

Economic Development Recovery and Resiliency Playbook

California Association for Local Economic Development

Produced in partnership with the U.S. Economic Development Administration

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About CALED

The California Association for Local Economic Development (CALED) is California's premier economic development association. With more than 700 members, it is one of the largest economic development associations in the nation, which is why CALED refers to its membership as California's Economic Development Network. Since its creation in 1980, CALED has led the way in teaching economic developers, local elected officials, and state representatives the value of economic development and how it is used to grow businesses, generate revenue to expand the local economy, and pay for the services that residents require.

About the U.S. Economic Development Administration

The mission of the U.S. Economic Development Administration (EDA) is to lead the federal economic development agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the worldwide economy.

EDA's investment policy is designed to establish a foundation for sustainable job growth and the building of durable regional economies throughout the United States. This foundation builds upon two key economic drivers — innovation and regional collaboration. Innovation is key to global competitiveness, new and better jobs, a resilient economy, and the attainment of national economic goals. Regional collaboration is essential for economic recovery because regions are the centers of competition in the new global economy and those that work together to leverage resources and use their strengths to overcome weaknesses will fare better than those that do not. EDA encourages its partners around the country to develop initiatives that advance new ideas and creative approaches to address rapidly evolving economic conditions.

Guided by the basic principle that sustainable economic development should be locally driven, 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, as well as to grow sustainable local economies.

As the only federal government agency focused exclusively on economic development, EDA plays a critical role in facilitating regional economic development efforts in communities across the nation. It is with this in mind that EDA is pleased to partner to produce this *Economic Development Recovery and Resiliency Playbook*.



"I congratulate CALED on the publication of the *Economic Development Recovery and Resiliency Playbook*. The Playbook is a timely resource that will enhance the ability of governments and organizations throughout the Golden State to prepare for and respond to situations that challenge our shared vision of American prosperity."

Alejandra Y. Castillo
U.S. Assistant Secretary of Commerce for Economic Development

"The U.S. Economic Development Administration has a long history of successfully supporting recovery and resiliency efforts through the facilitation of economic development assistance. As our nation's largest economy, the success of California is inseparably entangled with the success of the United States. We're proud to support CALED in the publication of the *Economic Development Recovery and Resiliency Playbook*."

Sheba Person-Whitley
Director, EDA Seattle Regional Office



Foreword

As California jurisdictions deal with the health and economic consequences of the COVID-19 pandemic, we often say that resiliency and recovery go hand in hand because recovery is not linear; in fact, it's a process, and while you are in response or recovery mode for one economic disruption, you may be planning to mitigate the impacts of another. President Biden's encouragement to have communities "Build Back Better" is an excellent example of the strategic thinking needed to address continual improvement of our resiliency planning and mitigation practices.

With California's "new normal" of severe weather and the ever-present risk of earthquakes, fires, floods, and other potential economic disruptions, community leaders have to include risk assessment, preparedness, mitigation, resiliency, response, and recovery as part of their regular work. In particular, economic developers and their networks are charged with reducing economic risk by becoming first responders for our local businesses before, during, and after a disaster or a downturn. In doing so, they have become an experienced resource to assist with risk assessment, resiliency planning, and recovery.

It is with this in mind that the Economic Development Administration provided funding to the California Association for Local Economic Development (CALED) for the creation of an *Economic Development Recovery and Resiliency Playbook*. As the largest economic development professional association in California, CALED worked with federal, state, and local economic developers in writing this guide for jurisdictions to help ensure a more resilient community in the face of disaster or economic disruption.

We hope you use this Playbook to plan and implement the right resiliency and recovery strategy to create a sustainable, thriving economy for your community.

Your economic development partners,





Gurbax Sahota
President & CEO
California Association for
Local Economic Development





Malinda Matson
Economic Development Representative
Northern and Coastal California
U.S. Department of Commerce
Economic Development Administration

Economic Development and Its Role in Resiliency and Recovery

Ch.1

Economic development is the creation of wealth from which community benefits are realized. It is an investment in growing the economy that increases revenues for jurisdictions so they can provide services, amenities, and opportunities for their residents in a way that aligns with the community's vision and values. While economic development may not be a panacea for every issue facing a community, it is the driving force behind developing and implementing a strategy to create the preferred future of a jurisdiction — whether you are talking about a city, county, state, or nation. Many local governments understand the value and potential impacts of investing in local economic development efforts and already have established economic development strategies and staff.

Economic development's promise is rooted in the goal of building a better future. With that in mind, jurisdictions engaging in this intentional work have to be strategic in defining a community's vision for a wide range of issues. These issues include identifying which businesses fit with their culture, articulating local housing and community infrastructure needs, addressing equity and inclusion, understanding what skills and training are needed for the current and future workforce, and how to create a sustainable, nimble economy that is resilient in the face of economic disruption. (A glossary of acronyms is provided on page 107 as a helpful reference.)

Economic development is not a one-size-fits-all-proposition. It is unique to your community's desires, values, competitive strengths, and challenges.

This Playbook is designed to help public-sector leaders think through these issues and focus on resiliency and recovery in a proactive way that recognizes this is not a linear process. While a community may be in recovery from one disruption or disaster, its leaders will be thinking about how to rebuild in a way that considers lessons learned and the changes necessary to make the community more resilient to future disruptions or disasters. Preparedness, response, and recovery activities are part of a resiliency cycle where communities can be engaged in more than one of these at the same time.

Figure 1.1. Economic Development Recovery & Resiliency Cycle



PREPARE • RESPOND • RECOVER

The Economic Development Recovery & Resiliency Cycle

Being prepared to respond to economic disruption, planning for recovery, and fostering resiliency creates a strong, sustainable local economy that provides economic opportunity for all and improves residents' quality of life. A community may be in multiple phases of the cycle simultaneously.

Economic Recovery

Many leaders agree that it is not a question of *if* there will be another disruption, but *when* will it happen and whether jurisdictions and businesses are prepared. Federal, state, and local governments have invested in various programs addressing resiliency because doing so is the path to a more effective response and a faster recovery; for example, on July 12, 2021, California Governor Gavin Newsom signed a $100 Billion California Comeback Plan to accelerate the state's recovery and tackle persistent challenges.[1] This investment spans programs supported across multiple state agencies, with the goal of not only addressing immediate needs, but also incentivizing economic development activities that will create a more sustainable future, as highlighted by the creation of $600 million Community Economic Resilience Fund administered by the California Labor and Workforce Development Agency, the Governor's Office of Planning and Research, and the Governor's Office of Business and Economic Development.

The International Economic Development Council states that recovery "… is the restoration of all aspects of the disaster's impact on a community and the return of the local economy to some sense of normalcy."[2] More recently and as demonstrated by the 2021 federal efforts to "Build Back Better," it is generally accepted that recovery to past standards is not enough — to be more resilient for future disruptions, we must rebuild in a way that addresses prior weaknesses, challenges, *and* future risks. This includes creating opportunity for all through a lens of equity and inclusion in support of underserved populations. This Playbook uses the terms "equity" and "underserved" as defined in President Biden's Executive Order on Advancing Racial Equity and Support for Underserved Communities Through the Federal Government:[3]

> The term "equity" means the consistent and systematic fair, just, and impartial treatment of all individuals, including individuals who belong to underserved communities that have been denied such treatment, such as Black, Latino, and Indigenous and Native American persons, Asian Americans and Pacific Islanders, and other persons of color; members of religious minorities; lesbian, gay, bisexual, transgender, and queer (LGBTQ+) persons; persons with disabilities; persons who live in rural areas; and persons otherwise adversely affected by persistent poverty or inequality.
>
> The term "underserved communities" refers to populations sharing a particular characteristic, as well as geographic communities, that have been systematically denied a full opportunity to participate in aspects of economic, social, and civic life, as exemplified by the list in the preceding definition of "equity."

If local governments approach each recovery event as a chance to build a stronger, more diverse, and more inclusive economy, they will be better prepared for the next disruption – they will be more resilient. The Federal Emergency Management Agency's National Disaster Recovery Framework (see Figure 1.2 on page 3) includes a thoughtful model showing how building back better is operationalized into its recovery continuum.

Economic Resiliency

The need to develop a resilient economy and resilient businesses is a pressing economic development concern for public sector leaders, and the COVID-19 pandemic and other economic disruptions brought this need to the forefront while communities were engaging in response and recovery efforts. Economic and business resilience may seem similar, but economic resiliency relates to the strategic fiscal decisions and actions by governments to build sustainable infrastructure, diversify revenue, fund reserve accounts, and budget for future needs by looking beyond the current budget cycle and examining the ability to provide future services. Resources for helping local government with economic resiliency are listed in Appendix 1.

Individual business resiliency not only includes the policy decisions by local leaders to create an environment where businesses can thrive, it also includes business counseling as detailed in Chapter 8. Small business owners do not necessarily think about

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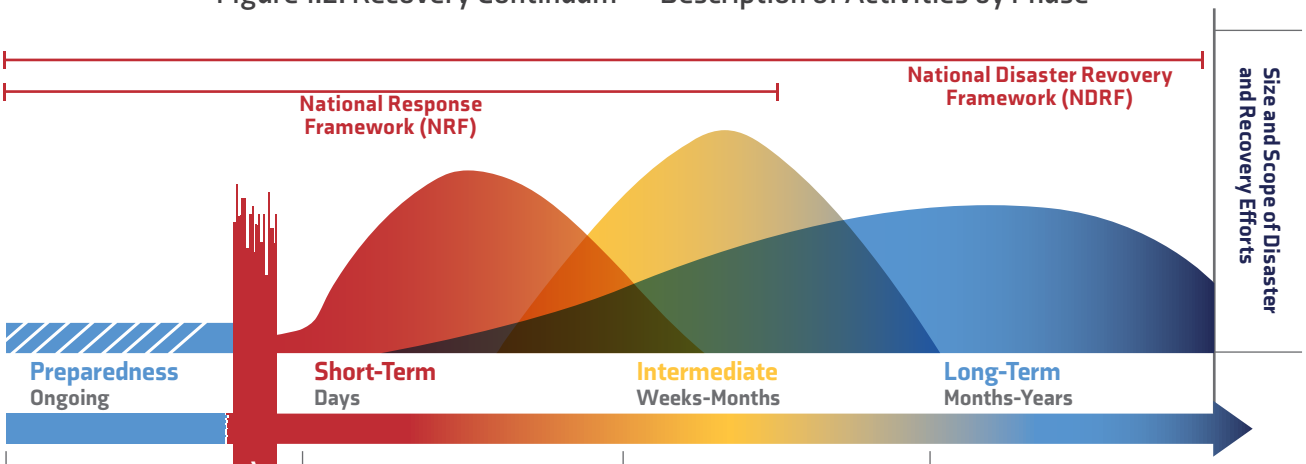
[1] California Roars Back: Governor Newsom Signs $100 Billion California Comeback Plan to Accelerate State's Recovery and Tackle Persistent Challenges: California Governor, 2021. https://www.gov.ca.gov/2021/07/12/california-roars-back-governor-newsom-signs-100-billion-california-comeback-plan-to-accelerate-states-recovery-and-tackle-persistent-challenges, 27 November 2021.

[2] International Economic Development Council. "Phases of Disaster" Restoreyoureconomy.org, https://restoreyoureconomy.org/index.php?src=gendocs&ref=362&category=Main, 27 November 2021.

[3] The White House. President Biden's Executive Order on "Advancing Racial Equity and Support for Underserved Communities Through the Federal Government. Whitehouse.gov, https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/20/executive-order-advancing-racial-equity-and-support-for-underserved-communities-through-the-federal-government/, 27 November 2021.

resiliency planning as part of their everyday work, so it is even more important that government at all levels incentivizes and supports that work, such as the State of California's Outsmart Disaster initiative's Business Resilience Challenge. This is one example of a program focused on providing businesses with the resources they need to adequately prepare for and recover from all types of disasters.

Figure 1.2. Recovery Continuum — Description of Activities by Phase



Pre-Disaster Recovery Planning
Examples include:

- Pre-disaster recovery planning
- Mitigation Planning and implementation
- Community capacity- and resilience-building
- Conducting disaster preparedness exercises
- Partnership building
- Articulating protocols in disaster plans for services to meet the emotional and health care needs of adults and children

Short-Term Recovery
Examples include:

- **Mass Care/Sheltering**
  → Provide integrated mass care and emergency services
- **Debris**
  → Clear primary transportation routes
- **Business**
  → Establish temporary or interim infrastructure to support business reopenings
  → Reestablish cash flow
- **Emotional/Psychological**
  → Identify adults and children who benefit from counseling or behavioral health services and begin treatment
- **Public Health and Health Care**
  → Provide emergency and temporary medical care and establish appropriate surveillance protocols
- **Mitigation Activities**
  → Assess and understand risks and vulnerabilities

Intermediate Recovery
Examples include:

- **Housing**
  → Provide accessible interim housing solutions
- **Debris/Infrastructure**
  → Initiate debris removal
  → Plan immediate infrastructure repair and restoration
- **Business**
  → Support reestablishment of businesses where appropriate
  → Support establishment of business recovery one-stop centers
- **Emotional/Psychological**
  → Engage support networks for ongoing care
- **Public Health and Health Care**
  → Ensure continuity of care through temporary facilities
- **Mitigation Activities**
  → Inform community members of opportunities to build back stronger

Long-Term Recovery
Examples include:

- **Housing**
  → Develop permanent housing solutions
- **Infrastructure**
  → Rebuild infrastructure to meet future community needs
- **Business**
  → Implement economic revitalization strategies
  → Facilitate funding to business rebuilding
- **Emotional/Psychological**
  → Follow-up for ongoing counseling, behavioral health, and case management services
- **Public Health and Health Care**
  → Reestablishment of disrupted health care facilities
- **Mitigation Activities**
  → Implement mitigation strategies

Source: https://www.fema.gov/pdf/recoveryframework/ndrf.pdf

The program's key objectives are to:

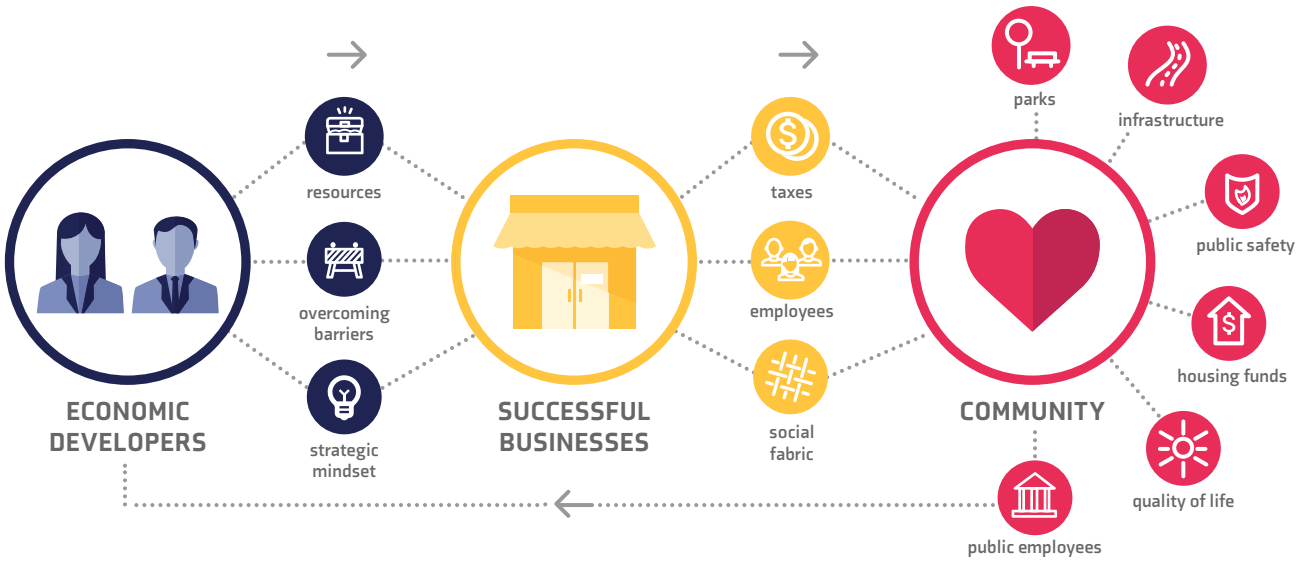
- Improve communication of disaster hazard science and engineering for use in decision-making processes;
- Help understand and inform actions to reduce disaster risks; and
- Build community capacity to respond to and recover from disasters.

It's important to include resiliency planning as part of technical and financial assistance provided through traditional economic development efforts.

Economic Development Overview

To understand economic development's role in recovery and resiliency, it is important to be clear about why jurisdictions invest in economic development and what economic developers — whether they are public sector employees or working in the private sector — do when economic disruptions occur. The economic developer's role is not only to inform leaders on policies and practices that deliver positive economic development outcomes for the entire community (places and populations), but also to implement those policies and programs and act as government's direct liaison with the businesses in their jurisdictions. In general terms, economic developers help businesses and their work benefits the community as follows. Fostering a range of business types that diversify the local tax base is an example of how economic developers keep a local economy strong and celebrate its unique community fabric.[4]

Figure 1.3. Why Communities Invest in Economic Development



Fostering a range of business types that diversify the local tax base, keep our local economy strong, and celebrate our unique community fabric.
Source: https://caled.org/why-communities-invest-in-economic-development

1. Economic developers work to strengthen and diversify the economy by:
   - Connecting businesses and investors with resources and capital;
   - Helping businesses with problem-solving;
   - Marketing the community as a great place to invest and do business;
   - Navigating the local government system – whether that is resources, permitting, or regulations;
   - Focusing on community and economic revitalization;
   - Conducting site assembly and development activities;

[4] https://caled.org/why-communities-invest-in-economic-development

- Identifying strategies (including economic development, business growth, marketing, and others) for business and the community; and
- Serving as a community resource.

2. Successful businesses provide:

   - Local tax revenue;
   - Job creation that employs community residents and brings daytime workers into the community who patronize local businesses; and
   - A stronger social fabric, by supporting the community and being part of the community culture.

3. Business tax revenue supports these community assets:

   - Public employees;
   - Quality of life;
   - Parks and amenities;
   - Roads and infrastructure;
   - Public facilities – community centers, libraries, and government buildings;
   - Public safety;
   - Subsidizing funding for housing at all income levels; and
   - Workforce development and education

As the primary interface between government and businesses, economic developers naturally become the first responders for business assistance during a disaster or economic disruption. During an emergency, economic developers coordinate with businesses to communicate business relief opportunities, emergency regulations, and critical safety information and relay business information back to the Emergency Operations Command. This experience and direct engagement with businesses is why economic developers are a rich resource to inform risk mitigation and resiliency planning related to economic disruptions.

Figure 1.4. Perspectives on Economic Development



Under normal circumstances, economic developers are relied on to advise elected and local community leaders as governments seek to influence the direction of private sector investment toward opportunities that can lead to sustained economic growth. This is important because sustained economic growth can provide sufficient incomes for the local labor force, profitable business opportunities for employers, and tax revenues for maintaining an infrastructure to support this continued growth. Private sector investment is an engine for economic growth, but there are many initiatives the public sector can undertake or investments it can make in areas of greatest need as identified by the community.

The key to success here is that everyone in the community should be engaged in developing the vision. This requires a concerted effort to include not only the traditional players with an interest in economic development, but also historically underserved populations who are sometimes difficult to reach. Diversity and inclusion lead to broader input and more holistic

solutions that benefit the entire community. Recent research discussed in the whitepaper *The economic gains from equity*[5] found that the U.S. economy would grow by $22 trillion over the next 30 years if opportunities were more equitably distributed by race and ethnicity.

Elected officials, businesses, government, and the community at large have varied perspectives, and all play a role in creating the vision.

It is also important to note that economic development is not community development, but the two activities do work together to create an environment where people and businesses can thrive. Community development is a process for making a community a better place to live and work, such as investing in parks and public facilities. Economic development is the creation of wealth in which community benefits are realized. We make this distinction as the terms are sometimes used interchangeably, but they are not the same thing.

Jurisdictions engage in three approaches to enhance local economic development efforts:

1. Business Retention and Expansion — enhancing existing businesses;
2. Business Attraction and Recruitment — attracting new business; and
3. Business Creation — encouraging the start and growth of new businesses.

While this seems simple, complex strategies, programs, and activities are needed to successfully deliver positive economic development outcomes that create benefits for the entire community.

Implementing Economic Development: Key Components

The beauty of economic development is that regardless of your community's economic situation, you can seize the opportunity to discuss the future and chart a path to get there with a thoughtful economic development strategy. This is done through a deliberate, inclusive visioning process with residents, community leaders, and businesses that leads to consensus on what they want for their community in the future. With a clearly articulated vision, local government leaders move on to creating a strategy with tangible goals and metrics that define success and an implementation plan that delineates a timeline with milestones and identifies who is responsible for the work. Given the COVID-19 pandemic, record wildfire seasons, and a host of potential other disasters or disruptions, your strategic goals need to include economic resiliency. Chapter 2 discusses defining your economic goals before and after disaster and explains the primary steps of the strategic planning process.

Regardless of your community's economic situation, you can seize the opportunity to discuss the future and chart a path to get there with a thoughtful economic development strategy.

To better understand your community's competitive advantages and disadvantages, several areas must be considered. Chapters 3–7 in the Playbook present more details on accurately assessing your community and key sector(s) impacting the economy. The U.S. Department of Commerce provides another excellent resource on strategic planning in its Economic Development Administration's process for developing a Comprehensive Economic Development Strategy (CEDS).[6] It offers helpful information on planning for resiliency, which includes the following:

> Measuring the economic resilience of a community or region, including the actions taken to foster resilience, will vary depending on the assets and vulnerabilities of each region. Two common measures are the degree of regional income equality (i.e., how evenly income is distributed across a regional population) and the degree of regional economic diversification (i.e., degree to which economic activity is spread across sectors). Regardless of the specific types of data collected and measures used, it may be helpful to benchmark data collected against national averages to help identify trends and better inform the development of key strategies.

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[5] Buckman, Shelby R., Laura Y. Choi, Mary C. Daly, and Lily M. Seitelman. 2021. "The economic gains from equity." BPEA Conference Draft, https://www.brookings.edu/bpea-articles/the-economic-gains-from-equity/ Fall 2021.

[6] https://eda.gov/ceds/content/economic-resilience.htm

Given the breadth of issues encompassed in most economic development strategies, the effort also requires collaboration and partnerships to effectively implement the strategy. As detailed in Chapter 2, Mariposa County's Economic Vitality Strategy offers a current example. After working with a consultant to engage partners and residents to develop a relevant strategy, the county created a detailed implementation plan with milestones that identifies who (whether it is county staff or a partner organization) is responsible for meeting each goal. The Economic Vitality Strategy Group meets annually to report on its accomplishments, challenges, and next steps.

This serves as a helpful reminder that to maximize all potential partnerships, you must know who is on your team. While you may quickly be able to identify local groups, keep in mind that there may be other organizations working to improve or address issues in your community with similar goals to those in your strategy. Some examples of such partners other than traditional city and county staff or departments include:

- Federal and state governmental departments engaged in economic development;
- Workforce Development Boards;
- Educational institutions: four-year and community colleges, trade schools, etc.;
- Associations, nonprofits, community-based organizations, etc.;
- Commercial real estate brokers;
- Faith-based organizations;
- Banks and credit unions;
- Business councils and chambers of commerce;
- Special districts;
- Utilities;
- Private business owners; and
- Youth leaders and groups.

After having defined a vision, created a strategy with success metrics, and identified who is on your team, it is time to develop programs and policies to grow a thriving, well-diversified, sustainable economy. Chapter 8 discusses a methodology and examples for business engagement and assistance, but business assistance does not happen in a vacuum. Public sector leaders approve policies, make investment choices, and create frameworks within which economic developers work. In the 2009 Public Policy Institute of California report by Max Neiman and Daniel Krimm, *Economic Development: The Local Perspective,* the authors highlight a list of local economic development activities in order of importance (with the first item being most important), based on a survey of all California cities. The list (see "Local Economic Development Activities, 2009" on page 8) shows some that are still relevant today.

These are just some of the types of initiatives that governments take part in to further their economic development goals. However, it is not all inclusive; for example, many community leaders are focused on delivering quality economic opportunities for traditionally underserved or under-represented populations. This could mean using an economic development commission and public process to engage these populations and hear their challenges and what types of assistance they need, and then developing initiatives to address their concerns.

Local Economic Development Activities, 2009

These activities are listed in order of importance, with the first being most important. (Numbers were added to original text for clarity.)

1. Assuring consistency in development rules
2. Streamlining review of all applications for permits
3. Working with private promotional groups
4. Improving local amenities
5. Contacting/networking with businesses
6. Property site referrals
7. Joint collaboration with other jurisdictions
8. Public improvements to declining areas to stimulate investment
9. Working with area's councils of governments (COGs)/regional governments
10. Participating in state-funded grant programs
11. Formal customer service training for city staff
12. Community Development Block Grant programs
13. Having a single agency to encourage economic development
14. Formal overall economic development strategy to guide local policy
15. Rezoning land for commercial use
16. Promotion of specific industry or activity or cluster
17. Working with local colleges/universities
18. Creating and implementing the economic development element in city General Plan
19. Local government-assisted advertising/other public relations
20. Tax increment financing
21. Issuance of bonds to support economic development projects
22. Ombudsman services for businesses
23. Encouraging industrial parks
24. Joint ventures with other cities to encourage economic development
25. Permitting higher densities/building heights
26. Subsidizing on- or off-site infrastructure
27. Public acquisition of smaller parcels for resale as larger parcels
28. Technical assistance for small business
29. Formal membership in economic development corporation
30. Allocating resources/policies to attract "green" business
31. Government assembly of land/writing it down for private purchase
32. Working with public schools formally to improve education
33. Relief from payment of development fees, license, permits, etc.
34. Subsidy or support for employee training
35. Annexation to provide serviced land for new business
36. Forums with others for venture capital, start-ups, industry clusters
37. Reducing cost of licenses
38. Low-interest loans to businesses
39. Targeting city procurement to local businesses
40. Federal job training programs
41. Locally operated revolving fund
42. Financial grants to businesses
43. Loan packaging targeted for business start-ups
44. Sales tax rebate to business
45. Rebates of other non-sales tax to business
46. Formal certification of industrial or business parks
47. Lower operating costs by subsidizing utility rates
48. Foreign trade zone in city
49. Military base conversion program

Tools for Economic Development

Local governments also have other levers and tools available for technical and traditional economic development beyond developing programs and initiatives as noted earlier. CALED defines technical economic development activities as those that the public sector undertakes to prepare and assemble land for the purpose of economic development investment. Traditional economic development activities are actions that help businesses thrive through business retention and expansion, business creation, and business attraction. Many partners and programs are available to help communities undertake economic development activities. Appendix 1 in this Playbook is provided to help track and understand these tools and partners.

For many, the most prominent technical economic development tool in California is tax increment financing (TIF), which is a financing and real estate tool used to revitalize blighted areas through the use of funding generated by a gap in the current property value and the property's potential value if new development and investment were to occur.

In 2011, the California Legislature approved several TIF tools, including Enhanced Infrastructure Financing Districts (EIFDs) and Community Revitalization Investment Authorities (CRIAs), which are currently the primary economic development TIF tools in California. While both have useful powers, local governments are turning more to EIFDs to further their economic development goals.

Many tools are available to jurisdictions when it comes to implementing traditional economic development programs; however, the most important tool is effective local leadership. By being inclusive, listening to residents' needs, creating a long-term vision for the community, capturing that vision in a strategy, and championing and funding the work needed to meet the metrics identified in the strategy, communities create the future and quality of life that their residents desire.

The City of Needles offers an example of this type of effective local leadership. Its city leaders worked over the past decade to embrace cannabis-related businesses in an effort to raise revenue for community benefits and support the creation of quality jobs for residents. The city embarked on this endeavor in 2012 — four years before recreational cannabis became legal statewide — because local leaders saw the need to be prepared for this opening and recognized a way to increase economic opportunity for their residents.

Along with strong local leadership, local governments may find the following tools helpful.

Economic Development Element of a General Plan and Economic Development Strategy. Because economic development does not happen overnight, cities need to thoughtfully plan for their future and chart their course in a document that current and future leaders can reference to maintain focus and use as benchmark to measure success.

Data. Knowing your competitive advantages and disadvantages is critical in helping existing businesses and competing for new businesses. Often, this boils down to knowing your demographics and the key assets in and around your community. You will use this data to develop the business case for your jurisdiction.

Permitting. Many local governments have done an excellent job of streamlining their permitting processes with the understanding that doing so not only ensures compliance with local ordinances, but also provides value to developers and businesses. Many cities post their fee schedules and processes online, and some even allow developers and businesses to see where they are in the process through an online portal, providing certainty and transparency related to permitting. Some jurisdictions have reduced or eliminated certain fees in an effort to stimulate economic development.

Zoning. Land use and zoning are important tools in a jurisdiction's toolbox to encourage economic development. Many communities see the benefit in creating a small area General Plan, incorporating density bonuses, and adding to and capturing value through how property is zoned.

Infrastructure. The availability and adequacy of public infrastructure is often a make-or-break issue for economic development projects. Communities can prioritize their investments in infrastructure improvements that generate the highest returns from private real estate development and business investment.

Land Assembly. Piecing together the land needed for a priority economic development project can take many years and significant investment to complete; consequently, local governments are often in the best position to take on a long-term property assembly and disposition strategy.



Training and Staffing. Local governments cannot always fund every aspect of economic development, but they can invest in staff who will research and identify partnerships and funding resources and gain the expertise to apply for these funds. Investing in training for public sector staff should also include planning and review of resiliency, recovery, and response activities in case of a disaster or economic disruption.

Equity and Inclusion Review. It is essential to analyze economic development programs and incentives from the perspective of who benefits and who does not. While local governments sometimes focus this analysis on incentive-type programs, creating economic opportunity for all is intentional work, and this lens must be incorporated when considering all challenges and solutions.[7]

As noted earlier, the promise of economic development is that — if done thoughtfully and strategically — it is rooted in the hope of a better future for all, implemented in a way that is consistent with a community's values. The tools and tactics discussed in this chapter offer a good foundation for understanding and applying the concepts in this Playbook.

In addition, this Playbook will help you better understand your current economic situation and risks, identify potential impacts of a disruption, and start your resiliency and recovering planning for the betterment of your community and residents — so you can build a strong, diverse, and resilient economy.

[7] Adapted from "Build Economic Development Momentum With Tools, Teams, and Tactics," *Western City* magazine, March 2020

Be Strategic: Clearly Define Your Economic Goals, Before and After a Disaster

Ch.2

As stated in Chapter 1, given that local governments do not have unlimited resources, it is important to be intentional and strategic with your economic development efforts. Goal setting is critical to an economic development strategy so everyone participating in the process has the same vision of what success looks like, along with the metrics to benchmark progress. The U.S. Economic Development Administration (EDA) provides a helpful Comprehensive Economic Development Strategy (CEDS) framework that highlights the importance of goals to a community's economic resilience and how goal setting fits into an economic development strategy.

Goals Within a Strategy

Key CEDS elements include:

- Summary background;
- SWOT (Strength, Weakness, Opportunity, and Threat) analysis;
- Strategic direction/action plan;
- Evaluation framework; and
- Economic resilience.

The summary background should provide an overview of the region's economic situation. Building on data from the summary background, the SWOT analysis should assess the state of the regional economy, including the opportunities and threats posed by internal and external trends and forces, and the availability of resources for economic development. The region's vision, goals, and measurable objectives, together with an appraisal of the region's competitive advantages, should form the basis of the strategic direction and action plan. The evaluation framework should establish criteria and performance measures for evaluating the region's implementation of the strategic direction and progress toward goals and measurable objectives. The economic resilience component should address planning for and implementing resilience, establishing information networks, pre-disaster recovery planning, and measuring resilience. The elements of the CEDS, seen through a lens of economic resiliency, should logically build upon and/or shape each other to result in a coherent, targeted document.[8]

[8] See https://eda.gov/ceds/content

Goals play a central role in several CEDS elements. Specifically, the strategic direction element calls for a vision statement with goals and objectives, and goals are also an essential part of the economic resilience element in planning for and implementing resilience, pre-disaster recovery planning, and measuring resilience.

