate the dollar amounts of business transactions in a region as its measure of economic flow, which are based off regional transaction data that comes directly from businesses and government agencies. Access at:

<https://www.implan.com/>

#### REMI

REMI is the leading provider of state, local, and national macroeconomic policy analysis models. Models can be used to look at the impacts of a disaster on a region's economy. The link can be accessed at

<https://www.remi.com/>

#### RIMS II

RIMS II is a regional economic model used by investors, planners, and elected officials to objectively assess the potential economic impacts of various events. The model produces multipliers that are used in economic impact studies to estimate the total impact of a project or disaster on a region. Find it here:

<https://apps.bea.gov/regional/rims/rimsii/>

#### Understanding IMPLAN: Multipliers

This resource is a short blog post from IMPLAN about understanding the multipliers they use for their input-output models. The resource provides understanding on the multipliers' roles in direct, indirect, and induced effects. Link here:

<https://blog.implan.com/understanding-implan-multipliers>

#### University of Minnesota Extension's What is Economic Impact Analysis Webpage

The University of Minnesota's Extension Office has several resources on conducting economic impact analysis. This webpage provides its viewers with some of the basics of impact analysis, while directing them to other resources located throughout their website. The website can be accessed at:

<https://extension.umn.edu/research-communities/economic-impact-analysis#dealing-with-emergencies-506260>

# Chapter 7: Crisis Communications

## Summary

This chapter covers the pre-disaster actions that will prepare an EDO for effective communication. It provides necessary steps to establish a crisis communication plan and guidance for carrying it out when a crisis occurs. The chapter also presents post-crisis actions and strategies to facilitate a successful recovery.

## Pre-Crisis Actions

Success in assisting the business community during and after a crisis requires a high level of preparedness. In the wake of a disaster there is little time to gather materials, develop messages, or figure out who to contact. Therefore, it is essential that EDOs take pre-disaster actions to establish an effective crisis communications plan. This includes, establishing a plan for internal communication during a crisis; designating a communications team; coordinating with other local development organizations; becoming involved in government-led disaster management; and identifying pre-existing plans, resources, and requirements.

- Create a robust continuity plan for internal communication
- Designate a communications team, assigning roles and responsibilities for a communications director, support team, and spokesperson
- Establish links with government-led emergency management, ensuring participation inclusion at the emergency operations center, planning by the office of emergency management, and coordination with state and local emergency support function
- Identify pre-existing plans, resources, and requirements

## Creating a Communications Strategy/Plan Before a Crisis

Communication goals are crucial to the crisis communication plan; they should be simple yet comprehensive, addressing the concerns of all sectors in the business community. Important goals include:

- Maintaining trust between the EDO, governmental actors, and the business community
- Sharing important information regarding the crisis and its impact on the community
- Keeping the business community informed of actions taken by the EDO and relevant government entities and answer questions
- Helping the business community understand what it can do to respond to the crisis.
- Countering the spread of disinformation
- Be prepared beforehand to respond to the communication challenges a crisis may present

After communication goals have been established, communication channels to and from stakeholders should be identified. The communication channels that work best will depend on



the characteristics of the community, the EDO, the crisis, and the audience. EDOs should develop and maintain a directory of primary and secondary contacts for government, media, private-sector leaders, and other key stakeholders. Finally, the material necessary to maintain communication should be identified, gathered, and stored safely before a crisis occurs.

- Identify communication channels to stakeholders in the business community, media, and local, state, and federal governments
- Identify materials needed to access communication channels in the event of a crisis
- Practice visualizing communication channels to identify and fill any gaps or inefficiencies
- Establish communication goals to meet in the event of a crisis

## Responding to a Crisis

When a crisis strikes, an EDO should first develop key messages, guided by the previously established communication goals. These messages should contain the information that is most vital to the survival and recovery of the business community. Key messages will shift as the crisis progresses, so EDOs must be prepared and willing to review and revise messages throughout the crisis.

The media will play a central role in the dissemination of these key messages. It is thus important to develop a strong relationship with the media, and to be prepared to hold press conferences, provide updates and factsheets, and correct misinformation if necessary.

- Determine key messages using communication goals. Key messages contain need-to-know information and address damaging misinformation or rumors. Keep them short, succinct, and ideally limited to three at a time
- Determine key messages per audience
- Acknowledge reality both before and during a crisis
- Develop a strategy for working with the media

## Post-Crisis Recovery Actions and Recovery

After a disaster, it is essential to continue communication on all platforms. Information on when utilities will be restored, local inspection and rebuilding requirements, lists of licensed contractors, how to select and pay a contractor, and how to deal with insurance companies should be spread throughout the community.

Businesses – particularly small businesses – also need information on how to navigate local, state, and federal government assistance programs, such as SBA and HUD’s Community Development Block Grant Disaster Recovery (CDBG-DR) loans and other sources of assistance for capital.

Local government officials must be informed about the needs of the business community. Messages to recovery officials should communicate the disaster’s economic impact; convey any plans the community has made for economic recovery; and request specific assistance from appropriate agencies.

- Continue outreach to the business community during recovery. Communication should focus on connecting the business community with recovery services and resources
- Advocate for recovery resources from state and federal governments using post-disaster economic impact analysis
- Develop a messaging and media strategy to dispel negative images of the community and attract tourism and investment

## Long Term Recovery and Preparation

Finally, vivid images of the floodwaters, tornado damage, or other impacts often linger in the minds of Weather Channel and CNN viewers; keeping visitors and investors away when in fact recovery is well under way. To counteract these negative images, it is necessary to demonstrate to media outlets the important community milestones and successes that have been achieved. Community leaders, tourism boards, chambers of commerce, and others should regularly communicate about the local area's successes in recovery.

## Resources

Below is a list of resources that provide greater detail, or more examples of the key ideas from the chapter.

### Policy & Practice

#### Emergency Communications Checklist

The Small Business Administration, in collaboration with Agility Recovery, developed a crisis communication planning checklist for businesses and other organizations. The checklist can be found at:

[https://www.lcul.com/Portals/4/Disaster/Agility\\_Recovery\\_Crisis\\_Communications\\_Checklist.pdf?ver=2019-05-20-144815-200](https://www.lcul.com/Portals/4/Disaster/Agility_Recovery_Crisis_Communications_Checklist.pdf?ver=2019-05-20-144815-200)

### Examples

#### Marshall Fire Scams

In the wake of several devastating wildfires near Boulder Colorado, officials produced a flier to spread awareness of the risk and presence of scams in the community. The flier can be seen here:

<https://assets.bouldercounty.org/wp-content/uploads/2022/01/Marshall-Fire-Scams-and-Resources.pdf>

### Templates & Worksheets

#### Leadership During a Pandemic: What your Municipality Can Do

The USAID, as part of this larger resource, has included numerous templates that will serve to assist an EDO in forming crisis communication capabilities and plans. The document is available at this link with templates on pages 238, 240, 242, 256, 257, 262, 278, 279, 280, & 286:

[https://www.paho.org/disasters/dmdocuments/RespToolKit\\_Complete.pdf](https://www.paho.org/disasters/dmdocuments/RespToolKit_Complete.pdf)

#### Voice/Data Communications Template

This form can be a useful template when gathering and organizing contact information for multiple parties throughout a community.

