CARES Resilient Economy Webinar Series

Session 1: Resilience & Economic Development

Presenters:
Carla Castillo, Interim Executive Director, HVRC
Lynn Knight, Certified Economic Developer
Stephen Jordan, CEO, Institute for Sustainable Development
Regional Efforts

Hudson Valley Regional Council

- Technical Assistance
- Advocacy
- Coordination
- Education
- Planning
- Collaboration

- Economic Development Technical Assistance & Planning
- Water Quality Planning
- Clean Energy Implementation
- Climate Smart Implementation
- Climate Action Planning
- Regional Platforms
  - Mid-Hudson Regional Sustainability Coalition
  - Materials Management Working Group
HVRC’s CARES Project is made possible with funding from the US Department of Commerce Economic Development Administration

- CARES Project – Learnings From and Best Practice Responses to the Pandemic
- CARES Resilient Economy Lunch & Learn Webinar Series
  - November 30: Resilience & Economic Development
  - December 7: Retaining Small Businesses After a Crisis
  - December 14: The Role of Economic Developers in Crisis Communications
- Today’s webinar
Webinar Presenters

• Lynn A. Knight (lynn.knight07@gmail.com, 703-798-7892) – Certified Economic Developer with more than 30 years of multi-sector experience in 35 U.S. states and territories. Previously managed a national program that certified economic development organizations for excellence, and an economic recovery program that deployed hundreds of subject matter experts to disaster communities. She has helped disaster communities in 20 states and U.S. territories.

• Stephen Jordan (sjordan@isdus.org, 202-550-0277) – As CEO re-launched the Institute for Sustainable Development in June 2018 in response to the devastating series of disasters that took place in 2017. The Institute has become a resource for municipalities, economic development organizations, chambers of commerce, and corporate citizens on the front lines of community disaster recovery, resilience, and sustainable development.
What is Resilience and Why Does it Matter?

- What is resilience?
- The disaster management life cycle
- Key factors you should address
- Building capacity for resilience
- Partner resources
The Disaster Management Life Cycle
Resilience in Disaster Planning

Natural and manmade disasters can set economies back years.

Economic resilience programs are efforts that seek to bolster a community’s ability to avoid, withstand and minimize the duration of shocks to your economy.

Hurricane Sandy 2012
What Makes a Disaster?

- Unforeseen/Unpredicted
- Overwhelming Magnitude
- Failure of Protection
- Lack of Preparedness/Management Skill-Sets
- Concentration of Exposed Valuables (People, Assets, Trust)
- PANIC and UNCERTAINTY, loss of community wealth
Recovery issues are often the same, whether it’s…

- Natural disasters
  - Weather
  - Pandemic
- Man-made
  - Loss of major business or industry
  - Crime, terrorism, civil unrest
  - Power disruptions
  - Hazardous material spills
- Technological
  - Cyber attacks, fraud, theft
In 2021, there were 58 major disasters.

The 20 most costly totaled $152.6B.

Since 2005, the US has spent $593B on disaster recovery.
On August 5, 2021, every state, every county in the nation became part of a federal disaster declaration.
Some disasters risks CAN be predicted
Droughts are another form of disaster, which has impacted your area.
Five Levels of Impact

**Individual**
- Employee Retention, Morale, Absenteeism, Presenteeism
- Evacuation and Displacement
- Housing Issues
- Health Issues
- Family Issues

**Business**
- Inventory
- Plant, Property & Equipment
- Payroll
- Employee Health & Safety
- Cyber / Online
- Customer Issues
- Claims Challenges

**Infrastructure**
- Transportation
- Energy / Electricity
- Communications
- Water and Sanitation
- Ports, Airports, Logistics

**Community**
- Perception
- School Closings
- Health Concerns
- Environmental
- Mental Health
- Housing
- Homelessness
- Law and Order

**Environment**
- Erosion
- Sea Level Rise
- Fire, Flood
- Pestilence
- Diseases
- Lava

Resilience & Economic Development
## The Disaster Management Framework

<table>
<thead>
<tr>
<th>Pre-Disaster Steady State</th>
<th>Emergency Response</th>
<th>Relief and Stabilization</th>
<th>Long-Term Recovery</th>
<th>New Steady State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning</td>
<td>Search and Rescue</td>
<td>Mass Care</td>
<td>RSFs</td>
<td>Planning</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>Crisis Management</td>
<td>Restoration of Services</td>
<td>Repair, Rebuild and New</td>
<td>Infrastructure</td>
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<tr>
<td>Eco-System</td>
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<td>Work Arounds for</td>
<td>Brand/Reputation</td>
<td>Eco-System</td>
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<tr>
<td>Management</td>
<td></td>
<td>Damaged and Destroyed</td>
<td>Finance</td>
<td>Management</td>
</tr>
<tr>
<td>Mitigation</td>
<td></td>
<td>Assets</td>
<td>Recovery of community fabric</td>
<td>Mitigation</td>
</tr>
<tr>
<td>Preparedness</td>
<td></td>
<td>Relieffor small businesses, schools and critical community assets</td>
<td>Embedded resilience investments</td>
<td>Preparedness</td>
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<tr>
<td>Stakeholder Engagement</td>
<td></td>
<td>Stabilization and</td>
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<td>Stakeholder</td>
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<tr>
<td>Threat/Vulnerability</td>
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<td>Containment of</td>
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<td>Engagement</td>
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<td>Assessments</td>
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<td>Threats/Vulnerabilities</td>
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<td>Investment</td>
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Car Accident Analogy
The Community Continuum