In this context and in planning for economic resiliency, goals are important to a community because they create a baseline for measurement, allow the community to progress toward recovery, and help define what resiliency looks like. Goals provide guidance and direction not only during an economic disaster, but also during economically prosperous times by using engagement and outreach to determine the community's needs and aspirations. In addition, when preparing for a natural disaster or economic disruption, goal setting can be a key element of the process. This chapter provides the tools and resources necessary to clearly define economic goals before and after an economic disruption that will help you prepare your community for economic recovery and resiliency when faced with these challenges. When preparing for any kind of disaster or economic downturn, goals can also support efforts to build economic resiliency.

Some of the desired outputs of the goal planning process could be:

- Building a strategy to meet a specific goal;
- Crafting an emergency business response plan;
- Cataloging and securing resiliency funding;
- Developing a collaborative process among neighboring jurisdictions; and
- Creating a strong relationship with partner organizations.

Economic resiliency is an ongoing, measurable process that should start with efforts to incorporate economic resiliency into all aspects of the economic development strategy — before a disaster or economic disruption occurs.

It is important to note that economic goal setting should be an ongoing process that is measurable and constantly evaluated. Goals that affect economic disaster recovery and resiliency should be included and considered in all economic development strategies. Doing so helps ensure that responding to the next economic disaster will be easier, recovery will be more simplified, and the community will foster economic vitality. This chapter explains the many elements of the goal setting process for the pre-disaster (resiliency) and post-disaster (recovery) phases.

Economic resiliency is an ongoing, measurable process that should start with efforts to incorporate economic resiliency into all aspects of the economic development strategy — before a disaster or economic disruption occurs. On the other hand, economic recovery (post-disaster) is usually a targeted response triggered by a disaster or economic impact and requires immediate action.

Getting Started

Before you begin, you will need to ask and answer questions about your goals. What will the goals achieve? What are the objectives of each goal? Which goals have your stakeholders identified? How do these goals meet community needs? The FEMA Community Planning and Capacity-building page[9] offers an excellent resource.

When defining and setting economic goals, many approaches are available. Using specific, measurable, attainable, realistic, and time-based (SMART) goals is an effective approach (see Fig. 2.1 on page 13). Many management experts use the SMART goal setting principle, which is attributed to Peter Drucker. Setting SMART goals allows you to clarify your ideas, focus your efforts, use your time and resources productively, and increase the chances of achieving what you want.[10]

[9] https://www.fema.gov/pdf/recoveryframework/community_planning_capacity_building_rsf.pdf
[10] SMART Goals - Time Management Training From MindTools.com

Building Relationships and Your Agency's Reputation in the Community

Before a jurisdiction can embark on goal setting, it needs to ensure that it has a strong relationship with its residents, businesses, and workers. By taking the time to build relationships with a foundation of trust and accountability, your jurisdiction will improve its capacity for effective community outreach and engagement, which is essential in setting goals and creating strategies.

Trust is goal number one. Many government entities interact directly with the public at large and can generate a sense of trust based on a first impression, especially with new arrivals or historically marginalized community members. A public meeting provides an opportunity to connect with community members in a setting where their input is welcome and their voices are heard. When engaging populations that distrust or lack confidence in government, it is often helpful to identify one or more trusted community leaders who can facilitate mutually respectful discussions and build connections between the agency and community members. While a positive first impression starts a community representative off on the right foot, continued communication, follow-through, and partnership will build upon it. To foster authentic engagement and participation with the community, the local government must be a trusted partner with a history of delivering results. If your local government does not have a good reputation in place, then the repair work must begin immediately.

Figure 2.1. Principles of SMART Goals



Source: SMART Goals - Time Management Training From MindTools.com

Credibility enables local governments to carry out their missions. The best emergency response happens long before emergencies occur by building trust with your residents and community members. When the public negatively perceives an organization's character or results, it poses a risk to the reputation and effectiveness of the organization. Clarity and transparency are important components of public information campaigns, but good communications alone cannot protect credibility — this begins with maintaining stakeholders' trust, fulfilling promises, and adhering to strong ethical principles. Managing risks to a local government's credibility involves using:

- Self-assessments of policies and programs and how they are perceived;
- Engagement and honest communications with the public and stakeholders through multiple channels, including social media monitoring;
- Social responsibility as a policy, not a photo opportunity;
- Accountability for individuals within the organization at all levels; and
- Sound, transparent governance policies and leadership.

Relationship building and marketing are not just for businesses. Mono County Tourism Executive Director Jeff Simpson said, "Everybody knows that businesses often rely on marketing, but few consider that the government (at just about any level) needs to market itself, too. As the public's reaction to the recent government shutdown illustrates, the public doesn't always have the highest opinion of its elected officials. Good government marketing can really help keep the relationship between a government entity and its local constituents peaceful."

Make your good work known. Government entities are most effective when they actively participate in the communities that they serve. The ability to effectively communicate with the public makes it much easier for the local government to share key information. When a governmental entity has successfully completed a public project, good communication is essential to getting the word out.

Eight Considerations for Goal Setting

Because goals are so important to ensuring that all participants are moving in the same direction, the process of goal setting is purposely methodical and includes many forms of outreach and communication. The following are key considerations that should be included in defining your goals.

Figure 2.2. Eight Considerations for Goal Setting



1. Inventory Existing Tools

One of the first steps to setting economic goals is to conduct an inventory of existing tools: plans, lists, branding/marketing, economic development software, or goals that you identify in existing local jurisdiction plans.

- Determine what exists in your jurisdiction before you decide what is needed, and analyze the inventory for effectiveness. You may be surprised that the strategic plan you were certain is needed was already completed by another department.
- Be aware of information silos where one municipal or county department closely guards its information and does not share it with other departments, even for internal use.
- You may also discover that the contact list you are using needs to be updated. If so, make plans to update this valuable resource.
- Make a checklist of possible goals and research whether or not they have already been completed, and if so, when. Also check to see if other entities (either within your jurisdiction or a local partner) are working on the same goals. CEDS participants beyond the city/county may have priority sectors for planning, such as the chamber of commerce, an Economic Development Corporation or other economic partners. Duplicating efforts is counterproductive.

Where possible, consider what neighboring jurisdictions are doing to promote collaboration, coordination, and consistency.

You can assess your inventory by searching your jurisdiction's website or reaching out to other departments. The City Clerk or Clerk of the Board of Supervisors maintains a list of official documents, so they are always a good resource, as are the minutes from the Board of Supervisors and City Council meetings. Cities may need to check with counties for document inventories and vice versa. Where possible, consider what neighboring jurisdictions are doing to promote collaboration, coordination, and consistency.

After you have conducted an assessment, analyze the inventory. When were these goals created or accomplished? When was the last time they were updated or reviewed? If the plans are older and the goals no longer match the community's needs, do they need to be completely overhauled or is a refresh appropriate or necessary?

2. Collaborate

After assessing your inventory, you need to also identify who is on your team. If you are not collaborating with other economic partners and government departments when defining your economic goals, you are taking on more work than necessary, and you are not using the knowledge and experience of other team members. Collaborating on economic recovery/resiliency goals and tools can be done in several ways, including the following.

Teams and committees. One of the best ways to collaborate is to form a resiliency/recovery committee. If all the key stakeholders and city or county departments and agencies are at the table during the planning process, collaboration during implementation is much easier. Discussing the process together will help clarify which department or agency is the lead for each item.

A strong team will help with recovery in case of a disaster and will ultimately form a well-oiled machine that is prepared for economic disasters. To manage a successful economic resiliency/recovery team or committee, you should meet regularly, as consistent meetings help build and bond the team, and you should meet before, during, and after a disaster.

Partners. As mentioned previously, it is essential to collaborate with other county and city departments and community partners in order to identify existing critical strategic plans. Creating a comprehensive index of plans requires involving several categories of partners, including internal partners such as other county/city department heads. Depending on the emergency, the partners could include:



Partnering with a wide range of external stakeholders, such as the American Red Cross, helps to build a strong team.

- Law enforcement/Office of Emergency Services (OES)
- Planning Department
- Public Works Department
- Emergency Operations Committee (EOC)
- Health and Human Services
- City government departments, such as the City Manager's Office, Economic Development, etc.

Potential external partners include:

- The local chamber of commerce
- Tourism bureau
- Economic Development Corporation (EDC)
- Business associations
- School district(s)
- Local banks, credit unions, and financial/funding institutions
- Community foundations
- American Red Cross
- Small Business Administration
- Department of Motor Vehicles
- Long-term recovery groups or task forces

3. Conduct Community and Stakeholder Outreach

Another critical element of clearly defining economic goals is identifying stakeholders and engaging the community. Stakeholder and community engagement is a key component of a successful Economic Vitality Strategy (EVS). It is important to identify partners in conducting community and stakeholder outreach. In some cases, it may be necessary to hire an outside consultant to assist with the process, and this may require outside funding. The case study of the Mariposa County Economic Vitality Strategy (which appears later in this chapter on page 22) provides an excellent example of how to conduct stakeholder and community outreach, particularly in an under-resourced community.



Economic Development Takeaway

When identifying stakeholders, reinforcing equity should be a top priority. Make every effort to ensure that all members of the community are included in the process — in particular, engage in dialogue with underserved populations: women, persons of color, non-English-speaking residents, and members of the LGBTQIA+ community.

Stakeholder Engagement. A stakeholder is an individual, group of people, or organization with a concern or vested interest in creating and maintaining a robust community. When identifying stakeholders, reinforcing equity should be a top priority. Make every effort to ensure that all members of the community are included in the process — in particular, engage in dialogue with underserved populations: women, persons of color, non-English-speaking residents, and members of the LGBTQIA+ community. Communities include residents with diverse interests, languages, cultures, etc. Activities should be inclusive of all groups within a community from the beginning to avoid situations where groups who were not engaged early on show up frustrated or angry due to the lack of inclusion.

Before you begin, determine how stakeholder engagement will be implemented. Should a consultant be hired to conduct outreach or does the jurisdiction have the capacity to engage diverse populations? If a consultant is needed, will securing a grant be necessary to provide adequate funding? Another option is to join with local community partners to facilitate engagement.

Engaging community stakeholders can be done in many ways. Keep in mind that your options encompass different types or levels of community engagement, listed here by increasing level of involvement:

- **Informing** — disseminating fact sheets, public notices, requests for proposals, and funding announcements, holding webinars, and reaching out through networks/community groups;
- **Consulting** — gathering feedback, conducting listening sessions, holding comment periods, providing consultation;
- **Involving** — facilitating two-way conversations, providing and seeking technical/administrative assistance, and convening steering committees; and
- **Collaborating** — partnering to develop solutions together, from brainstorming to implementation.

Once you identify the stakeholders, make sure to include them in your goal setting process. Without stakeholder engagement that includes all community groups, the goals will not be supported. Economic development that is equitable, inclusive, and outcome-driven for residents begins with prioritizing community engagement and clearly linking that engagement to actionable initiatives with measurable results.[11]

Key steps to engage your stakeholders include the following activities.

- Identify stakeholders and pay special attention to organizations representing marginalized communities.
- Create committees or task forces.

[11] 33591_SmartIncentives_Report.pdf

- Conduct regular meetings to discuss the status of the goals and objectives and review implementation of the adopted plan.
- Engage in clear and consistent communication with the stakeholders about the goals.
- Facilitate public community meetings with stakeholder organizations, and publish a schedule for public meetings. Select a facilitator who can direct the meetings using prepared questions, and use a scribe to take notes detailing the attendees' feedback and key points or issues raised during the discussions.
- Gather information from meetings. This can be done in many ways, both manually and electronically, to capture thoughts, ideas, suggestions, questions, etc.
- Prepare reports for each stakeholder meeting. For consistency, each report should use the same template or format.
- Publish on your jurisdiction's website and participating parties' websites any reports presented in meetings.
- Use information and feedback for your strategy. All of the reports should be used to help create the strategic plan. Information from the reports may be displayed in a spreadsheet to indicate the tasks that should be prioritized.
- Use social media platforms, which provide an excellent way to engage stakeholders. You can also create a private group for the stakeholder committee. Private groups (available on Facebook, Slack, and other platforms) offer a convenient way for committee members to communicate.
- Conduct virtual and in-person meetings as an effective way to reach more community members, whether through a one-time meeting or regularly scheduled meetings with your stakeholders.
- Hold charrettes, meetings in which all stakeholders work to resolve conflicts and map solutions. These can be a very useful tool when defining economic goals.
- Publish information about the goals and progress on the jurisdiction's website at regular intervals.

Community Outreach. When defining goals, engaging the local community — not just stakeholders — is imperative. There are many ways to engage your community and define goals that the community not only accepts, but also embraces. Be sure to address equity and engage underserved groups. Consider working with community navigators to conduct neighborhood-based outreach. It is also important to address barriers to participation; for example, some households lack broadband access and are best engaged using non-digital, more traditional tools and methods.

The general community will want to provide input on your goal setting, and their input is just as important as the stakeholders' contributions. In addition, community outreach provides transparency. Consider how best to use the following activities to reach your community.

Media management. Prepare press releases for your local media that include updates of your goals and a request for input by the local community. Include your email address or the goal's social media pages to make it easy for community members to submit their ideas. Invite the media to attend public meetings.



Charrettes are helpful tools for addressing conflicts and devising solutions.

Create a dedicated web page. Use your jurisdiction's website, which most likely uses search engine optimization (SEO) and has an existing online presence, to create a separate page that highlights each goal, rather than creating a new website. Keep the page's information current with public meeting dates and available avenues for the public to provide input.

Publish social media posts and/or blogs. A social media page or blog can be created to invite comments and generate excitement about the project. These are useful and relatively inexpensive ways to engage the community because it allows input and interaction. If it's a public page, it can cast a wide net.

Track feedback. The digital feedback from the social media pages should be incorporated into each goal. The accessibility of public pages helps to support the goals' transparency and credibility. Social media provides an opportunity to gather more feedback from the community. Use the social media analytics to reveal more details, such as the number of likes, shares, and follows, and track whether your reach is increasing.

Conduct public meetings, including Town Halls. Schedule an agenda item to discuss your particular goals, either during your local government meetings or at a special meeting, whether virtual or in person. Publicize the meeting and the topic, and invite the general public to attend. Conduct one-on-one visits with key "influencers" or small groups of influencers who will then carry your message into the broader community. Schedule a special meeting or a Town Hall dedicated to discussing each goal. Enlist or hire a scribe to take notes during the meeting and then publish and distribute that information.

Request community member participation. Post applications for community members to serve on the goal committees/ task forces. These representatives provide a link to the community and can offer the community's perspective. Ensure outreach to underserved populations by being proactive and engaging each group personally, using translators as needed, and with personal communication. Keep in mind that a variety of tools may be necessary, because some members of the community may not be digitally savvy or have broadband access.

Use electronic surveys. Various platforms offer easy-to-use electronic surveys. The best option depends on the target audience, type of data to be gathered, and ease of administration.

4. Identify Opportunities and Barriers

With respect to goal setting, both opportunities and barriers exist. It is important to be aware of both so that you can better understand the process and set goals that work for your organization or community.

Opportunities. Setting economic goals provides numerous opportunities. When you measure progress toward meeting your goals, you stay on track, see your target dates, and experience the excitement of achievement that builds momentum. In addition, goals:

- Create a roadmap for success. It is difficult to navigate the economic disaster resiliency and recovery journey without them, because they provide a starting point and a destination;
- Help in determining priorities and staying focused on what is important;
- Keep you accountable. Just like measurability and trackability, accountability is fundamental for goal setting, because your stakeholders and the community will hold you accountable regardless;
- Enable you to break through mental blocks. Without clearly defining economic goals, daily tasks can feel repetitive or mundane. Setting goals and staying focused enables you to get past those mental hurdles;
- Play a key role in building support as you involve community members in discussions of what the community really wants. By engaging with the community, you will discover which goals they believe are important. This will help build community support; and
- Help align disparate funding proposals and coordinate partners to focus on project planning, thus realizing benefits through shared efforts.

Barriers. While there are many opportunities and advantages to setting economic goals, there are also some barriers, especially if the process is not followed. Barriers include the following issues.

- **Lack of community support.** If you fail to properly engage your community, sometimes the goals you set may not match what your community wants. This will result in a lack of support and possible distrust.
- **Potential limitations.** Make sure that your goals do not limit the ability for expansion. While they are important to create focus, your goals may limit your opportunities if you are not open to broader possibilities.
- **Inappropriate goals.** Goals should be appropriate for and tailored to the unique factors of the jurisdiction or community, such as financial restrictions, community size, equitability, etc.
- **A dysfunctional or micromanaged environment.** If a jurisdiction's work environment is dysfunctional, it is more difficult to engage in effective goal setting and planning.
- **Reluctance to establish goals.** Some government leaders are reluctant to establish goals for their communities. Effective leaders, however, take the lead and initiate the goal setting process.
- **Resistance to change.** Some communities resist change, which can be a problem for goal setting. Engaging and educating the public can help build acceptance of proposed goals.

5. Create a List of Goals

Use an inventory index (a matrix of existing goals or projects) to document intended goals. Create a list arranged either in alphabetical order or some specified category (such as department or subject matter). Identifying what exists can help with resiliency/recovery goal setting and determining which plans need to be created, and it can reduce duplication. To create the necessary goals with your community, use the following steps.

Identify partners. As noted previously, collaboration allows you to leverage the support of many people and organizations to identify and deliver your desired goals. Once you have determined that you need to conduct the goal setting process, you will need to identify the key partners who will assist with goal creation. In many cases, the Planning Department is a key partner in creating economic goals, as is the local chamber of commerce, Economic Development Corporation and other industry-focused business organizations. More detailed information on how to engage stakeholders and conduct community outreach can be found later in this chapter in the community outreach case study on page 22.



Economic Development Takeaway

Including underserved communities is critical to the goal setting process and to creating economic resiliency. If all members of the community are involved with setting local economic goals, the economy that is rebuilt will be stronger and more cohesive.

Including underserved communities is critical to the goal setting process and to creating economic resiliency. If all members of the community are involved with setting local economic goals, the economy that is rebuilt will be stronger and more cohesive. The local Health and Human Services Agency (HHSA) and community-based organizations that have built trust with local underserved communities can act as liaisons to ensure representation and equity.

It is important to establish and foster strong partnerships with all community members and stakeholders. With the help of stakeholders and the community, you can determine which goals are the most important for your community.

The other partners will be determined based on the type of goal. In many cases, local government leaders (the City Council or Board of Supervisors) should have input on the discussion for prioritizing public goals. You may also want to hire a consultant to help lead the process and create a final product.

Prioritize the goals and develop a timeline. After you have identified who should be at the table, it is time to prioritize the goals and determine what is essential for recovery and resiliency. At this time, you must also create a timeline for the process so you can stay on track and deliver your project on time. Tips on this process are included following this section.

Funding. Comprehensive goal setting with extensive community engagement can be expensive. The good news is that, in many cases, resiliency goals can be funded by grants. Community Development Block Grants (CDBG), the U.S. Department of Agriculture (USDA), the EDA, and other federal and state government, regional, and local agencies have specific funding available for technical assistance and goal creation.

Champions. Who will champion each goal? Chances are that the economic development practitioner will not work on and complete every goal. It is important to define the tasks and responsibilities of each partner. Work with your identified partners to decide who will champion specific goals, and then determine if it is necessary to hire a consultant to facilitate the completion of some goals.

Implementation. Once your economic goals have been identified, you will want to make sure that they are implemented in accordance with the timeline. If the goals are not implemented in a timely manner, they could be viewed as "sitting on the shelf" and it may be hard to get back to them. This relates to the SMART framework and whether the goals are attainable, measurable, and time-based.

6. Create Timelines for Goals

As noted earlier, once you have clearly defined your economic goals, make sure to create timelines for each item, as time and labor constraints will prevent them from being completed simultaneously. Take the following steps to create timelines.

Prioritize each item and decide which tool should be created. In many cases, accurate business and community contact lists are needed immediately, as they become essential during and after a disaster. Plans can be an ongoing task, and goals can be listed annually.

Delegate. Because the implementation of a plan with multiple goals can be quite daunting, do not hesitate to delegate. The local chamber of commerce and Economic Development Corporation can both help with implementing your plan. In addition, the local Planning Department can most likely assist with strategic plans, as can the Governor's Office of Emergency Services (CalOES).

Collaborate. Do not try to tackle disaster preparation single-handedly. Collaboration will help create more comprehensive resources and plans that include community engagement and support. It will assist in spreading the experience and knowledge of the process throughout your community.

7. Implement Goals

After the community outreach has been conducted and the strategic plan has been created, it is time to implement the plan and work on achieving the stated goals. All of the data collected from the outreach will be compiled in a living document that should be updated annually and will be the basis of an implementation plan. In addition to the public outreach feedback, collect economic and demographic data to combine with public input. Good statistical data is important and will help with implementation.

The economic development strategic plan, which is a summary of goals and objectives to create economic resiliency, will need to be presented to the local government so that the City Council or county Board of Supervisors can pass a resolution adopting the plan. Once the resolution is signed, the plan can take effect.

The following activities are an essential part of the implementation process.

Print the plan and distribute copies. Make sure to print several hard copies of the plan and distribute them to stakeholders, and also distribute the document in digital form.

Post goals on public website. In addition to providing the printed copies of the plan and goals, make sure to post a link to the goals on the community's website and promote the link to the local community. Your partners can help promote the link through their channels, too.

Keep the goals up to date. It is crucial to update your plan and goals to maintain relevancy and benefit to the community. A community can do this by performing annual reviews. This activity supports transparency, and it also documents and evaluates how the goals are being used and which action items have been completed. Invite the stakeholders to review, report progress, and update the list annually. Once the annual reviews are completed, the updated reports should be presented to the local government and promoted to the public and stakeholders through social media and press releases.

Allow input. Be sure to allow input on the goals. Just because the goals have been adopted, printed, and distributed does not mean you should stop allowing input. Think of the goals as living, breathing items that can continue to grow. Make sure to document any changes to the goals, especially after they have been adopted, because they are official government documents and transparency is critical.



Annual reviews are an important part of keeping goals updated.

8. Review and Update

As mentioned earlier in this chapter, it is imperative to keep all your resiliency tools (lists, plans, and other resources) updated. Make sure to continue to review and reprioritize your economic tools and goals. You should plan to review strategic plans and goals with your stakeholders on a quarterly, semi-annual, or annual basis. The contact lists should be maintained with real-time information, which can be done by using tools like Mail Chimp that have an "opt-out" subscription option and allow recipients to change contact information. Staff should regularly update contact lists based on bounce-backs, email address changes, etc., to ensure that the information remains current and accurate.

Economic Development Takeaway

Just because the goals have been adopted, printed, and distributed does not mean you should stop allowing input. Think of the goals as living, breathing items that can continue to grow.

Case Study: Community Outreach

Mariposa County Economic Vitality Strategy, May 2017

This report offers a helpful example of how to conduct community outreach. In 2017, the Mariposa County Board of Supervisors directed staff to update the county's existing Economic Vitality Strategy (EVS)[12], which was created in 2007. The 2007 EVS had not been reviewed or updated for 10 years.

A Framework for Community Engagement

Staff first created a list of 28 stakeholder organizations throughout the county and then scheduled meetings with each one. Participants received a questionnaire that identified the strategy's two goals, which were to strengthen the tourism industry by making Mariposa a year-round destination, and to diversify Mariposa County's economy with suitable business development opportunities. The questionnaire asked the stakeholder participants five questions:

1. Do you believe these two goals are still appropriate for Mariposa County?
2. Within each goal, there are strategies to achieve the goal, and several actions to achieve the strategies. Please review each action. Please identify five actions to which you believe the county should give priority.
3. Are there additional strategies or actions that should be included in the EVS?
4. Are there strategies or actions that are no longer relevant or appropriate?
5. Are there economic development issues or opportunities that are unique to your community and that are not identified with the EVS (for example, issues that are unique to your community or unique to agriculture)?

Staff distributed the questionnaire to the stakeholders prior to each meeting. At the stakeholder meetings, staff used the questionnaire as a facilitation structure for the meeting and took notes on public white sheets, which allowed attendees to make changes. While the questionnaire provided a framework for the discussion, participants were able to ask additional questions during the meeting.

In addition to the stakeholder meetings, staff created an EVS Update web page on Mariposa County's website that included a blog with meeting updates and comments, information about the strategic plan, and project updates. Staff also created Facebook and Instagram pages for public engagement and reached out to the local media with press releases and invitations to the scheduled meetings.

Consolidating Community Input and Updating the Strategy

After all 28 meetings were conducted (over a period of three months), a uniform report was produced for each of the community meetings. Staff presented the data generated from the community outreach (stakeholder meetings, Facebook and blog input, and private letters) at a regular meeting of the Mariposa County Board of Supervisors. The meeting's agenda item included the 28 reports, the schedule of meetings, the questionnaire, all notes from social media and the blog, and the four private letters.

When the county hired consultants to create the 2017 EVS update, staff provided them with all the Board of Supervisors' meeting attachments to inform the consultants about the community's requests. The consultants continued where the county left off and interviewed several stakeholders and conducted a Town Hall meeting to solidify the EVS goals and objectives.

The Mariposa County Board of Supervisors adopted the 2017 EVS Update on July 17, 2017, during the Detwiler Fire evacuation.

Following its adoption, hard copies of the printed plan were distributed to stakeholders, and the project web page was updated with a link to the adopted plan.

The community outreach did not end after the adopted plan was distributed. Staff continues to review the plan on an annual basis, reports to the Board of Supervisors with updates, maintains a current version of the master plan on the website, and updates the social media pages.

[12] Mariposa-County-EVS_Final-Report-62017 (mariposacounty.org)

Infrastructure Systems and Improvements for Resilient Communities

Ch.3

To plan and strategize for your community, it is important to understand your community's infrastructure needs. This chapter examines the connection between economic development and infrastructure, ongoing potential deficiencies, and needed improvements.

The Connection Between Infrastructure and Economic Development

Economic development as practiced by cities and counties involves hiring and assigning staff to engage in business attraction, expansion and retention activities, and entrepreneurship support. To plan and implement various economic development initiatives, local governments also fund regional agencies or hire private consultants. Some jurisdictions are focused on helping their business community secure loans and ease local regulations that may inhibit business activity; others focus on branding, tourism, and creating attractive destinations. A few are actively engaged in recruiting new business and developer investment, and these efforts often focus on commercial and industrial uses that generate valuable tax revenue, as well as other economic impacts through their multipliers.

The various economic development approaches used by communities for decades primarily focused on collaborating with the business sector to expand the job base and local government fiscal resources. Expanding the job base also requires the delivery of goods via various transportation modes, an adequate water supply, wastewater treatment, electrical power, and other business infrastructure services.

In some cases, a community's effort to expand its business base can become disconnected from the important social infrastructure needed by area residents. This social infrastructure is a core foundation for economic development and includes the need to:

- Accompany infrastructure investments with changes in land use regulations to ensure that mixed-use development with abundant housing can be developed in close proximity to transportation facilities;
- Pursue federal and state funding to expand transportation service access for all residents, which will improve mobility of and access to labor markets;
- Develop new housing or mixed-use facilities on vacant and underutilized commercial sites or on built sites where land can be assembled and redeveloped. Adding new housing units improves the societal infrastructure and reduces the number of people who may move away due to a lack of housing access;

- Support affordable child care and school infrastructure that will allow parents (primarily women) to return to work; and
- Expand access to services that help keep residents and workers healthy; for example, funding community health clinics can deliver lower-cost, accessible services for a community's uninsured and hard-to-reach populations.

Ongoing Infrastructure Deficiencies and Needed Improvements for Resilient Communities

The American Society of Civil Engineers (ASCE) gave the State of California a C- in its *2019 Report Card for America's Infrastructure,* which reports the conditions of 18 categories of infrastructure systems that affect local and regional economic development initiatives.[13] In practical terms, economic development professionals, community stakeholders, and elected public officials generally think of the term "infrastructure" to include roads, bridges, the electrical power grid, water, and wastewater treatment. Because successful businesses require adequate infrastructure services, a community's infrastructure status is a critical factor in business location decisions. But a limited focus on traditional infrastructure is too narrow to address a community's economic development needs in its efforts to recover from fires, floods, pandemics, and other natural or human-caused disasters.

Going forward, communities should add social and business infrastructure systems to the foundations of essential infrastructure systems to improve the economic wellness of residents, community members, and their families. The essential social infrastructure systems that have been neglected and ignored for decades include broadband services that can deliver internet access for all residents; adequate, safe, and affordable housing; equitable access to transportation services, childcare and pre-school education; and access to health care services. Both structural and social infrastructure must be in place to improve a community's economic wellness. These social infrastructure systems are described in the following sections.

A limited focus on traditional infrastructure is too narrow to address a community's economic development needs in its efforts to recover from fires, floods, pandemics, and other natural or human-caused disasters.

Broadband

Broadband is a critical infrastructure system required for businesses and residents to access the internet and the flow of data that supports the 21st century economy. Broadband internet services are delivered by several technologies, summarized below.

- **Fiber optic technology** carries massive amounts of data at high speeds using pulses of light through strands of fiber encased in cable. Businesses that utilize and transmit large amounts of data typically need access to fiber optic technology.
- **Wireless broadband (Wi-Fi)** connects a home or business to the internet using radio signals instead of cables. The current state of the art Wi-Fi technology is 5G, which is not as fast as fiber optic but sufficient for most home and business use.
- **Digital Subscriber Line (DSL)** transmits data over traditional copper lines. This technology has become relatively obsolete for business use.
- **Cable** delivers high speed internet access over the same coaxial cables that deliver pictures and sound to a television.
- **Communications satellites** provide internet access and are often the best option for rural areas where other services are limited or unavailable.

[13] See https://infrastructurereportcard.org/state-item/california. The 18 categories of infrastructure systems identified by ASCE include aviation, bridges, dams, drinking water, energy, hazardous waste, inland waterways, levees, ports, public parks, rail, roads, schools, solid waste, stormwater, transit, and wastewater.

Broadband internet services available to California residents and businesses are delivered by a range of private telecommunication companies, and the broadband options for any business or household depend entirely on the location and financial capacity to absorb the costs of infrastructure build out and service. For example, nearly all residents and businesses in Silicon Valley have access to fiber optic technology. Conversely, communities in Northern and Eastern California and other rural areas may have access to the internet only through satellite services. The service providers are often large, for-profit corporations focused on maximizing profits, not necessarily providing equitable access for all.

Providing broadband internet access for residents and businesses that — due to access or cost — are not being served by the private telecommunications providers poses a challenge for local governments and economic developers. At the same time, the need for high-speed internet services continues to expand while telecommunications technologies are rapidly evolving and changing.

Some cities, led by their economic development teams, are meeting the challenge of delivering equitable broadband internet access by establishing their own service provider to allow residents and businesses to work around the private telecommunication companies; for example, the City of Rancho Cucamonga is investing $20 million to construct 70 miles of fiber optic cable along its major corridors and business districts. The city has partnered with Onward, a California-based Competitive Local Exchange Carrier, to manage the service delivery effort.[14] The goal is to provide equitable access to broadband for all residents and businesses within the service area.

Of course, not all cities and communities have sufficient locational attributes and access to capital needed to build their own fiber optic system. This presents an important role and opportunity for local economic developers to provide access to broadband internet services for all residents and businesses, and it has become a priority for the U.S. Economic Development Administration (EDA). Significant grant funds are now available through the U.S. EDA to establish community and regional broadband networks to serve households and businesses that have been unable to access the internet.

Economic developers can collaborate with nearby communities to seek EDA funding for a regional broadband system; however, applying for these grants is a long, complicated process with no guarantee of success. Consequently, economic developers should also be in discussions with their local telecommunications companies to explore and develop solutions that expand access and reduce costs. The reality is that telecommunication companies are not going to implement expensive fiber optic cable investment everywhere. Many companies can function adequately using Wi-Fi technology and do not need fiber optic cable. But innovative solutions are needed for companies that may require access to fiber optics or they will eventually relocate to where the service is available. Providing universal broadband access is a work in progress and a major economic development challenge.

The State of California has also recognized the need with large investments in broadband development. In Governor Newsom's 2021 Budget, a $6 billion broadband package was approved. This included $3.25 billion for the establishment of a state-owned, open-access middle-mile network, $2 billion divided equally between urban and rural counties for last-mile projects, and $750 million for a loan-loss fund to help local governments and nonprofits finance broadband service projects.[15]

Housing Access and Affordability

Housing is the most fundamental infrastructure system for any community. It is vital to build an adequate inventory of housing for all residents, because access to clean, safe homes allows residents to be functional members of society and active workforce participants. Unfortunately, many California communities lack an adequate supply of all forms of housing, which contributes to high housing prices and unaffordable rents.