[https://disastersafety.org/wp-content/uploads/2020/09/ofb-ez\\_Know-Your-Customers-Contacts-Suppliers-Vendors.pdf](https://disastersafety.org/wp-content/uploads/2020/09/ofb-ez_Know-Your-Customers-Contacts-Suppliers-Vendors.pdf)

# Chapter 8: Federal Systems

## Summary

The federal government is an important ally for a community's recovery efforts after disaster strikes, as it can provide financial and technical assistance at a larger scale than a community may otherwise be capable of. Understanding the federal system is helpful when working to utilize such assistance.

## Establish Relationships

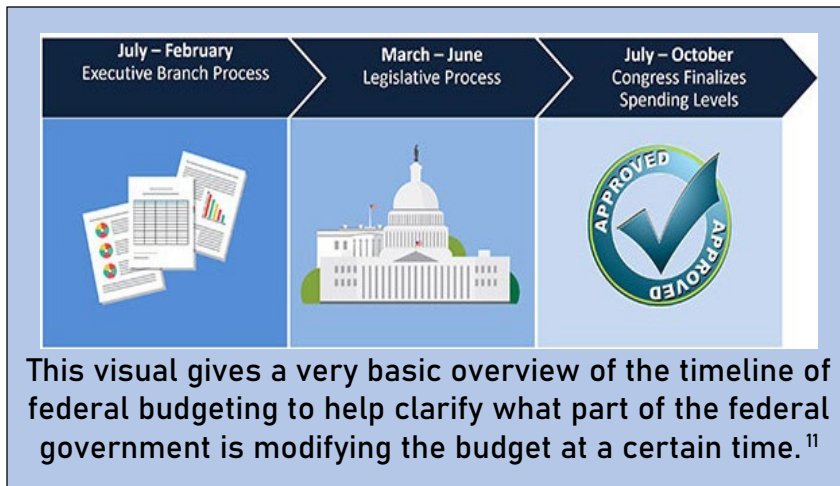
Communities should establish relationships with regional, state, and federal partners in both departmental and legislative roles. These contacts can help navigate different areas of the federal government. Considering that FEMA splits the country into 10 regions, the EDA has six regional offices, and other agency structures vary, it is smart to foster relationships with the region in which a community is situated. Relationships can take different forms depending on the parties involved, but they should be formed before disaster strikes.

## Understand the Federal Disaster System

The federal disaster system mostly hinges on the Stafford Act, which outlines the process for how a disaster can be declared at the federal level but distinguishes between emergency and major disaster declarations. Communities will most likely be tasked with helping gather the data needed for a Preliminary Damage Assessment (PDA) that will be submitted to FEMA and later to the president. Other federal officials can declare disasters depending on their purview but enabling the release of federal assistance.

## Disaster Funds and the Federal Budgeting and Appropriations Process

Most federal funding for disasters comes from the discretionary spending section of the federal budget. This means that it is subject to the annual budget and appropriations process, which takes the budget through the executive budget proposal to the approval of budget resolutions by both chambers of Congress. If there is a particularly large disaster, Congress may issue supplemental appropriations to alleviate the problem. This supplemental funding covers medium and long-term recovery efforts and is distributed through existing federal agencies such as EDA, HUD, DOT, or USDA. This graphic below gives a very basic overview of the timeline of federal budget.



## Federal Agencies and Departments

Many federal agencies have avenues for assistance in the case of a disaster. Some common entities are the U.S. Economic Development Administration, the U.S. Small Business Administration, the U.S. Department of Agriculture, the U.S. Treasury Department, the U.S. Department of Housing and Urban Development, and the Department of Labor.

## Applying for Funds

Applying for funds from the federal government can be an extensive process. Two major components are staying up to date with funding opportunities, as well as staying faithful to program requirements. Resources that are useful in researching funding opportunities are the website [Grants.gov](https://www.grants.gov), and the [Federal Register](https://www.federalregister.gov). It is important for EDOs to be aware of differences between federal agencies. There may be different application processes, eligibility requirements, and funding may be available at different times along the process. Understanding this will help EDOs to correctly identify funding best fit for their community. Different federal agencies may have different application processes, different eligibility requirements, and their funding may be available at different times along the process.

## Using Funds Correctly

The federal government is interested in making sure the funds it gives are being used correctly. To this end, communities should make sure that they are in compliance with funding requirements. They should also keep track of any duplicated benefits or if they are eligible for a waiver of a certain requirement.

## Resources

Below is a list of resources that provide greater detail, or more examples of the key ideas from the chapter.

### Policy & Practice

#### Applying for an EDA Grant: A How-To Guide

IEDC has prepared this guide to assist those looking to utilize EDA resources via a grant process. It details various requirements, eligibility, types of grants, and more. Find the guide via this link:

[https://www.iedconline.org/clientuploads/Downloads/2021/2021-07-24\\_EDA\\_101.pdf?t=1627652582&utm\\_medium=email&utm\\_campaign=730%20-%20IEDC%20Update&utm\\_content=730%20-%20IEDC%20Update+CID\\_b0792b46b5cc776f9f494130038ab0c6&utm\\_source=Campaign%20Monitor%20IED](https://www.iedconline.org/clientuploads/Downloads/2021/2021-07-24_EDA_101.pdf?t=1627652582&utm_medium=email&utm_campaign=730%20-%20IEDC%20Update&utm_content=730%20-%20IEDC%20Update+CID_b0792b46b5cc776f9f494130038ab0c6&utm_source=Campaign%20Monitor%20IED)

#### Compliance Supplement – White House (July 2021)

This document details information that may be useful when considering applications for grants, including the requirements for different agencies as well as requirements to show compliance with the programs themselves. The report can be accessed through this link:

[https://www.whitehouse.gov/wp-content/uploads/2021/08/OMB-2021-Compliance-Supplement\\_Final\\_V2.pdf](https://www.whitehouse.gov/wp-content/uploads/2021/08/OMB-2021-Compliance-Supplement_Final_V2.pdf)

#### CPD Monitoring Handbook – Department of Housing and Urban Development

The CPD Monitoring Handbook can be useful to enumerate the standards and provide guidance when interacting with the Department of Housing and Urban Development's Community Planning and Development (CPD) Programs. It has been revised to incorporate the Community Compass Technical Assistance and Capacity Building Program for a more complete guide. The handbook and its materials can be found here:

[https://www.hud.gov/program\\_offices/administration/hudclips/handbooks/cpd/6509.2](https://www.hud.gov/program_offices/administration/hudclips/handbooks/cpd/6509.2)

#### DisasterAssistance.gov

This website provides useful information for finding various types of disaster assistance throughout the United States. Explore the site and how it can help at:

<https://www.disasterassistance.gov>

#### Disaster Declaration Process Fact Sheet

This document provides useful information on how federal disasters are declared through the Stafford Process and what materials are needed before progressing through the Stafford Process.