- Normalcy
- Catastrophic Event – Sudden Shock
- Emergency Response
- Relief and Stabilization
- Long-Term Recovery
- New Normalcy

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The Jordan-Alesch Model of Disaster Recovery

1. The Shock
2. Repair Economy
3. Transition period
4. Shake-Out Due to Changed Patterns, Housing and Displacement
5. New Equilibrium

Pre-Disaster “Normal” State

Impact

Disaster Event

GDP

Time
Establishing a baseline for Blue Skies

- Normalcy
- Interdependency
- Chronic Stresses
- Investments and Adaptations
- Carrying Capacity
What Factors Affect Carrying Capacity?

Demographics
Structure of Economy
Interdependency
Quality of Life
Legacy Systems
Infrastructure
Innovation
What are some initiatives that can boost resilience?

Lynn Knight, CEcD
Economic resilience is the ability to identify potential risks to revenues, businesses, and jobs to implement strategies that protect critical business functions:

- Customers
- Equipment
- Data protection
- Insurance
- Operations
- Buildings
- Inventory
- Backup Energy
- Business continuity plans
What are some resilience KPIs you can measure that impact the economy?

<table>
<thead>
<tr>
<th>Topic</th>
<th>Measurement</th>
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<tbody>
<tr>
<td>Building codes/zoning/permitting</td>
<td>Percentage of buildings that conform to building codes and standards for earthquakes, flooding, wind, fire</td>
</tr>
<tr>
<td>Building codes/zoning/permitting</td>
<td>Number of buildings located in high-risk areas</td>
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<tr>
<td>Business</td>
<td>Updated business database including management contacts</td>
</tr>
<tr>
<td>Business</td>
<td>Diversity of businesses and industries</td>
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<tr>
<td>Business</td>
<td>Businesses that have business continuity plans and insurance</td>
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<tr>
<td>Business</td>
<td>Unemployment rate</td>
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<tr>
<td>Education</td>
<td>Presence of business incubator and/or technical assistance programs for community members to encourage entrepreneurship</td>
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<tr>
<td>Financial security</td>
<td>Average and median household income</td>
</tr>
<tr>
<td>Financial security</td>
<td>Percentage of population living in poverty</td>
</tr>
<tr>
<td>Housing</td>
<td>Updated inventory of housing stock (residential, condos, apartments, affordable housing, seniors' lodges, etc.)</td>
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<tr>
<td>Housing</td>
<td>Inventory of temporary emergency shelters and their capacity</td>
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<tr>
<td>Infrastructure</td>
<td>Percentage of population that has access to broadband internet</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>Percentage of population with electrical service</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>Sustainable energy sources and use as a percentage of demand</td>
</tr>
<tr>
<td>Infrastructure</td>
<td># and stats of bridges and dams, maintenance schedule</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>Plan for maintaining critical infrastructure</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>Plan for emergency communications with tourists, should there be a disaster</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>Water quality / percentage of population that has access to potable and reliable water</td>
</tr>
</tbody>
</table>
• **VALUES.** “Resilience thinking” should be a core value

• **PLANNING.** Comprehensive planning defines your community’s risks and vision for economic resilience

• **ESTABLISH ROLES.** Who can you turn to for what?

• **PRACTICE WITH PARTNERS.** Practice exercises before the disaster
Best Practices in Dealing with Disasters

- INSURANCE is the best means for resilience
- Continuously improve infrastructure & address vulnerabilities
- Promote business continuity/preparedness and ensure that businesses know their vulnerabilities
- Employ safe development practices - locating structures outside of floodplains, Preserve natural buffers

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Study resilience best practices for industries in your region

• Recruit new businesses that maximize your labor skills and regional assets

• Train workers for resiliency – ability to shift between industries

• Engage in efforts to assist businesses in surviving the loss of money circulating in the local economy

• Understand available financial resources to help businesses in event of a disaster
Planning for Disaster Recovery

Discuss resiliency in your CEDs plan

- EDA requires that you incorporate resiliency in your CEDS
- Determine gaps and vulnerabilities
- Consider how to align CEDS and Hazard Mitigation Plans
  - New tool launched 9/22

*Pre-disaster planning is far easier than post-disaster planning*
Action Steps for Resiliency Planning for your CEDS

Evaluate how a disaster could affect the local economy

Inventory current assets and economic drivers to define local dynamics and possible recovery resources

- Key industries/clusters
- Key employers and their location
- Worker issues
- Regulatory changes
- Single industry communities
Roles and Responsibilities of Partners in Recovery & Resiliency

What is your role?