In particular, the housing shortage and mismatch between wages earned and the costs of housing near job centers forces some workers in tourism, entertainment, food service, and other low-wage industries into overcrowded conditions or extreme long-distance "super commutes."

In the worst-case scenario, some low-wage workers who can no longer access a housing option become unhoused and live in a

[14] See https://www.cityofrc.us/rcmu/rcmu-fiber-optics
[15] See https://caled.org/wp-content/uploads/2021/07/CALED_CABudgetAnalysis_FINAL.pdf

recreational vehicle, personal automobile, or some other form of shelter. They join other community residents not participating in the labor force and unable to access any housing.

The housing shortage and access crises were already underway when the COVID-19 pandemic impacts began in March 2020. The lack of equitable access to housing became more acute when businesses closed and workers stayed home. Employees who were able to work from home did so, but most food service, tourism, and hospitality establishments had to close and lay off their workers. Some of the low-income workers were already struggling to remain housed, and the pandemic made their situation much more difficult.

The extremely complex challenge of creating an adequate supply of housing accessible for residents of all income levels requires mutual cooperation among the private sector and all levels of government. It is critical that this partnership be in place prior to the next pandemic, earthquake, fire, or other disaster that may strike a community.



Expanding California's housing supply is critical to meet workforce needs.

In the meantime, local government and economic developers play an important role in efforts to expand the housing supply and create an adequate mix of housing that fits the needs of all residents. Making changes in existing zoning ordinances and parking requirements can allow for more residential uses, both in large cities and small towns. Land use changes can remove some barriers to housing access; for example, by allowing higher density or the construction of accessory dwelling units (ADUs) in a residential area, or by changing zoning from commercial only to mixed use. Lower development fees can reduce the cost of building new housing, and a faster approval process can speed up construction and reduce costs.

Local governments can help improve housing infrastructure by making it a priority to attract investment in expanding housing stock to serve all residents as part of an ongoing effort to prepare for the next economic disruption. An ongoing dialogue with potential housing investors and nonprofit housing advocacy groups can help jurisdictions to better understand the housing needs that all residents confront.

Transportation Infrastructure

Healthy, sustainable local and regional transportation systems are critical infrastructure needed for communities to successfully expand and diversify the job base and improve income and wealth for all residents. The adequacy of transportation infrastructure will always be critically important to businesses of all sizes. By encouraging businesses to locate in convenient areas, a community's transportation infrastructure investments can reduce commute times, resulting in productivity gains that benefit employers and workers alike. It paves the way for higher profits and wages and job creation.

While it makes sense to encourage reduced travel for new projects, it is also the law in California. SB 743 (Steinberg, Chapter 386, Statutes of 2013) updated California Environmental Quality Act guidelines to change how lead agencies assess transportation impacts, specifically looking at Vehicle Miles Traveled (VMT). This new guidance took effect in 2020, and now Caltrans and communities must consider VMT and reducing VMT when making vital transportation infrastructure decisions.[16]

Roads, bridges, airports, ports, and rail systems comprise California's "hard" transportation infrastructure, but the "soft"

[16] See https://opr.ca.gov/ceqa/sb-743/faq.html#what-is



The needs of bicyclists and pedestrians should be accommodated when making transportation infrastructure improvements.

transportation infrastructure funds the actual movement of people, workers, and goods through a community and region. Communities that are hit by an earthquake, fire, or flood may suffer significant physical damage to their "hard" infrastructure. This damage can be repaired with new investment and federal assistance. However, the COVID-19 pandemic impacted the "soft" transportation infrastructure that funds the ongoing operations of bus, passenger rail, water, and air travel systems that transport people to work and move goods through a regional economy and are usually funded via ride fares. While the pandemic caused no physical damage to hard transportation infrastructure, the financial viability of airports, passenger rail systems, and other public transit systems were threatened when passenger counts dropped by 90 percent.[17]

In a post-disaster recovery period, a community's transportation infrastructure improvements should extend beyond roadway improvements that will simply reduce automobile travel time. The improvements should focus on improving pedestrian and bicycle movement along with public transit services via bus, passenger rail, and air travel, and continuing investment in electrifying public transportation. In addition, more zero emission vehicle (ZEV) charging stations are needed in California, and the Governor's proposed 2022 Budget supports those measures with a $6 billion expansion in ZEV investments.[18] All these systems must work together with any transportation improvements needed by private automobile users.

Economic developers can also make it a priority to clean up and repurpose brownfields and other polluted sites that often can be found in a community's core. Brownfields are sites that either have real or perceived contamination from previous uses. Since they are by definition sites that have already been developed and "used" in some way, they are often located in the main area of a community. When left unused, they can be eyesores and create dead space in a central business district. Economic developers can reactivate these spaces by cleaning and repurposing them. The U.S. Environmental Protection Agency provides grants to both land owners and communities to help with the often expensive assessment and cleanup processes. (Learn more about EPA's Brownfields resources in Appendix 1.) By engaging in this activity, communities reinvest within their boundaries, which by extension can help to keep VMT low.[19]

With some exceptions, funding soft transportation infrastructure systems is not local government's direct responsibility. But local governments can play an important role in supporting financially viable transit systems by



Transportation infrastructure improvements should address the needs of all users.

[17] San Francisco International Airport is just one example of a "soft" transit system that was badly damaged by the pandemic. https://www.flysfo.com/media/facts-statistics/air-traffic-statistics/2020

[18] See https://caled.org/wp-content/uploads/2022/02/01.25.22-CALED-Review-of-Governors-Proposed-Budget-Final.pdf

[19] See https://www.epa.gov/brownfields/overview-epas-brownfields-program

changing land use regulations to allow new infrastructure to be used to its fullest potential. This includes encouraging mixed-use development where new housing can be developed near transportation facilities. In addition, cities can adjust parking requirements to deprioritize car use in favor of encouraging people to bike, walk, and use public transit.

Economic developers can help improve soft transportation infrastructure by supporting efforts to expand funding for ongoing operations and to develop sites more intensively near transit systems that support expanded ridership. These ongoing actions will improve the community's capacity to respond to and recover from the next disaster.

Child Care and School Infrastructure

The unprecedented March 2020 closure of child care and school facilities statewide caused many parents to leave the workforce to care for children at home. Women were disproportionally impacted by child care and school closures, but all parents and families were affected. The pandemic highlighted the fact that child care and schools are essential infrastructure systems, and the business community realized this when many schools quickly adopted distance-learning teaching methods. Employees started working from home, and children attended virtual school from home. Essentially, inadequate school infrastructure contributed to 2.5 million women nationwide leaving the workforce since early 2020 and to a declining labor force participation rate.[20] Companies already facing difficulties filling open positions have struggled to hire new employees and revitalize their workforce.

Local governments can help improve child care and school infrastructure by supporting education and child care as a top-tier economic development priority. Communities with excellent schools are also successful communities where people want to live and businesses want to locate. Ongoing support of local school funding measures is important, as are land use decisions that encourage safe pedestrian access, bike lanes, and other methods of transporting children to and from school. Making education and child care a priority will generate long-term economic development benefits and position a community to better respond to and recover from the next disaster.



Economic Development Takeaway

Making education and child care a priority will generate long-term economic development benefits and position a community to better respond to and recover from the next disaster.

Health Care Infrastructure

A community's health care infrastructure consists of the hospitals, clinics, and other for-profit and nonprofit providers in the immediate community and neighboring region. The inequities in health care access have become a significant constraint to engaging many people in the workforce and preparing them to participate in a rapidly changing economy. The pandemic clearly demonstrated that an employee's health is critical to business success and community public health is a critical component of infrastructure. While it is well-known that millions of Americans lack access to health care insurance, the pandemic exposed additional weaknesses of our health care infrastructure systems.

Disasters such as COVID-19, which has killed over 80,000 California residents as of February 2022 and caused hundreds of thousands of hospitalizations statewide, clearly demonstrate the inadequacies of our health care infrastructure.[21] Concerns about inadequate health care infrastructure also apply to future pandemics or a massive earthquake that could injure hundreds or thousands of people (who may require hospitalization) or prevent people from going to work.

[20] See https://www.bls.gov/cps/cpsaat01.pdf for 2020 employment and labor force participation rates.
[21] Data as of February 8, 2022. Source: https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/CovidDataAndTools.aspx

The health care infrastructure system is a very complex component of the economy. Making improvements to the system requires mutual cooperation among large private sector businesses like insurance providers, the federal, state, and local governments, and those who use health care services. It is not possible to fix the health care infrastructure at the local level because it requires a massive partnership effort that extends far beyond the scope and capacity of local jurisdictions.

Jurisdictions can help improve the health care infrastructure by conducting and maintaining an inventory of a community's health care infrastructure systems in order to be prepared for the next disaster. An ongoing dialogue with health care providers can help local government to better understand the economic challenges and barriers to access that confront low-income and hard-to-reach residents. Rural health centers also face the challenge of attracting qualified doctors and medical technicians to their areas.[22] This dialogue can potentially strengthen the area's available medical services, which make a stronger economic argument for investment in a community.



An inventory of health care infrastructure systems can help economic developers plan and make improvements.

Creating a Long-Term, Resilient Foundation for Local Infrastructure

This section examines the steps involved in defining resilient infrastructure, establishing partnerships, and building budgeting resilience.

Defining Resilient Infrastructure

Resilience is the ability to prepare for, respond to, and recover from a disaster. This resilience is achieved through strategic fiscal, planning, and implementation decisions. Resilient infrastructure is essential to the basic functions of local and regional economies; for example, when a severe storm closes a major bridge, businesses lose access to employees and customers. When the pandemic arrived, child care centers were closed and many parents had to leave the workforce to attend to their children's education and well-being.

The establishment of resilient business and social infrastructure systems should be understood, documented, and strengthened to withstand future shocks. Efforts to strengthen infrastructure resiliency overlap and interact with public health, hazard mitigation, flood control, agricultural sustainability, fire prevention, and other resiliency efforts in any region. This includes initiatives to prepare for, respond to, and recover from natural or human-caused disasters or economic disruptions.

Begin by Establishing Partnerships

As detailed in Chapter 2, the work of economic development often comes down to relationships with businesses and other local partners like the chamber of commerce, downtown associations, and so forth. In building a resilient model for economic development, relationships are just as important, although the partners may look different. Ensuring that there are passable roads, access to utilities, and appropriate signage is not only the domain of a local Public Works Department; in a disaster, the public works functions become vital to economic recovery. Because of this link, the relationship between an economic developer and a local Public Works Department becomes a critical component of resilient economic development practices.

Building this relationship isn't always an easy task. There is no doubt that public works departments oversee public infrastructure, and the staff may be understandably hesitant to consider partnering with other departments or agencies regarding the strategy of their projects. In such cases, it is up to the economic developer to build a collaborative relationship with public works staff and to demonstrate the mutual benefits of a collaborative relationship. The following is a list of general steps that can be taken to start the conversation about a collaborative relationship with Public Works Department staff.

[22] See https://www.aamc.org/news-insights/attracting-next-generation-physicians-rural-medicine

Case Study: Recovery

The 2018 Camp Fire in the Town of Paradise

On November 8, 2018, the Camp Fire ignited in Pulga, a small community about 8 miles east of the Town of Paradise. At that time, Paradise was an incorporated town of 26,500 residents and 1,200 businesses, including a full-service hospital, and served as a bedroom community for the surrounding communities in Butte County. Due to a combination of high winds, drought conditions, and very dry vegetation, the fire quickly spread at a rate of 80 football fields per minute and ultimately destroyed the Town of Paradise within hours. The Camp Fire consumed 18,000 residential and commercial structures, representing 90 percent of the town. All 26,500 residents were forced to evacuate, along with another 25,000 from surrounding communities. The fire burned with such intensity that underground pipes in culverts melted, roads were scarred, utility poles ignited and fell into roadways, and residents were at times forced to abandon their cars and evacuate on foot. Most tragically, 85 people perished in the fire, which was the most destructive and deadliest wildfire in California history to date.

A disaster of this magnitude causes extreme damage to the infrastructure of a town or city and makes recovery much more difficult. Numerous lessons have been learned since the 2018 Camp Fire, and many of these illustrate the foundational importance of infrastructure in all aspects of recovery.



Significant repairs are typically needed after extensive debris removal severely damages roadways, which Paradise experienced following the Camp Fire.

Lesson Learned: Infrastructure Inventory is Important

By a fortunate coincidence, the Town of Paradise had conducted a road condition analysis several months before the Camp Fire occurred. This analysis was done with the intention of showing the gap between available gas tax and grant funding and the need to bring many of the town's roads to a better standard; however, after the Camp Fire, this analysis served as a foundation for recovery plans. While this initial inventory helped start the discussion with recovery partners such as the California Office of Emergency Services (Cal OES) and the Federal Emergency Management Agency (FEMA), more data was needed to make the case for funding to repair roads after the fire.

Knowing that the debris removal operations would cause a great deal more damage to roads with thousands of heavily loaded trucks driving through town, public works and recovery staff initiated a detailed road surface damage analysis, using Light Detection and Ranging (LiDAR) remote imaging technology to document every crack and pothole. Nine months later, when debris removal was complete, a second LiDAR analysis was done to document the damage incurred. This data enabled the town staff to apply for and receive $77 million in funding through the Federal Highway Administration (FHWA) to repave all publicly maintained roads in Paradise — a huge win not only for public infrastructure, but also for economic recovery. Damaged roadways were a major barrier for businesses trying to reopen and for patrons attempting to reach them.

Lesson Learned: Have a Recovery Strategy with Community Buy-In

While Paradise spent a great deal of time and energy preparing for emergencies, less thought went into recovery planning, which is very common among city and county offices of emergency management. In previous smaller-scale disasters, the Town of Paradise's recovery consisted of only a few days or weeks of cleanup conducted primarily with town resources. The Camp Fire's scope necessitated a very different response with a recovery period likely to last at least a decade. Having a pre-disaster recovery plan is an important part of emergency planning that is often overlooked, but even after disaster strikes, your community can still put together a plan for recovery.

In February 2019, three months after the Camp Fire, the Town of Paradise launched a four-month community planning effort led by Paradise residents to develop

a roadmap for recovery. A grant from a local nonprofit organization provided funding to hire a planning firm experienced in disaster recovery. Once the contract planning firm was on board, the town initiated extensive public outreach efforts to encourage participation and understand the residents' priorities. Prior to the COVID-19 pandemic, the town held large meetings with more than 700 residents attending to share thoughts on evacuation routes, early warning systems, design standards, public space, walkable downtown areas, and more. Economic recovery was discussed alongside housing and infrastructure recovery, as the three go hand in hand. By June 2019, the town had identified 40 recovery projects and presented a Long-Term Community Recovery Plan to the Town Council, which approved it. This plan is the guiding document for recovery in Paradise to this day. (To see the plan and learn more about the process, visit www.makeitparadise.org.)

A critical aspect of a recovery plan is community buy-in. Even in a disaster with a smaller scope than the Camp Fire, it is important to factor in the thoughts and ideas of community members and stakeholders when you are talking about the direction of your community.

Lesson Learned: Working with Public Works on Recovery

The Paradise Public Works Department had its hands full with so many recovery projects needed to restore the town after the Camp Fire. The town created the Recovery and Economic Development Department to add capacity to all departments. The new department began collaborating with the Public Works Department to identify ways to support their efforts and to take the lead on projects that served economic recovery, such as broadband access.

Many identified projects had both infrastructure and economic recovery components, such as a walkable downtown area, connected bikeways, and a sewer system. For these projects, public works staff took the lead on the technical infrastructure aspects, while recovery and economic development staff supported public messaging, grants and funding, and relationship building with stakeholders and partner agencies. It was understood that these types of projects, once constructed, would be vital tools in the economic recovery and development toolbox to attract new businesses and support existing businesses.

In a large-scale disaster like the Camp Fire, the local Public Works Department may welcome the support of economic development partners to add capacity; however, this may be more challenging in the context of a smaller-scope emergency or when proactively crafting a recovery strategy. Recovery from smaller-scope disasters may initially appear to fit more easily within physical infrastructure alone. In such cases, it is particularly helpful to talk through potential scenarios and ways that this type of collaborative support can benefit public works projects.

Lesson Learned: Recovery Budgeting

The Town of Paradise recognized the need to look at capital project budgeting differently in the Camp Fire's aftermath. The Public Works Department was suddenly facing more projects and a larger budget than ever before, with over 40 community recovery projects identified along with multiple public assistance and hazard mitigation projects by FEMA, and 60 projects qualified for CDBG Disaster Recovery funding.

Many of these projects were not only public works projects, but also projects for the town's economic recovery. With this in mind, in the second budget year after the Camp Fire, the Capital Improvement Budget also included "Recovery Projects." This new approach allowed the Public Works Department and the newly created Recovery and Economic Development Department to work together on overlapping projects.



Economic Development Takeaway

Prior to the pandemic, the town held large meetings with more than 700 residents attending to share thoughts on evacuation routes, early warning systems, and more. Economic recovery was discussed alongside housing and infrastructure recovery, as the three go hand in hand.

Share data. The bedrock of this relationship is sharing data. In most cases, the data already exists. Whether it is an inventory of traditional infrastructure assets in public works, or a study analyzing sales tax data and demographics in commercial areas that can help public works staff focus their resources in the right areas, this data is useful to both public works and economic development. The time to begin sharing this data is before a disaster occurs.

Discuss each other's needs. Existing data is a perfect starting point, but what happens if some data points are not already included? For example, a local government might have an inventory of public assets, but the condition of those assets hasn't been updated since the inventory was created. To prepare for a disaster, it is important to have up-to-date condition information not only for insurance purposes but also for grant opportunities that may replace the assets to the prior standard. Economic developers can and should work together with other city and county departments to ensure that needs beyond existing data can be met.



Building a collaborative relationship between economic developers and the Public Works Department is an essential resiliency practice.

Communicate how this relationship benefits the Public Works Department. Any partnership between departments or agencies should benefit both partners, and it's important to understand how the extra work of sharing and potentially gathering data will help public works. Many public works grant applications for infrastructure projects can be greatly strengthened with data from economic developers, whether it's demographic data, project impacts on employment or housing, or sales tax data for areas served by certain projects. Public works may also benefit from the relationships fostered by the economic developer with the local business community that provide connections with business owners and sectors necessary for grant applications or infrastructure project outreach.

Identify and articulate common goals. Public works staff and economic developers have a common goal: a thriving jurisdiction that provides for the needs of its residents and is self-sustaining (in other words, provides enough tax revenue to support its needs).

In addition, partnerships with other state and local government departments or agencies, nonprofits, and the private sector can help build a resilient economic foundation. These potential partners could include:

- Governor's Office of Business & Economic Development (GO-Biz)
- Governor's Office of the Small Business Advocate (CalOSBA)
- Local communications service providers (internet, phone, etc.)
- Local health care providers (hospitals, clinics, nonprofits)
- Planning Department
- Office of Emergency Services/Sheriff
- Health & Human Services Agency
- Public health agencies

- School districts and individual schools
- Local child care providers (private, subsidized, county children's services, nonprofits)
- Housing and multi-family housing developers (private housing developers, housing advocates, affordable housing groups, and public agencies)
- Public and private utilities
- Chambers of commerce
- Tourism promotion and support organizations
- Regional Economic Development Corporations (EDCs)
- Workforce Development
- Housing developers and advocates

Budgeting Resilience

Under normal circumstances, municipal budgeting keeps capital improvement and economic development projects separate; however, there can and should be some overlap in projects. For example, broadband is both a potential capital improvement project and an economic development priority. You may also want to consider how to better integrate into a city or county's budget economic development projects that have larger budgetary needs.

Understanding Your Economic Base Through Cluster Analysis, Business Size, and Supply Chain

Ch.4

In any discussion of economic resiliency and recovery, the composition of an economic base is key to effective recovery and resiliency planning. To strengthen its resiliency, a community needs to know the types of businesses and employers that generate jobs and economic activity, both at the local level and regionally. Communities also need to know how the mix of businesses has evolved and changed over time, and how this all connects to external and internal factors. This is all important in creating a diversified and resilient local economy.

Data is an essential foundation that informs economic development strategies, policies, implementation actions, and other responses. The economic base provides objective measures for defining a local or regional economy, its strengths and weaknesses, and how change might potentially impact its future. Economic base information can be used for identifying business attraction and retention priorities, and in the context of economic resiliency and recovery, economic base information can demonstrate how changes occurring in one sector can have broader effects that cut across multiple sectors.

This chapter presents a summary of the economic base indicators that can help inform the plans and strategic actions needed to strengthen economic resiliency and address disaster recovery. In addition, this chapter provides some of the information and data sources that communities can consult to gain a better understanding of their economic base.

Reviewing Local Economic Drivers and Composition of the Business Community

What drives the economy, and how do you define it? Analyzing the economic base helps to answer this question. The economic base consists of private sector establishments, public sector agencies, nonprofit organizations, institutions, and numerous other entities that serve different functions within a geographic area. Generally, a local economy comprises two main functions: basic and nonbasic. The economic base is built from export-driven (or revenue-driven) basic activities, while local-serving needs are met by nonbasic activities.

At its most fundamental level, an economic base consists of the businesses, jobs, and wages that exist within a community and/or region. Other measures can include firm size, business characteristics, patents, and taxable sales,[23] but to help the user understand what it all means, the analysis of the economic

[23] International Economic Development Council; *Professional Development: Economic Development Strategic Planning;* Washington D.C.; 2016.

base needs to provide context. This can include static measures that provide a description of how the local and regional economy are currently situated, as well as dynamic measures such as growth rates that describe how the economy has evolved over time.

Composition of the Economic Base

Identifying the composition of the economic base entails drilling down into how jobs, establishments, and/or wages are distributed. Economic base information comes in a wide range of different measures and classifications. In general terms, the most relevant way of organizing economic base information is typically by industry.

Organizing the economic base information by industry allows the user to identify what drives the local and regional economy, and where the jobs, business establishments, and wages are concentrated. Examining economic base patterns by industry will identify which of the basic industries bring wealth into a region by focusing on regional, national, and global markets.

Most industry-specific job information is classified by using the North American Industry Classification System (NAICS), which utilizes a hierarchical arrangement with the most aggregated industry definitions using two-digit numerical codes, and more specific industry definitions using six-digit (or even eight-digit) codes.[24] Figure 4.1 shows an example of how one industry (cane sugar manufacturing) is coded from the broad manufacturing category to a more specific description.

Figure 4.1. Example of NAICS Definitions for Cane Sugar Manufacturing

NAICS Code	Industry Description
31-33	Manufacturing
311	Food Manufacturing
3113	Sugar and Confectionery Product Manufacturing
31131	Sugar Manufacturing
311314	Cane Sugar Manufacturing

Source: U.S. Census Bureau

Other Economic Base Measures

Comparing geographic areas provides additional context to an economic base analysis by assessing how the concentrations of economic activity for a locality or region compare within a larger geographic area. At a more simplistic level, a locality or region can compare how its economic base measures up against other geographic areas. The primary measures for making geographic comparisons examine concentrations of economic activity and how the industry growth trends compare. Measures can also be combined to provide different perspectives in analyzing employment alongside other measures. This allows for the creation of indicators that can more succinctly explain economic trends or more complex indices that combine large numbers of different measures.

Industry concentration. Location quotients (LQ) are a method of comparing industry concentrations of a region with national or statewide concentrations of that same industry. LQs allow for comparisons between geographic areas and provide context to an economic base analysis. The LQ indicates what a local area or region's economy specializes in, with values



Economic Development Takeaway

For resiliency and disaster recovery, the location quotient can point to potential future vulnerabilities or opportunities. If an area has a high concentration of economic activity in an industry that has declined nationally, then that would be a potential vulnerability for a community.

[24] https://www.census.gov/naics/
[25] Clouse, Candy; "Location Quotient;" January 2021.https://support.implan.com/hc/en-us/articles/360051560773-Location-Quotient

above 1.0 indicating above-average concentration.[25] For resiliency and disaster recovery, the LQ can point to potential future vulnerabilities or opportunities. If an area has a high concentration of economic activity in an industry that has declined nationally, then that would be a potential vulnerability for a community.

Comparative change. Shift-share analysis is a frequently used measure that tracks comparative change. The analysis combines three different calculations to arrive at an "actual growth" figure when comparing the employment growth for a local area with a larger region, state, or national total.[26] These components are the national growth, industry mix, and competitive share. For a simple comparison of geographic areas, the competitive share (also referenced as the differential shift, regional shift, or competitive component) provides a good indicator of the relative growth and competitive advantage of a locality in a particular industry.

Establishment size. Information about establishment size can identify the extent to which a community depends on a small group of large establishments, or if it has a large base of small- to medium-sized businesses. The strategies for addressing future opportunities or liabilities can differ depending on the distribution of businesses by size.

Growth trends. In addition to the static snapshot of an economic base, trend data that focuses on how indicators change over time can also be included in an economic base analysis. The two main expressions of growth are the absolute change and the percentage change. Absolute change refers to the numerical change between two points in time, while the percentage change refers to the rate of change over time.

Wage and salary income. The data sources for employment data will also typically track wage and salary income. This information is useful for identifying the wealth that the jobs in an area create for workers, and it allows for comparison by industry and by geographic area. The prosperity index measures the extent to which wage growth compares with job growth by dividing the wage growth percentage by the job growth percentage. This provides an indicator for how gains in the economy directly benefit workers.

Research and development (R&D) investment and patents. Information about patents and R&D investments can provide an indicator of where the focus of economic activity could potentially go in the future. For patent data, the U.S. Patent and Trademark Office (USPTO) issues annual reports on patent activity at the state and national levels, with less frequently released reports by NAICS code and by county and Metropolitan Statistical Area (MSA) location.[27]

In addition, the Bureau of Economic Analysis (BEA) tracks which activities generate the most R&D investments and updates this data annually.[28] While the BEA data is limited to national data, the information provides localities with a useful indicator of where high-value activity occurs.

Sources of Employment Data by Industry

The range and quality of employment data has greatly expanded over the past decade. While data at the county, metropolitan, regional, and/or state levels remains the most consistent and complete employment data available, more information at the subcounty level (city, CDP, and/or ZIP Code) has become available in recent years. Reliable sources of employment data include the following.

- Quarter Census of Employment and Wages (QCEW) data is accessible through BLS and California Employment Development Department (EDD) and includes job, wage, and establishment data down to six-digit NAICS code level. It also includes quarterly and annual data down to the county level, but will suppress data reporting where it might reveal proprietary information about individual businesses.[29, 30]

[26] Clouse, Candy; "Shift Share Analysis;" August 2021. https://support.implan.com/hc/en-us/articles/4402334035611-Shift-Share-Analysis
This article provides explanations and examples of how to perform the shift-share calculations using all three components.
[27] https://www.uspto.gov/web/offices/ac/ido/oeip/taf/reports.htm
[28] https://apps.bea.gov/iTable/iTable.cfm?reqid=19&step=3&isuri=1&nipa_table_list=331&categories=survey
[29] https://www.bls.gov/cew/
[30] https://www.labormarketinfo.edd.ca.gov/data/Quarterly_Census_of_Employment_and_Wages.htm

- Private subscription-based data vendors, such as Economic Modeling Specialists, Inc. (EMSI) and JobsEQ, use proprietary modeling to work around disclosure limitations, and include detailed geography at the ZIP code-level for subcounty findings.[31, 32, 33]
- Private subscription-based mapping or location data vendors, such as ESRI and GIS Planning/Zoom Prospector, are online tools that use a combination of public and proprietary data for analysis and visualizations.[34, 35]
- Longitudinal Employer-Household Dynamics (LEHD) is a synthetic database that combines multiple sources through the Census Bureau. It includes geographic detail down to the Census Block Group level and allows comparisons between the labor force and jobs.[36]
- On The Map web application is a mapping tool that accesses the LEHD data and provides ready-made visualizations.[37]
- StatsAmerica is a publicly accessible, economic development-focused online data tool from the U.S. Economic Development Administration (EDA) and Indiana University that provides a user-friendly interface for accessing summarized federal data and generating custom reports.[38]
- County Business Patterns is an annually updated source for establishment size data that includes employment and wage data as well as ZIP code-level data.[39]
- Census Bureau and Bureau of Labor Statistics websites provide access to numerous data programs that include employment and labor force indicators.[40]
- Custom data runs from the California Employment Development Department are available to individual municipalities, which can acquire employment, wage, and establishment data from the agency for a fee.
- Worker Adjustment and Retraining Notification (WARN) notices track job layoffs by location and individual business. These requirements only apply to employers with 75 or more employees over the past 12 months. These are posted on the EDD website at least 60 days in advance.[41]

Sources of Company Information

While publicly available employment data provides useful information about a community's economic base, it does have a notable gap: it does not include data about individual businesses and takes active steps not to disclose that kind of information. Private-sector business databases can fill this gap by providing information about individual businesses. These data records include other information not tracked by publicly accessible sources, such as location square footage, contact information, ownership information, and whether the business is part of a publicly traded corporation. Examples of private-sector business data vendors include subscription and transaction-based services, such as Dun & Bradstreet and Data Axle (formerly InfoUSA).[42, 43] The business databases' shortcomings include individual records that are not updated at the same intervals, which limits their utility for time series analysis, and imprecise estimates for jobs and revenues when more exact information is not available for an individual business.[44]

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[31] https://www.economicmodeling.com/
[32] https://www.chmura.com/software
[33] The EMSI data began including Census Tract-level employment data as an experimental feature in February 2021. JobsEQ allows for geography to be defined using city boundaries.
[34] https://www.esri.com/en-us/arcgis/products/arcgis-online/overview
[35] https://zoomprospector.com/
[36] https://lehd.ces.census.gov/
[37] https://onthemap.ces.census.gov/
[38] http://www.statsamerica.org/Default.aspx
[39] https://www.census.gov/programs-surveys/cbp/data/tables.html
[40] https://data.census.gov/cedsci/
[41] https://edd.ca.gov/jobs_and_training/Layoff_Services_WARN.htm
[42] https://www.dnb.com/
[43] https://www.data-axle.com/our-data/business-data/
[44] The National Establishment Time Series (NETS) database produced by Walls & Associates converts the Dun & Bradstreet data into a format that allows for time-series comparisons. Information about the NETS database can be requested by contacting Walls & Associates.

If a large employer within a locality is part of a publicly traded corporation, then the parent company is required to file quarterly and annual reports with the Securities and Exchange Commission (SEC).[45] In addition to financial reports, SEC filings often include other valuable information about facilities, operational characteristics, competitive threats, facility expansion/closure plans, and market opportunities. A community can use this information to examine where the parent company of a large employer sees itself going over the next few years and how the company might plan to address market threats and respond to specific events, such as the COVID-19 pandemic.

Sources of Employment Forecasts

Long-term forecasts provide indicators for how much growth a community or region might expect to absorb over the short and long terms. The assumptions and uses for these forecasts vary, and the resulting projections can differ significantly. However, they provide some guidance for the magnitude of job growth and the type of growth that can potentially occur. The available employment forecasts include the following.

- Local jurisdiction General Plans are locally derived long-term growth projections organized around land use designations.
- California Department of Transportation (Caltrans) Long-Term Socio-Economic Forecasts by County provide annually updated projections out to 2050 that also include other broad socioeconomic measures.[46]
- Economic Vitality Strategies (EVS) and Regional Comprehensive Economic Development Strategies (CEDS) often include growth forecasts or provide tracking data in a digital format.
- California EDD Employment Projections provide two-year and 10-year projections by metro area and economic region.[47]
- Council of Governments (COG) forecasts are long-term forecasts that include cities and unincorporated areas.
- EMSI and JobsEQ are subscription-based web applications with 10-year forecasts that include geographic detail at the ZIP code level and industry detail at the six-digit NAICS code level.
- Woods & Poole is an annually updated publication, available for purchase, with historical socioeconomic data dating back to 1970 and projections out to 2050. It includes data for the state, metro areas, and counties.