[https://www.fema.gov/pdf/media/factsheets/dad\\_disaster\\_declaration.pdf](https://www.fema.gov/pdf/media/factsheets/dad_disaster_declaration.pdf)

## EDA & Disaster Recovery

This website from the EDA details how the agency works in the realm of disaster recovery and possible available resources that can be accessed.

<https://www.eda.gov/disaster-recovery/>

## Introduction to the Federal Budget Process

This resource outlines the main steps of the federal budget process to help make it easier to track how funding is being appropriated during any given funding cycle.

<https://www.cbpp.org/research/federal-budget/introduction-to-the-federal-budget-process>

## Planning, Programming, Budgeting, and Execution

Speaks more on the process unique to DHS and defines terms.

[https://www.dhs.gov/sites/default/files/publications/mgmt/planning-and-budgeting/mgmt-dir\\_101-01-planning-programming-budgeting-execution\\_revision-01.pdf#:~:text=This%20Directive%20establishes%20Planning%2C%20Programming%2C%20Budgeting%2C%20and%20Execution,strategy%20and%20results%20to%20stakeholders%20and%20the%20public](https://www.dhs.gov/sites/default/files/publications/mgmt/planning-and-budgeting/mgmt-dir_101-01-planning-programming-budgeting-execution_revision-01.pdf#:~:text=This%20Directive%20establishes%20Planning%2C%20Programming%2C%20Budgeting%2C%20and%20Execution,strategy%20and%20results%20to%20stakeholders%20and%20the%20public)

## EDA Economic Adjustment Assistance (EAA)

The U.S. Economic Development Administration's Economic Adjustment Assistance (EAA) can provide funds for short-term and long-term recovery, including hiring staff, providing planning assistance, and facilities.

<https://eda.gov/pdf/about/Economic-Adjustment-Assistance-Program-1-Page.pdf>

## HUD Community Development Block Grant Disaster Recovery (CDBG-DR)

The U.S. Department of Housing and Urban Development's Community Development Block Grant Disaster Recovery (CDBG-DR) can cover a myriad of recovery and resilience needs, particularly for regions in presidentially declared disaster areas or low-income communities.

[https://www.hud.gov/program\\_offices/comm\\_planning/cdbg-dr](https://www.hud.gov/program_offices/comm_planning/cdbg-dr)

## Templates & Worksheets

### Federal Agency List Template

To keep track of the various federal agencies that a community may interact with, IEDC has prepared a template that can be used to organize information about the different agencies and departments to help keep the information in a central, organized document.

<https://restoreyoureconomy.org/main/navigating-the-federal-system/>

## Miscellaneous

### Federal Register

Signing up for the Federal Register can provide information as to how funds are being divided among different programs that may be of interest to some communities. Read more on the Register's site here:

<https://www.federalregister.gov>

### Grants.gov Community Blog

The Grants.gov community blog is a useful resource for answering FAQs and connecting with the larger grant-network.

<https://grantsgovprod.wordpress.com>

### Grants.gov Homepage

Grants.gov is the preeminent site for interacting with federal grants, from searching for applicable grants to submitting proposals when completed.

<https://www.grants.gov>

### HUD Exchange

The Housing and Urban Development Exchange is a useful resource for finding HUD-specific assistance programs and information on requirements, constraints, and opportunities.

<https://www.hudexchange.info>

### SAM.gov

SAM.gov consolidates many of the disparate systems of assistance that the federal government offers and can be useful in finding desired assistance.

<https://sam.gov/content/home>

### Tips for Submitting Proposals through Grants.gov

This document of tips for submitting grant proposals can be useful in helping to cover the small details that may be challenging when interacting with the grant process.

<https://www.epa.gov/sites/default/files/2015-10/documents/grantsgov-tip-sheet.pdf>



# Chapter 9: Strategic Planning

## Summary

Effective planning enables communities to recover quickly and effectively from shocks and stressors on the community's overall economic health. This resiliency effort not only prepares and organizes communities in advance, but once faced with a disruptive event the community is able to respond immediately. This chapter focuses on an economic development organization's (EDO) role in creating plans that address underlying threats and weaknesses that a community face.

## Disaster Planning

Pre-disaster planning differs from post-disaster planning in that it is focused on building resiliency and constructing a response framework. Alternatively, post-disaster planning allows communities to reassess their needs. Situating these efforts within the larger region's plans and using the national framework can help communities to better understand how their plans fit into the larger environment.

## Economic Resiliency

Thinking of potential shocks to the economy as well as chronic stressors before a disaster occurs will help to inform strategic plans. Stressors are underlying issues that hamper resiliency, such as aging infrastructure or chronic poverty. Shocks are acute events such as natural or man-made disasters. Acute shocks will exacerbate chronic stressors, which creates damaging outcomes for the community. This can be mitigated by building in *steady-state* and *responsive* economic resiliency initiatives, which were set forth by the EDA's framework. Both types of initiatives help resiliency but have different points of emphasis. Steady-state initiatives focus on the chronic stressors of a community while responsive initiatives center around addressing acute shocks. According to the EDA, economic resilience refers to a community's "ability to withstand, prevent, or quickly recover from major disruptions – or shocks – to its underlying economic base".<sup>9</sup>

## Action Steps

The following are useful during the pre-disaster planning process. Keep in mind while moving through these steps the chronic stresses that a community can face and the possible acute shocks that could dramatically affect circumstances. In the wake of a disaster, these action steps can be used to pivot from existing plans, if needed.

1. Organizing and Pre-Planning

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<sup>9</sup> [Economic Resilience](#), Content, Comprehensive Economic Development Strategies, U.S. Economic Development Administration

2. **Develop a Communications Plan and Compile Contact Information**
3. **Visioning with the Community**
4. **Assessing the Local Community and Economic Competitiveness**
5. **Identify Issues, Develop Goals, and Formulate Strategies**
6. **Publicizing the Plan and Process**
7. **Develop a List of Possible Funding Sources**
8. **Follow Up with the Plan**

## Resources

Below is a list of resources that provide greater detail, or more examples of the key ideas from the chapter.

### Policy & Practice

#### CEDS Central

The CEDS Central website can help share more information about developing a Comprehensive Economic Development Strategy which is a useful plan to have in place for outlining a regional strategy and when interacting with the EDA.

<https://www.cedscentral.com>

#### Federal Economic Development Resources Matrix

This downloadable matrix provides a listing of over 130 federal programs that support broad-based economic development strategies. The file downloads as an MS Excel document, which provides details on each program.

<https://eda.gov/integration/disclaimer/>

#### FEMA Planning Guides

FEMA has many resources related to emergency and Hazard Mitigation Planning. A central location for guidance is found on the FEMA website, including Comprehensive Preparedness Guide 101: Developing and Maintaining Emergency Operations Plans. Additional guidance is provided on topics such as building private-public partnerships and supply chain resilience.

