

ECONOMIC RESILIENCE PLANNING EVALUATION TOOL

The Resiliency Planning Evaluation Tool represents the culmination of decades of disaster recovery experience, and is informed by a wide array of research on economic recoveries. Each component of the tool represents an aspect of economic mitigation, preparedness, or recovery that could find expression in an economic development plan. It is not expected that an economic development plan would contain each and every component, but the more that are integrated into these plans and implemented, the more resilient a local economy might be. This list is not exhaustive, but provides a number of best practices that can be used as a checklist for resiliency, as well as a starting point for further resiliency endeavors.

- 1) *Research and Knowledge-Building*—Background data and analyses used to understand the local economy
 - a) Identifies robust data system concerning the local economy and local firms.
In order to “return to normal” after a disaster, it is necessary to know what “normal” was. In terms of an economic recovery, this means having an inventory of local firms and local economic assets that can serve as a baseline to direct recovery and measure its success. It also means understanding which firms are susceptible to different types of hazards, and using this to drive mitigation and preparedness planning.
 - b) Includes SWOT (strengths, weaknesses, opportunities, threats) analysis or other evaluation of economic and industry-specific vulnerabilities or opportunities for growth.
A SWOT analysis is one of the first steps towards identifying the types of challenges that the local economy is susceptible to. Weaknesses and threats in a SWOT analysis should be inclusive of more than simply market variables, but also to natural and man-made hazards that may compromise individual firms, raw inputs, supply chains, transportation systems, etc. An inclusive SWOT analysis can inform mitigation planning and preparedness activities.
 - c) Demonstrates understanding of best practices in preparedness and recovery for key industries.
Each industry has its own set of weaknesses and threats in the face of disasters, and therefore their own activities to prepare for, and recover from, disasters. Having an understanding of resiliency best practices for key industries in the local economy is an important way to promote resiliency programming, and improve the functioning of implemented programs.
- 2) *Planning*—Integration of economic development plans into other local, regional, and state planning activities and broad stakeholder support
 - a) References or identifies points of integration with other planning efforts in the community (i.e., land use plans, hazard mitigation plans, etc.).
In the modern day “systems approach” to planning it is recognized that many different variables are mutually interdependent. Land use rules have an effect on economic development, economic development has an effect on infrastructure development, etc.

As such, any given municipal plan should be integrated with other plans, and linkages between them should be identified and operationalized. This increases awareness between plan users, and promotes better coordination when incidents occur.

- b) Demonstrates participation in regional or state planning processes for economic resilience as part of a separate economic planning initiative or as part of mitigation or preparedness planning efforts.

Vertical integration between various levels of government better ensure that coordination and sharing of resources will occur in the case of a disaster. Joint planning processes also encourage economies of scale in mitigation and preparedness activities by increasing opportunities for cost sharing and knowledge sharing.

- c) Exhibits evidence of broad or significant stakeholder engagement (including Chambers of Commerce, industry organizations, workforce groups, etc.).

Inclusive planning is critical to ensure that diverse stakeholders have been represented and that a broad range of input has influenced the process. This will better ensure that plans are based upon the best set of information about the local economy, are sensitive to the needs of different community groups, and are supported by the community when implemented.

- d) Provides evidence that vulnerable populations have been adequately engaged and represented in plans.

Vulnerable populations such as low-income families, seniors, youth, ethnic minorities, and those who speak English as a second language are all more likely to be impacted by a disaster than others. They are also the least likely to be represented in planning processes due to access, communication, and other barriers. Resilient communities emphasize the inclusion of vulnerable groups into their planning processes and encourage their input into the final product. This can both reduce the impact of a hazard event as well as reduce the amount of additional resources needed afterward.

- e) Tracks the extent to which plans have been implemented or active projects have been initiated/completed.

Plans are only meaningful if they are implemented. Having clear implementation plans and consequent monitoring plans are crucial to ensure resiliency. Making plans into living documents that are updated regularly, with progress reports that track implementation, creates accountability for planning objectives and communicates progress to the community.

3) *Governance*—Organizational structures in place to address economic planning and recovery issues

- a) Identifies an office or team tasked with managing economic incident response and/or recovery.

Identifying the parties responsible to lead a disaster recovery prior to such an event allows those individuals or teams to prepare for a disaster, and deploy resources immediately after one occurs.

- b) Demonstrates integration with other relevant regional, state, and federal economic response and recovery entities.

Partnerships and agreements with relevant response and recovery offices allow plans to be executed quickly efficiently. Establishing jurisdictional roles before a disaster occurs provides the predictability needed to carry out response and recovery activities.