Equity and Inclusion

The characteristics of business ownership or the establishment size offer a useful baseline for assessing inclusion and equity. Business databases include information about the size (jobs and revenues) and ownership characteristics (corporate-owned, woman-owned, etc.) of individual businesses. More broadly, the Annual Business Survey (ABS) conducted by the Census Bureau collects and reports data on business ownership and allows for cross-tabulation by industry sector, employment size, revenue range, gender, race/ethnicity, veteran status, and other measures.[48] The data also differentiates by state and metro area. When combined with other data, the ABS data can potentially show how economic events might disproportionately affect industry sectors with greater concentrations of small businesses or diverse racial/ethnic ownership patterns.[49]

In addition, the large microdata sets from the Census Bureau such as the Current Population Survey are released on a monthly basis and can provide more detailed and timely insights into how disasters disproportionately affect different demographic groups.[50] For example, a May 2020 Stanford Institute for Economic Policy Research (SIEPR) study used the CPS dataset of the number of hours worked by business owners to show that the COVID-19 pandemic resulted in much greater closure rates for Black- and immigrant-owned businesses.[51] Keep in mind, however, that it can be challenging to work with these large datasets.

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[45] https://sec.report/Form/10-K

[46] https://dot.ca.gov/programs/transportation-planning/economics-data-management/transportation-economics/long-term-socio-economic-forecasts-by-county

[47] https://www.labormarketinfo.edd.ca.gov/data/employment-projections.html

[48] https://www.census.gov/programs-surveys/abs.html

[49] https://www.census.gov/programs-surveys/abs/data/tables.html

[50] https://www.census.gov/data/datasets/time-series/demo/cps/cps-basic.html

[51] Fairlie, Robert and Stanford Institute for Economic Policy Research (SIEPR); *The Impact of COVID-19 on Small Business Owners: Evidence of Early-Stage Losses From The April 2020 Current Population Survey;* May 2020. https://siepr.stanford.edu/sites/default/files/publications/20-022.pdf

Using Cluster Analysis

Industry clusters take a broader perspective by examining all parts of a production chain and how the relationships between different parts of that chain fit together. Cluster analysis has been a firmly embedded part of economic development practice for many years, after the publication of *The Competitive Advantage of Nations* by Michael E. Porter in 1990 helped to popularize the cluster-based perspective in economic development. The U.S. EDA includes clusters as part of the suggested background information that can be included in the CEDS funded by the agency.

Clusters can include a combination of core industries as well as suppliers and post-production service providers with an export orientation that generates net wealth for a region. Examining how these components interact and mutually create interdependencies and economic opportunities for each other is central to cluster analysis. This can also reveal common vulnerabilities for an economy if the core industries in a cluster are disrupted, as well as emerging opportunities for growing sectors that have not yet reached high levels of concentration.



Economic Development Takeaway

Cluster analysis can also reveal common vulnerabilities for an economy if the core industries in a cluster are disrupted, as well as emerging opportunities for growing sectors that have not yet reached high levels of concentration.

Using Benchmark Clusters

While cluster analysis can be a very involved and lengthy process, some tools and approaches provide localities with snapshots of how their economies look when taking a cluster-based perspective. For quick and easy online access to employment data organized by cluster, the Cluster Mapping website (a joint venture of Harvard Business School, EDA, and the U.S. Department of Commerce) provides a good starting point for identifying areas of strength in an economy that can be expanded into other sectors, as well as dependencies to watch out for when planning for disaster recovery.[52] The benchmark clusters can also help identify emerging clusters in an area that indicate potential economic diversification opportunities. The site provides a list of the top clusters and other indicators for each county, MSA, economic region, and state in the nation.

The Cluster Mapping data is not updated as frequently as other job data sources, but it provides documentation about the composition of its standard benchmark clusters, which are defined as either traded (serving export markets) or local (serving local markets).[53] Applying these definitions to more current and geographically specific employment data allows a locality to see which clusters have concentrated in its area and view the trends at a district or neighborhood level. StatsAmerica also provides information using a more simplified list of 17 benchmark industry clusters.[54] In 2015, EDD produced a series of regional economic analysis reports for every region in California, using its own list of benchmark clusters, and provided documentation on how the agency defined those clusters.[55]

Relationships Between Local Businesses

Benchmark clusters provide a framework for quickly identifying and analyzing clusters within a geographic area; however, they have limitations. To begin with, the benchmark clusters do not focus on how regional linkages create interdependent relationships that can cross over between different cluster groupings.

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[52] https://www.clustermapping.us
[53] https://clustermapping.us/content/cluster-mapping-methodology
[54] https://www.labormarketinfo.edd.ca.gov/Publications/REA-Reports/Industry-Cluster-Definitions.pdf
[55] https://www.labormarketinfo.edd.ca.gov/Publications_Library.html
https://www.labormarketinfo.edd.ca.gov/Publications/REA-Reports/California-REAP2015.pdf

A more in-depth examination of the business relationships within a region can provide a greater understanding of how these connections can help strengthen resiliency or potentially create challenges if a downturn in a business or industry group affects multiple sectors. Analyzing these relationships can also identify potential opportunities for economic diversification, as the support sectors for one cluster can also help to support activities in other sectors as well. This analysis can be done using a combination of supply chain information, input-output modeling, stakeholder and organizational engagement, and/or surveys. The industry concentrations and relationships provide a good snapshot of how a geographic area's specializations reinforce and support groupings of businesses, how these relationships create expansion opportunities, and how overreliance on a particular grouping can create vulnerabilities. This analysis is often done by consultants with expertise in cluster analysis. EDA-funded university centers can also provide data analysis and tools for conducting a wide variety of economic base, cluster, and related economic studies.[56]

Foundational Components

Another component of an industry cluster includes the foundational supports, such as colleges and universities, job training organizations, nonprofit organizations, research groups, business and administrative service providers, and local/regional governments providing infrastructure, etc. The human capital of a region is also foundational to clusters. Many of these foundational components of a regional cluster can also support other types of industries and clusters, helping to diversify the economy and provide resiliency by reducing dependence on a singular group of highly concentrated industries; for example, businesses and organizations that help to enable an industry cluster or group of clusters can potentially also support other clusters. Further examining the organizational composition of a locality or region can help identify the support roles that they have for business activity and cluster networks.

Analyzing Supply Chain Data

Supply chains consist of buyer-supplier relationships that businesses rely on to operate. Analyzing the composition of a local industry's supply chain highlights how it impacts other businesses and creates interdependencies. While most often associated with manufacturing activity, supply chains can include a variety of different inputs for all industry sectors.

Input-output models are commonly used data tools for evaluating a regional economy and can serve multiple functions. The data that they use can efficiently answer questions about which supplier purchases a specific industry needs to make in order to operate, and to what extent local industries meet their supplier needs by purchasing from other local businesses, as opposed to importing goods and services from outside the region. During more stabilized economic conditions, the supply chain information identifies potential areas of strength and opportunities for diversification. This information can also identify vulnerabilities that affect the local economy when industries that rely on imported goods and services experience supply chain disruptions. These models use geographically specific data, and individual businesses can differ significantly from what a model might show, so locally derived information is also important to understanding how supply chains affect a community. Market research reports and site selection publications can also include information about the supply chain for specific industries. Figure 4.2 (on page 42) shows an example of the typical supplier purchase pattern for hospitals in California.[57]

The predictive functions of input-output models can answer "what if" questions about what happens in the economy when a certain economic event occurs by estimating the multiplier effect. These multiplier effects take a direct impact, such as job or income change, and estimate how those direct changes create indirect impacts on other sectors. For example, if a business downsizes, that event also results in reduced purchases from suppliers that impact those businesses. Furthermore, such downsizing also means household income losses, which reduce spending at local retail stores and service providers as well.

The predictive functions of input-output models can answer "what if" questions about what happens in the economy when a certain economic event occurs by estimating the multiplier effect.

[56] https://www.eda.gov/programs/university-centers/

[57] The figure includes both the gross purchase total for California hospitals and the estimated percentage of those purchases that were made with suppliers in California.

Several vendors develop and market input-output models. These include standalone modeling applications from IMPLAN, REMI, and REDYN, as well as integrated applications from EMSI and JobsEQ that are built into their multifunction web platforms.[58, 59, 60] The Bureau of Economic Analysis also sells its own table-based, input-output model that is more rudimentary in its functionality, but more cost effective than other options.

Figure 4.2. Example of Supplier Purchase Pattern

Description	Total Purchases	Regional Purchase Percentage	Regional Purchases
Total Commodity Demand	$26,173,600,496	78.4%	$20,530,722,920
Insurance	$2,988,140,041	53.0%	$1,583,490,790
Real estate	$1,873,291,503	100.0%	$1,873,183,977
Other financial investment services	$1,833,651,033	100.0%	$1,833,425,887
Pharmaceuticals	$1,621,517,879	69.9%	$1,133,978,179
Employment services	$1,367,960,125	98.6%	$1,348,563,341
Wholesale trade distribution services	$1,328,315,077	100.0%	$1,327,972,572
Management consulting services	$1,202,569,762	73.8%	$887,202,501
Other ambulatory health care services	$847,302,628	99.7%	$844,564,447
Legal services	$685,226,207	99.0%	$678,228,674
Surgical and medical instruments	$650,704,338	50.6%	$329,199,370
In-vitro diagnostic substances	$626,733,835	48.9%	$306,571,872
Surgical appliance and supplies	$542,526,983	25.4%	$137,609,388

Source: IMPLAN

Note: The figure shows the purchase pattern for California hospitals, using a 2016 statewide dataset.

Other Business Development Information

Other types of useful data include land and building inventory, zoning and land use designations, industry and economic information, and location-based data.

Land and Building Inventory

The amount of vacant land and the inventory of buildings represent the real estate assets that a community can leverage for business development. The extent to which these assets can be used to attract, expand, or retain businesses depends on many factors, most notably the type, location, availability, and suitability of the available land or building space.

To identify local development trends, commercial real estate brokerages often issue quarterly reports that track the vacancy rates for office, industrial, commercial, and/or research and development spaces, as well as the total inventory for these types of uses. Commercial brokers, such as Colliers International and CBRE, provide free, downloadable reports for markets throughout California, while other entities such as Costar produce more detailed market reports on a subscription basis. Some city and county departments and EDCs proactively track the available business spaces. Commercial broker contacts and posted listings on brokers' websites can also provide real-time indicators of the existing inventory. In dynamic situations, such as disaster response, this information provides an early indicator for changes to local market conditions.

[58] https://implan.com/application/
[59] https://www.remi.com/models/
[60] http://www.redyn.com/Home.aspx

Zoning and Land Use Designations

The zoning and land use designations provide a more specific framework for how various land parcels can and cannot be used. When addressing economic resiliency, these policies need to be viewed in terms of which public policy objective they meet for the community and whether it potentially impedes the type of business development that a regional market can support and/or meets business needs. It is important to consider which, if any, requirements for prospective development would undermine the success of the eventual development or make it infeasible; for example, parking mandates systematically raise the price of new development and perhaps should be compared with alternative land use and transportation approaches that emphasize other modes of travel.

Industry and Economic Information

In addition to local information, industry and economic reports that focus more on national and international trends can provide important context for what has happened and what potentially could happen at the local level. The research divisions for consulting organizations such as Moody's Analytics, PricewaterhouseCoopers (PwC), and Deloitte publish publicly accessible industry-focused reports that report on various topics about specific industries. This includes recent trends as well as the future outlook for those sectors. IBISWorld is another research firm that produces industry reports for purchase.[61]

In addition, site selection-focused publications such as *Site Selection, Area Development, Expansion Solutions,* and *Business Facilities* provide information on the site development criteria that businesses in different industries evaluate. This information also looks at how industry trends affect space utilization. All of these tools take a big-picture approach to the type of business development that a community might be able to support.

Location-Based Data

Economic base analysis typically focuses on industries or clusters. However, when addressing economic recovery, location-based data has emerged as another important tool for communities to use in identifying the composition of their businesses and other measures at more of a neighborhood or district level.

Open data portals. Geographic Information Systems (GIS) and other location-based data tools have greatly advanced in recent years. Public agencies have not only increased their own internal usage of location-based applications, but they have also made a lot of their information available to the general public through the use of open data portals. This data varies considerably by jurisdiction but can include a broad range of indicators, including demographic information, transportation data, zoning, vacant land, population, housing, projected growth, number of jobs, and numerous other data points.

These portals are linked to web-based applications that can display the information and allow users to create custom maps and other visualizations. The information can also be downloaded and used by stand-alone mapping applications like ArcGIS or open mapping platforms such as Google Earth.

COGs use portals to make much of their regional data available; for example, the Southern California Association of Governments (SCAG) has an open data portal that includes a variety of items such as land use data, various index scores, socioeconomic data, COVID-19 vulnerability indicators, environmental justice areas, and transportation analysis zones.[62] Users can either use the web-based mapping application or download the data for their own analysis.



Economic Development Takeaway

Location-based data can serve as an important bridge toward identifying the extent to which changes to the economic base disproportionately impact diverse groups of residents and businesses.

[61] https://www.ibisworld.com/

[62] https://gisdata-scag.opendata.arcgis.com/search?groupIds=57ba7b0e494f400ebd1abb89ccee201f

Because the employment and industry data generally does not include information that readily allows for tracking equity and inclusion, the location-based data can serve as an important bridge toward identifying the extent to which changes to the economic base disproportionately impact diverse groups of residents and businesses. The location-based data can track socioeconomic and demographic factors as well as indices that combine data to track things like environmental justice and COVID-19 vulnerability.

Business license and tax data. While a lot of economic base information leaves gaps or has limitations related to accuracy, local business license data and tax data represent a potential source of information that can be leveraged for economic base information. Business license data can greatly vary by jurisdiction and industry sector, with some jurisdictions not issuing business licenses.[63] However, some localities' business license data includes additional information about location, industry classifications, number of jobs, establishment size, and more.

Unlike data maintained by state or federal agencies, the business license data is entirely local and therefore not subject to any third-party time lags in data reporting; for example, business license renewals provide a measure of year-over-year continuity for an individual business. Failure to renew the license provides an indicator of a business closure, and this data can be aggregated at a neighborhood level to serve as an early indicator of how a particular area in a city has been impacted by significant events.



At San José City Hall (above), staff use data to monitor local business base and industry cluster performance.

Sales tax data is another source of information that jurisdictions or their hired auditors analyze. Changes to the sales tax base for specific neighborhoods and districts can provide additional early indicators of potential impacts from significant events.

The utility of business license and sales tax data depends on its availability to various municipal and/or county departments and on ensuring the business license data includes the information that can provide early indications of potential economic base changes. Often, the departments that collect this information keep it tightly guarded over confidentiality concerns and do not share it with other departments; and some rural counties do not require business licenses, which can complicate conducting an analysis.

The City of San José provides an excellent example of how to use location-based data. The city covers over 180 square miles and has a population of 1,029,782. Its large size — in terms of both geography and number of residents — makes conducting an economic analysis more challenging. Consequently, San José's economic development staff has historically used employment and business license data to help identify and monitor how the local business base and industry clusters perform.

In the case of the COVID-19 pandemic, the city found that the pandemic had disproportionately impacted small businesses and local-serving businesses more than the larger employers and export-focused industry clusters.

To address this disparate impact and prioritize resources for economic recovery, San José shifted to a more geographic focus, using GIS to identify areas in the city where business displacement was taking place. Its business license data also includes

[63] For many jurisdictions that do not offer business licenses, a fictitious business name (FBN) is required for businesses that do not use the personal name in the company name.

information about jobs, and the city combined this information with data from other sources to allow for a more granular review of how the economic base was changing, using locally sourced data. San José also used location data to track its sales tax trends and identify where the pandemic had the greatest impact on taxable sales. Locally sourced data allows a city or county to more rapidly identify trends by sector without the significant time lag typically associated with other data sources.

Primary Data Gathering

Local intelligence. In addition to data and applications from public agencies and private vendors, another important source of information about the economic base and the potential impacts of economic disruption can be obtained directly from local businesses and neighborhood organizations. Economic development has always included some component of business outreach, such as individual business contacts, focus groups, organizational meetings, and more.

For disaster recovery in particular, on-the-ground empirical information provides an early indication of the types of businesses that were most impacted by an event. The use of online meetings has increased significantly as a result of the COVID-19 pandemic, and these tools can also be useful for contacting businesses through normal outreach as well as post-disaster. In addition, local organizations may collect their own data about the businesses they represent, which could supplement other sources and fill gaps.

Other data collection. Survey research is another commonly used tool for gathering data about local businesses and a community's economic base. The traditional methods of mail and phone surveying have now been supplemented or even replaced by online surveys and geoapps (which include GIS for enterprises, geospatial applications, geo-data visualization and mapping, location-based services, and more). Survey Monkey is one widely used online surveying platform. The service includes a survey form builder with preformatted templates and built-in functions for data analysis.[64] For communities that have GIS capabilities or access to sophisticated GIS capabilities, online surveys can also be integrated into other location-based data collection; for example, ESRI's ArcGIS Survey123 can be used for building smartphone geoapps and mapping survey results in real time as data is collected.[65] In communities where broadband access is an issue, in-person interviews or other methods to reach these businesses should be considered.

Putting It All Together

Economic base data serves as an important input into overall strategies for resiliency and recovery because it provides the context for how jobs are organized by sector and how these sectors are interconnected. Along with the clusters, local market factors, regulations, and location-specific factors, economic base data influences how a community can plan for resiliency and recovery.

Resiliency. Economic base data is typically used more for advance planning and strategic initiatives; this aligns with how communities use information to identify actions for strengthening economic resiliency. In general, economic base data has a significant lag time, especially at the subcounty level. Broader economic measures, such as employment growth, concentration, establishment size, industry concentration, and R&D are historical in nature and more amenable to long-term initiatives.

Economic base data, cluster analysis, supply chain information, business development information, and other locally derived data each provide a different part of the big picture. The resiliency perspective examines how a community can better leverage its locational advantages or safeguard itself against economic downturns or impacts on individual businesses or industry sectors.

Having a broad understanding of the economic base provides context for a recovery process as well and points to where the impacts from economic events can have indirect effects in other areas of the economy.

[64] https://www.surveymonkey.com/mp/take-a-tour/
[65] https://www.esri.com/en-us/arcgis/products/arcgis-survey123/overview

Recovery. The nature of disaster recovery focuses more on actions in the aftermath of a significant economic event. Whether the economic event is a natural or human-caused disaster, pandemic, broad economic disruption or downturn, a more industry-specific downturn, or the closure/downsizing of a local facility, recovery presents a challenge that requires resource mobilization and identifying the nature of the impact that such events will have. Having a broad understanding of the economic base provides context for a recovery process as well and points to where the impacts from economic events can have indirect effects in other areas of the economy. Understanding how the different parts of the economic base work together also helps to identify areas of strength in the economy that can assist in the recovery process.

Real-time indicators like business license renewals and sales tax trends provide a valuable window into what may be happening on the ground, and this is where locally derived and location-based information is key to formulating a response to a significant event in a timely manner. Where gaps in the data at the local level exist, national or state level information can provide an indication of what might be happening locally if the economic event is widespread or has impacted other comparable communities. In general, the information with longer lead times is more accurate and more amenable to drilling down to the local level, but having the other information as an initial overview of the trends is important to providing an overall understanding of the potential recovery needs when combined with additional information.

Labor Supply, Workforce Availability, and Training

Ch.5

Economic disruptions — whether natural or human-caused disasters or economic downturns — have profound impacts on regional workforces. More severe disasters can often result in mass migrations away from the affected region and deplete the region's workforce, as noted earlier in this Playbook in the Town of Paradise Case Study (on pages 30-31). With the regional workforce depleted, economic recovery can prove extremely challenging as the human capital required for recovery no longer exists. Without significant preparation aimed at retaining regional workforces through disasters, the road to recovery becomes much longer and requires much greater investment after the fact.

This chapter discusses practices that can help prepare for and minimize workforce loss during economic disruptions or disasters and help local businesses recoup workforce losses. By adopting the practices in this chapter, local governments can bolster the resiliency of their community's workforce. The practices presented in this section focus on collaborative efforts among local government, industry leaders, educational institutions, and public and nonprofit organizations to ensure that the current workforce is skilled and that the appropriate infrastructure exists to yield skilled replacements as needed.

Workforce Study Review

A review of other similar workforce studies is a logical and relatively simple step that can be taken to better understand how to make your workforce more resilient to disasters and economic disruptions. Conducting such a review is an effective method of determining best practices for bolstering workforce resiliency. Reaching out to local universities to partner in this effort can help complete the process. A workforce study review can help provide clarity and focus to your own studies and/or assessments, improve research methodology (especially in shaping survey tools), broaden your knowledge base, and contextualize findings. In addition, a workforce study review is an effective way of disseminating information, as it consolidates and summarizes findings from multiple studies and other relevant materials into a relatively short and digestible package.

When conducting a workforce study review, it is best to focus on the workforce issues affecting your jurisdiction. Some excellent places to look for these types of studies include the USDA Bureau of Labor Statistics, Public Policy Institute of California, local chambers of commerce, and similar studies or reviews performed by other practitioners. While researching general workforce issues can be helpful, individual local governments face different challenges when it comes to establishing workforce resiliency. It is more effective to research the common workforce challenges faced by your community, as these challenges will likely be greatly exacerbated in times of disaster and economic strife.

In addition to examining the challenges, it is beneficial to research the literature regarding the practice trends influencing your community's workforce. Through this research, you can identify the common actions among employers in your community that are negatively impacting their ability to retain and recruit staff. With these trends identified, you may be able to address these issues by encouraging local businesses to change their practices in a way that will make working for them more appealing to current and potential employees. By pairing this research with effective marketing and outreach, you can begin to reverse any negative perceptions of businesses within your community and attract a greater workforce.

Lastly, it is important to research major policies and funding that apply to the workforce in your community. It is helpful to determine which policies may be impacting your regional workforce. Researching available funding for your workforce resiliency efforts is a good practice so you can collaborate with groups that are already funded with federal or state workforce dollars, such as workforce development boards. While many funding options may not be available to you at the time the research is done, becoming familiar with the funding options that may be available to you during times of disaster or other emergencies will save you valuable time and hasten your application processes.

Industry Sector Partnership

Establishing industry sector partnerships is one of the most effective methods of bolstering workforce resiliency. Industry sector partnerships are created among businesses from the same industry and labor market region that work with economic development, workforce development, educational, and community organizations to address the workforce needs of the targeted industry. In an industry sector partnership, business leaders work together to determine and define a common goal based on the issues that impact their shared industry. In addition to bringing industry leaders together, an industry sector partnership relies on a coordinated team of support partners in economic development, education, and workforce. Industry sector partnerships act as a shared space for industry leaders to collaborate with one another and public partners to ensure that regional industries have what they need to keep the local economy strong. Valley Vision (based in Sacramento),[66] the Center for Economic Development at CSU, Chico,[67] and the Smart Workforce Center[68] are examples of such partnerships between the public sector and industry leaders.

To form an industry sector partnership, local government must first reach out to regional business leaders who may be interested. In addition to forming new partnerships, it is likely such partnerships are already established in your community and may be leveraged. To learn of existing partnerships in your area, reach out to your local workforce development board, job training centers, local economic development organizations, and chambers of commerce. Once a partnership is formed with one or more industry leaders, you must determine additional groups to include in the partnership. Such partners may include representatives from local community colleges, technical schools, K–12 schools, adult education, community foundations, nonprofit organizations that support workforce and economic development, chambers of commerce, and other community-based organizations. Another important step is to identify and involve an active convener in the partnership. An active convener serves as a neutral, third party that facilitates and supports the partnership and ensures that partnership efforts are applied fairly and equitably. The convener helps coordinate meetings, recruits business leaders and public partners, maintains communication between partners, and facilitates meetings.

It is critical to include businesses or other organizations that are often underserved or underrepresented, including women-owned businesses, minority-owned businesses, veteran-owned businesses, businesses serving low-income and rural areas,



Economic Development Takeaway

By including a diverse representation of businesses within their respective industries, the sector partnerships emerge as an effective model for innovation in addressing equity and inclusivity.

[66] https://www.valleyvision.org/impact-area/21st-century-workforce
[67] https://www.nspdc.csuchico.edu/#/ced
[68] https://www.thesmartcenter.biz

and ethnic chambers of commerce. By including a diverse representation of businesses within their respective industries, the sector partnerships emerge as an effective model for innovation in addressing equity and inclusivity. Sector partnerships can play a significant role in narrowing disparities in education, skills acquisition, employment, and income.

While your industry sector partnership will define its own agenda, almost all such partnerships focus on workforce development issues. By joining with these business and public partners, you can cooperatively address the issues and challenges facing your industry sectors' workforce.



Technical schools and job training centers may already participate in partnerships that you can leverage.

Critical Positions

The Industry Sector Partnership Model advocates gathering data and information from business leaders. As part of this information gathering effort, seek data regarding critical and key positions within your local industries, as determined by industry leaders. "Critical positions" is an industry term used to describe jobs in businesses or industries that are integral to their operation. In addition to critical positions, the methods described in this section may be used to identify issues affecting other aspects of your community's workforce, such as entry-level positions in construction, skill development, or certification attainment.

This information can be collected via a short survey administered to industry leaders. While occupational data is available through subscription services like EMSI,[69] the data available through such third-party data repositories is often limited in its level of detail. Conducting a critical positions survey allows you to acquire directly from local employers detailed data that focuses on the workforce needs of your community. A well-constructed survey can capture data, including employment and skill gaps, that is not available elsewhere (see "Tips for Constructing a Critical Positions Survey" on page 50). Occupational data from third-party providers can prove useful in vetting survey responses.

When the survey is completed, the critical positions identified by the respondents should be categorized into five to 10 occupations. The final occupations should correspond to a specific Standard Occupational Classification (SOC) code, which will make it easier to match the occupations with additional employment data such as primary job titles, skills descriptions, base technical competencies, projected growth, current openings, median wage, and suggested training approach for critical, high-growth, high-need local jobs. The combined survey and occupational data can be used for future efforts, such as developing an educational inventory, which is discussed next. This information can then be used to inform educational and other leadership as programs and curricula are developed to meet workforce needs.

Educational Inventory

The data collected from the critical positions surveys and interviews will assist in developing an educational inventory — or an educational inventory may have already been produced by a local university, community college, K–12 consortium, industry partnership, workforce development board, or nonprofit organization that may be willing to share their findings with you. Producing an educational inventory involves identifying and cataloguing the existing education and training assets that apply to your targeted industry in your region. An educational inventory is a list of all possible educational programs within a region that correspond to the critical positions identified in the industry survey discussed in the previous Critical Positions subsection. By gathering this information, you will be able to identify training gaps in your region, identify the institutions that produce the most skilled workers, and identify where to focus your recruitment efforts.

[69] https://www.economicmodeling.com

Tips for Constructing a Critical Positions Survey

Develop a contact list. A quality survey begins with a quality contact list. Start by compiling a list of businesses and organizations in the project's region and industry, and include the entity's location, contact information, number of employees, and industry subsections. All business or organization information must be collected legally, either from commercial data analytics companies, such as Dun & Bradstreet, or by obtaining clear consent. Your local chamber of commerce may be a good resource for these contacts. It is also important to avoid bias in the list by having a clear set of criteria for the target audience. Clearly document the process of creating your contact list. This will serve as a reference to avoid duplicates and ensure that the list is unbiased. In addition, it is important to have the survey (whether electronic or phone) available in the multiple languages used in your region and other modalities to ensure compliance with the Americans with Disabilities Act (ADA).

Include these types of key questions. The survey doesn't need to be long, but it should include key questions to produce useful information.

- The first set of questions should focus on the characteristics of the responding business or organization. This includes questions regarding general location, industry, type of business, and number of employees.
- The next set of questions should gather information about the types of training programs available, the level of education required, any anticipated change in employee number, and the methods of recruitment.
- The subsequent questions should focus on identifying the critical positions, wages, skills needed, and vacancies for these critical positions, and reasons the positions are hard to fill.
- Finally, respondents should be asked to identify the skills that potential candidates lack and the barriers/challenges that the business faces in hiring new employees.

Determine how the survey will be administered. Once the questions are ready, the survey can be built out in a user-friendly program, such as Constant Contact or Survey Monkey. The survey link can be sent out in emails, or a call list can be used to administer the survey over the phone.

When administering the survey, it is important to remain professional and build trust with the respondent. If sending a survey by email, the email address used to send the survey should be reputable and clearly from the sending organization. If the survey is administered by phone, surveyors should introduce themselves and their organization before asking the survey questions. Administering surveys can require prohibitively large amounts of time. Local universities and nonprofit organizations may have technical assistance programs that can be leveraged to help complete the survey effort.

It is important to specifically reach out to a human resources representative or hiring manager to avoid contacting respondents who aren't knowledgeable about workforce needs and priorities. This will ensure that the survey respondents are familiar with these issues and can offer accurate information.

The survey responses should accurately reflect the industry and region; for example, if most of the respondents are businesses with 50+ employees, make efforts to reach out to smaller businesses in the industry and region. Likewise, if most of the respondents are located in large cities in the region, focus on also reaching the businesses or organizations in underserved areas of those geographies and in more rural areas. This helps avoid skewed or biased results. Some businesses in your area may be family owned or otherwise very small, particularly small businesses may have difficulties taking the survey promptly.

Other businesses may be located in areas with poor or no internet access, thus preventing them from taking online surveys. To ensure that your data is accurate and to ensure equitable representation for small businesses in your survey responses, it is important to try to accommodate businesses with limited resources. This can be done by conducting follow-up calls or by administering the survey via phone.

The survey efforts are complete when the number of survey responses match the target sample size. Take time analyzing the results.

The first step in developing an educational inventory is to catalogue the high schools, colleges, universities, technical schools, development organizations that offer job training, and the small business development center (SBDC) in your region. For each of the schools listed, add all the programs that offer career preparation for the identified positions. The list should include Career Technical Education (CTE) programs at the high schools, vocational training, community colleges, four-year colleges, private colleges, and certificate programs. The educational inventory should include information such as the cost, expected program length, any prerequisites or requirements, transfer opportunities, and the target skillset. Most of this information can be found on the schools' websites; however, it may be necessary to call schools when the program information is not readily available online.

When the inventory is complete, the next step is to match the programs in the educational inventory with occupations identified from the critical position data discussed in the previous section. This can be determined by matching up the skills identified for each occupation with the target skills of each program. Consistency is key in the matching process. It is helpful to keep a record of which programs or program types match up with each occupation. Consistency in formatting is also important, especially if the data will be used in a data visualization program, such as Tableau. Consider creating a formatting guide if more than one person is working on the educational inventory.

The result should reflect the current state of career training/education in the region. To visualize the results, it may be helpful to map the educational inventory or create charts and graphs that reflect the data, such as enrollment, awards, and available programs. The educational inventory will identify the gaps in your region's academic and career training programs.

Industry and Educational Collaboration

With an industry sector partnership, critical positions catalogue, and educational inventory in place, the foundation has been established for a career pathways initiative. The career pathways initiative is an approach designed to link and coordinate education and training services in ways that enable workers to attain industry-recognized credentials and, ultimately, employment. Career pathways are a series of connected educational programs and support services that enable students to gain the knowledge and skills necessary for more advanced and better positions within the workforce. Each step in career pathways is designed to advance students to a higher level of education and employment. Career pathways are designed to provide equitable access to avenues of advancement for the unemployed, underemployed, and future members of the workforce. There are also many initiatives that fund projects that focus on helping workers acquire the necessary skills to advance through the workforce and acquire better, higher-paying jobs, or "high road" jobs. As part of a high road economy, high road jobs are popular concepts in the California workforce development environment. According to the UC Berkeley Labor Center, "a high-road economy supports businesses that compete on the basis of the quality of their products and services by investing in their workforces; these businesses pay the wages and benefits necessary to attract and retain skilled workers, who in turn perform high-quality work."[70]

Facilitating interaction between industry and education leaders is a key component of an effective career pathways initiative. The data collected through the process described in these sections, when combined with local government data and information on economic development initiatives, is the platform for discussions. The data provides an assessment of what is needed by industry leaders and what is available from the educational and vocational curricula and programs. By incorporating your local economic development strategies and goals, you can plan ahead to include the training needs of targeted industries that are not yet in your community. The goal is to encourage industry and education to collaboratively ensure that a skilled workforce can be attained.



Economic Development Takeaway

By incorporating your local economic development strategies and goals, you can plan ahead to include the training needs of targeted industries that are not yet in your community. The goal is to encourage industry and education to collaboratively ensure that a skilled workforce can be attained.