<https://www.fema.gov/emergency-managers/national-preparedness/plan>

#### Community Resilience Planning Guide for Buildings and Infrastructure Systems

This workbook from the National Institute of Standards and Technology details many of the best practices for what a resilient community looks like and how plans are used to shape communities into bastions of resiliency. It also includes useful steps to guide readers through the planning process. The playbook is available at this link:

<https://nvlpubs.nist.gov/nistpubs/SpecialPublications/NIST.SP.1190GB-16.pdf>

#### Economic Resilience: Your Competitive Edge

This paper from IEDC helps to outline resilience as a concept as well as detail how economic developers fit in the larger picture of economic resilience.

[https://restoreyoureconomy.org/clientuploads/2019/Resilience\\_White\\_Paper\\_FINAL.pdf](https://restoreyoureconomy.org/clientuploads/2019/Resilience_White_Paper_FINAL.pdf)

#### Engaging Marginalized Communities: Challenges and Best Practices

This article can help illuminate some of the techniques and approaches to use when interacting with a community that has been historically marginalized. It can be helpful for incorporating the marginalized community into the planning process.

<https://icma.org/articles/pm-magazine/engaging-marginalized-communities-challenges-and-best-practices>

FEMA's Emergency Support Function #14's Long-Term Recovery Annex

This document identifies and facilitates the use of recovery funding and provides technical assistance (such as impact analyses) for community recovery and recovery planning support. The document is available at:

<https://www.fema.gov/pdf/emergency/nrf/nrf-esf-14.pdf>.

FEMA: Hazard Mitigation Planning

This website from FEMA details policies and best practices for Hazard Mitigation Plans, which can be useful in helping to avoid the worst effects of a disaster.

<https://www.fema.gov/emergency-managers/risk-management/hazard-mitigation-planning>

FEMA: National Disaster Recovery Framework

FEMA's National Disaster Recovery Framework is a helpful guideline when creating a strategic plan because if there is a need to incorporate federal assistance, it will be easier for all parties to communicate off of the same base plan. Learn more by reading through the website.

<https://www.fema.gov/emergency-managers/national-preparedness/frameworks/recovery>

Long-Term Community Recovery ToolBox (March 2012)

FEMA funded the creation of this toolbox to assist local community leaders with communication, decision-making, identification and development of projects, and the creation of funding strategies critical to long-term community recovery. The toolbox supports the work of local communities and recovery professionals involved with long-term disaster recovery. Download the toolbox at:

<http://macog.org/wp-content/uploads/2019/12/Long-Term-Recovery-Toolbox-FEMA.pdf>

North Carolina State Disaster Recovery Planning Guide (2012)

Developed by the Coastal Hazards Center at the University of North Carolina at Chapel Hill, this publication is intended to serve as an evaluative guidebook. The guide presents the steps of the planning process and informative best practices. It also includes questions that encourage thorough reflection and assessment as well as suggested actions to target identified issues. This guide is available at:

[https://www.cof.org/sites/default/files/documents/files/State-Disaster-Recovery-Planning-Guide\\_2012.pdf](https://www.cof.org/sites/default/files/documents/files/State-Disaster-Recovery-Planning-Guide_2012.pdf)

Policies for Guiding Planning for Post-Disaster Recovery and Reconstruction

This is a discussion on factors that should be considered as part of planning for post-disaster recovery and reconstruction, including enabling legislation at the state and local level, economic recovery, hazard mitigation, and strategies that have worked in post-disaster recovery. Its section on economic recovery provides useful information on economic impact analysis as well as how to build a more resilient/sustainable economy. The paper is available at:

[http://www.fema.gov/pdf/rebuild/ltrc/fema\\_apa\\_ch3.pdf](http://www.fema.gov/pdf/rebuild/ltrc/fema_apa_ch3.pdf)

Post-Disaster Recovery Planning Forum: How-To Guide (2007)

The Partnership for Disaster Resilience's guide provides a process for communities to start pre-planning for catastrophic events by engaging partners in identifying the critical issues the community will face in a post-disaster environment. The guide is available for download at:

[https://nctr.pmel.noaa.gov/education/science/docs/Reports/OR\\_Post-Disaster\\_Guide\\_20070716\\_Draft.pdf](https://nctr.pmel.noaa.gov/education/science/docs/Reports/OR_Post-Disaster_Guide_20070716_Draft.pdf).

Regional Disaster Resilience: A Guide for Developing an Action Plan (2011)

Developed by The Infrastructure Security Partnership (TISP), this guide is a roadmap that outlines the step-by-step process to develop a cross-sector, multi-jurisdiction strategy to build the capacity to deal with crises. The guide also addresses the challenges facing action plan implementation along with practical ways to organize, maintain, and sustain continued stakeholder collaboration and interest on a regional level. Access this roadmap here:

[http://www.southernclimate.org/documents/Regional\\_Disaster\\_Resilience\\_TISP\\_2011-1.pdf](http://www.southernclimate.org/documents/Regional_Disaster_Resilience_TISP_2011-1.pdf)

Regional Resilience: RUPRI Rural Futures Lab Research and Policy Brief (2012)

This brief provides a framework for assessing current policy and practice related to regional resilience. It was prepared by the Rural Policy Research Institute's (RUPRI) Rural Futures Lab at the request of the National Association of Development Organizations (NADO) Research Foundation and is available for download at:

<https://www.nado.org/wp-content/uploads/2012/04/RUPRI-Regional-Resilience-Research-Policy-Brief.pdf>

Resilience Planning: Tools and Resources for Communities

This resource illustrates various elements of resilience planning and can help communities think about how they are incorporating resilience into their long-term strategy.

<https://www.efc.csus.edu/reports/resilience-planning-tools-and-resources-for-communities.pdf>

Resilient Regions: Integrating Economic Development Strategies, Sustainability Principles and Hazard Mitigation Planning (2011)

This report, published by the National Associations of Development Organizations, provides an in-depth look at the roles that regional planning and development organizations assume to help local and regional economies re-build after natural disasters. As such, it offers examples of regional economic recovery initiatives after the catastrophic events of 2008 in Iowa, Florida, Oklahoma, Mississippi, and Wisconsin:

<https://www.nado.org/wp-content/uploads/2011/07/NADOResilientReport.pdf>.

## Examples

### EDA: Economic Resilience Planning for Colorado Floods

In this report, FEMA details what steps were taken in to help build resiliency into the economic plans for certain counties in Colorado in the wake of flooding in late 2013. Goals and strategies are outlined and can be helpful in illustrating some possible ideas for what a community can do to implement resiliency themselves.

[https://www.eda.gov/files/about/disaster-recovery/EDA\\_CO-Economic-Resilience-Planning\\_Oct2014.pdf](https://www.eda.gov/files/about/disaster-recovery/EDA_CO-Economic-Resilience-Planning_Oct2014.pdf)

### Grand Forks, ND's Flood Disaster Recovery and Lessons Learned (2011)

Prepared by the City of Grand Forks, ND, and regularly updated every year since the 1997 floods, this material introduces you to the Grand Forks community, provides a brief overview of the 1997 flood and recovery process, introduces the strategies and action steps deployed, and identifies lessons learned for the community. The document can be downloaded at:

<https://www.grandforksgov.com/home/showpublisheddocument/528/635332501782370000>.