- c) Includes or acknowledges the role of non-profit organizations, volunteer organizations, community foundations, and non-traditional lenders to support resiliency building and recovery efforts.

Disaster recovery requires the presence of a strong “third-sector” of non-profit organizations, foundations, and other non-governmental entities to manage the implementation of recovery programs. These organizations are generally on the front-line of a recovery, and have the community contacts and client engagement necessary for deploying resources and information. Likewise, these partners will be responsible for promoting business continuity planning and other mitigation and preparedness activities before a disaster. Developing a network of these organizations to assist in economic resiliency is critical.

- d) Includes an assessment of community organizations and their ability to manage and contribute to post-disaster recovery programming.

Beyond identifying community partners, it is important to determine relative capacities for designing and implementing programs. How many organizations are familiar with SBA, CDBG, or other funding streams and their requirements? How many organizations can operate intake centers or handle the case-management necessary after a disaster? What economic assistance programs are there currently, and how agile are organizations to adapt them to disaster recovery? Understanding local non-profit capacities can suggest training or other opportunities for ensuring a dependable third-sector response.

- e) Cultivates public-private partnerships to foster mutual support for economic development goals.

As government functions continue to devolve to the private sector, public-private partnerships (PPPs) are an important aspect of economic development. Collaborating with industry leaders to improve local economic viability is important, as is engaging the business community to support economic development interventions.

4) *Financing*—Resources and programs in place to support economic recovery

- a) Identifies resources to incentivize economic disaster mitigation planning and preparedness.

Although not commonly found in economic development plans, some communities have resources that encourage hazard mitigation of commercial facilities, management of stormwater drainage, etc. These activities should be noted, promoted, and integrated with other economic resilience activities.

- b) Identifies resources for economic disaster response and recovery for public and private sector services.

Local governments should be aware of what financial resources are typically available after disasters, and how they work. Collaborating with SBA, FEMA, HUD, and other agencies to understand their funding streams and relevant restrictions can help identify what recovery activities might be funded, where gaps would likely be on both the public and private levels.

- c) Identifies local funding or grant-making mechanisms for post-disaster small business financing and financial program management.

Philanthropic organizations and local financial institutions play a vital role in post-disaster recovery. They fill the gaps between official recovery resources, and provide financial products that augment the State and Federal offerings. In addition to the funding itself, institutions like CDFIs and non-profit lenders may manage recovery grant and loan programs and be the main conduit for deploying resources. To this end, it is important to understand local capacities and identify partners that could implement finance programs.

- d) Maintains a program to promote adequate private insurance coverage for local businesses.

Public disaster recovery funds are intended to serve as an enhancement to private resources, not as a replacement. The limited amount of capital available from State and Federal programs rarely cover the full costs of recovery for individual firms affected by a disaster. Encouraging local businesses to have adequate insurance for a variety of hazards is the first and best way to ensure that recovery capital is abundant following a disaster.

- e) Identifies strategies for financing resilience initiatives.

Implementing resiliency best practices usually occur above and beyond the day-to-day budgets of local governments. Therefore it is important to identify how implementation plans will be financed, either through available revenue instruments, or through special grant programs targeting mitigation and preparedness activities.

5) *Infrastructure*—Strategies and programs to maintain critical systems

- a) Includes a plan for maintaining/upgrading critical infrastructure and the resulting impact on the business community.

Studies of business impacts from disasters have shown that the most significant problem facing firms is not physical damage as much as loss of critical infrastructure such as utilities, transportation, and communications. The maintenance and upgrading of infrastructure increases the likelihood of their functioning post-disaster. Moreover, preventative measures such as burying powerlines can also increase the resilience of the local power grid, etc.

- b) Identifies interface between critical infrastructure organizations (e.g., water board) and economic development organizations.

Encouraging collaboration horizontally between local agencies increases the ability of them to support each other's work in times of crisis. Communicating the needs of the private sector to local utility, sewerage, and transportation agencies will increase their

ability to respond following a disaster. Alternately, it will allow them to articulate constraints, and inform economic leaders of what the gaps might be in infrastructure services.

c) Contains a strategy or plan for rapid return of utilities following a disaster.
Planning for the return of utilities after a disaster is an important aspect of resiliency. Similarly, building in redundancies such as microgrids, substitute water sources, and other alternatives to the central utilities supplies ensure that firms will have access to the inputs they need for getting back in business.

d) Includes a strategy for alternate transportation routes and logistics for economic activity.
Supply chain and export routes are critical for many industries to survive an economic disaster. Having a plan for alternate transportation routes for trucks, hazardous materials, and other industrial movement will increase the ability of major employers to continue operating, and the ability of local small businesses to continue serving the community.