[70] See https://laborcenter.berkeley.edu/putting-california-on-the-high-road-a-jobs-and-climate-action-plan-for-2030/#:~:text=As%20the%20term%20is%20used,turn%20perform%20high%2Dquality%20work

Using the data gathered through identifying critical positions and an educational inventory, development of effective career pathways can begin. Gaps in the current available education needed to prepare prospective employees for critical positions can be identified and presented to educational partners. To effectively address the gaps in the current educational system, it is important to collect an adequate amount of data to accurately represent your region's needs. Be sure to:

- Collect information on the costs of relevant academic courses currently available;
- Develop maps that present educational gaps geographically and illustrate the regions that require the most development and support; and
- Develop a visualization or map showing the transferability and connections among certifications, credentials, and degrees offered.

There are also many things to consider when assisting in the development of new courses and career pathways. These pathways are meant to support the education and training of ideal candidates for the critical positions within your targeted industry, so take steps to ensure that the courses and pathways you are trying to develop support and foster the skills and knowledge most valued in candidates for those positions. As work experience is almost universally valued by employers, be sure to include programs that offer a work experience component, such as internships or on-the-job training.

Resources for Training and Development

The identification of educational and vocational training gaps and needs will require funding and other resources to support educational institutions. Public-private partnerships are integral to the success of many of these created programs.

The established federal and state agencies that fund workforce development and training programs typically offer annual funding opportunities with targeted scopes of work and include:

- U.S. Department of Agriculture — https://www.rd.usda.gov;
- Health Resources and Services Administration — https://www.hrsa.gov;
- Economic Development Administration — https://www.eda.gov;
- Department of Labor — https://www.dol.gov/agencies/eta/grants; and
- Employment Training Panel — https://etp.ca.gov.

As educational and vocational entities shape their curricula and training, it is also important to seek funding and resources from private foundations as a strategy to diversify support for these efforts. In addition, some educational entities are engaging with the private sector to not only develop curricula and vocational programs to meet industry needs, but also to offer opportunities for them to financially support these initiatives at the high school, community college, and university levels. Shasta College and Fresno City College offer two examples.

- Shasta College[71] and Sierra Pacific Industries[72] — The Economic and Workforce Development (EWD) Division at Shasta College is an integral part of the California Community Colleges system, investing funding and resources in industry sectors that are key to California's economic growth. EWD's industry-specific workforce services are coordinated through a system of sector specialists that align community college and other workforce development resources with the needs of industry sectors and occupational clusters through a regional focus.
- Fresno City College Career and Technical Education[73] — As California's first community college, Fresno City College has a longstanding history of providing the region with quality career and technical education (CTE). Fresno City College offers hands-on, applied learning with continuous input from industry and community leaders and provides innovative curricula utilizing current technologies.

[71] https://www.shastacollege.edu
[72] https://www.spi-ind.com
[73] https://www.fresnocitycollege.edu/academics/career-and-technical-education/index.html

Marketing and Outreach Strategy

As with all economic and workforce development assessments and studies, once the data and information are collected, these must be disseminated to those that will use it. Various stakeholders should and can benefit from workforce assessments.

Disseminating this information to the appropriate stakeholders provides benefits both to the stakeholders and your organization. Providing critical position, educational inventory, and career pathway data to applicable stakeholders can help make future curricula and projects more beneficial for your community. If data clearly indicates a market for graduates of particular programs, educational leaders may adjust their curricula to provide the appropriate training for these positions, potentially increasing the size of the available workforce for these jobs. Stakeholders will appreciate the information as it will help them in their own organizational efforts. This also builds goodwill between your organization and these stakeholders, increasing the likelihood of future partnerships and other cooperative efforts.

Depending on the scope of your project, the findings can be vast and may overwhelm many audiences. Consider compiling your results into a short PowerPoint presentation that can be used in meetings or sent out to highlight key findings. Include brief summaries and clear graphics to communicate the most important information to community stakeholders. Use straightforward language and avoid statistical jargon so that anyone who reads the information can readily understand it.

You can also use an interactive online dashboard like Tableau or another data visualization program to share the information. This can help stakeholders to easily filter through the data and find information that is personalized to their individual characteristics, and this format can easily be shared on a website or with an emailed link.

Deliver information to stakeholders in a variety of languages appropriate to your region, using an array of methods and modalities (online, hard copy, in-person or virtual meetings, graphics and narrative, and interactive maps) to give all audiences full access.



Economic Development Takeaway

Deliver information to stakeholders in a variety of languages appropriate to your region, using an array of methods and modalities (online, hard copy, in-person or virtual meetings, graphics and narrative, and interactive maps) to give all audiences full access.

Potential Stakeholders and Outreach Opportunities

Consider the following groups as potential stakeholders that offer opportunities for outreach.

- Career counselors
- Career advisors at community colleges, vocational programs, and universities
- Student support services at high schools, community colleges, vocational programs, and universities
- Events, expos, and presentations
- Industry leaders
- Students and parents/guardians
- Additional local government department heads and leaders
- Educational leaders
- Youth development services
- Job training centers
- Community-based organizations

Harnessing Community Culture for Resiliency Planning and Recovery Response

Ch.6

Successful economic development initiatives that make for resilient jurisdictions and shape recovery efforts are fundamentally rooted in community values, pride, and identity, which comprise community culture; these are the characteristics that make each community unique. People create economic engines that define local places in a historical and cultural context. Business activity, in turn, shapes the history and culture of communities.

Planning for economic resiliency and responding to crises offer opportunities to revisit and reimagine the aspects of culture and history that compose a community's identity and civic pride. Planning and response processes can capture cultural expressions and community identity, translating them into community vision, planning frameworks, and project priorities for your economic development strategy. Successfully capitalizing on shared vision and priorities has the potential to result in community and economic vibrancy that benefits residents and workers. These processes also hold the potential to drive innovation and new business activity.

This chapter describes how community culture can be harnessed for economic resiliency planning and for recovery response with projects that:

- Reflect the community identity of economic specializations;
- Address marginalization and exclusion;
- Create a culture of innovation;
- Promote cultural initiatives; and
- Connect people and business to place.

Reflect the Community Identity of Economic Specializations

Economic resiliency initiatives may highlight the primary economic activity that drives the economy or a specialized or emerging business activity that merits investment and coordinating capacity. These initiatives often highlight various programs, projects, and businesses that contribute to an overall community brand or to the vision that highlights key unifying aspects of the community's culture and economy.

Long-standing economic and cultural traditions together make up the comparative advantage grounded in the specializations that give a region its unique characteristics. Highlighting key economic activity and business clusters as part of a community's values, pride, and identity can enhance various aspects of community and economic development: community brand, livability, and attractiveness to talent, business, and investment.

Communities in the Lake Tahoe basin have long relied on tourism activities such as hospitality, food service, skiing, and gaming. In the past decade, these communities have sought to diversify their economy with an emphasis on the culture of recreation that infuses priority economic-activity clusters: health and wellness, environmental conservation, manufacturing, and recreation. A basin-wide stakeholder engagement process in the early 2010s led to the formation of the Tahoe Prosperity Center to steer community and economic development efforts.[74] Residents and visitors are attracted to the Lake Tahoe area's natural resources and recreation amenities. The recreation-oriented economic strategy that its communities have adopted makes sense, because the strategy broadly reflects the area's history, identity, and culture.[75]

Address Marginalization and Exclusion

To effectively represent the various elements of their culture, economically resilient communities must practice inclusivity in planning and response, maximizing the economic potential and participation of all residents and neighborhoods.[76] Local governments must seek to build capacity and relationships of trust to shape the economic priorities of all corners of their geography and population. In addition, they must directly address historic marginalization and injustice by including the economic development goals and needs of underrepresented residents as a top priority.



Inclusion of historically underrepresented groups is vitally important to economic resilience.

Economic disruptions may present opportunities to reimagine and re-envision priorities from communities that were excluded from planning processes and that experienced disinvestment or destructive projects. In the following examples, economic development planning processes included partnership and encouraged relationships of trust with racial and minority groups that have historically been left out of policy and planning processes. These processes opened the doors to new ideas and set new priorities, especially for improving access to resources and generating new economic activity.

The Fresno DRIVE (Developing the Region's Inclusive and Vibrant Economy) initiative set out to make broad-based community participation and racial equity and inclusion the focal point of economic development planning.[77] Compared with other communities in the nation and California, Fresno scored low on racial and economic inclusion. In response, various civic and business groups joined forces with community organizations and residents to collaborate on economic and community planning. The process led to a 10-year investment priority plan highlighting racial inclusion and equity. With the help of key civic leadership entities and national technical assistance, Fresno DRIVE engaged hundreds of community and business entities to establish a business plan and set priorities for investment in workforce education and training, infrastructure, affordable housing, data systems, small business, and downtown and corridor revitalization. The Racial Equity Advisory Committee (REAC) and Civic Infrastructure for Low-Opportunity Neighborhoods working group collaborated with investment teams to ensure that project investments were enabling historically marginalized communities.

In the early 2010s, the City of Salinas created an economic development plan by establishing an inclusive process that significantly engaged community-based organizations and residents.[78] The city and consultant partners created multiple methods and tools that engaged community members, both at home and elsewhere. The processes and tools encouraged the participation of Spanish speakers, undocumented individuals, and those with varying levels of literacy. The process yielded priority investment and project areas for small business, child care, workforce and youth development, and poverty reduction.

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[74] Applied Development Economics, "Lake Tahoe Basin Prosperity Plan," November 2010 https://tahoeprosperity.org/wp-content/uploads/LTBPP_Final_Report.pdf

[75] Tahoe Prosperity Center, "Envision Tahoe: Lake Tahoe Prosperity Plan 2.0"https://tahoeprosperity.org/envision-tahoe

[76] Parilla, Joseph, "Opportunity for Growth: How Reducing Barriers to Economic Inclusion Can Benefit Workers, Firms, and Local Economies," Brookings Metropolitan Policy Program, September 2017.

[77] Hackler, Darrene, and Ellen Harpel, "Fresno DRIVE: Drilling Down to Reflect a History of Inequitable Growth" in *Reflecting Community Priorities in Economic Development Planning,* Smart Incentives, December 2020. https://smartincentives.org/wp-content/uploads/33591_SmartIncentives_Report.pdf

[78] Shirazi, Sahar, et. al., Governor's Office of Planning and Research. "Partnering for Increased Engagement in Salinas" in *General Plan Guidelines,* 2017, pp. 34–35. https://opr.ca.gov/docs/OPR_C7_final.pdf

Case Study: Community Connections

The City of Woodland's Food Front Initiative Mobilizes Diverse Groups

The City of Woodland's Food Front Initiative exemplifies how a community can mobilize a diverse group of businesses and community organizations around a representative umbrella economic development initiative. The initiative joined together several existing projects, providing additional capacity and resources to highlight agriculture-based projects and business activity. By unifying these efforts, the city markets the pride and identity of the area's economy and culture, and it enhances business-to-business and business-to-consumer relationships under a unified brand.

The initiative preceded the city's 150th anniversary, as Woodland's leaders and business stakeholders reflected on the importance of the area's agricultural industry to the community and the state. Woodland is home to more than 190 food and agriculture businesses and supporting entities, including food and cattle producers and manufacturers, equipment manufacturers, specialized logistics businesses, seed researchers, farm-to-fork restaurants and retailers, a food and ag incubator (AgStart), and workforce development programs at Woodland Community College.

As the seat of Yolo County, Woodland hosts the county fair, where participants showcase local industry. Woodland's downtown historic architecture reflects the civic and arts investment of leaders whose wealth came in large part from agriculture. The city's civic and business leaders continually promote its small-town atmosphere, community engagement, and participation. Local leaders say these efforts emanate from the history of the food and agriculture industry in and around Woodland and reflect the industry's impact on local community identity and culture.

The city has undertaken a community branding and engagement initiative, The Food Front, as a way to tell the story and promote the rich history of local agricultural commerce and industry. Led by elected officials, executive staff, and a dedicated initiative manager, Woodland acts as a convener for the businesses and nonprofits that support The Food Front projects, which include the following:

- Woodland's Dinner on Main — This annual event brings together corporate sponsors, community and business leaders, and residents to showcase Woodland's food and agricultural products and cuisine. The event features dishes prepared by Woodland chefs with ingredients from local farms, ranches, and manufacturers.
- Woodland Edible Learning Garden — Near City Hall, this garden provides a gathering point for food and agriculture events. A coordinating nonprofit, Yolo Farm to Fork, and local restaurants like the Savory Café hold educational workshops for residents and area schools. Restaurants and food banks plant and harvest ingredients in the garden, highlighting healthy eating and locally produced food.
- The Food Front @ Raley's — The regional grocery store corporation Raley's partners with the city to feature local growers and food and beverage producers in its Woodland stores. The project serves to market local businesses and educate residents about sustainable food concepts, such as reducing transportation impacts and eating freshly harvested ingredients. The project has helped producers overcome the immense challenge of getting products into large grocery stores.



City of Woodland staff conducts community outreach with Woodland Dinner on Main Board Member and Savory Café owner Juan Barajas (second from right).

The Food Front's efforts have contributed to economic resiliency by marketing the projects under its umbrella to community stakeholders and businesses as well as to external partners. Along with the city's convening and networking efforts, the initiative has established new business-to-business supplier relationships and has promoted business-to-consumer awareness. The initiative has enhanced locally serving business activity and has established an externally facing brand that communicates the support of Woodland's thriving economy of agriculture and food businesses.

Create a Culture of New Ideas and Innovation

Community culture can foster fresh ideas and promote innovation in business and cultural practices that result in new projects and business activity. Many communities' success depends on a culture that fosters grassroots energy and a startup-style culture that supports creative business activity, celebrations of local history and identity, and the arrival of newcomers with new ideas and capabilities. By cultivating and empowering diverse stakeholders and new voices, resilient communities invite innovation for economic development activities, investment, and service delivery. Instead of prescribing economic activity, these communities provide resources, support and assistance, and a level playing field for innovative community and business ideas.

The State of California supports this culture of new ideas in a number of ways. California provides grant resources for entrepreneurs through the Social Entrepreneurs for Economic Development (SEED) Initiative, which supports entrepreneurship within the immigrant and limited English-speaking communities.[79] The Office of the Small Business Advocate within GO-Biz has also developed a regional entrepreneurship accelerator program to help support emerging businesses while encouraging regions to build upon existing support infrastructure. The program aims to help "technology and science-based firms in underserved regions and communities, including women and people of color."[80]



Empowering diverse communities and new voices lays the groundwork for innovation.

The City of Chattanooga, Tennessee, supported creation of an urban innovation district that sought to partner with community-based organizations serving underrepresented groups in the city.[81] The district plan targets diversity and inclusion, a challenge facing the region given historic disinvestment in minority groups and exclusion of these groups from economic opportunity in the city. The innovation district is built around the region's utility and an "innovation center" that supports business services, coworking, private offices, and community programming. (Development in the district-built environment incorporated digital inclusion projects and broadband access.) District partners and community intermediaries tracked women- and minority-owned businesses as part of ongoing evaluation metrics, and business ownership among these groups improved following the district development.

Economic Development Takeaway

By cultivating and empowering diverse stakeholders and new voices, resilient communities invite innovation for economic development activities, investment, and service delivery.

[79] https://www.grants.ca.gov/grants/social-entrepreneurs-for-economic-development-seed-grant-2-0/
[80] https://calosba.ca.gov/calosba-releases-request-for-proposals-to-designate-10-inclusive-innovation-hubs/
[81] Storring, Nate, and Charlotte Benz, "Opportunities for Transformative Placemaking: Chattanooga Innovation District, Tennessee," Project for Public Spaces, November 2018. https://www.brookings.edu/wp-content/uploads/2018/11/2018.11_Bass-Center_Chattanooga_case-study.pdf

Promote Cultural Initiatives

Cultural initiatives can enhance livability, support creative industries, and encourage community expression of pride and identity. This section covers two such initiative areas, creative arts and recreation. Economic development efforts in these two areas contribute to quality-of-life amenities that increase a location's attractiveness for talent and businesses. These efforts also directly and indirectly support arts, entertainment, hospitality, design, recreation, and other creative industries and business activities.

In the 2000s and 2010s, following the creative economy movement ushered in by Richard Florida and others, Ann Markusen and Anne Gadwa published research based on their creative placemaking efforts.[82] In California, they studied and supported several creative economy projects with the City of San José, including technical support and business services for "creative entrepreneurs" and a science and arts initiative, Zero1. Given global and national competition for talent, business, and public and private sponsorship (as well as evidence that creative activity and amenities encourage innovation and entrepreneurship), many localities and the State of California devoted resources to creative vibrancy as an economic and community development strategy. Local and statewide initiatives sought to support creative industries, arts organizations, and artists.[83]

With the support of a National Endowment for the Arts Our Town grant, Mariposa County adopted a creative placemaking strategy in the late 2010s and published a comprehensive strategy document[84] in 2021. The document outlines the planning process, which involved planning and economic development stakeholders (the Mariposa County Arts Council, the National Park Service, Mariposa County Planning Department, and Mariposa Chamber of Commerce), and community arts and other nonprofit and community organizations. With an emphasis on the county's historic legacy and existing arts and creative events and organizations, the strategy outlined goals to use policies, projects, and programs to enhance livability and cultural expression for community and economic development. The recommendations included plans for a mural project, a sculpture park, site activation, a creek parkway, parks, temporary and interpretive art installations, artists-in-residence programs, film and lecture programs, and data and governance enhancements.



Local students check out the Mariposa Creek Parkway Master Plan, an element of the Creative Placemaking Strategic Plan. The plan was a step toward implementing a decades-long vision for active transportation and linear park along Mariposa Creek.

A national movement is underway to promote local and regional economic development using outdoor recreation as a strategy. The California Department of Natural Resources and California State Parks, among other entities, steer federal and state grant funding to projects that support tourism and recreation development. Like arts-based economic development, outdoor recreation development offers a way for communities to rally around parks and trails, public lands facilities, and open spaces where residents enjoy nature and exercise.

In recent years, the Sierra Buttes Trail Stewardship, a trails development and management organization in Quincy, California, led more than a dozen towns in three counties through a planning process to connect hundreds of miles of multi-use trails in

[82] Markusen, Ann, and Anne Gadwa, "Creative Placemaking," National Endowment for the Arts, 2010. https://www.arts.gov/sites/default/files/CreativePlacemaking-Paper.pdf

[83] Rose, Kalima et. al., "Creating Change Through the Arts, Culture, and Equitable Development: A Policy and Practice Primer," PolicyLink, 2017. https://www.policylink.org/sites/default/files/report_arts_culture_equitable-development.pdf

[84] "Mariposa County's Creative Placemaking Strategy," 2021. https://www.mariposacounty.org/DocumentCenter/View/89570/Mariposa-County-Creative-Placemaking-Strategy

a region north of Lake Tahoe known as "the Lost Sierra."[85] The organization is funded through public and private sources, and it has emerged as a regional convener bringing interests together to create a regional strategy for recreation and tourism that promises to diversify rural economies. Its Connected Communities project was created in the context of the region's economic and cultural history of natural resource extraction. The project has brought together federal agencies, local businesses, and trail users to develop a master plan to transform the local economy through development of recreation infrastructure, namely trails and trail-user facilities. The project outlines the development of 300 miles of trails to connect a dozen towns in three counties.



This chalk art festival was held in the City of Santa Clarita's vibrant Old Town Newhall Arts and Entertainment District, which the city rebranded to attract new visitors, shoppers, and businesses.

Connect People and Businesses to Place

Placemaking efforts cover a range of projects and organizations that strengthen the connection between residents and businesses in shared places and enhance and communicate community culture. These efforts promote business and workforce connectivity in hubs, districts, and neighborhoods. Placemaking efforts also shape the built environment in ways that enhance its livability and the community's quality of life. Placemaking activities include:

- Improving the walkability of shopping, entertainment, and business districts;
- Removing physical and economic barriers among transit, shopping, and residential neighborhoods;
- Providing public and private support for arts organizations and institutions located in cultural or business districts;
- Commemorating the contributions of marginalized communities to local economic history in public art;
- Erecting wayfinding and economic history signage; and
- Creating indoor-outdoor nature museums along commercial corridors.

Placemaking activities such as these offer opportunities for stakeholders to shape and realize a shared vision of a community on the basis of history, culture, and the economy. Processes to design and plan these activities strengthen local identity and civic pride. They have the potential to reinvigorate disinvested neighborhoods and to imbue project areas with cultural and economic value representing a community's identity and priorities.

Placemaking activities offer opportunities for stakeholders to shape and realize a shared vision of a community on the basis of history, culture, and the economy.

[85] Williams, Greg, "Status Report: Connected Communities," Sierra Buttes Trail Stewardship, September 2021. https://sierratrails.org/wp-content/uploads/2021/11/Connected-Communities-Status-Report-9.21.pdf

A partnership of the Project for Public Spaces and the Brookings Metropolitan Policy Program at the Bass Center for Transformative Placemaking provides technical support to communities engaged in placemaking efforts.[86] The Bass Center has established priorities and goals to enhance livability and quality of life and to prioritize equity and inclusion in the context of placemaking.[87] Rather than taking a tax-incentive or real estate-centered approach, the center promotes a holistic, multidimensional approach with these goals:

- Highlight the importance of place to communities and economies;
- Prioritize inclusive engagement and investment for district transformation; and
- Scale "place-led" innovations in infrastructure, governance, economic development, land use, and investment.

[86] Vey, Jennifer, "Why We Need to Invest in Transformative Placemaking," Brookings Metropolitan Policy Program, November 2018. https://www.brookings.edu/research/why-we-need-to-invest-in-transformative-placemaking

[87] Storring, Nate, "Four Takeaways on Public Space Investment for Placemakers," The Avenue Blog, Brookings Institution, August 2021. https://www.brookings.edu/blog/the-avenue/2021/08/20/four-takeaways-on-public-space-investment-for-placemakers

Geographic Assets and Vulnerabilities

Ch.7

The geographic assets of a community can present both benefits and vulnerabilities for increasing economic resiliency and improving community recovery from economic disruptions. Each community has unique characteristics that should be factored into disaster planning because they play an important role in the community's ability to recover from disaster-related economic losses. Benefits may include a community's unique features that contribute to its economy and attract tourism, such as recreation areas, agricultural products, historic sites, and special events. These features not only support the local economy during non-disaster times, but are also a proven factor in a successful economic recovery when they are made operational post disaster.

Vulnerabilities may include the community's ability to access services and resources, its ability to coordinate with other neighboring jurisdictions and stakeholders, and the climate-driven impacts unique to the makeup of the community. Once the vulnerabilities of the community's geographic makeup are identified, the risk associated with those vulnerabilities can be assessed to determine which actions can be taken to mitigate that risk. This increases community resiliency to the known risks and enhances the community's ability to recover from the impacts of an economic disruption.

In some cases, geographic assets may present both a benefit and increased vulnerability for the community, but both aspects must be assessed when planning for economic resiliency and recovery. This chapter addresses economic resiliency and recovery from an economic disruption based on both the benefits and vulnerabilities that a community's geographic assets present. Key considerations for identifying benefits and vulnerabilities are discussed, along with how to assess the benefits and risks they present to economic recovery.

Identifying Geographic Benefits

Every community has geographic aspects that make it unique. Leveraging these unique qualities to aid in economic resiliency and recovery is an important part of ensuring the community can bounce back from a disaster or economic shock. Many of a community's distinctive geographic qualities help generate revenue through tourism, goods and services, and special events.

Tourism. Consider what makes your jurisdiction unique and a place that people want to visit. A good starting point is to ask agencies, such as the local chamber of commerce or tourism agency, to assist in identifying tourism draws. Some examples include recreational areas such as national parks, national forests, rivers, and trails and also event venues such as sports stadiums, theme parks, unique or compelling commercial areas, and fairgrounds. It is also important to consider historic sites, popular and/or trendy

destinations, and renowned dining and shopping areas specific to the community. Not only do these areas draw in visitors, but they also contribute to the area's existing economy by providing jobs to those living in the community.

Agricultural Products. While a community's agricultural sector brings in revenue by exporting its goods and services, communities with unique agricultural goods and services may also attract tourism. Some examples include wine and beer in California's Russian River Valley and agricultural products such as fruit, dairy, vegetables, and grains. These products not only bring in revenue from tourism and exports, but they also provide jobs to the community and contribute to its economic stability.

Special Events. Another draw for your region and a great source of revenue are the various special events hosted by the community. These may include concerts, festivals, and large national sporting events such as the Super Bowl or World Series, as well as hosting corporate events or conferences and offering specialized training. The attendees of these events contribute to the local economy by purchasing tickets as well as buying food, beverages, and other services while attending the events. Leveraging these events by ensuring local businesses are the main supplier of goods and services ensures that the revenue from these events feeds directly back to the local economy. Local procurement policies can make this activity a requirement, not a suggestion.

Underused Economic Development Resources. From an economic development perspective, a community often has underused sites that can serve as source of resiliency and can also aid in recovery. For instance, unused or underused sites, such as derelict commercial lots or retail space, can be used for community gardens or pop-up stores and restaurants to bring the community together and potentially draw tourism to these locations. During recovery from a disaster, these underused spaces can also be used for temporary housing, providing emergency services, or as part of rebuilding. A recent example of this was seen in the City of Sacramento, where the state fairgrounds were used as a COVID-19 testing site.



Economic Development Takeaway

Uunused or underused sites, such as derelict commercial lots or retail space, can be used for community gardens or pop-up stores and restaurants to bring the community together and potentially draw tourism to these locations.

Identifying Geographic Vulnerabilities

Threat and Hazard Identification and Risk Assessment (THIRA). Each community should conduct a THIRA to identify the existing geographic hazards. As outlined by FEMA,[88] the THIRA is a three-step risk assessment process that helps communities understand their risks and what they need to do to address those risks by answering the following questions:

- What threats and hazards can affect our community?
- If they occurred, what impacts would those threats and hazards have on our community?
- Based on those impacts, what capabilities should our community have?

This assessment also factors in unique risks posed by the community's geography, such as seasonal anomalies like the Santa Ana winds and their impacts on California's wildfire season, sea-level rise in coastal communities, or potential volcanic impacts from the Cascade mountain range in the Pacific Northwest. A community can also use this process to identify potential evacuation and communication concerns if roadways or cell phone towers are impacted by a disaster.

[88] https://www.fema.gov/emergency-managers/risk-management/risk-capability-assessment

Stakeholder Preparedness Review (SPR). This assessment lays the foundation for determining a community's ability to respond to and recover from the identified hazards. A key step for improving resilience to disasters, it addresses not only the risks, but also the community's current capability to respond to and recover from the impact of those risks. The capability level of the community is determined through an SPR, where a community uses the targets outlined in its THIRA to identify its current capability, and how that capability may or may not have changed over the past year.[89] If gaps are identified, this planning process provides a roadmap for the community's work to improve community resilience through hazard mitigation planning, which is briefly discussed later in this section along with other national planning efforts to increase capability and resiliency at the local, state, and federal levels.

Vulnerable Population Clusters. As an assessment of the community is conducted, it is important is to identify any clusters of vulnerable populations. This helps identify strategies to increase their access to community resources that improve their resilience to disasters and supports their ability to recover from a disaster.

As discussed in the City of Santa Rosa's *Community Wildfire Protection Plan*,[90] vulnerable populations are typically less able to respond to, cope with, and recover from a wildfire and are less likely to become involved in wildfire mitigation activities. Groups of people who are generally considered vulnerable can include:

- Elderly individuals or individuals with any physical and mental impairments that restrict mobility or access;
- Racial clusters in communities that can lead to a disproportionate distribution of wealth, resources, and opportunity;
- Populations with limited financial resources that can hinder their ability to invest in emergency preparedness or recover from disaster-related losses; and
- Groupings of diverse languages, which can result in communication barriers to understanding the vulnerabilities in the community or how to access post-disaster services to aid in recovery.

These vulnerable groups are often found in clusters throughout the community, and it is important to not only identify where they are located but also to factor their unique vulnerabilities into planning for economic recovery. Resources that can assist in identifying these groupings can include agencies such as the local health and human services agency or its equivalent. This aids in economic recovery by ensuring there is equitable distribution of support and resources and increasing the resiliency of the most vulnerable populations in the community.

Identifying Geographic Vulnerabilities: A Summary

Threat and Hazard Identification and Risk Assessment (THIRA): This three-step risk assessment process identifies the existing geographic hazards.

Stakeholder Preparedness Review (SPR): This process addresses not only the risks, but also the community's current capability to respond to and recover from the impact of those risks.

Vulnerable Population Clusters: Identifying any clusters of vulnerable populations helps identify strategies to increase their access to community resources that improve their resilience to disasters and supports their ability to recover from a disaster.

Utilities/Transportation Availability: The ability to quickly restore critical services to a community can have a lasting impact on its economic recovery. Assess the infrastructure from multiple perspectives.

Economic Vitality: A community's natural geography and land use planning can have an impact on economic recovery. The CEDS planning process can be a helpful tool.

Natural Disasters: It is important to understand a community's past experiences with disasters as well as the potential risk from future disasters.

Climate Change: Climate-based risks and vulnerabilities cannot be assessed without factoring in the impact of climate change.

As an assessment of the community is conducted, it is important is to identify any clusters of vulnerable populations.

[89] https://www.fema.gov/emergency-managers/risk-management/risk-capability-assessment
[90] https://srcity.org/3114/Community-Wildfire-Protection-Plan

Utilities/Transportation Availability. The ability to quickly restore critical services to a community can have a lasting impact on its economic recovery. It is important to assess the infrastructure from multiple perspectives. Consider asking the following questions.

- Are there any known vulnerabilities to the local infrastructure? For example, the power grid in Puerto Rico was in desperate need of repair prior to the devastating Hurricane Maria in 2017. The grid's substandard condition made restoring power to the island that much more challenging and expensive.
- Are there any single points of failure in the infrastructure network? For example, if one highway bridge fails, does it cut off a portion of the community from resources or the ability to evacuate in an emergency?
- Does the geography create any unique challenges to the community's ability to recover from a disaster? Consider how response and recovery resources are able to access the community, and examine the availability of temporary shelter, food, and other support resources for the impacted community.
- Are there any particular geographic features that strengthen recovery and resiliency? Restoring the services that attract tourism or create export revenue as quickly as possible can enhance the community's ability to reestablish its economic vitality post-disaster. Factor in the local availability of goods and services such as food, water, energy, etc. Managing the distribution of these goods and services rather than relying on a larger network of support can increase local resiliency by using a self-contained network.

Using the CEDS planning process helps a jurisdiction develop a strategic economic development plan with contributions from all levels of the private and public sectors that play a role in its prosperity.

Economic Vitality. The natural geography and land use planning of a community can have an impact on economic recovery, depending on which portion of the community was impacted by the disaster. Population centers have a larger tax base and are often where the political hub and centralized local services provided to the community are located. This presents unique challenges to economic recovery; it ultimately becomes a battle for services between the haves and the have nots. For example, if a key population center and a neighboring rural community are impacted by a disaster — who is more likely to be the focus of recovery efforts to restore essential services and get the economy back on track? As many California communities have seen in recent disasters, rural communities often have a more difficult time recovering because the primary source of revenue for that community may not be able to be quickly restored after a disaster, and in some cases may cease altogether. For example, a large agricultural producing community ravaged by wildfire could have significant crop loss that would take time to restore to its original state. In some cases, the disaster may alter the geography in such a way that the crop can never return. For instance, if 100-year old grapevines are destroyed by wildfire, those vines can be replanted but not truly replaced, and this potentially could result in a particular wine no longer being available.

As mentioned in Chapter 2, the EDA's CEDS process[91] assists a local community or region in planning for resilient economic development. Using the CEDS planning process helps a jurisdiction develop a strategic economic development plan with contributions from all levels of the private and public sectors that play a role in its prosperity.

Natural Disasters. The climate and geography of a community can also create unique vulnerabilities. The prevalence of natural disasters in a community is an important consideration when determining how to increase community resilience. It is important to understand a community's past experiences with disasters as well as the potential risk from future disasters; for example, is the community ravaged by wildfires annually? Is there a natural disaster that would be so devastating to a community that it will severely hinder economic recovery, such as the Cascadia Subduction Zone risk for the Pacific Northwest? Understanding these risks is an important step to building community resiliency and improving the ability to economically recover from the natural

[91] https://eda.gov/ceds/

disasters that threaten the community. The THIRA planning effort discussed earlier is a great way to identify the natural disaster risk to the community and how prepared it is to respond to and recover from a particular disaster. Mitigation planning is also an excellent way to identify the frequency of these natural disasters by assigning a threat level to a specific risk, which helps a community prioritize where to focus its efforts to improve its overall resiliency. Also note that a disaster does not have to occur in your jurisdiction in order for you to feel its economic disruption.