See also <https://www.grandforksgov.com/our-city/history/flood-recovery>.

### Town of Lyons, Colorado, Recovery Action Plan (2014)

Shortly after the floodwaters hit Lyons, Colorado, hundreds of citizens engaged in the recovery planning process. Three months later, stakeholders created a recovery plan to address sectors such as economic and business development, infrastructure, and housing. In addition to charting the recovery process, this plan shows how the Lyons community developed a framework for recovery and resilience and how they carried it out. It is available at:

<https://www.townoflyons.com/DocumentCenter/View/388/LyonsRecoveryActionPlan-FullResolution?bidId=>. See also <https://www.townoflyons.com/301/Community-Plans>

### Post-Disaster Redevelopment Plans (PDRPs) in Florida

These plans have been created to identify policies, operational strategies, and roles and responsibilities to guide decisions that affect long-term recovery and redevelopment of the community after a disaster. Issues include housing recovery, financial administration, environmental restoration, health and social services, and economic redevelopment. The following pilot communities initially developed the first set of plans: Hillsborough County, Manatee County, Nassau County, Panama City, Polk County, and Sarasota County. The State of Florida developed a guidebook to help communities prepare a PDRP:

<https://www.floridadisaster.org/globalassets/importedpdfs/post-disaster-redevelopment-planning-guidebook-lo.pdf>

## Miscellaneous

### Economic Resilience Planning Evaluation Tool

This resource from HUD is informed by plenty of research on economic recovery after disasters and could be useful as a roadmap for elements to include in a strategic plan.

<https://files.hudexchange.info/resources/documents/Economic-Resilience-Planning-Evaluation-Tool.pdf>

Economic Resilience (Economic Development Administration)

This resource from the EDA provides background on economic resilience as well as tips and strategies for planning and implementing resilience.

<https://www.eda.gov/ceds/content/economic-resilience.htm>

# Chapter 10: Infrastructure

## Summary

While enduring and recovering from a disaster is a difficult process, some communities find an opportunity for community improvement. Post-disaster redevelopment in the United States has been used to revitalize downtowns, reduce vulnerability to future damage, replace failing and inadequate infrastructure, build affordable housing, and preserve historic buildings.

Economic development organizations (EDOs) have an important role to play in this process. To ensure these opportunities are met, economic developers should:

- **Participate in local, regional, and state infrastructure planning.** As representatives of the business community, economic developers can speak to business concerns during the planning process.
- **Analyze how national trends will manifest in their communities.** Because economic developers monitor industry trends at the national and local levels, they can offer insight into how their communities may develop and their future infrastructure needs.
- **Support financing of infrastructure construction and maintenance.** Economic developers can advocate for (and sometimes contribute to) funding infrastructure, whether through public or private means.

## Infrastructure in Context

Infrastructure development is essential to economic competitiveness. The overall economic health of a community is improved with effective and efficient infrastructure systems; from business attraction to talent retention to small business development, there is no economic development concern that infrastructure does not touch. In the past few decades, the nation's infrastructure has suffered from divestment and increased damage from extreme weather events.

In its 2021 report card, the American Society of Civil Engineers (ASCE) estimated that planned investment in infrastructure over the next 10 years will be \$2.58 trillion below what is necessary to maintain and develop America's infrastructure.

## Infrastructure Planning: Getting a Plan in Place

When economic recovery plans are created before a disaster strikes, the result is strategic redevelopment decisions that are consistent with the community's long-term vision. These plans help communities save critical time by enabling them to make funding requests early in the recovery process.

At the local level, there are long-term comprehensive plans, which include development regulations and land use designation, and capital improvement plans, which identify, schedule, and lay out financing for short-range (4-10 year) capital projects.

Regional planning aims to integrate local priorities with publicly approved plans in order to receive state and federal funding. The two primary guides for regional infrastructure planning are the Comprehensive Economic Development Strategy (CEDS) and transportation



plans. Creating a CEDS should be a top priority for many reasons; under the Public Works and Economic Development Act of 1965 a CEDS or CEDS Equivalent document is required to apply for investment assistance under EDA's Public Works or Economic Adjustment Assistance Program. Furthermore, CEDS are a prerequisite to become a designated Economic Development District (EDD), and EDD is designated by the EDA, and it enables a region to receive a range of EDA funding.

## Infrastructure Funding

Though it varies based on the type of disaster, typical federal funding sources for post-disaster infrastructure repair, improvement, and redevelopment are distributed from FEMA's Public Assistance Program and Hazard Mitigation Grant Program; HUD's Community Development Block Grants Disaster Recovery Fund (CDBG-DR); the U.S. Army Corps of Engineers; and EDA Public Works and Economic Adjustment grants.

Economic developers engaged in infrastructure planning will benefit from strong relationships with their congressional representatives, who can be an important resource regarding a community's eligibility for federal programming, and by familiarizing themselves with databases such as [grants.gov](https://www.grants.gov), which is updated often with new funding opportunities.

Communities may also have the opportunity to take advantage of previously underutilized and innovative mechanisms to fund infrastructure redevelopment. These include:

- Public-Private Partnerships
- State Infrastructure Banks
- Value Capture
- Tax Increment Financing

## Resources

Below is a list of resources that provide greater detail, or more examples of the key ideas from the chapter.

### Policy & Practice

#### Access and Inclusion in the Digital Age: A Resource Guide for Local Governments

In 2016, the National Resource Network, funded by the U.S. Department of Housing and Urban Development (HUD), published a resource guide to assist local governments expand internet access. The guide provides information on how to assess a community's needs and current capabilities, set and implement attainable and impactful goals, and find funding. The guide can be found here:

[https://nationalresourcenetwork.org/wp-content/uploads/2019/04/NRN-Broadband-Resource-Guide\\_Oct-2016.pdf](https://nationalresourcenetwork.org/wp-content/uploads/2019/04/NRN-Broadband-Resource-Guide_Oct-2016.pdf)

#### Building Wildfire Resilience

Given the increase in intensity of wildfires across the country the National association of Counties has compiled information together in to build the capacity for wildfire resilience in communities. The toolkit outlines basic aspects of building resilience and highlights examples of how these practices are put into effect. Read more here:

<https://www.naco.org/resources/featured/building-wildfire-resilience-land-use-toolbox-county-leaders>

#### Compendium Of Programs and Mechanisms For Funding Infrastructure Resilience

This resource provides a comprehensive overview of federal, state, and non-governmental programs available that provide funding for the development of resilient infrastructure.