6) *Procurement Strategies*— Plans for reducing capital leakage and providing training to support procurement efforts

a) Includes a strategy for working with emergency management and recovery organizations to identify local procurement opportunities following disasters.
As customers dwindle for local businesses in the immediate aftermath of a disaster, there is a need to find temporary markets for goods and services. The extent to which recovery operations can procure directly from local businesses, the more likely it is that those businesses will weather the downturn. The Stafford Act promotes local procurement, and local governments should work closely with response and recovery agencies to understand their needs, and link procurement opportunities to local capacity.

b) Has a strategy for encouraging procurement training for local businesses and encouraging local businesses to register as approved vendors for local, state and federal procurement processes.

In order to accept disaster response and recovery contracts, businesses will need to be registered with the Federal government's System for Award Management (SAM), as well as maintain adequate levels of insurance or other requirements. Minority and Women Business Enterprises (MWBs) should also be registered as such to access relevant opportunities. Local Procurement Technical Assistance Centers (PTACs) can support local businesses in preparing to accept procurement contracts. Training should also be encouraged for record keeping and financial management required for contract compliance.

c) Has preliminary marketing plan for promoting local businesses during a recovery.
Capital leakage is a significant problem following disasters. Out-of-area contractors tend to pursue disaster recovery opportunities, and channel vital resources out of the local market. They can also be responsible for higher levels of fraud and low-quality work.

“Buy local” campaigns following a disaster can be effective ways to focus residents on keeping money in the local economy, and doing business with contractors that can be held accountable. Also, certifying local businesses as “post-disaster recovery businesses” and providing lists of those businesses to the community can increase the focus on local businesses. Certification could include completing training workshops on procurement contract management, local hazards response, etc.

- d) Has strategy for maintaining supply chain access for local businesses following disasters. Besides transportation issues that affect supply chain access, many businesses need assistance with identifying alternative suppliers/vendors, particularly when the economic disruption is caused by a disaster in a neighboring community where distribution centers or suppliers are located. Encouraging businesses to develop supply chain continuity plans and possibly the development of mutual aid agreements with like businesses in nearby communities could support businesses when supply chains are down.

7) *Business Continuity and Risk Management*—Programs to promote the development of business continuity plans and to facilitate a quick return to business

- a) Has a program in place promoting/assisting local businesses in preparing business continuity plans.

Business continuity plans are an important part of keeping the local economy resilient following disasters. Every business should understand their own vulnerabilities in the face of different hazards, and be prepared to take actions necessary to resume operations. Having plans in place, identifying redundancies for inputs and utilities, understanding employee needs, and having preparedness kits on hand are all ways to decrease the impact of a disaster when it happens. Local governments can help by promoting continuity planning, and by connecting businesses to mitigation planning or emergency management preparedness planning efforts.

- b) Has a program in place promoting good record keeping in order to access business recovery resources.

Most recovery programs for businesses have anti-fraud procedures in place to protect resources from unauthorized use. Businesses must therefore have all of their relevant paperwork in place to prove the existence of an enterprise, and evidence of loss. This includes demonstrating continued business activity, and proving title to all damaged or lost equipment and property. Not only should businesses be encouraged to keep good records, but to also maintain copies of those records in safe places in case they lose them in the disaster. Additionally, many recovery programs require proof of income loss, which can be significantly compromised if businesses have been consistently under-reporting income. To this extent, accurate reporting of income on federal and state tax return ensures that losses can be proven to their full amount.

- c) Has a program in place promoting generators and other private forms of energy and water access.

In addition to public utility redundancies, private businesses should identify

redundancies to the extent possible. Owning generators, or having access to communal generators, can help keep minimal operations going during power failures. Due to usual constraints in supply when disasters happen, local governments can assist with this having intergovernmental agreements in place to bring in these types of resources, or working with nearby companies to provide surge capacity when needed.

- d) Has plan for providing short-term space for affected businesses.
Similar to areas of refuge for residents, local governments should identify areas of refuge for commercial activity. Publicly-owned spaces that can be repurposed for short-term economic activities can help businesses continue operations while they fix buildings and purchase new equipment. Also working with businesses to identify emergency workforce housing opportunities can help ensure that businesses have the employees they need.
- e) Has plan in place to relax or streamline permitting and zoning bylaws to encourage quick return of businesses.
Regulations that improve the operating and environmental impacts of businesses may sometimes constrain their return of after a disaster. Local governments should review their permitting rules and relevant bylaws to determine what could be suspended after a disaster to encourage a quick return to business.