Climate Change. Climate-based risks and vulnerabilities cannot be assessed without factoring in the impact of climate change. As outlined in the August 2021 United Nations' Intergovernmental Panel on Climate Change *Assessment Report 6 Climate Change 2021: The Physical Science Basis*[92] on the state of climate change, it is undeniable that human influence has warmed the atmosphere, ocean, and land and that widespread, rapid changes have occurred. This has a direct impact on worldwide weather and climate conditions with an increase in extreme weather-related disasters such as wildfires, heatwaves, heavy precipitation and flooding, droughts, and tropical cyclones and hurricanes. To accurately assess the vulnerabilities of a community to natural disasters, climate change must be factored into a community's THIRA.

Through their shared traumas, communities realize what they did not have in place during previous disasters and where improvements can be made to improve their resilience to future disasters.

Coordination Benefits and Obstacles

Coordination, both internal and external, can present benefits and potential vulnerabilities that should be considered, such as the level of community education and preparedness, collaboration within the community, and interconnectedness with neighboring jurisdictions.

Community Education and Preparedness. The overall level of preparedness correlates directly with a jurisdiction's resiliency to the impacts of a disaster. A community that understands its risks and the steps that they can take to be personally prepared is more likely to successfully recover from a disaster and require less support from others in the recovery process. Communities that have been previously impacted by disaster often have a higher level of preparedness. Through their shared traumas, communities realize what they did not have in place during previous disasters and where improvements can be made to improve their resilience to future disasters. In areas that have high levels of risk but have not been impacted by disasters in decades, a reduced level of awareness can pose a significant challenge to community engagement in preparedness; denial and attitudes of "it will never happen in my lifetime" or "that will never happen" become an obstacle to getting a community to take the steps to become prepared. This can be frustrating for emergency managers and other community leaders. In such cases, community outreach needs to incorporate creative ways of encouraging the community to engage in preparedness activities and improve overall community resilience to future disasters.

Stakeholders and Partner Collaboration. Coordinating with others in the geographic area *prior* to the disaster, as mentioned in Chapter 2, is key to a successful economic recovery. This can include having pre-established mutual aid agreements for resource-sharing, decision-making, and information-sharing structures and using a holistic community approach that includes stakeholders from government, the private sector, community organizations, and the public. Any steps that can be taken in advance to remove political obstacles to neighboring jurisdictions supporting each other during a disaster will improve disaster response and resiliency.

Interconnectedness with Neighboring Communities. Disasters and associated economic disruptions do not adhere to geographic boundaries nor political lines. There are often many interdependencies between neighboring jurisdictions that either benefit or negatively impact their economic recovery. A disaster can start in one community and end in another or cause widespread damage impacting multiple communities. In addition, a disaster in one community can impact adjacent

[92] https://www.ipcc.ch/ and https://www.ipcc.ch/report/sixth-assessment-report-working-group-i

communities even if it never touches them directly; for example, air quality issues from wildfires, or an influx of evacuees who need support or access to through roads.

Keeping this in mind as you plan for economic recovery is important, because planning for economic disruptions and disasters needs to occur from a holistic approach rather than looking solely at jurisdictional silos. Many communities recognize the interdependence with neighboring jurisdictions and have service sharing agreements in place. While this is done with some departments, such as police and fire, it is worthwhile to investigate if other agreements can be made or recovery and resiliency planning processes combined.

Assessing and Reducing Risk

Once the geographic vulnerabilities of a community are identified through the THIRA process, it is important to assess how significant the risk is for each type of vulnerability and to plan for ways to reduce those risks. Developing a community hazard mitigation program is one method for planning to reduce risk.

Hazard mitigation. After identifying risks and any gaps to responding to those risks in the THIRA and SPR, the hazard mitigation planning process assists a community in developing long-term strategies for increasing resiliency to future disasters. Hazard mitigation planning reduces the loss of life and property damage by minimizing the impact of disasters through targeted projects aimed at reducing specific risks identified in the THIRA.

Such planning is most effective when it is embedded in other government planning processes, regulations, and policies. Integrating the principles of hazard mitigation into other planning efforts ensures that community resiliency is an integral part of community operations. Hazard mitigation is the only phase of emergency management specifically dedicated to breaking the cycle of damage, reconstruction, and repeated damage. Local Hazard Mitigation Plans (LHMPs) have not only become a requirement for California jurisdictions, but are also becoming more visible to community members and more important as a tool for validating grant and other funding requests.[93]

The *Local Mitigation Planning Handbook*[94] developed by FEMA is an excellent tool to aid a community beginning a local mitigation planning program and opening the door to funding opportunities that come from having an approved and locally adopted mitigation plan.



Economic Development Takeaway

Hazard mitigation is the only phase of emergency management specifically dedicated to breaking the cycle of damage, reconstruction, and repeated damage. Local Hazard Mitigation Plans (LHMPs) have not only become a requirement for California jurisdictions but are also becoming more visible to community members and more important as a tool for validating grant and other funding requests.

Considerations for Increasing Community Resilience

There are important factors that should be considered when planning for increased community resilience to known vulnerabilities, such as infrastructure, community, and natural and cultural aspects. The following steps should be incorporated into the hazard mitigation planning process to achieve increased community resilience.

Infrastructure considerations. Improving the resiliency of or "hardening" the infrastructure in a community can play an important role in its ability to recover from a disaster. Key considerations for each of the three categories of infrastructure are outlined as follows.

[93] https://www.caloes.ca.gov/cal-oes-divisions/hazard-mitigation
[94] https://www.fema.gov/sites/default/files/2020-06/fema-local-mitigation-planning-handbook_03-2013.pdf

- Critical Infrastructure — The Cybersecurity and Infrastructure Security Agency (CISA) defines Critical Infrastructure as the 16 infrastructure sectors "whose assets, systems, and networks, whether physical or virtual, are considered so vital to the United States that their incapacitation or destruction would have a debilitating effect on security, national economic security, national public health or safety, or any combination thereof."[95] The 16 Critical Infrastructure sectors are:

    1. Chemical
    2. Commercial Facilities
    3. Communications
    4. Critical Manufacturing
    5. Dams
    6. Defense Industrial Base
    7. Emergency Services
    8. Energy
    9. Financial Services
    10. Food and Agriculture
    11. Government Facilities
    12. Health Care and Public Health
    13. Information Technology
    14. Nuclear Reactors, Materials, and Waste
    15. Transportation Systems
    16. Water and Wastewater

    Communities should identify their own local Critical Infrastructure and develop plans for ensuring that these systems can continue uninterrupted during a disaster; this can include upgrading equipment, conducting structural and nonstructural retrofits, adding additional layers of security, or building redundancies into operations.

- Commercial infrastructure — The disaster resilience of commercial infrastructure is often the key to a successful economic recovery. Commercial infrastructure includes a variety of community services such as grocery stores, shopping centers, phone and internet service providers, equipment inspection, and repair companies. Taking steps to expedite the recovery process can reduce the impact from a disaster because commercial infrastructure is the backbone of economic recovery. Critical Infrastructure is also dependent on many aspects of commercial infrastructure, such as pipelines, power grids, the supply chain, etc., so the two need to work collaboratively to increase overall community resiliency.

- Residential infrastructure — Building resilience in the residential community is essential to overall community resilience. This includes actions the community can take to make their homes more resilient to disasters, such as structural and nonstructural retrofits, creating defensible space to wildfire risks, maintaining vegetation in adherence with best practices, and ensuring all new construction or renovations follow the latest building codes. Increasing the resilience in residential infrastructure can lessen the impact of a disaster on residents and can support an accelerated recovery, returning the community back to normal post disaster.

Community considerations. Increasing community preparedness is a key factor in community resilience. A variety of public education and outreach resources can be used in a community to prepare the public for the hazards they could face. Educating the public increases the likelihood of individuals taking the steps necessary to be personally prepared. This supports a smoother recovery process and increases overall resilience to future disasters. Some examples of community outreach resources include the following.

[95] https://www.cisa.gov/

- Map Your Neighborhood (MYN) and Citizens Organized to Prepare for Emergencies (COPE)[96] — Programs like these encourage community preparedness in a specific neighborhood by bringing neighbors together to plan for how they can support one another during and after a disaster. This includes identifying the roles and responsibilities of residents, stockpiling emergency supplies, identifying those who may need extra assistance, and determining ways to share information and resources. This will aid the neighborhood in minimizing fatalities during a disaster, having a more streamlined recovery process, and increasing overall resiliency to disasters.

- Great ShakeOut[97] — Campaigns like the Great ShakeOut prepare a community for a very specific hazard by encouraging them to practice what they should do when the disaster occurs, which lessens the impact of the disaster and reduces injuries and fatalities; for example, people practice how to "drop, cover, and hold on" to protect themselves during an earthquake.

- Know Your Alerts — There are often excellent resources that a community can use to support their disaster resiliency, but it is sometimes challenging to ensure they are aware of these resources and how to access them. The City of Santa Rosa addressed this challenge through its Know Your Alerts[98] campaign to educate the community on the various alert and warning tools used to notify them in an emergency or disaster. It summarizes each of the alerts and warning tools, how they function, when they are used, and what the community has to do to access the information.

Natural and cultural heritage considerations. Many academic studies address the important roles that natural and cultural heritage play in community resiliency. New Orleans, Louisiana, offers an example of how restoring the customs unique to that community helped build community resiliency and assisted in economic recovery from Hurricane Katrina in 2005. As discussed in the report *Learning from Disaster: Building City Resilience through Cultural Heritage in New Orleans,*[99] culture accelerates resilience by strengthening the social capital of a community. Investing in the heritage of a community and developing targeted strategies to mitigate the impact of a disaster can advance a range of resilience-building benefits.

These benefits include social cohesion and rootedness, economic development, and a sense of belonging, among others. As the report discusses, in New Orleans, efforts not only focused on recovering the geographic assets within the city, but also on ensuring that what it means to be a resident of New Orleans was restored as well. While this study provides an excellent example of focusing on natural and cultural heritage as part of recovery, it is not a perfect example due to noted racial injustices that happened during Hurricane Katrina and after, which hindered the recovery process. Nevertheless, focusing on the natural and cultural heritage of a community during disaster preparedness planning can improve the community's economic resiliency to future disasters. It can also aid in restoring revenue-generating services to the community.

Economic recovery considerations. In the aftermath of a disaster, critical economic decisions need to be made that will determine the success of the community's recovery. In communities that are repeatedly impacted by disaster, it may be necessary to make changes to the community design to prevent future repetitive loss. This could include altering the land use and zoning practices in a community as they recover from a disaster. Communities may also prevent people from rebuilding in areas with repetitive losses through buyout programs, such as FEMA's Severe Repetitive Loss grant program[100] that provides funding to reduce or eliminate the long-term risk of flood damage under the National Flood Insurance Program (NFIP).

In some cases, the disaster's impact is so significant that it is not economically feasible to build the community back the way it was, which forces the community to adapt to a "new normal." Catastrophic-level disaster planning describes this phenomenon as occurring when the level of damage to a community is so severe that it no longer resembles the community it was pre-disaster. This presents challenges but also opportunities during the recovery process to rebuild the community better than it was before. All the elements addressed in this chapter need to be factored into the planning for a "new normal," especially the impact it has on the members of the community or neighboring communities.

[96] https://socoemergency.org/get-ready/neighborhood-programs/
[97] https://www.shakeout.org/
[98] https://srcity.org/3123/Know-Your-Alerts
[99] https://publications.iadb.org/en/learning-disaster-building-city-resilience-through-cultural-heritage-new-orleans
[100] https://www.fema.gov/pdf/nfip/manual201205/content/20_srl.pdf

Recovery Deep Dive: Engaging Businesses Before, During, and After Disruption

Ch.8

While an economic development strategy, planning, and outreach are the foundations of economic resilience and recovery, the work of implementation requires directly engaging with businesses. This chapter examines the barriers, gaps, and opportunities related to supporting businesses through the disaster incident cycle, provides examples to help illustrate best practices and key lessons, and includes tools to help businesses become more resilient. As the world continues to deal with the COVID-19 pandemic, economic developers and local leaders have used this opportunity to work with other groups and organizations to improve and innovate approaches to small business assistance that help businesses move fluidly through an economic disruption. Earlier in the Playbook, we explained that communities can prepare for disasters and disruptions to better position themselves for recovery as well. This chapter, however, is a deep dive into preparedness, what to do when disaster strikes, and guidance for recovery in the context of helping businesses.

Figure 8.1. Economic Development Recovery & Resiliency Cycle



The Economic Development Recovery & Resiliency Cycle

Being prepared to respond to economic disruption, planning for recovery, and fostering resiliency creates a strong, sustainable local economy that provides economic opportunity for all and improves residents' quality of life. A community may be in multiple phases of the cycle simultaneously.

Preparedness: Challenges and Opportunities

Mid- to large-sized businesses typically have more resources and can pivot faster and more easily when faced with an economic disruption; therefore, economic developers and state and local governments focus on assisting the more vulnerable small businesses. The size and diversity of California's small business base are impressive assets, particularly in the sector's role as a major employer in the state; however, the base's complexity and scope pose unique challenges when building competency and interest in disaster preparedness. These challenges are magnified when you consider that the business community is often regarded as a key driver for recovery, not necessarily a sector to be protected during disaster. Business engagement capacity is essential not only in assuming the role as a critical driver for recovery, but also in preserving the business itself.

According to the U.S. Small Business Administration (SBA) 2021 *Small Business Profile* of the nation's states, California has the greatest number of small

businesses — more than 4.1 million, comprising nearly half of the state's total employment.[101] A business is defined as "small" based on the SBA size standards. [102] Depending on the industry, a "small" business can range in employee size from one to 1,500.

Specific challenges to effectively engaging the small business community in preparedness include the complexity and diversity of the small business base and the limited capacity of business owners.

Complexity of the small business base. The 4.1 million small businesses in California are significantly diversified, with 1.2 million representing self-employed minorities and approximately 1.3 million firms owned by women. These businesses are spread across California's vast territory, which comprises a multitude of regions, each with its own unique composition and mix of cultures. Given this expansive diversity, it can be challenging to devise a one-size-fits-all approach to small business engagement; such engagement efforts are expensive and difficult to deliver consistently statewide. It is typically more effective for each region or community to create its own small business outreach program that is scaled appropriately for its partner network, local resources, and staff.

Limited capacity of small business owners. The vast majority of businesses — more than 3.4 million — are sole proprietorships or very small businesses. Their lower number of employees implies a limited capacity for nonbusiness-related activity such as training, education, or community volunteerism. This limited capacity becomes further constrained during disasters, when a business owner may be preoccupied with immediate, urgent issues of personal safety and property.

The ability to quickly ramp up preparedness competency is critical to resiliency, disaster response, and recovery. The diversity of the business community, the shifting trends of information intake, and their limited capacity all hinder the ability to effectively scale preparedness competencies for small business owners. To be effective, preparedness planning needs to be in the business owner's language, available in multimedia formats, and adaptable to an owner's busy schedule. Inviting small business participation in the local or state hazard mitigation planning process provides an opportunity to encourage greater awareness of and engagement in preparedness planning.

To be effective, preparedness planning needs to be in the business owner's language, available in multimedia formats, and adaptable to an owner's busy schedule.

This effort could begin with the establishment of a local small business council and the inclusion of the council in the hazard mitigation planning process. In lieu of the formation or expansion of such groups, planning task forces could conduct regional listening sessions, post drafts of the plans' economic development section for input, or leverage the many publicly and privately funded technical assistance providers for small businesses in the state to conduct webinars and small forums with their small business clients to gather feedback on plans.

One way that a community can increase its ability to meet the immediate needs of its impacted small business community is to include in its Local Hazard Mitigation Plan an analysis of the composition of its small businesses. As referenced in Chapter 7, hazard mitigation plans outline the process for identifying and implementing actions to reduce or eliminate business losses and loss of life, property, and functions due to certain types of disasters. Such plans may include a determination of the types of businesses, whether they consist of home-based sole proprietorships, retail and restaurants operations, manufacturers, professional services or others, along with language preferences, employee size, average annual revenue, and other data. This information could be obtained from a local economic developer, local chamber of commerce, or small business technical assistance provider operating in the region.

To streamline the process, local government and economic developers may want to replicate the business intake information of SBA Form 641,[103] which is the standard intake form for small businesses seeking one-on-one mentorship from a federal resource provider. By capturing key small business data prior to a disaster, government officials can quickly work to offer or provide access

[101] https://cdn.advocacy.sba.gov/wp-content/uploads/2021/08/30141145/Small-Business-Economic-Profile-CA.pdf
[102] https://www.ecfr.gov/current/title-13/part-121
[103] https://www.sba.gov/document/sba-form-641-us-small-business-administration-counseling-information-form

Case Study: Business Engagement and Support

Thomas Fire Aftermath Is a Turning Point for the Economic Development Collaborative

On the evening of December 4, 2017, high winds caused two power lines to collide and ignite, causing what would become the largest wildfire in California history at that time. More than 500 residences burned the first night, and the Thomas Fire quickly spread across Ventura and Santa Barbara counties, burning approximately 281,893 acres before it was fully contained on January 12, 2018. At the fire's peak, more than 8,500 firefighters were mobilized to stop its advance.

As residents, storekeepers, and public officials began the long process of clearing away the debris, unusually late seasonal rains deluged the region during the second week of January. With no natural vegetation remaining to absorb the rain, flash floods and mudflows overcame neighborhoods in the unincorporated community of Montecito in eastern Santa Barbara County. A total of 23 people perished — two from the fire and 21 from the massive mudslides, which obliterated more than 100 homes.

The Thomas Fire burned more than 1,000 structures and caused $2.2 billion in damage, and the mudslides caused the closure of roads, including U.S. Highway 101, the region's most critically important freeway and transit conduit. Approximately $25 to $30 million in wages were lost due to the lack of tourists, commuters, and commercial traffic during the height of the winter tourist and holiday shopping season. Many businesses reduced their operating hours, and others simply closed.



Critical road repairs were part of recovery efforts.



The mudslides that followed the 2017 Thomas Fire caused widespread damage, requiring extensive cleanup.

EDC Facilitates Funding and Business Recovery Efforts

For the local Economic Development Collaborative (EDC), the regional economic development organization for Ventura and Santa Barbara counties, the fire's aftermath was a turning point. In addition to securing an agreement with the Gene Haas Foundation for $200,000 to capitalize a micro-enterprise loan fund for fire-impacted businesses, the EDC, as host to the local Small Business Development Center (SBDC), successfully petitioned the Los Angeles SBDC Lead Center and Governor's Office of Business and Economic Development (GO-Biz) for $86,000 in capacity-expanding funding to scale one-on-one consulting and support to businesses affected by the Thomas Fire. The funds enabled the EDC to add a full-time staff member as a dedicated point person for outreach and coordination of a 30-member consulting team trained to provide confidential advising on access to capital for short- and long-term loans, insurance, unemployment, and tax relief. In 2018, the EDC SBDC helped small businesses access $68 million in new capital — three times more than its anticipated annual goal.

"The Thomas Fire created a crisis for many businesses, and the EDC has responded with technical assistance, access to capital, and resources at the ready," said EDC CEO Bruce Stenslie at that time.

The crisis experience proved useful when the destructive Hill and Woolsey fires of November 2018 crisscrossed Ventura and Los Angeles counties and forced the evacuation of more than 295,000 people — and the EDC reprised its recovery leadership role. Then, after a 16-month respite, the EDC was put back on alert when a Ventura County resident who had traveled on a Grand Princess Cruise ship tested positive for newly emerged respiratory illness called COVID-19.

Protecting Community Assets from Cyberattack

The risk of cyberattack continues to be a pressing issue for many communities, and for good reason. In 2021, the average cost of a data breach reached its highest point in 17 years, rising to $4.24 million.[104] Furthermore, in its most recent 2020 report, the Federal Bureau of Investigation's Internet Crime Center received 791,790 cybercrime complaints, with losses totaling about $4.2 billion.

The National Institute of Standards and Technology (NIST) in the U.S. Department of Commerce offers a framework to help organizations — regardless of size, degree of cybersecurity risk, or cybersecurity sophistication — apply the principles and best practices of risk management to improve security and resilience.[105] The five Framework Core Functions[106] should be performed concurrently and continuously to help organizations form an operational cultural to address dynamic cybersecurity risk. These functions include:

- **Identify** — Build organizational understanding to manage cybersecurity risk to systems, people, assets, data, and capabilities;
- **Protect** — Develop and implement appropriate safeguards to ensure delivery of critical services;
- **Detect** — Develop and implement appropriate activities to identify the occurrence of a cybersecurity event;
- **Respond** — Develop and implement appropriate protocols when a cybersecurity incident is detected; and
- **Recover** — Develop and implement appropriate activities to maintain plans for resilience and to restore any capabilities or services that were impaired due to a cybersecurity incident.

When establishing an internal cybersecurity program for the first time, NIST suggests taking seven steps that can apply to any organization, whether it is an economic development agency, small business, or nonprofit. The steps are:

1. Prioritize and scope;
2. Orient;
3. Create a current profile;
4. Conduct a risk assessment;
5. Create a target profile;
6. Determine, analyze, and prioritize gaps; and
7. Implement an action plan.

The Cybersecurity and Infrastructure Security Agency (CISA), a subagency of the U.S. Department of Homeland Security, offers a variety of tools to help community leaders address cyberattack concerns. Its cybersecurity site (https://www.cisa.gov/cybersecurity) provides a number of links to helpful resources, including:

- The CISA Cyber Essentials Starter Kit — A guide to help develop an actionable understanding of how to implement organizational cybersecurity practices;
- Incident Response Training — No-cost cybersecurity incident response training for government employees and contractors across federal, state, local, tribal, and territorial governments, and educational and critical infrastructure partners;
- A CISA Tabletop Exercise Package that empowers users to use pre-built templates and vetted scenarios to develop tabletop exercises to assess, develop, and update information-sharing processes, emergency plans, policies, and procedures; and
- A Ransomware Guide that includes ransomware prevention best practices and a ransomware response checklist.

to resources that are relevant to local businesses' needs, such as short-term business loans, counseling to revise business plans, access to employer relief programs, and other services. The faster that business owners are connected with value-added services, the more quickly they can advance to recovery and the more likely they are to help promote these same services to other impacted businesses. To mitigate cyberattack or exploitative data mining, government and economic development officials should take care to apply data privacy and security protocols to any confidential business data that is collected.

[104] https://www.ibm.com/security/data-breach
[105] https://nvlpubs.nist.gov/nistpubs/CSWP/NIST.CSWP.04162018.pdf
[106] https://www.nist.gov/cyberframework/resources

Supporting Business Preparedness Efforts Through Existing Programs

California is fortunate to be home to multiple technical assistance programs funded by public and private entities. These small business programs, which include Women Business Centers (WBCs), Procurement Technical Assistance Centers (PTACs), Service Corps of Retired Executives (SCORE), Veteran Business Opportunity Centers (VBOC) and others, have existing infrastructure, outreach tools, and personnel that can be utilized to support a business recovery effort. These programs offer specific services, as required by their funders, and in many cases, these services involve disaster assistance. For example, the largest technical assistance program in the state, the California SBDC Network, is advised in its federal program announcement by its funder, the SBA, that "SBDCs individually, and in cooperation with SBA and other federal agencies as well as state and local entities, are encouraged to provide disaster recovery assistance to support impacted small businesses in local economies."[107]

It would be a simple effort for SBDCs to align their required services to local economic development and state preparedness, resiliency, and recovery efforts and to collaborate on small business programming. This collaborative process increases the capability to secure funding for economic resilience as a component of the jurisdiction's recovery plan.

An important service of technical assistance providers — including local economic developers — is to help small businesses prepare business continuity and disaster readiness plans. Many no-cost tools are available to assist businesses in boosting their preparedness acumen. An inventory of commonly used tools can be found in Appendix 1.

One unique public-private partnership program that has proven effective in leveraging web and digital tools to foster private sector interest and engagement in resiliency planning is the Outsmart Disaster campaign (https://outsmartdisaster.com). The campaign is jointly administered by the California Office of the Small Business Advocate and the California Academy for Economic Development (the Academy), the 501(c)3 affiliate of the California Association for Local Economic Development.

The Outsmart Disaster Campaign

Launched in 2018, the Outsmart Disaster campaign originally focused on helping businesses prepare for the next big earthquake and has since evolved to include an all-hazard approach to economic disruptions and disasters. The campaign's objectives are to:

- Help businesses improve their decision-making processes by providing planning tools that are high impact, grounded in disaster hazard science, and easy to apply and customize. The Outsmart Disaster training curriculum incorporates a wide range of resources from agencies such as the Red Cross, SBA, and FEMA;
- Focus on identifying a business's unique needs and vulnerabilities and conducting risk assessments to determine which areas require the most planning and preparation; and
- Offer some strategies that businesses can adopt to maintain resiliency, protect their stakeholders, and help give the business owner peace of mind.

The campaign has two primary assistance components: the Resilient Business Challenge and the Resiliency Toolkit.

The Resilient Business Challenge is a self-guided online tool curated by state and local economic development experts that includes five detailed steps to business resiliency. Small business owners can access the training on their own schedule and at their convenience; the tool saves their individual progress, allowing business owners to pause and resume the online tool as needed during the training. Figure 8.2 (on page 76) shows the various stages of the Resilient Business Challenge, which is based on an original curriculum developed by the California Business, Consumer Services and Housing Agency and the California Seismic Commission that has roots in the National Preparedness Framework.



[107] https://www.sba.gov/sites/default/files/2020-08/FY%202021%20CORE%20NOTICE%20OF%20FUNDING%20OPPORTUNITY_v07.29.2020_FINAL.pdf

Figure 8.2. The Resilient Business Challenge



Source: Outsmart Disaster

The Resiliency Toolkit is a library of resources, aggregated with permission from FEMA, CalOES, SBA, and others, for businesses to reference on their own time.

To help expand Outsmart Disaster's reach and impact, the Academy invites economic development organizations to play an active role in the effort by:

- Sharing a resiliency checklist (see Figure 8.3 below);
- Using the existing training curriculum and presenting their own virtual workshops; and
- Promoting the campaign using social media toolkits.

Response: What to Do When Disaster Strikes

The typical disaster response and recovery process is a complex, interwoven sequence of activities that begins with the incident, is accelerated through various formal declarations and emergency response activations, and ends with the establishment of an official local resource hub called a Local Assistance Center (LAC) to propel recovery.

The Local Assistance Center

For most business owners, particularly for those in need of direct assistance, their interaction begins with the LAC, where individuals, families, and businesses can access available disaster assistance programs and services. Local government officials are responsible for determining if a LAC is necessary and for coordinating the participation of local government agencies, volunteers, and community-based and nonprofit organizations. Typical operators of LACs include cities and counties along with state and federal emergency agencies such as FEMA and the Governor's Office of Emergency Services, among others.

Figure 8.3. Resiliency Checklist

- ☐ **Call Insurance**
  Check your insurance coverage.
- ☐ **Share Responsibilities**
  Schedule a resiliency meeting with your team.
- ☐ **Communicate a Plan**
  Create and communicate a plan for your stakeholders.
- ☐ **Practice**
  Host a safety drill for your place of business.
- ☐ **Rinse and Repeat**
  Establish checkpoints moving forward to reassess risk and strengthen your process.

Source:
https://outsmartdisaster.com/resilientbusinesschecklist

For many business owners, the disaster assistance experience is transactional. An impacted business owner arrives with a specific request or need, such as support with debris removal or a need for capital, and a staffer at the LAC addresses this need. Service providers in the LAC can include local economic developers, chambers of commerce, government officials, workforce development staff, and small business technical assistance providers.

Tips for Taking Action Immediately After a Disaster

In the days immediately following a disaster, many local leaders and stakeholders may experience an overwhelming desire to take action to support a reeling business community; however, it can be difficult to ascertain exactly which measures and activities are most appropriate during such a time. The following are a few recommendations to help local government staff and economic development stakeholders support their business communities in the days immediately following an incident.



Community members obtain support at the Santa Rosa Local Assistance Center following a disaster.

Define your purpose and take action accordingly. Assess local government capabilities and those of resource partners relevant to business needs and fill the gaps in services with purpose. Don't assume that others will fill the gaps that exist, and be flexible and open to changing roles and not being constrained by an organization's pre-disruption profile.

Act with urgency. Time is of the essence, so local governments should be quick to deploy but adaptive in execution. It is likely that the business community's needs will evolve rapidly, as will the availability of resources.

Provide a central resource for information, often called a Joint Information Center (JIC). Sharing important information — such as data on the severity of the incident, timelines for restoration of vital services, recovery checklists, and contact information for health, safety, and business relief resources — can be helpful as employers and entrepreneurs develop short-term strategies for their businesses. This may take the form of a website, social media or text message platforms, call centers, a physical location, or a combination of these.

Act as convener of business resource partners to coordinate strategy. By taking action to organize resource partners around a common business relief strategy, local governments and economic development staff can streamline communications and avoid redundant activities. To aid in this effort, the offices of elected officials, agencies such as the SBA District Office, local and regional economic development organizations, GO-Biz, and CalOES can be asked to help coordinate and disseminate information about the meeting.

Use small business data to drive decisions and priorities. By using previous small business surveys and data sets regarding the types and composition of the local business community (see Chapter 4 for more on these tools), local governments and resource partners can make sound decisions regarding the most effective way to deploy resources in immediate recovery efforts. For example, if the composition of the local business community is predominantly sole proprietor professional services firms, the rapid return of internet services may be key to business stabilization. For a business community composed of primarily retail and restaurant locations, the most effective priorities may be physical damage assessments, debris recovery, and storefront grants. Data generated by conducting regular local businesses censuses and assessments can serve as a useful tool for developing a recovery strategy immediately following a disaster.

Promote resources across multi-language and local media. Local governments can augment their business communications efforts by inviting local media including radio, television, and newspapers to help communicate available resources to small businesses. Short public service announcements about how to access business relief, particularly on culturally and linguistically diverse media channels, can be invaluable both in disseminating information and inviting small business owners to respond with requests for resources. For communities that are remote or under lockdown due to incidents such as a pandemic, webinars and digital meetings can provide critical information sources. Communication efforts should include careful attention to disability accommodation to ensure that vulnerable populations have equitable access to information.

Tools for Post-Disaster Business Recovery Outreach and Support

In the weeks following the Thomas Fire, the Southern California region experienced heavy rain that resulted in sudden flooding and debris flows. In addition to causing the deaths of 23 residents and destroying more than 100 homes, the Montecito Debris Flow, as it came to be known, pushed its way onto U.S. Highway 101. As a result, many impacted business owners found themselves landlocked and unable to reach an LAC. In response, the EDC, which also serves as the local SBDC, deployed business advisors to impacted communities to search out impacted business owners that were unable to reach the LACs for assistance. This was a door-to-door effort in various business and retail districts. The EDC also relied on phone calls and email to conduct remote business consultation and provide advice.

Technical assistance networks often have established agreements with their funders to serve as points of contact in the event of major disasters and simply need to be incorporated into local or state recovery planning.

During the COVID-19 pandemic, the State of California relied heavily on federally funded technical assistance programs such as the California SBDC Network, the Minority Business Development Centers, Women Business Centers, and other resource partners to help small businesses apply to state-funded relief programs and address pivoting and survival strategies. Many of these groups are available to assist local governments in their business response and recovery efforts as well, and this includes augmenting the work already being done by city and county economic development staff.

These technical assistance networks can be leveraged to provide multiple service points across a disaster-impacted area and — given their role as go-to resource agents for small businesses — can quickly help disseminate key information to a broad and diverse population of small business owners. Often, these partners have established agreements with their funders to serve as points of contact in the event of major disasters and simply need to be incorporated into local or state recovery planning. It is important to note that some of these providers may be prohibited from sharing detailed information on the businesses they assist and may share only aggregated outcomes.

Local business-serving organizations such as chambers of commerce, Business Improvement Districts, and business associations can often be the bridge between technical assistance providers and business owners. They can also offer simultaneous or complementary services. Jurisdictions can help bring these folks together before a disruption so they will be prepared to work together and with local government when a disruption occurs.



Signage directs community members to the Santa Rosa Local Assistance Center's location.