<https://www.cisa.gov/sites/default/files/publications/Compendium%20of%20Infrastructure%20Resilience%20Funding%20Sources.pdf>

#### Infrastructure Financing–A Guide for Local Government Managers

The International City/County Management Association and the Government Finance Officers Association created a guide that economic development organizations can use to assist in the procurement of infrastructure financing. The guide describes the full range of local infrastructure financing mechanisms currently in use as well as offers recommendations for local government managers who are considering the use of alternative infrastructure financing options. Access the guide here:

<https://icma.org/documents/infrastructure-financing-guide-local-government-managers>

#### Planning Resilient Infrastructure

The American Planning Association produced a condensed, comprehensive guide for planning resilient infrastructure prior to a disaster. The guide provides important information on risk analysis methods, risk management frameworks, and funding opportunities. The guide can be found here:

[https://planning-org-uploaded-media.s3.amazonaws.com/legacy\\_resources/research/postdisaster/briefingpapers/pdf/infrast ructure.pdf](https://planning-org-uploaded-media.s3.amazonaws.com/legacy_resources/research/postdisaster/briefingpapers/pdf/infrast ructure.pdf)

# Chapter 11: Neighborhood Revitalization

## Summary

Many neighborhood revitalization and disaster recovery goals are one in the same. Both activities work together to build back more resilient communities, creating opportunities for businesses to succeed and for residents to improve their quality of life. Successful neighborhood revitalization initiatives work together with disaster recovery processes, and rely on stakeholder engagement, strategic planning, and implementation with dedicated champions and communicative teamwork.

## Neighborhood Revitalization Process

Step 1: Mobilize the neighborhood for change

Step 2: Assess neighborhood needs

Step 3: Develop a shared vision

Step 4: Identify Potential organizations to drive planning strategies

Step 5: Develop a Neighborhood Revitalization Plan

### *Step 1: Mobilizing for Change*

The below steps and chart of roles and responsibilities can provide a starting point for identifying who to engage in the neighborhood revitalization process.

1. Identify relevant stakeholders
2. Identify a revitalization champion(s)
3. Gather residents to spur interest and educate



## Step 2: Assessing Neighborhood Needs

An evidence-based neighborhood revitalization plan that responds to a community's real needs and goals must be built through stakeholder engagement and data collection. Common assessment tools include:

- Business and community surveys
- Group meetings with businesses
- One-one-one meetings with business owners or managers
- Neighborhood gatherings or meetings
- Neighborhood asset mapping
- Equity mapping

## Step 3: Developing a Shared Vision

Different stakeholders must come together to identify common goals and visions for the community, both in terms of neighborhood development and disaster recovery. Identifying inclusive development goals and barriers is especially important to the process. Community members can come together for visioning meetings, charrettes, and other activities that foster discussion and strengthen ties within the community.

## *Step 4: Identify Potential Organizations to Drive Planning Strategies*

Identifying who will lead and carry out different aspects of the effort is key to neighborhood revitalization. This includes forming a task force, identifying funding sources, and exploring the use of organizations or programs such as community development corporations (CDC) and Main Street programs. Steps to form a task force are outlined below.

- Involve stakeholders of the public and private sector with varying skills. Liaisons to other recovery strategies and neighborhood representation are just as important.
- Identify clear goals and scope of the task force (who they report to, who reports to them).
- Give the task force a voice by identifying who can speak on behalf of the force to city, regional, and state officials.
- Partner with a city office, CDC, or other organization allows the task force to use established organizations' representations to enforce planning steps and reach out during the planning effort.

## *Step 5: Developing a Neighborhood Revitalization Plan*

A revitalization plan will often operate in conjunction with pre-existing or concurrently developed strategic plans. It is important to collaborate with the leaders of these planning initiatives so duplicated and conflicting efforts can be avoided. Revitalization planning best practices include:

- Engage the public and private sector
- Make sure the plan reflects an understanding of new market realities after the disaster.
- Ensure the plan identifies action steps to fight prior issues/barriers
- Follow up with implementation and monitoring
- Connect plan with broader citywide recovery plan and policies

## Resources

Below is a list of resources that provide greater detail, or more examples of the key ideas from the chapter.

### Policy & Practice

Designing & Directing Neighborhood Change Efforts: How to Be More Intentional and Effective (U.S. Department of Housing and Urban Development, 2015)

The HUD Choice Neighborhoods program and Community Development Strategies released the following guide in 2015, providing strategies and frameworks to approach neighborhood revitalization, as well as guidance on measuring outcomes.

<https://www.hud.gov/sites/documents/MIKESCHUBERTCNGDEAUG15.PDF>

### Examples

City of Covington Rent Subsidy & Facade Improvement Programs

The City of Covington, KY offers assistance to small businesses such as rent subsidies and forgivable loans for facade improvement in order to support revitalization of commercial spaces.

<https://www.covingtonky.gov/government/departments/economic-development/-Incentives>

Equitable Community Revitalization Grant – California 2021-2022

In 2021, California adopted legislation designating \$500 million to property cleanup and reuse in historically underserved communities. The funding supports efforts to conduct community-wide assessments, environmental investigations, and environmental cleanups.

<https://dtsc.ca.gov/ecrg/>

San Diego Resident Survey

In 2020, the San Diego Association of Governments conducted a survey of San Diego County residents to assess community needs and COVID-19 impacts. Information gathered includes indicators of hardest hit residents, effects on households with children, top four household needs, and more.

[https://www.sandag.org/uploads/publicationid/publicationid\\_4705\\_27996.pdf](https://www.sandag.org/uploads/publicationid/publicationid_4705_27996.pdf)

2016 City of Rockville Community Survey

The City of Rockville, MD, conducts a yearly survey of residents to assess neighborhood challenges and needs. Information collected includes quality of life ratings, sense of community and engagement, perception of the community's image, business quality, and more.

<https://www.rockvillemd.gov/DocumentCenter/View/19096/2016-City-of-Rockville-Community-Survey-FINAL>

## Miscellaneous

### State and Local Coronavirus Fiscal Recovery Funds

The National Association of Counties provides a comprehensive hub of fiscal recovery funds disbursed at the state and local level. This hub includes regularly updated information and guidance from the U.S. Treasury, as well as trackers for funds released under different recovery packages such as the CARES Act and ARPA.

<https://www.naco.org/resources/featured/state-and-local-coronavirus-fiscal-recovery-funds>

### US EPA Community Revitalization Assistance

The U.S. Environmental Protection Agency offers community revitalization assistance through a wide range of grants addressing topics such as environmental justice, brownfield redevelopment, smart growth, and land revitalization.

<https://www.epa.gov/community-revitalization>



# Chapter 12: Economic Diversification

## Summary

This chapter covers economic diversification as both a recovery strategy and a tool for communities to increase their resiliency to future disasters. The first part of the chapter discusses the steps for creating and planning an economic diversification strategy. This includes assessing the region — what sectors currently exist and what sectors may be in latent stages that can expand and diversify? The second part delves into economic diversification strategies and how to implement them.