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Your Roles After a Disaster

- Inspiration for Community Recovery
- Spokesperson
- Convener
- Analyst
- Visionary / Catalyst
- Gap Filler
- Connector / Advocate
- Appoint Project Managers / Manage Projects (small communities)
First Law of Networking: Stakeholder Mapping Builds Capacity by Spreading the Work
Responsibilities of Local Government

- First level of response in emergency management
- Assess situation and activate nearest Emergency Operations Center (EOC)
- Request assistance from the state if magnitude of disaster exceeds resources
- Serve as applicant and grant recipient for state and federal assistance
The Role of Economic Developers

- Identify support resources at local, state and federal levels
- Disseminate credible information to businesses
- Represent business interests
- Document economic impacts
- Strengthen collaboration and partnerships among local, regional and state organizations
- Provide input to community’s comprehensive plans
  - Give feedback regarding infrastructure and other public services needed to improve commerce
- Update economic development strategic plans
Responsibilities of State Government

• Determine if severity and magnitude of disaster is beyond State’s capabilities
• Commit resources to help local jurisdictions recover
• Activate state crisis action team
• Identify activities for immediate response
**Non-profits and Business Philanthropy**

**Non-profits**
- Volunteer Organizations Active in Disaster (VOAD)
- Humanitarian relief
- Rebuilding
- Gather donations
- More difficult to control

**Business support after disasters**
- Donations of goods and services
- Can offer use of valuable equipment, warehouse space, professional expertise
- Cash donations to philanthropic organizations like the Red Cross

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Where Do Federal Funds Come From?

Congressional Budget Appropriations
- Disaster Relief Fund
- Disaster Supplementals
- Housing & Urban Development (HUD): CDBG-DR

Disaster funds that are part of “normal” priorities
- Economic Development Administration (EDA)
- Department of Transportation
- U.S. Department of Agriculture (USDA)
Disaster Relief Fund

DRF created under the Stafford Act

FEMA administers funds for:

<table>
<thead>
<tr>
<th>Mass care</th>
<th>Infrastructure repairs</th>
<th>Debris clearing</th>
<th>Aid for uninsured families</th>
<th>Mitigation of future disaster effects</th>
</tr>
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</table>

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Federal Government Recovery Support Function (RSF)

National Disaster Recovery Framework brings together recovery capabilities of up to 30 Federal departments and agencies.
Potential Federal Partners for Economic RSF

- Commerce/ED
- FEMA
- SBA
- USDA
- NIST
- MBDA
- HUD
- DOL
- Treasury
- Interior
- EPA
- HHS
- FDIC

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Economic RSF Functions

- Improve the flow of info
  - Assess impacts to the economy
  - Retain businesses
  - Connect business with recovery services
  - Support economic diversification
  - Consider workforce impacts - DOL
  - Increase access to financing - SBA
Economic RSF Initiatives

- Workforce development
- Entrepreneurship
- Community economic development planning
- Business development
- Federal funding management planning
- Information dissemination
How do you measure a good recovery?

- DURATION of return to Normalcy
- Soft landing from repair economy to normal economy
- Patch and Repair compared to Upgrade and Replace
- What if you have to deal with a new Normal due to the severity of the catastrophe?

Getting Right-Sizing Right

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How do you measure a good resilience program?

• Before a disaster
  o Risks are identified and addressed
  o Reduced obsolescence of infrastructure
  o Hazard mitigation
  o Enhanced natural defenses
  o Capacity & roles established

• After a disaster
  o IMPACT versus MAGNITUDE of event
  o Dramatic reduction in repetitive losses
Enhancing Long-Term Recovery, Resilience, and Transformation

Understand Your "Normal" Systems

Envision Your Risks and Rewards

Plan and Design

Implement

Evaluate and Improve

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Recap

- What is resilience?
- The disaster management life cycle
- Key factors you should address
- Building capacity for resilience
- Partner resources

Questions?
CARES Resilient Economy Webinar Series

- **Lunch & Learns:** Wednesdays 12:00 – 1:30PM
  - **December 7:** Retaining Small Businesses After a Crisis
    - Small businesses are the backbone of our economy, yet often they get left behind to fend for themselves when there is a crisis. This webinar will explore why it is so important to pay attention to business retention, to understand who is the most vulnerable, and ways you can help ensure small business survival as part of your economic recovery. We will discuss specific steps you can take as well as creative financing and technical assistance to help them get back on their feet.
  - **December 14:** The Role of Economic Developers in Crisis Communications
    - Although health and safety always come first, a second priority for communities is to get businesses back up and running, people employed, and local revenues flowing after a crisis. This webinar will discuss why it is so important that economic developers play a role in keeping businesses informed and communicating the “back in business” message. We will discuss what you can do to prepare, establishing roles, best practice examples, and pitfalls to avoid.

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