The importance of grassroots communications tactics and strategies. Grassroots communications can provide an effective method for quickly establishing a wide information network. The key to success is mobilizing small businesses to share important news and information on available resources through their peer networks.

Tactics for launching a successful grassroots campaign include:

- Increasing awareness of a key piece of information through a trusted news source to develop an initial wide audience; and
- Directing messages to prominent members of the small-business community that has established peer networks such as local emergency preparedness small business councils or officers of chambers of commerce.



Economic Development Takeaway

Deploying powerful, persuasive messaging and leveraging the right multimedia channels is an effective approach to achieving this conversion.

The key objective is to convert the effort from building awareness to creating advocates who are compelled to quickly share the information with others. Deploying powerful, persuasive messaging and leveraging the right multimedia channels is an effective approach to achieving this conversion.

Given the increased reliance on social media and the widespread use of virtual tools and web communications, shareable digital media is a valuable tool for rapidly disseminating key information.

Another helpful example of leveraging shareable digital tools to encourage individuals to spread critical messages is the All-Emergency Preparedness Campaign, also known as Listos California.[108] This statewide effort seeks to "boost disaster preparedness by engaging over one million of the most vulnerable Californians and connecting them with culturally and linguistically competent support through a grassroots, people-centered approach." Campaign materials include free print, online, text message, social media, and streaming audio and video resources that individuals can use to promote disaster preparedness in their community.

Creative shareable media encourages individuals — even those directly impacted by a crisis — to participate in the recovery process by distributing actionable information to others who may benefit from knowing it. Two keys to the success of such information campaigns are:

1. The immediacy of the information's usefulness; and
2. Clear instructions on how best to access the information and share the news with other impacted businesses.

Creative shareable media encourages individuals — even those directly impacted by a crisis — to participate in the recovery process by distributing actionable information to others who may benefit from knowing it.

Determining Where You Are in the Disaster Lifecycle

As previously mentioned, being prepared to respond to economic disruption, planning for recovery, and fostering resiliency creates a strong, sustainable local economy that provides economic opportunity for all and improves residents' quality of life. A community may be in multiple phases of the cycle simultaneously. This has been particularly evident during the COVID-19 pandemic as parts of the world experienced repeated surges and declines of the virus, particularly when new variants emerged.

[108] https://www.listoscalifornia.org

Guidance for Recovery

Throughout the COVID-19 pandemic, the business community was in a state of flux, subject to a shifting ordinance landscape and sudden swings in customer comfort regarding in-person services. It can be a challenge to distinguish exactly when a small business is entering recovery and how to best engage it during that phase. The following are a few key indicators that small businesses are advancing into recovery.



The Montecito Debris Flow blocks U.S. Highway 101 in January 2018, separating many business owners from assistance resources.

Stabilization of revenue. As the threat to life and property diminishes over time, opportunities for increased sales are likely to occur as business and commercial areas reopen, customers return to some type of pre-incident state, and business owners are more easily able to shift their focus from survival to revenue growth.

Increased employee hours or new hires. An increase in customer demand is likely to result in an increase in employee hours or hiring additional employees, a positive sign that a business is moving into the recovery stage. In addition to increased hours for current employers' personnel, other signs of recovery related to labor could include a rise in wages and job creation.

Improved small business confidence. An increasingly positive future outlook offers an additional key indicator that a small business is moving into recovery. When an entrepreneur feels that the worst is behind them, there is a greater chance that business owners are moving toward a return to normal operations or even growth. Periodic small business pulse surveys can be useful to help track small business confidence and status as the incident cycle unfolds.

Business data that can indicate progress toward recovery can be captured directly through surveys of the local business community, or with the assistance of entities that are actively engaged in collecting this data directly from business owners, or from government data sources such as chambers of commerce, economic development organizations, or small business technical assistance providers.

Opportunities and Tips for Building Business Resilience

In July 2020, the *Harvard Business Review* (HBR) issued *A Guide to Building a More Resilient Business,*[109] which describes certain principles of long-lasting systems that businesses can adopt to boost organizational and decision process resilience. These principles include:

- **Redundancy** — duplicating business elements or by having different elements that achieve the same business objective to ensure that systems do not fail catastrophically;
- **Modularity** — structuring an organization into smaller components with well-defined interfaces that allow individual elements to fail without the whole system collapsing and allow for more rapid reorganization;
- **Adaptability** — evolving through trial and error or embedding processes and structures for flexibility and learning;
- **Prudence** — operating on the precautionary principle that if something could plausibly happen, it eventually will. This calls for developing contingency plans and stress tests for plausible risks with significant consequences;
- **Embeddedness** — aligning a company's goals and activities with those of broader systems. This is deemed critical to long-term success as companies are embedded in supply chains and business ecosystems; and
- **Diversity** — employing people of different backgrounds and skills and creating an environment that fosters multiple ways of thinking and doing things.

[109] https://hbr.org/2020/07/a-guide-to-building-a-more-resilient-business

As the report indicates, these principles provide a useful foundation for local governments and their economic development staff to consider as they design for, measure, and manage resilience; in particular, it is important to highlight the value of diversity as part of a broader resiliency strategy. Following a disaster, businesses often have an opportunity to redesign their workforce. Such a redesign offers an opportunity to incorporate diverse perspectives and talents to help address operational blind spots that are often exacerbated during a disaster. In addition, small businesses advancing on the path of recovery have the ability to step into their role of proactive community agent by leveraging operational restructuring to help build a more inclusive economy, whether by increasing diverse hires or adopting a policy to work with suppliers that represent disadvantaged firms seeking their own path to recovery.

It is important to highlight the value of diversity as part of a broader resiliency strategy.

The HBR guide points to multiple potential benefits to encouraging and supporting small businesses in adopting these principles. These benefits include:

- **Anticipation** — the ability to recognize threats faster;
- **Impact** — the ability to better resist or withstand the initial shock of a disaster incident. This can be achieved through better preparation or a more agile response;
- **Recovery speed** — the ability to rebound from the shock more quickly by identifying and implementing the adjustments needed to return to the prior operating level; and
- **Outcomes** — the increased readiness for the new post-shock environment.

An additional resource that local governments may use to aid long-term recovery for residents is a Long-Term Recovery Group (LTRG). The National Voluntary Organizations Active in Disaster defines LTRG as a cooperative body composed of representatives from faith-based, nonprofit, government, business, and other organizations working in a community to assist individuals and families as they recover from disaster.[110] In addition, LTRGs are often described as a group that works to address "unmet needs."

The structure and operation of an LTRG depends on the nature of the crisis and the community that they serve. The LTRG's primary objectives include:

- Identifying individuals and families with unmet needs in the community;
- Providing case management to prioritize how those needs will be met; and
- Delivering goods, services, and funds to meet those needs.

LTRGs comprise stakeholders who are committed to the community's recovery and have the necessary authority to take meaningful action to address priorities. The governance structure and policies of LTRGs take many forms in order to meet the demands of the situation. The adaptability and community-centric nature of LTRGs make them an attractive tool to address the needs of vulnerable business segments.

[110] https://www.nvoad.org/wp-content/uploads/longtermrecoveryguide-final2012.pdf

Case Study: Pandemic Resilience

Cos&Pi Pivots for Positive Results

Like many other eating establishments, the South Pasadena restaurant Cos&Pi was hit hard by the COVID-19 pandemic. Launched in 2015 by husband-and-wife owners Casey Wiele and Xochilt Perez, the neighborhood eatery was a growing business before the pandemic started. Cos&Pi had built a loyal following of local and Greater Los Angeles-area food aficionados who were drawn to the couple's made-from-scratch menu. The restaurant grew in size to 10 employees.

In March 2020, Cos&Pi experienced a major business jolt when Governor Gavin Newsom announced a statewide shelter-in-place order. Initially, many anticipated it would last a few weeks at most, but several months passed. In June, counties were allowed to begin letting some businesses open with restrictions; however, following a spike in infections, Governor Newsom announced on July 13 a statewide temporary stop to several types of business activities, including indoor dining.

Rolling With the Punches

The spring and summer of 2020 found Casey and Xochilt pursuing multiple forms of local, state, and federal disaster assistance. Significant relief came from the first round of the new SBA-administered Paycheck Protection Program, which provided critical working capital. Casey and Xochilt pivoted to a take-out model, adopting on-demand web and mobile food service delivery systems despite significant concerns about the tools' fees and operational demands.

The remainder of the summer and fall of 2020 was an exceptionally challenging period as Casey and Xochilt devoted intensive time and effort to ensure the safety of their staff, adopt an effective online and app sales strategy, and navigate the shifting local health ordinances — in addition to dealing with other pandemic-related issues, such as the sudden shift to remote learning for their teenage sons.

As relief programs began sunsetting toward the end of 2020, Casey and Xochilt sought other forms of assistance. These included launching a successful GoFundMe campaign and participating in a viral #12DaysofTakeout social media campaign during the 2020 winter holidays, which provided earned media for the restaurant. In January 2021, Governor Newsom lifted most stay-at-home orders; mass vaccinations began in Los Angeles County in the spring. By May 2021, Los Angeles County had moved into the state's least restrictive yellow tier that allowed for indoor dining at 50 percent of capacity.



Cos&Pi owners Casey Wiele and Xochilt Perez adapted their business practices in response to the pandemic.

Pivoting to Adapt Produces Positive Results

In early 2022, nearly two years after Governor Newsom's first shelter-in-place order, circumstances had changed dramatically for Casey and Xochilt, who are concerned about the rollover of high costs. When Cos&Pi returned to indoor dining, many patrons preferred to enjoy their meals in the restaurant's outdoor dining patio, converted from part of its parking lot, but uncertainty caused by the Omicron variant of the coronavirus caused an increase in take-out orders. This uncertainty is an ongoing source of concern for Casey and Xochilt.

A significant portion of Cos&Pi's revenue is now generated through online orders and partnerships with other local businesses. In terms of revenue, business has never been better; however, like many other restaurants, Cos&Pi is struggling to add kitchen and frontline staff. The staffing shortage is impacting customer service, which also concerns the husband-and-wife team.

Despite the long hours and ongoing risk that new operational challenges will continue to arise, Casey and Xochilt are cautiously optimistic. While it is clear that business will never return to the way it was in 2019, they believe that Cos&Pi still has an opportunity to prosper. Casey and Xochilt feel better prepared to face the current challenges than they were in 2020.

Next Steps for Advancing Economic Development Resiliency and Recovery

Ch.9

Throughout this Playbook, the authors have focused on providing tools, tactics, and resources for communities responding to or preparing for an economic disruption. This process should be embraced to ensure the well-being and longevity of your community and local economy. Regardless of where you are in the economic development resiliency and recovery cycle, as you embark on your next step, keep in mind the following key takeaways.

Recovery and resiliency should focus on constant improvement. Given that the resiliency and recovery cycle is not linear and you can be working on both issues simultaneously, look for opportunities to improve on existing conditions. Recovery is not building back to what once was, but working toward a better and more resilient future by addressing issues such as equity, diversity, risk assessment, and disaster mitigation. Use the silver lining of a disruption to improve conditions for residents and businesses alike.

Be strategic. A deep understanding of your community's strengths and weaknesses should provide the foundation for your economic strategies. Know what your community excels at and how to capitalize on these assets, skills, and attributes. This includes using data to inform your knowledge of current and future needs in infrastructure, industry clusters, workforce, and other economic drivers.

Recognize and embrace your community's diversity. Your residents, workforce, and businesses make your community unique. This uniqueness, along with values and culture, will help define what your community needs in recovery and in ongoing resilience planning. Engaging with and listening to all the voices in your community will give you a more holistic, unified vision to guide your economic development strategy.

Collaboration and trust are key. Build trust within your community by being a good partner, delivering on promises, and listening to and valuing the voices of residents, business owners, and local stakeholders. Be open to working with a variety of people and organizations to ensure ongoing success. These partners can be found in city or county departments, regional groups, federal and state resource providers, nonprofit and community-based organizations, and others.

Business assistance will help drive economic recovery and resiliency. Businesses not only contribute to the fabric of your community, but also employ residents and create economic opportunity. The time spent assisting your businesses with resiliency planning and recovery during disruptions and disasters will help create a stronger, more resilient economy that supports residents who rely on their jobs for stability and their quality of life.

Economic developers are at the center of economic recovery and resiliency. As the boots-on-the-ground professionals charged with assisting businesses, they can inform policy makers and local leaders on what is needed to create an environment where employers can thrive. Economic development helps increase revenue to the jurisdiction, so it can provide the services, amenities, and quality of life that residents desire.

Although we cannot always predict or avoid disasters or economic disruptions, being strategic and planning for resiliency will better prepare your community to meet future challenges that cause economic disruptions and will advantageously position it for a faster recovery.

Tools for Implementation

Appendix 1

This Appendix provides a variety of resources available for economic developers, community planners, business resource providers, individual businesses, residents, and others. In an emergency, many communities need a quick-reference list of resources available for their residents and businesses, and these resources are highlighted in this Appendix with a blue arrow in the margin, as shown at left.

Appendix 1 contains the following sections:

- Introduction;
- Federal Recovery Resources;
- State Recovery Resources;
- Local and Regional Resources;
- Private Recovery Resources;
- Resilience Resources Introduction;
- Federal Resilience Resources;
- State Resilience Resources;
- Local and Regional Resilience Resources;
- Private Resilience Resources;
- Investment Tools for Resilience;
- Notes on Individual Insurance; and
- Conclusion.

Introduction

Economic disruptions can — and do — impact all of us. The resources in this appendix offer an opportunity to explore, think through, and define what matters most to you and your business community during a disaster. Many of the resources featured here are helpful during a range of emergencies and across many geographies. They are often made available in a variety of contexts and capacities, and local governments and business owners must be prepared to move quickly to take advantage of what is offered. The best approach involves preparing in advance and knowing what you might need at your fingertips to apply, explore, and recover from a disruption or disaster.

California routinely experiences the dangers of wildfires, earthquakes, floods, mudslides, and a multitude of other disasters and disruptions (which include naturally occurring and human-caused events). This reinforces the importance of having in place emergency preparedness and resiliency plans for your jurisdiction and businesses. *Please note: Economic development tools change over time. Every effort has been made to include accurate information about tools available as of April 2022, but CALED encourages readers to do their own research and seek resources beyond those included here.*

Recovery Resources

Recovery is an essential part of your activities after a crisis. The following resources highlight federal, state, regional, local, and private sector resources that can be used for post-disaster economic sustainability. Many resources are created in response to and made available as an event occurs, but the programs summarized here are evergreen for disaster events nationwide.

In addition, preparing to apply for the opportunities included here will help equip you with the tools needed to capitalize on future opportunities as they emerge. The resources are organized by funding source and/or the area addressed by the funding.

Federal Recovery Resources

U.S. Economic Development Administration (EDA)

With a long history of successfully supporting disaster recovery and resiliency efforts throughout the United States, EDA facilitates timely and effective delivery of federal economic development assistance to support long-term community economic recovery planning and project implementation.

In California, EDA has invested in wildfire relief, resiliency, and green projects to reduce flooding. From time to time, Congress provides EDA supplemental appropriations targeting disaster recovery. The resources are organized by funding source and/or the area addressed by the funding.

EDA has two regular funding opportunities, Public Works and Economic Adjustment Assistance.

Public Works — This program empowers distressed communities to revitalize, expand, and upgrade their physical infrastructure to attract new industry, encourage business expansion, diversify local economies, and generate or retain long-term, private sector jobs and investment.

Economic Adjustment Assistance (EAA) — EDA's most flexible program assists state and local interests in designing and implementing strategies to adjust or bring about change to an economy. The program focuses on areas that have experienced or are under threat of serious structural damage to the underlying economic base. When Congress approves Supplemental Disaster Recovery funding, it is generally to the EAA program.

U.S. Department of Agriculture (USDA) Rural Development Loan and Grant Programs

OneRD Guarantee Loan Initiative. USDA offer lenders a number of loan guarantees that cover the following programs/areas:

- Water and Waste Disposal (for public bodies, nonprofit businesses, and federally recognized Tribes);
- Community Facilities (for public bodies, nonprofit organizations, and Indian Tribes on federal and state reservations);
- Rural Energy for America Program (for rural small businesses and agricultural producers that need to purchase/install a renewable energy system or make energy efficiency improvements); and
- The Business & Industry (B&I) Loan Program. To qualify for this support, lenders need the legal authority and financial strength to operate a successful lending program (more information below).

Business and Industry (B&I) Loans. The USDA B&I Loan Program augments the existing private credit structures of rural communities. This program offers loan guarantees for rural businesses, which allow private lenders to extend additional credit.

Guaranteed loans are available for businesses and organizations, in a city or town with of less than 50,000 inhabitants, in the following categories:

- For-profit or nonprofit businesses;
- Cooperatives;
- Federally recognized Tribes;
- Public bodies; and
- Individuals engaged or proposing to engage in a business.

These funds may be used for:

- Business repair, modernization, or development;
- Purchase and development of land, easements, or buildings;
- Purchase of equipment, supplies, or inventory;
- Debt refinancing that results in job creation; and
- Business and industrial acquisitions that keep a business from closing, or save or create jobs.

Applications are accepted from lenders year-round. Interested borrowers should ask their lender about the program. Lenders interested in participating in this program should contact the USDA Rural Development Program Director for California or any USDA Rural Development local office.

Other USDA Programs. The Intermediary Relending Program (IRP) provides low-interest loans to local intermediaries that relend to businesses or provide funds for community development projects in rural areas. Businesses can borrow up to $250,000 or 75% of the total project cost. IRP lender lists can be obtained from any USDA Rural Development office.

The Rural Microentrepreneur Assistance Program (RMAP) provides loans and grants to Microenterprise Development Organizations (MDOs) that provide microloans for microenterprise startups and growth through a Rural Microloan Revolving Fund. MDOs also provide training and technical assistance to microloan borrowers and microentrepreneurs. MDO lender lists can be obtained from any USDA Rural Development office.

Rural Business Development Grant (RBDG) is a competitive grant designed to support targeted technical assistance, training, and other activities leading to the development or expansion of small and emerging private businesses in rural areas that have fewer than 50 employees and less than $1 million in gross revenues. Programmatic activities are separated into enterprise or opportunity type grant activities. Eligible applicants include communities, state agencies, authorities, nonprofit corporations, institutions of higher education, and federally recognized Tribes.

Federal Emergency Management Agency (FEMA) National Business Emergency Operations Center and Benefits of Membership

The **National Business Emergency Operations Center** (NBEOC) is FEMA's virtual clearinghouse to enhance information sharing between private industry partners and public agencies — including FEMA — before, during, and after disasters.

When there is an active disaster response, NBEOC members have unique lines of communication into FEMA's National Response Coordination Center, activated Regional Response Coordination Centers, and the broader network of emergency management operations, including state and federal partners.

The NBEOC allows members to share knowledge from the field impacting operating status and recovery challenges. It also provides data to help with business continuity decisions and provides integration with disaster planning, training, and exercises. Any multi-state private sector organizations may volunteer to take part in the NBEOC. This includes large businesses, chambers of commerce, trade associations, universities, think tanks, and nonprofits.

Benefits of NBEOC membership include the following.

NBEOC Dashboard. A web-based portal that provides real-time information including the latest incident updates, situation-targeted preparedness messaging, response and recovery resources, and appropriate government points of contact.

NBEOC Service Desk. The service desk provides a single customer portal so NBEOC members can communicate, track information meeting requests, and submit offers of support.

Business Preparedness. Ready Business provides tools and resources for businesses to prepare in advance for disaster.

Training. The NBEOC training web page provides an overview of emergency management training opportunities available at the Emergency Management Institute, Center for Domestic Preparedness and the National Training and Education Division.

FEMA National Flood Insurance Program

FEMA provides the **National Flood Insurance Program** to enable personal and business property owners and renters to purchase flood insurance coverage for buildings and/or contents in low- to moderate-flood risk areas, as well as in high-risk flood zones, to reduce taxpayer provided federal disaster assistance and to promote wise floodplain management practices in the nation's high-risk flood zones.

Applicant and Beneficiary Eligibility. Federal flood insurance can be made available for residential and business property owners, renters, and state-owned property in any community that adopts and enforces floodplain management measures consistent with the National Flood Insurance Program regulations.

U.S. Department of Labor

Disaster Unemployment Assistance (DUA). The DUA program provides temporary benefits to people who as a result of a major disaster lost their employment or self-employment or had it interrupted. Funds are available from the U.S. Department of Labor.

To qualify for DUA you must meet both of these conditions:

1. Your job must have been lost or interrupted as a result of a presidentially declared disaster; and
2. You must *not* be eligible for regular unemployment insurance benefits.

You must be available and able to work unless you meet one of these two conditions:

1. You have an injury caused by the disaster; or
2. You are taking steps to return to self-employment.

After a disaster, your affected state will publish information about DUA availability. As soon as possible, contact your state's unemployment agency to file a claim for benefits.

U.S. Small Business Administration (SBA)

SBA Business Disaster Loans. The SBA offers affordable financial help to businesses and private nonprofit organizations in declared disaster areas and provides low-interest, long-term loans for losses not fully covered by insurance or other means.

SBA disaster loans are the main federal assistance offered to repair and rebuild non-farm, private sector disaster losses. To qualify for SBA disaster loans, your business or private nonprofit organization must have physical damage or economic harm and be located in a declared county.

Businesses of all sizes, as well as private nonprofit organizations, may borrow up to $2 million to repair or replace:

- Damaged or destroyed real estate
- Machinery and equipment
- Inventory and other business assets

You may apply online at any time using SBA's Disaster Loan Application.

To receive business counseling from the SBA, use the form available at SBA Counseling Information Form 641.

SBA Economic Injury Disaster Loans (EIDLs). EIDLs can provide up to $2 million of financial assistance (actual loan amounts are based on amount of economic injury) to small businesses or private, non-profit organizations that suffer substantial economic injury as a result of the declared disaster, regardless of whether the applicant sustained physical damage.

An EIDL can help you meet necessary financial obligations that your business or private, non-profit organization could have met had the disaster not occurred. EIDLs do not replace lost sales or revenue.

To be eligible for EIDL assistance, small businesses or private nonprofit organizations must have sustained economic injury and be located in a disaster declared county or contiguous county.

The $2 million loan cap includes both physical disaster loans and EIDLs. There are no upfront fees or early payment penalties charged by SBA. The repayment term will be determined by your ability to repay the loan.

U.S. Department of the Treasury

Disaster Assistance and Emergency Relief Program for Individuals and Businesses. The U.S. Department of the Treasury may extend your tax deadlines if your business is impacted by a federally declared disaster.

Your account will automatically be coded for filing and/or payment relief if you meet both of the following conditions:

- You live in a county identified by the IRS as qualified for disaster tax relief; and
- Your address is up to date with the IRS.

U.S. Department of Housing and Urban Development Programs (HUD)

203(k) Rehabilitation Mortgage Insurance. HUD offers 203(k) Rehabilitation Mortgage Insurance for home buyers, including those with multi-unit structures. A 203(k) can be used to buy or refinance a home and the cost of its rehabilitation or to finance the rehabilitation of your existing home. You may use the money for a range of work that could include:

- Residential section, rehabilitation of property that also has non-residential uses.
- Conversion of any size property to a one-to-four-unit structure.

You must be able to make monthly mortgage payments and be rehabilitating a home that is a least 1 year old in order to qualify.

Community Development Block Grant (CDBG) Program. HUD offers CDBGs that provide flexible grant opportunities to help cities, counties, and states recover from Presidentially-declared disasters. These grants are particularly oriented toward low-income areas and subject to the availability of supplemental appropriations by the U.S. Congress, which may appropriate additional funding for the CDBG Program as Disaster Recovery grants to rebuild the affected areas and provide crucial seed money to start the recovery process.

State Recovery Resources

Small Business Finance Center. The California Infrastructure and Economic Development Bank (IBank) Small Business Finance Center features a loan guarantee program designed to assist small businesses that experience barriers when attempting to access capital. The Small Business Loan Guarantee program encourages lenders to provide funds to small businesses to help them grow and prosper.

IBank's **Disaster Relief Loan Guarantee Program** helps mitigate barriers to capital for small businesses that do not qualify for federal disaster funds, including businesses in low-wealth and immigrant communities. The maximum loan guarantee is $1 million, and the Disaster Relief Loan Guarantee can cover up to 95% of the loan amount.

The finance center promotes statewide economic development by increasing opportunities for entrepreneurs, the self-employed, microbusiness, and small business owners to have better access to capital and other technical resources. The Small Business Loan Guarantee program helps businesses create and retain jobs, and encourages investment in low- to moderate-income communities.

California Department of Tax and Fee Administration (CDTFA). Emergency tax or fee relief is available for taxpayers who have been directly affected by disasters declared as state of emergencies, both in California and nationally.

Available services may include the extension of tax return deadlines, relief of penalty and interest, or replacement copies of records lost due to disasters. This relief is offered to any taxpayer who was directly affected by the disasters in the listed counties and who, as a result, cannot meet their filing and payment deadlines. Information regarding relief requests is available in numerous languages.

You may deduct a disaster loss suffered in California beginning on or after January 1, 2014, and before January 1, 2024, if you were not repaid for the damage to your property that was lost or damaged due to a sudden, unexpected, or unusual:

- Earthquake;
- Fire;
- Flood; or
- Similar event.

In addition, relief from interest and penalties may be provided to people who are unable to file their returns and pay taxes and fees when due.

California State Board of Equalization Disaster Relief. Revenue and Taxation Code section 170 provides that if a disaster such as fire, earthquake, or flooding damages or destroys your property, you may be eligible for property tax relief if the county where your property is located has adopted an ordinance that allows property tax relief to owners of damaged or destroyed property, without fault from the assessee. In such cases, the county assessor will reappraise the property to reflect its damaged condition. In addition, when it is rebuilt in a like or similar manner, the property will retain its prior value (in accordance with Proposition 13 of 1978) for tax purposes. All California counties have adopted an ordinance for disaster relief.

To qualify for property tax relief, you must file a claim with the county assessor within the time specified in your county ordinance, or 12 months from the date of damage or destruction, whichever is later. The loss estimate must be at least $10,000 of current market value to qualify the property for this relief. The property will be reassessed according to its damaged state, and property taxes will be adjusted accordingly.

This property tax relief is available to owners of real property, business equipment and fixtures, orchards or other agricultural groves, and to owners of aircraft, boats, and certain manufactured homes. It is not available to property that is not assessable, such as state licensed manufactured homes or household furnishings.

Although section 170 provides one form of relief that may be available when a disaster strikes, you may be eligible for additional relief depending on the nature of your property. Figure A-1 on page 91 lists additional relief that may be available to you based on property type and the type of disaster that occurred. The listed Revenue and Taxation Code provides the requirements of each relief option.

State of California Franchise Tax Board. During disasters, including the COVID-19 pandemic, the Franchise Tax Board provides relief to businesses. Although resources may differ depending on the disaster, during the COVID-19 pandemic, the Franchise Tax Board is working with the Paycheck Protection Program and various other statewide programs to provide relief to businesses and taxpayers.

Local and Regional Resources

Small Business Development Centers (SBDCs). A nationwide network of events and assistance opportunities, SBDCs help small businesses grow in the U.S. Many events and discussions are co-hosted by universities and colleges, as well as private sector partners, and funded by the U.S. Small Business Administration. These local centers provide no-cost business consulting (including for disaster-specific concerns) and low-cost training resources. SBDCs can help small businesses navigate federal disaster funding opportunities and offer advice in navigating next steps.

Tax-Relief Assistance. The County Assessor in your county can provide tax-relief assistance if your property is eligible for misfortune and calamity tax relief. To qualify, you must complete the appropriate paperwork denoting the damage to the property within 12 months of the property being damaged or destroyed.

If your property has been substantially damaged or destroyed by a Governor-declared disaster, Proposition 50 (of 1986) provides property tax relief to owners of real property, business equipment and fixtures, orchards or other agricultural groves.

Figure A-1. Disaster Relief Quick Reference Chart

Type of Relief Available	Property Type	Type of Disaster	Revenue and Taxation Code
New construction exclusion	Real property only	Any disaster or calamity	Section 70
New construction exclusion	All property types	Governor-proclaimed; Any disaster or calamity	Section 170
Base year transfer within same county	All property types	Governor-proclaimed	Section 69
Base year transfer to another county	Principal place of residence	Governor-proclaimed	Section 69.3
Base year transfer anywhere in CA	Principal place of residence	Governor-proclaimed	Art. XIIIA, section 2.1(b)
Base year transfer	Principal place of residence — over 55 or physically disabled	Any disaster or calamity	Section 69.5
Base year transfer	Manufactured home (license fee or property tax)	Governor-proclaimed	Section 172 & 172.1
New construction exclusion; Base year transfer	Manufactured home (property tax only)	Any disaster or calamity	Section 5825

California Resilience Fund. The League of California Community Foundations (LCCF) has designed a fund to provide centralized opportunities for funders to invest in disaster relief and recovery through community foundations' trusted intermediaries who are deeply connected to affected communities.

Community foundations are uniquely positioned to lead and support their communities when disaster strikes — and for many years afterward. They are purpose-built to deploy resources where they are needed most in a crisis and to adapt quickly to changing needs on the ground. They have deep knowledge of their community's needs and strong trust-based relationships with local nonprofits, government, community leaders, and donors. Community foundations are tax-exempt, nonprofit, autonomous, publicly supported philanthropic institutions that exist to "build community wealth" and serve as hubs of local giving and local impact. They have official public charity status and can engage in both grant making and direct charitable activities.

The California Resilience Fund will work closely with other disaster response funders to understand philanthropic and government funding flows and to prioritize grants that help fill critical gaps, maximize local impact, and are complementary to existing efforts rather than redundant.

This fund will support relief, recovery, and resilience efforts in response to natural hazard events that meet the following minimum criteria — disasters resulting from natural hazards and associated events, including:

- Wildfires and associated power outages;
- Drought;
- Earthquakes;
- Flood;
- Severe weather events; and
- Other natural hazards.

Center for Disaster Philanthropy (CDP). The CDP helps individuals, foundations, and corporations increase the effectiveness of philanthropic response to disaster and humanitarian crises. CDP offers direct financial and technical assistance where it is needed most, using the following methodology.

Five key elements drive the targeted, localized, and holistic grant making process.

1. Analysis
   a. CDP experts carefully assess the overall impact of the disaster across three priorities:
      i. Geographic impact of the event (e.g., specific cities, towns, and counties);
      ii. Populations affected (e.g., women, children, older adults, medically dependent, and communities of color); and
      iii. Under-attended issues that arise as a result of the event (e.g., food and water security, housing, and mental health).
   b. CDP experts also work to identify how other funders in the region are allocating their dollars.
2. Expertise
   a. While CDP staff drives the analysis portion of the work, a fund-specific grant committee will bring together five to eight representatives of local and national philanthropy, the nongovernmental organization (NGO) community, and members of the disaster-affected area. These individuals inform the needs assessment, offer advice on unmet needs, review proposals, and make grant recommendations to the CDP Board of Directors. This process typically starts four months after a disaster and concludes at the six-month mark.
3. Community Connections
   a. An essential part of CDP grant making is connecting with the community. Its team leverages existing relationships with the philanthropic and nonprofit communities and builds new ones by connecting with community members and other funders. In addition, the team utilizes data and maps, reviews media reports, and takes into account others' assessments. The CDP has no intention of "going it alone." Its strategic fund distribution process benefits from a range of voices on the ground.
4. Grantee Balance and Focus
   a. CDP believes that when missions match and solid relationships are in place, the grant maker and grant recipient relationships flow seamlessly; and CDP believes in building local capacity and planning for the future. To do this, CDP works closely with the grant committee to allocate funds across local and national organizations, both large and small, and to organizations that focus on the geographical, population, and issue areas that are highest in need.
5. Grant Solicitation
   a. CDP does not accept unsolicited proposals. The results of the needs assessments determine which nonprofit organizations will be invited to apply for funding.

Private Recovery Resources

Rural Community Assistance Corporation (RCAC). A 501(c)(3) nonprofit organization, RCAC provides training, technical, and financial resources to rural communities across the Western United States. RCAC provides rural communities numerous lending opportunities designed to fill financing gaps commonly found in traditional financing. These loan programs can support businesses re-emerging from COVID-19 and provide other small business loan opportunities. Many RCAC loans also offer tailored training and business coaching programs to recipients.