## Planning For Economic Diversification: Assessing the Region

Economic diversification is a deliberate process that requires strong partners with a shared vision, clear goals and objectives, and a well-crafted implementation plan. In this way, it is similar to strategic planning, the first steps of which require an EDO to:

1. Create an economic analysis of cluster
  - Inventory the region's assets
  - Evaluate the economic base
  - Engage the research community
  - Map groupings of firms
  - Gather firm input
  - Analyze the competition
2. Examine existing industries, specifically focusing on
  - Large employers
  - Current and future employment trends
  - Supply chains and key markets for local industry
3. Evaluate the workforce by identifying
  - Existing workforce talents by industry and skill set
  - Local and regional training opportunities and providers

## Cluster Development Strategies

Based on assessments of a region's strengths and weaknesses, there are a variety of goals and strategies that a community may pursue. Elements from multiple strategies may be necessary to develop a well-rounded economic diversification plan, rather than relying heavily on a single aspect. Common strategies include:

- Workforce development

As part of an economic diversification effort, workforce development is an opportunity for economic developers to better align the needs of employers with existing workforce skills and educational programs.

- Encourage entrepreneurship and support small businesses development

Through encouraging entrepreneurship and small business growth the economy can diversify and grow within. Furthermore, creating an environment that supports spin-offs and related start-ups can strengthen emerging clusters.

- Increase export activity

Increased export activity drives a region's resiliency to economic downturn. If a region is struck by disaster and experiences reduced local demand, markets outside international or even state borders provide an additional source of revenue.

## Forming a Public-Private Partnership for Economic Diversification

Some communities may find it advantageous to create a public-private partnership (PPP) after a disaster to facilitate economic diversification. A PPP can lead or assist with the planning and implementation of a diversification strategy as they are typically more financially and strategically flexible than a purely public EDO.

A PPP may be established as a nonprofit corporation, public benefit corporation, or authority – or simply as an agreement or informal partnership – and receive funding and expertise from the private and public sectors. PPPs typically are guided or led by a board of representatives from the public and private sectors.

## Conclusion

Diversification requires regional planning, numerous partnerships, and long-term strategies. Ideally, it is enacted prior to a disaster, as it enhances the resilience of a community and preemptively addresses disruptions. Yet, disasters can also jumpstart cluster development, providing an opportunity to grow new sectors.

## Resources

Below is a list of resources that provide greater detail, or more examples of the key ideas from the chapter.

### Policy & Practice

#### About Foreign-Trade Zones

To learn more about the workings, advantages, and establishment of Foreign Trade Zones, visit:

<https://www.cbp.gov/border-security/ports-entry/cargo-security/cargo-control/foreign-trade-zones/about>.

#### Conducting a Community Audit: Assessing the Workforce Development Needs and Resources of Your Community

Written by the US Department of Labor, this document details the purposes and principles of community audits and presents guidelines for designing and conducting a community audit to assess a local community's workforce development needs and resources. Read further at:

<https://eric.ed.gov/?id=ED474309>

#### Export Assistance

More detail on available financing programs can be found at:

<https://ustr.gov/trade-topics/trade-toolbox/export-assistance>.

#### Mixed-use Incubator Handbook: A Start-up Guide for Incubator Developers

This resource serves as a comprehensive guide for developers seeking to create an incubator in their community. The handbook provides guidance for every step of the process as well as case studies of successful incubators. Read more of the handbook at:

[https://www.infodev.org/infodev-files/resource/InfodevDocuments\\_733.pdf](https://www.infodev.org/infodev-files/resource/InfodevDocuments_733.pdf)

#### State Trade Expansion Program (STEP)

This website details the STEP program which assists small businesses with export development through financial assistance to their state or territory governments.

<https://www.sba.gov/funding-programs/grants/state-trade-expansion-program-step>

### Examples

#### Goodyear AZ FTZ Brochure

The City of Goodyear, to market their Foreign Trade Zone, produced a brochure highlighting the zone's successes, the benefits afforded to corporations that locate in the zone, and the steps necessary to qualify. Access the brochure through this link:

<https://www.developgoodyearaz.com/home/showpublisheddocument/11288/635943282064530000>

## 2021-2022 Lehigh Valley Internship Toolkit

The Internship Toolkit offers guidance and best practices in creating and expanding internships, such as the characteristics of successful internship programs, the benefits of paid vs. unpaid internships, how to market an internship program, and different types of programs such as virtual and micro-internships. The toolkit can be found here:

<https://lehighvalley.org/wp-content/uploads/2021/10/2021-2022-Lehigh-Valley-Internship-Toolkit-for-Employers.pdf>

## Templates & Worksheets

### Economic Clusters: Four Design Principles for Success

This template helps coalesce the main qualities of creating a successful economic cluster based on the goals of the community in which the cluster is situated.

<https://guidehouse.com/-/media/www/pdfs-legacy-guidehouse/whitepapers/economic-clusters-four-design.pdf>

## Miscellaneous

### Association for University Business and Economic Research

AUBER serves as the professional association of businesses and economic research organizations in public and private universities. They work to improve the quality, effectiveness, and application of research in business, economics, and public policy. The site can be found here:

<http://www.auber.org/>

### Cluster Mapping

This website and database are useful for looking into the data of specific regions around the country according to any number of variables and indicators. This information can be useful when deciding how to progress in economic development.

<https://clustermapping.us>

### Economic Diversification: How Community Colleges Partner with Economic Development Organizations

For information on how EDOs can work with Community Colleges to diversify their local/regional economies, read this material.

[https://www.accs.edu/wp-content/uploads/2020/06/Economic\\_Diversification-How-Community-College-Partner-with-EDOs.pdf](https://www.accs.edu/wp-content/uploads/2020/06/Economic_Diversification-How-Community-College-Partner-with-EDOs.pdf)

### Innovation Index

This website helps to show where innovation is taking place throughout the country and can be useful in creating comparisons between regions for the purposes of increasing innovative measures.

<https://www.statsamerica.org/innovation/>

#### Rethinking Cluster Initiatives

In this report, the Brookings Metropolitan Policy Program discusses the nature of economic clustering and where economics can develop further.

[https://www.brookings.edu/wp-content/uploads/2018/07/201807\\_Brookings-Metro\\_Rethinking-Clusters-Initiatives\\_Full-report-final.pdf](https://www.brookings.edu/wp-content/uploads/2018/07/201807_Brookings-Metro_Rethinking-Clusters-Initiatives_Full-report-final.pdf)

#### Building Private-Public Partnerships

This publication by FEMA explores building resilience through private-public partnerships, and the process for building them. Case studies are included as well as a thorough appendix.

[https://www.fema.gov/sites/default/files/documents/fema\\_building-private-public-partnerships.pdf](https://www.fema.gov/sites/default/files/documents/fema_building-private-public-partnerships.pdf)

# Chapter 13: Disaster Recommendations Through a Pandemic Lens

## Summary

In 2021, IEDC received a grant from the Economic Development Administration entitled *Recovery and Resilience Strategies for Pandemics: What We've Learned from Covid-19*. Through this grant, IEDC set out to understand two main priorities: 1) how communities can best respond and adapt to pandemics as conditions and impacts change; and 2) how communities can incorporate preparedness and mitigation for a pandemic that could recur seasonally or occur due to a different disease. IEDC's research was augmented by a series of three informational interviews, held over the course of one year, with the eight organizations listed below.

- 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 including geography, demographics, and pandemic impacts. 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).

Three interviews were held with each community, in February 2021, August 2021, and February 2022. IEDC staff members completed the interviews, which asked 40-45 questions during each session. In the first interview, a set of five introductory questions were asked, which were excluded from further interviews.

Data was collected by IEDC staff via a spreadsheet, so longitudinal and cross-sectional analysis could be completed. The collected data was supplemented by national and local data sourced from federal sources, including sources such as the Center for Disease Control, the Bureau of Labor Statistics, and The National Economic Resilience Data Explorer. The full whitepaper can be found on IEDC's website.

## Integrating Lessons for Increased Resilience

These recommendations have been developed through the analysis of common challenges and recovery strategies shared in interviews with the eight organizations participating in the Covid-19 research. These challenges align with national trends and highlight the unique nature of responding to a pandemic. It should be noted that we assigned the most salient

recommendation to each chapter topic, but in many cases, the recommendation applies to other chapter topics as well.

### **1. Collaboration via Networks**

The pandemic revealed the need to strengthen and build networks among public, private, non-profit, and institutional partners. Potential new partners would include public health authorities and organizations with extensive reach into disadvantaged communities.

### **2. Funding and Financing with a Goal of Equity**

Providing bridge financing is a pivotal role for an EDO in a post-disaster environment. Covid-19 catalyzed the need for immediate financing at a scale not seen since the Great Recession. Many businesses could not open for protracted periods of time and faced high failure rates, especially those owned by people of color.

### **3. Accessing Up-to-Date Information**

With conditions shifting rapidly as the Covid-19 pandemic evolved, decision-makers were challenged to understand how their communities were being impacted. 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.

### **4. Science-based Communication Leadership**

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. During the pandemic, providing science-based communication to businesses to combat rumors and misinformation became an important role for EDOs.

### **5. Technical Assistance to Access and Understand Federal Resources**

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.

### **6. Reconfiguring Goals in Light of Changing Circumstances**

The Covid-19 pandemic has prompted community leaders to revisit strategic planning with a different understanding of the needs of their community. 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.

### **7. Redesigning for a Changed Society**

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. 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.<sup>10</sup>

### **8. Ensuring Equitable Redevelopment of Downtown and Neighborhood Commercial Corridors**

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.

### **9. Capturing Opportunities and Executing Pivots**

Because a disaster will impact some industries more than others, a diversified economic base helps to distribute risk more evenly. 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.

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<sup>10</sup> Getting Connected: How Economic Developers are Expanding Broadband Access, IEDC, 2021.



## Resources

Below is a list of resources that provide greater detail, or more examples of the key ideas from the chapter.

### Policy & Practice

EDA: Research and National Technical Assistance (RNTA) Projects

According to the EDA website, the RNTA program funds research, evaluation, and national technical assistance projects that promote competitiveness and innovation in distressed rural and urban regions throughout the United States and its territories. The link below displays a page devoted to RNTA's current projects, many of which address Covid-19.

<https://eda.gov/programs/rnta/current-projects/>

Local Government Solutions for COVID-19 and Beyond: Grants Management Capacity

FEMA released three "Local Government Solutions Guides for COVID-19 and Beyond." The intention of these guides is to provide background on the various solutions communities are pursuing to provide local government services in the face of COVID-19 related budget shortfalls and public health considerations. The guides cover the topics of adaptive design, grants management capacity, and alternative public service solutions.

Adaptive Design Local Solutions Guide:

[https://www.fema.gov/sites/default/files/documents/fema\\_adaptivedesign-guidance\\_may2021.pdf](https://www.fema.gov/sites/default/files/documents/fema_adaptivedesign-guidance_may2021.pdf)

Grants Management:

[https://www.fema.gov/sites/default/files/documents/fema\\_grantsmanagementcapacity\\_guidance\\_may2021.pdf](https://www.fema.gov/sites/default/files/documents/fema_grantsmanagementcapacity_guidance_may2021.pdf)

Alternative Public Service Solutions:

[https://www.fema.gov/sites/default/files/documents/fema\\_alternative-public-service-solutions\\_guidance\\_05-21-2021.pdf](https://www.fema.gov/sites/default/files/documents/fema_alternative-public-service-solutions_guidance_05-21-2021.pdf)

SBA Covid-19 Recovery Information in Other Languages

Resources provided in various languages to assist businesses affected by Covid-19.

<https://www.sba.gov/funding-programs/loans/covid-19-relief-options/covid-19-recovery-information-other-languages>

EDA: Economic Resilience

This website details the principles of economic resilience and how the federal government views resilience as a quality of importance for communities throughout the country.

<https://www.eda.gov/ceds/content/economic-resilience.htm>

Getting Connected: How Economic Developers are Expanding Broadband Access (IEDC)

This website details the principles of economic resilience and how the federal government views resilience as a quality of importance for communities throughout the country.

<https://www.eda.gov/ceds/content/economic-resilience.htm>

Internet/Broadband Fact Sheet

This resource published by Pew Research details an overview of the internet capabilities and basic facts of access throughout the United States.

<https://www.pewresearch.org/internet/fact-sheet/internet-broadband/>

United States Bureau of Labor Statistics

The Bureau of Labor Statistics hosts the government's data on the economic health of the country as well as many other interesting materials.

<https://www.bls.gov>

## Templates & Worksheets

Website Template for COVID-19

This template can be helpful for organizations that are working in altered patterns due to the COVID-19 pandemic.

<https://restoreyoureconomy.org/covid-19/website-template-for-covid-19/>

Sample Survey: Business Impacts of COVID-19

The following sample survey can be useful in addressing the effects of the COVID-19 pandemic on a community's businesses.

[https://restoreyoureconomy.org/clientuploads/Sample\\_Biz\\_Survey-Covid\\_19.docx](https://restoreyoureconomy.org/clientuploads/Sample_Biz_Survey-Covid_19.docx)

## Examples

Getting Connected: How Economic Developers are Expanding Broadband Access (IEDC)

This paper provides examples of how communities are addressing their broadband needs. Included are several case studies that highlight the work of EDOs as well as examples of the strategic and technical solutions that communities are pursuing. In addition, there is also information on broadband basics, convening stakeholders, digital inclusion, and financing and funding.

<https://members.iedconline.org/ItemDetail?iProductCode=EDRP21B>

## Miscellaneous

### Economic Recovery Tracker

This website provides data on how the pandemic has affected the economic fortunes of different areas throughout the United States. This can be useful for gaining an informed perspective on how any community has been hit by the pandemic economically.

<https://tracktherecovery.org>

### FRED

This database hosted by the Federal Reserve Bank of St. Louis contains multitudes of economic data for analysis and investigation.

<https://fred.stlouisfed.org>