Resilience Resources Introduction

Resilience is integral to rebuilding your jurisdiction and businesses after a crisis. According to the EDA, economic resilience is defined as "an area's ability to prevent, withstand, and quickly recover from major disruptions to its economic base." The following sections highlight federal, state, local/regional, and private resilience resources and investment tools for resilience that can be used for business continuity post-disaster. Many of these resources are crafted and made available as an event occurs, but the programs summarized here are evergreen and occur with most disaster declarations and responses across the United States.

Federal Resilience Resources

U.S. Economic Development Administration (EDA)

As already noted in the appendix, EDA has helpful recovery programs for communities. It also has many programs that support resiliency and the concept of "building back better" after an economic disruption. The following are EDA programs that communities can use to create a better, more resilient future.

Public Works Program. This program empowers distressed communities to revitalize, expand, and upgrade their physical infrastructure to attract new industry, encourage business expansion, diversify local economies, and generate or retain long-term private sector jobs and investment.

Economic Adjustment. As mentioned earlier, this program assists state and local jurisdictions in designing and implementing strategies to adjust or bring about change to an economy. The program focuses on areas that have experienced or are under threat of serious structural damage to the underlying economic base. Under Economic Adjustment, EDA administers its Revolving Loan Fund (RLF) Program, which supplies small businesses and entrepreneurs with the gap financing needed to start or expand their business.

Planning. This program supports local organizations with short and long-term planning efforts. The Comprehensive Economic Development Strategy (CEDS) Content Guidelines provide suggestions, tools, and resources for developing comprehensive economic development strategies.

Build to Scale (formerly known as Regional Innovation Strategies). The Build to Scale (B2S) Program builds regional economies through scalable startups and includes three competitions supporting entrepreneurship, acceleration of company growth, and increased access to risk capital across regional economies.

Trade Adjustment Assistance for Firms. This program provides assistance through a national network of 11 Trade Adjustment Assistance Centers to help strengthen the competitiveness of American companies that have lost domestic sales and employment because of increased imports of similar goods and services.

Research and National Technical Assistance (RNTA). 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.

Local Technical Assistance Program. This program helps fill the knowledge and information gaps that may prevent leaders in the public and nonprofit sectors in distressed areas from making optimal decisions on local economic development issues.

Additional Federal Resources

Community Development Block Grant (CDBG) Mitigation Program. This Housing and Urban Development program provides a unique and significant opportunity for eligible grantees in areas impacted by recent disasters to use this assistance to carry out strategic and high-impact activities to mitigate disaster risks and reduce future losses. For the purpose of this program, mitigation activities are defined as activities that: "Increase resilience to disasters and reduce or eliminate the long-term risk of loss of life, injury, damage to and loss of property, and suffering and hardship by lessening the impact of future disasters."

The mitigation objectives and efforts align with other federal programs that address hazard mitigation to create a more cohesive effort at the federal, state, and local levels. These mitigation projects aim to reduce the risk of being severely affected by natural disasters for community services that benefit human health and safety or economic security. The level of engagement among partners helps to shape the transformative nature that mitigation projects can have in communities and the lives of constituents.

The program's goals are to:

- Support data-informed investments, focusing on repetitive loss of property and critical infrastructure;
- Build capacity to comprehensively analyze disaster risks and update hazard mitigation plans;
- Support the adoption of policies that reflect local and regional priorities that will have long-lasting effects on community risk reduction, including risk reduction to community lifelines and decreasing future disaster costs; and
- Maximize the impact of funds by encouraging leverage, public-private partnerships, and coordination with other federal dollars.

Environmental Protection Agency (EPA) Redevelopment Opportunities. Disasters present an opportunity to rethink a community, and most communities have brownfields, derelict sites and buildings, and other impacted properties that create a headwind for local economies and job creation. Those properties may be ideal for new businesses and can spur development for local economies.

EPA's Brownfields program empowers states, communities, and other stakeholders to work together to prevent, assess, safely clean up, and sustainably reuse brownfields. Revitalizing brownfield sites creates benefits throughout the community.

Brownfields are often "location efficient" due to their central location and connections to existing infrastructure. Typically, brownfields are centrally located in metro areas with good connections to local infrastructure, including roadways and stormwater utilities.

The ability to reuse existing infrastructure is an important advantage of brownfields redevelopment because it saves on infrastructure expense and prevents additional environmental degradation from building on greenfields.

Brownfield sites are often near other metro services and amenities, such as job centers, shopping, schools, health centers, transit, and housing. Individuals tend to drive less when living or working in a metro area because they have many choices for transportation.

The fact sheet links that appear below provide a simple and visual introduction to brownfields, including:

- The process of assessing brownfield sites;
- Where they may be found;
- Frequently reported contaminants and ways contamination may occur;
- Common cleanup methods; and
- Future reuses of cleaned brownfields.

These fact sheets are provided in English and Spanish and can support the outreach efforts of community organizations and local leaders to identify, address, and clean up brownfield sites, so they can be safely reused in ways that meet community needs and reduce contaminant threats to public health and the environment.

- Assessing Brownfield Sites.pdf (pdf)
- Evaluacion de Sitios Brownfield (pdf)
- Past Property Uses May Result in a Brownfield Site (pdf) (EPA 560F19006)
- Los Usos Pasados de las Propiedades Pueden Resultar en un Sitio Brownfield (pdf)
- Environmental Contaminants Often Found at Brownfield Sites (pdf) (EPA 560F19007)
- Contaminantes Ambientales que se Encuentran a Menudo en Sitios Brownfield (pdf)
- Cleaning Up Brownfield Sites (pdf) (EPA 560F19181)
- Limpieza de Sitios Brownfield (pdf)
- Reuse Possibilities for Brownfield Sites (pdf) (EPA 560F19182)
- Posibilidades de Reutilización para los Sitios Brownfield (pdf)

National Association of Counties (NACo) Resilient Counties Initiative. NACo works to strengthen county resiliency by building leadership capacity to identify and manage risk and allow counties to become more flexible and responsive. Through the use of sustainable practices and infrastructure, counties will be better prepared to address these issues in a manner that can minimize the impact on residents and businesses, while helping counties save money.

Through the initiative, NACo:

- Develops strategies to foster economic growth and competitiveness;
- Educates counties on techniques for implementing resiliency and sustainability strategies;
- Provides tools for counties to educate their communities on resiliency initiatives;
- Identifies ways to leverage changing conditions and take advantage of new technologies and innovation; and
- Facilitates an open exchange with the private sector.

NACo provides regular reports and toolkits on emergency management in government, managing disasters at a county level, and focusing on disaster-specific resources.

State Resilience Resources

California Capital Access Program for Small Business (CalCAP) encourages banks and other financial institutions to make loans to small businesses that have difficulty obtaining financing. If you own a small business and need a loan for start-up, expansion, or working capital, you may receive more favorable loan terms from a lender if your loan is enrolled in the CalCAP Loan Loss Reserve Program. This program helps communities by providing financing to businesses that create jobs and improve the economy.

CalCAP is a loan loss reserve program that may provide up to 100% coverage to participating lenders on losses as a result of certain loan defaults. With CalCAP portfolio support, a lender may be more comfortable underwriting small business loans.

Check to see if your commercial lender or financial institution participates in CalCAP or find a participating lender. If your financial institution does not currently participate, it is easy for lenders to sign up. Ask your institution to complete the Financial Institution Application and send it to CalCAP to begin the process. In addition, the following links may be helpful.

Which Lending Institutions Qualify to Participate?

Certification to Participate in the California Capital Access Program

California Department of Resources Recycling and Recovery (CalRecycle) Co-Digestion Grant Program. CalRecycle administers a program that provides funding to build new and expanded food waste co-digestion projects at existing wastewater treatment plants to reduce greenhouse gas emissions by significantly increasing the tonnage of California-generated organic waste diverted from landfills to co-digestion systems. For fiscal years 2021–22 and 2022–23, available funding is $19 million with a minimum of $1 million and a maximum of $4 million per grant award.

Two applications (one wastewater treatment plant per application) per qualifying entity will be accepted. Eligible applicants include:

- Local governments;
- Cities, counties, and cities and counties as defined in Public Resources Code section 30109; and
- Regional or local sanitation agencies, waste agencies, or Joint Powers Authorities.

California Labor Code section 1782 prohibits charter cities from receiving state funds or financial assistance for construction projects if those cities do not comply with sections 1770–1782 of the Labor Code. CalRecycle requires that any application that includes a charter city must include a certification by the applicant that all charter cities included in the application are eligible to receive grant funds for the project described in the application. If it is later found that grant funds were received in violation of Labor Code section 1782, the grant will be terminated, and the grantee will be required to return any grant funds.

Eligible projects include design, construction, and installation of new and expanded food waste co-digestion systems at existing publicly owned wastewater treatment plants.

Project Requirements:

1. Project must be located at an existing publicly owned wastewater treatment plant in California.
2. Project site must have an existing anaerobic digestion system with excess digestion capacity.
3. Project must either have an existing food waste receiving station with excess capacity on-site or propose to construct a new or expanded food waste receiving station infrastructure that allows for direct receipt of food waste into the anaerobic digester(s).
    a. A project that proposes to receive food waste at the headworks or through the sewage system for co-digestion is ineligible.
4. Project must demonstrate an increase in permanent capacity for the co-digestion of food waste as a result of the grant.
5. Project must co-digest food waste and utilize the biogas that is generated to produce transportation fuel, renewable electricity, heat, or biomethane for pipeline injection.

Cleanup Loans and Environmental Assistance to Neighborhoods (CLEAN) Program. Funded by the California Department of Toxic Substances Control (DTSC), the CLEAN Program provides low-interest loans to property owners and developers to investigate, clean up, and redevelop abandoned and underutilized urban properties throughout California.

Applicants must go through both a Site Eligibility Determination and a Financial Determination process to qualify for these low-interest loans.

DTSC's goal with these funding resources is to empower communities and other stakeholders to work together in a timely manner to facilitate the return of blighted and underutilized properties to safe and productive uses.

Community Economic Resilience Fund (CERF). Launched in January 2022, CERF is a program developed by the California Office of Planning and Research, the California Governor's Office of Business and Economic Development, and the Labor & Workforce Development Agency to support resilient, equitable, and sustainable regional economies. The funds will be distributed by the California Labor Agency through the Workforce Services Branch at EDD. As of February 2022, program design was underway and funding applications were expected to open in mid-2022.

CERF was created to promote a sustainable and equitable recovery from the economic distress of COVID-19 by supporting new plans and strategies to diversify local economies and develop sustainable industries that create high-quality, broadly accessible jobs for all Californians. Specifically, CERF supports communities and regional groups in producing regional roadmaps for economic recovery and transition that prioritize the creation of accessible, high-quality jobs in sustainable industries. Initially, CERF's funding of $600M was appropriated to build an equitable and sustainable economy across California's diverse regions and foster long-term economic resilience in the overall transition to a carbon-neutral economy.

Employment Training Panel (ETP). The State of California provides funding to employers to assist in upgrading the skills of their workers through training that leads to well-paid, long-term jobs. Established in 1982, ETP supports job creation and retention through training. ETP is funded by a special tax on California employers and differs from other workforce development organizations whose emphasis is on pre-employment training. ETP fulfills its mission by reimbursing the cost of employer-driven training for incumbent workers and funding the type of training needed by unemployed workers to re-enter the workforce. This program helps to ensure that California businesses will have the skilled workers they need to remain competitive.

Employers must be able to effectively train workers in response to changing business and industry needs. While the need for workforce training is critical, businesses generally reserve capacity-building dollars for highly technical and professional occupations — limiting investment in training for frontline workers who produce goods and deliver services. ETP helps to fill this gap by funding training that is targeted to the frontline workers.

ETP funding is predicated on simple and effective principles:

- Employers make decisions about the training program. Employers are involved in every aspect of training. Companies assess their training needs, customize curricula to address the specific needs of their businesses, and implement and administer the training plan.
- Training investments help companies become more profitable, so companies are encouraged to share that profit with workers involved in training. ETP contracts promote wage increases and require employers to retain trained workers for specific periods in order to earn ETP funds.
- Employers are encouraged to assume greater responsibility for training. ETP reimburses contractors based on flat rates. Companies must pay the difference between ETP reimbursement and their actual training costs. As training costs increase, companies pay a larger percentage of the costs.
- Performance-based contracting helps to ensure success. A business may earn ETP funds only after a trainee completes all training and is retained for a minimum time period (normally 90 days) at a required wage, in a job using the skills learned in training. Other performance requirements ensure that each stakeholder — the company, the worker, and ETP — shares responsibility for expanding the numbers of high-wage, high-skill jobs in California.
- ETP funding is a catalyst for future workforce training. Employers who participate in ETP-funded training are more likely to invest in future workforce training. The ETP experience provides them with the practical knowledge and tools to successfully implement a training plan.

Climate Catalyst Revolving Loan Fund Program. Administered by the California Infrastructure and Economic Development Bank (IBank), the Climate Catalyst Fund is flexible, offering a range of financial instruments to help bridge the financing gap currently preventing advanced technologies from scaling into the marketplace. Because the Climate Catalyst Fund is designed to increase the pace and scale of private financing for climate solutions, potential applicants should have written expressions of interest from other financing parties before completing the Climate Catalyst Intake Form. The program is open to applicants in both the private and public sectors. The initial focus will be on projects that reduce wildfire threats through forest biomass management and utilization. Starting in 2022–23, Climate Catalyst expects to expand to include climate-smart agriculture projects.

Greenhouse Gas Reduction Loan Program. The Department of Resources Recycling and Recovery (CalRecycle) offers the Greenhouse Gas (GHG) Reduction Loan Program pursuant to Public Resources Code sections 42995–42998. The GHG Reduction Loan Program provides funds to support new or expanded organics infrastructure, such as composting and anaerobic digestion facilities, as well as for facilities that manufacture fiber, plastic, or glass waste materials into beneficial products. The goal of this investment is to further the purposes of the California Global Warming Solutions Act (AB 32), reduce methane emissions from landfills, and further GHG reductions in upstream resource management and manufacturing processes; benefit disadvantaged communities by upgrading existing facilities and, where warranted, establishing new facilities that reduce GHG emissions; result in air and water quality improvements; and create jobs.

An estimated $5,503,000 was available for FY 2021–22 with an interest rate of 4 percent. This program is part of California Climate Investments, a statewide program that puts billions of cap-and-trade dollars to work reducing GHG emissions, strengthening the economy and improving public health and the environment— particularly in disadvantaged communities. The Cap-and-Trade program also creates a financial incentive for industries to invest in clean technologies and develop innovative ways to reduce pollution. California Climate Investments projects include affordable housing, renewable energy, public transportation, zero-emission vehicles, environmental restoration, more sustainable agriculture, recycling, and much more. At least 35 percent of these investments are made in disadvantaged and low-income communities. Visit the program link for updated information.

Specialty Crop Block Grant Program. The California Department of Food and Agriculture's (CDFA) Specialty Crop Block Grant Program (SCBGP) funds projects that enhance the competitiveness of California specialty crops. The SCBGP is designed to support all sectors of California's specialty crop industry and improve the performance of California specialty crops in local, domestic, national, and international markets. Specialty crops are fruits, vegetables, tree nuts, dried fruits, and horticulture and nursery crops (including floriculture).

CDFA anticipates that up to $22 million will be awarded to projects enhancing the competitiveness of California specialty crops. Grant amounts range from $100,000 to $500,000. The maximum grant duration is 2 years, 6 months, and grant funds cannot be expended before November 1, 2022, or after April 30, 2025. Projects submitted to the Additional Assistance for Historically Underrepresented Organizations Program will range from $50,000 to $100,000 and may last up to two years. CDFA reserves the right to offer an award amount less than the amount requested. Separate from the competitive process, CDFA may award up to $3 million for proposals that address urgent or critical issues affecting California specialty crop agriculture. Nonprofit and for-profit organizations; local, state, and federal government entities, including tribal governments; and public or private colleges and universities are eligible to apply. Individuals are not eligible to apply. There is no limit on the number of concept proposals that applicants may submit; however, each concept proposal must be for a wholly unique project.

State Historic Rehabilitation Tax Credit (SHRTC). The $50 million program will be administered by the Office of Historic Preservation (OHP) and the California Tax Credit Allocation Committee (CTCAC). SHRTC has been fully funded for 2022.

Governor Gavin Newsom signed SB 451, the state historic tax credit bill, into law on October 9, 2019. California joins more than 35 states that have passed historic tax credit bills, providing incentives for investment in local economies and the rehabilitation of historic buildings that reflect the character of communities. In early to mid-2022, OHP and CTCAC were developing regulations, implementation guidelines, and application forms. OHP and CTCAC will each be promulgating regulations for their sections of the process. OHP anticipates that its formal rulemaking process, including public input opportunities and a public hearing, will commence in mid-2022. This process has a targeted completion by the third quarter of 2022. Following completion of both regulatory processes, applications are expected to be accepted in late 2022/early 2023.

Work Sharing Program. Administered by the Employment Development Department (EDD), employers can apply for the Unemployment Insurance (UI) Work Sharing program as a temporary alternative to layoffs if the business's production or services have been reduced. The Work Sharing program helps employers:

- Minimize or eliminate the need for layoffs in nearly all types of businesses or industries;
- Keep trained employees and quickly recover when business conditions improve; and
- Bring back furloughed or laid-off employees at reduced hours as business conditions improve (a new program feature). During the COVID-19 pandemic, previously furloughed and laid-off employees do not have to work a normal schedule for one week without a reduction in hours before they can participate in Work Sharing.

With Work Sharing, employees whose hours and wages have been reduced can receive UI benefits, keep their current job, and avoid financial hardships.

All approved Work Sharing plans are active for 1 year. Work Sharing plans always begin on a Sunday. The earliest date to start a new Work Sharing plan is the Sunday before the first day you contact the EDD. To renew your plan without a gap in coverage, you must submit an application no more than 10 days after your previous plan ends. Otherwise, your plan will start the Sunday before the day your application is received.

To participate, an employer's business must meet ***all*** of the following requirements:

- Be a legally registered business in California.
- Have an active California State Employer Account Number.
- Have a minimum of two employees ***and*** at least 10 percent of their regular workforce, or a department of the workforce, affected by a reduction in hours and wages.
- Hours and wages must be reduced by 10 to 60 percent.
- Health and retirement benefits must stay the same as before, or they must meet the same standards as other employees who are not participating in Work Sharing.

- The employees' bargaining unit must agree to voluntarily participate and sign the application for Work Sharing.
- Affected work units to be covered by the Work Sharing plan, and each participating employee, must be identified by their legal name and Social Security number.
- Employees must know in advance that their employer plans to take part in the Work Sharing program.
- Provide the estimated amount of layoffs to be avoided by participating in the Work Sharing program.
- Provide all necessary reports and information to the EDD.

The Work Sharing program has these restrictions:

- Leased, intermittent, seasonal, or temporary service employees cannot participate;
- Corporate officers or major stock holders with investment in the company cannot participate; and
- Work Sharing cannot be used as a transition to a layoff.

Local and Regional Resilience Resources

California Reinvestment Coalition (CRC). The CRC will provide funding and capacity building to create a new generation of Black, Indigenous, and People of Color (BIPOC)-led Community Development Financial Institutions (CDFIs) that support and invest in minority-owned small businesses, microentrepreneurs of color, and affordable housing in low-income communities of color. Grantees will receive two-year grants, technical assistance, and capacity building, and will participate in peer learning opportunities to achieve CDFI certification, strengthen organizational balance sheets, and provide expanded programming, including new loan funds, to assist low-income small business owners, microentrepreneurs, and families.

Criteria for Nonprofit Cohort Members to Qualify for CRC Grants. The Fund will make grants to 501(c)(3) nonprofit organizations in good standing with the IRS. CRC is especially interested in organizations that:

- Demonstrate BIPOC leadership throughout the organization (executive director, senior leadership, and board);
- Are based in California;
- Primarily serve low- and moderate-income communities of color;
- Plan to launch a CDFI or have received CDFI certification in the past two years; and
- Support BIPOC-owned small businesses or affordable housing.

Small Business Development Centers (SBDCs). As mentioned previously, SBDC is a nationwide network of events and assistance opportunities to help small businesses grow in the U.S.. Local centers provide no-cost business consulting (including for disaster-specific concerns) and low-cost training resources. SBDCs can help small businesses navigate federal disaster funding opportunities and offer advice in navigating next steps.

California Resilience Fund. The League of California Community Foundations (LCCF) has designed a fund to provide centralized opportunities for funders to invest in disaster relief and recovery through community foundations — trusted intermediaries that are deeply connected to affected communities. As mentioned previously, this fund supports both disaster recovery and resilience for organizations meeting their criteria.

Private Resilience Resources

The **Restaurants Care Resilience Fund** was created in 2017, after the Sonoma County firestorms, as a safety net for restaurant workers. In May 2021, with the support of private sector industry partners, the Restaurants Care Resilience Fund began providing grants to restaurants directly impacted by the COVID-19 pandemic.

This type of collaboration provides a unique opportunity for organizations to help each other when a crisis threatens a community. Partnerships like these are easy to encourage and offer an excellent way to continue to support private sector partners.

Philanthropy California. Known as Philanthropy CA, this is an alliance organization of the Northern California Grantmakers (NCG), Southern California Grantmakers (SCG), and Catalyst of San Diego and Imperial Counties (Catalyst). The combined membership of Philanthropy CA represents more than 600 foundations, corporate funders, philanthropic individuals and families, giving circles, and government agencies that invest billions every year to support communities across the state, the nation, and the world.

Philanthropy CA taps into the deep regional expertise and connections of funders to increase philanthropy's impact in building and sustaining thriving, equitable communities.

The organization deploys disaster resilience efforts toward:

- Sharing information about what's needed now, emerging issues, and where funders can make the most of their contributions;
- Publicizing trusted funds for relief and recovery;
- Advising how best to meet short- and long-term needs;
- Connecting funders, government partners, and organizations active in responding to the disaster; and
- Supporting funders with tools, connections, and expertise.

Investment Tools for Resilience

League of California Community Foundations (LCCF). As disasters resulting from natural hazards become more prevalent in the state of California, the purpose of the LCCF Disaster Relief, Recovery and Resilience Fund is to provide a centralized opportunity for funders to invest in disaster relief and recovery through community foundations' trusted intermediaries who are deeply connected to affected communities.

Qualifying Events. This fund will support the relief, recovery, and resilience for natural hazard events in communities throughout California that meet the following minimum criteria:

- Disasters resulting from natural hazards and associated events, including wildfires and associated power outages (e.g., Public Safety Power Shutoffs), drought, earthquakes, floods, severe weather events, and other natural hazards;
- Federal, state, or county emergency declaration; and
- Significant loss of life, loss of structures, evacuations, and/or local economic impact.

Tax Increment Financing (TIF). The TIF tools work by transferring the property tax revenues that flow from a designated project area to the city, county, and other taxing entities. Additional tax revenue in future years is diverted into a separate pool, which can be used to pay for improvements directly or to pay back bonds issued against the anticipated TIF revenue. In California, TIF has historically been used by redevelopment agencies to raise funding for infrastructure improvements, housing, and other projects in redevelopment areas. New financing mechanisms such as Enhanced Infrastructure Financing Districts (EIFDs) and Community Revitalization Investment Areas (CRIAs) provide opportunities for public agencies to create more economic development within your community.

CALED has created a technical TIF Committee composed of expert practitioners, attorneys, and consultants to assist in sharing knowledge and resources to help California communities leverage these tools.

EIFDs and CRIAs provide local governments a way to finance certain projects with tax increment. These tools authorize the broadest uses of tax increment allowed in California since redevelopment agencies were eliminated and therefore generate a lot of interest as replacement tools.

What Can I Do With the Money? Generally, in an EIFD, you may purchase, improve, develop, rehabilitate, etc., public capital facilities or projects of "communitywide significance" that include:

- Roads
- Transit facilities
- Parking facilities
- Sewer treatment/water reclamation
- Flood control
- Child care facilities
- Libraries
- Parks
- Recreational facilities
- Facilities for solid waste
- Brownfield restoration/mitigation, including Polanco Act powers
- Projects on former military bases
- Affordable housing
- Industrial structures
- Port/Harbor infrastructure

With a CRIA, you have more flexibility to invest directly in economic development efforts in addition to infrastructure. A CRIA may fund:

- Infrastructure improvements
- Affordable housing
- Hazardous substance remediation, including Polanco Act powers
- Building and other physical improvements
- Acquisition of property for economic development purposes
- Direct business assistance for industrial and manufacturing uses
- Reuse of previously developed sites

Note that a CRIA has a 25 percent affordable housing set-aside requirement.

What should I consider before further pursuing the idea?

1. Identify types of projects you would want to implement.
   a. Are they a better fit for an EIFD or a CRIA?
   b. Will another taxing agency/agencies partner with you to support those projects?
   c. Are there other funding sources to leverage?

2. Determine ideal boundary alternatives.
   a. Is there the potential for growth that will generate tax increment for investments?
   b. Does a redevelopment project area already exist there?
   c. If a CRIA, does the area qualify?
   d. Are there significant residential uses, and if so, will residents support bond issuance for an EIFD or approval of the formation of a CRIA?
3. Perform a ballpark analysis to determine the revenue potential.

Notes on Individual Insurance

Insurance Coverages. Several private resources are available to businesses during disaster response and recovery, and all require a knowledge of your business risks and appropriate insurance coverages. The following are key components summarized from the nonprofit United Policyholders.

- Know your local risks: earthquakes, floods, wildfires, etc. If you need additional coverage because your basic policy does not cover earthquakes and flooding, please inquire about additional coverage options.
- Customize your coverage for your local risks and your business's specific risks — cover your property, your inventory, your electronic data, and your business income.
- Follow recommendations for add-ons that will plug exclusions and coverage gaps.
- Understand how policy deductibles will apply, how quickly your insurance will kick in, and for how long. This may vary with different causes of loss and categories of coverage.
- Save important documents offsite, including notes of communications with your agent/broker and insurance company.

Your insurance coverage will likely be the deciding factor in whether your business can survive and thrive after a disaster. Insurance details matter, and policies differ in how much they cover and exclude. Some agents, claim adjusters, and insurance policies are better than others.

Your Business Owner's Property (BOP) insurance policy should cover the cost to repair or replace your buildings, equipment, inventory, vehicles, income that you may lose due to a covered event, and expenses you may incur to resume operations after a disaster.

If your basic BOP does not have the special wording that covers loss of income, you need a separate business interruption insurance policy or rider to provide that essential protection. Business interruption insurance provides funds to make up the difference between your business's normal income and income during and immediately after a forced shutdown, also known as the "Period of restoration."

Important types of business interruption coverage include the following.

- "Contingent business interruption" extends the coverage to include income losses that are incurred as a result of property loss at a key supplier or customer location.
- "Civil authority" coverage gives you protection for losses due to mandatory closures, evacuations, curfews, or other official shutdowns or prevented access to your business.
- "Service interruption" coverage protects against losses due to a disruption of utilities or equipment breakdown due to power outages, surges, etc.
- "Extra expense" coverage is for additional expenses, such as rent for a temporary location, moving costs, hiring additional temporary help, or the cost of expediting replacement equipment/supplies. These are necessary extra expenses during the period of restoration that a business would not have incurred had there been no loss or damage to covered property.

If you haven't checked your policies lately to make sure you've got what you need, you may be wasting a lot of money paying for insurance. Your coverage may be outdated and there may be new exclusions for important things like water damage in the current version of your policy.

Possible questions to ask include the following.

1. Are my Property Coverage limits A, B, and C high enough for today's prices?
    a. The dollar amount limit of your "A" coverage should be as close as possible to what it would cost to repair or rebuild the structure(s) in the event of a total loss. To determine this cost:
        i. Get a specific commitment from your insurance company to calculate it for you. Ask them to send a professional replacement cost estimator to your property;
        ii. Pay a professional home inspection company to do it for you; or
        iii. Get a local contractor to come and estimate the replacement cost of your property.
    b. The limit of your "B" (Business Personal Property) should be enough to replace all removable items on the premises that you own: washers and dryers, refrigerators, window drapes, trash cans, and business equipment.
    c. The limit of your "C" (Loss of Income) coverage should be enough to replace the income you would lose if your building became uninhabitable during the recovery period after a total loss
2. Does my policy have a "Co-insurance" clause and if so, what is it?
    a. Co-insurance is a penalty provision built into some commercial policies. The penalty is applied against you if you have a loss and your insurance limits are too low to cover it. Your best bet is to buy a policy without a co-insurance, but if you have one, keep your limits up to date to avoid the penalty in the event of a claim.
3. Is my liability coverage enough and do I need an Umbrella policy?
    a. Liability coverage is your protection against a lawsuit if someone gets injured on your property and files a claim against you. How much coverage you need depends on your personal assets, your property's features, how many tenants you have, and whether they have renter's insurance. If someone is injured in an apartment on the premises you own, rarely do they sue only the potentially responsible tenant. You, as the property owner, are almost always sued, too. Commercial Umbrella insurance gives you extra coverage and is especially worthwhile if you own more than one property.
4. Has my policy changed in regard to water damage?
    a. Your insurance policy may only cover certain kinds of water damage. Over the years, water damage coverage has changed significantly. Find out what you are covered for in regard to water damage.

Insurance extras that are definitely worth the cost:

- Extra or Extended Replacement Cost Coverage — Most insurance companies give you the option of buying extra replacement cost coverage. This provides a cushion against inflation and increased costs of labor and building materials over time. This additional coverage is fairly inexpensive.
- Building Code Upgrade/Code Compliance — The building codes in your area may change almost every year. Making sure your policy has an extra provision for building code upgrades will ensure that you have enough money to repair and rebuild your building to meet today's building codes.

The California Department of Insurance Small Business Guide to Commercial Insurance is a valuable resource for property owners, including those of commercial property. It reviews coverage sections, coverage limits, co-insurance, and covered causes of loss. This resource provides excellent high-level discussion information to help you ensure you have appropriate coverage.

Conclusion

The resources included in this Appendix present several of the resources currently available both in the State of California and nationwide. New resources are being created, shared, and developed with each new disaster event, so bear in mind that this listing is far from complete. These resources are offered as an opportunity to explore your preparedness and more deeply understand the resources available and the next steps you might need to take in California.

It is critical to engage business in a strong recovery post-disaster. Preparing your resources ahead of an emergency enables resilience and strengthens your community.

Additional Acknowledgments

Appendix 2

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Resource Expert Group

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Glossary of Acronyms

ABS	Annual Business Survey by the U.S. Census Bureau
ADA	Americans with Disabilities Act
ADU	Accessory Dwelling Units
ASCE	American Society of Civil Engineers
BEA	Bureau of Economic Analysis
CALED	California Association for Local Economic Development
CalOES	California Governor's Office of Emergency Services
CalOSBA	California Office of the Small Business Advocate
CDBG	Community Development Block Grant
CEDS	Comprehensive Economic Development Strategy
CISA	Cybersecurity and Infrastructure Security Agency
COG	Council of Governments
CRIA	Community Revitalization Investment Authority
CTE	Career and Technical Education
EDA	U.S. Economic Development Administration
EDD	California Employment Development Department
EIFD	Enhanced Infrastructure Financing District
EOC	Emergency Operations Command/Center
EVS	Economic Vitality Strategy
FEMA	Federal Emergency Management Agency
GIS	Geographic Information Systems
GO-Biz	California Governor's Office of Business and Economic Development
HHSA	Health and Human Services Agency
LHMP	Local Hazard Mitigation Plan
LTRG	Long-Term Recovery Group
MSA	Metropolitan Statistical Area
NAICS	North American Industry Classification System
NFIP	National Flood Insurance Program
PTAC	Procurement Technical Assistance Center
QCEW	Quarter Census of Employment and Wages
SBA	U.S. Small Business Administration
SBDC	Small Business Development Center
SCAG	Southern California Association of Governments
SCORE	Service Corps of Retired Executives
SEC	U.S. Securities and Exchange Commission
SOC	Standard Occupational Classification
SPR	Stakeholder Preparedness Review
THIRA	Threat and Hazard Identification and Risk Assessment
TIF	Tax Increment Financing
USDA	U.S. Department of Agriculture
USPTO	U.S. Patent and Trademark Office
VBOC	Veteran Business Opportunity Center
WARN	Worker Adjustment and Retraining Notification
WBC	Women Business Centers



California Association for
Local Economic Development

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U.S. ECONOMIC DEVELOPMENT ADMINISTRATION

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