8) *Workforce Support*— Programs to support workforce development through training, placement services, and community support

- a) Identifies programs for workforce education and skills training for a more flexible and adaptable workforce.
A resilient workforce is one that can better shift between jobs or industries when their core employment is threatened. Partnering with community colleges and workforce organizations to provide ongoing training opportunities and occupational counseling increases the adaptability of workers so they can pursue short-term opportunities while their employers come back online.
- b) Identifies labor agencies and similar firms that may be required to fill labor gaps and reduce unemployment due to workforce displacement after a disaster or other economic disruption.
Regional Workforce Investment Boards (WIBs), One Stop Centers, temporary labor agencies, and other placement services are important partners in increasing local employment, which in turn increases the number of households with financial resources to survive a disaster. They are also important for identifying the degree of workforce displacement caused by a disaster event and addressing the needs of the workers displaced from their jobs. Community colleges and other education partners can provide skills training to supply a surge of a workers with that may be in high demand following a natural disaster or other event (e.g. construction workers). Some communities have a workforce assistance team in place to access and address the impact on the local workforce following a disaster event, while others establish lists of workforce members who can be activated for debris removal and cleanup activities.

- c) Promotes personal financial literacy, Individual Development Accounts, or other programs to encourage savings and other practices for precarious workforce members.
In order for employees to remain stay locally they need access to financial resources. If their employers are struggling to return, the need for gap financing is critical. Therefore savings programs, and the use of Individual Development Accounts (IDAs), and financial literacy training can help stabilize the workforce and keep them local while businesses reopen. Banks and finance non-profits can be enlisted to design and implement these endeavors.
- d) Promotes disaster preparedness and planning for households and individuals.
Just as businesses need continuity plans, households and individuals need preparedness plans. Local workforce organizations should be enlisted to encourage residents to prepare for economic disruption, and have alternatives for transportation, housing, and other necessities.
- e) Identifies the workforce sectors that are most vulnerable to displacement from various types of economic disruption.
Depending on the local economy and the types of relevant hazards, different subsets of the workforce will experience different types of vulnerability. Planners should identify who these vulnerable populations are, and motivate resources to help them prepare and recover. This may involve working with local industry leaders to implement programs for their own employees, and plan for resources to assist them after a disaster.
- f) Discusses commuting patterns and identifies the extent to which the local economy is dependent on bringing in employees from other communities, or residents commuting to other communities for employment.
Local economic leaders should be aware of how much they depend on labor from adjacent municipalities and counties, and how much of the local workforce needs to travel to get to jobs. Identifying these patterns can help predicts the losses due to transportation and transit failures, and suggest planning alternatives for commuting in the weeks and months after a disaster.
- g) Accounts for the vulnerabilities posed to the workforce by transportation, schools and other critical infrastructure outages.
Various forms of infrastructure loss will have diverse impacts on the workforce. Widespread school closures will have child care ramifications for workers, and transportation losses will impact commuting. All of these pressures add to the out-migration of the workforce as they seek refuge with extended families or move altogether. Identifying vulnerabilities and planning for redundancies can help preserve the workforce for the resumption of economic activity.
- h) Has a program in place to educate employers on public and private resources available to support workforce preparedness and post-disaster assistance.
Many employers don't realize that training funds and educational opportunities exist for their own employees. Encouraging Chambers of Commerce or other industry groups to

make businesses aware of workforce resources for both preparedness and recovery can increase the utilization of these programs and the resiliency of the workforce.

9) *Economic Diversification*— Plans and programs demonstrate an understanding of economic limitations, vulnerabilities, and disaster preparedness and recovery activities

a) Recognizes extent to which the local economy is dependent on a single or few industries.

Reliance on just one or a few industries makes the local economy incredibly vulnerable to shocks. While this may be a routine challenge for rural economies, it may also exist for urban economies that have one major sector that drives employment or wealth creation. Plans should identify to what extent they are dependent on a single industry, and what vulnerabilities this creates for the community.

b) Indicates activities or partnerships for attracting or developing new industries.

Local economic leaders should continually search for and identify opportunities to develop new industries locally, or attract new ones to the community. Plans should identify partnerships locally and regionally that can contribute resources to diversification, and help market the assets of the local economy.

c) Considers the hazards posed by targeted growth industries or existing economic drivers of the community.

Some industries pose potential hazards of their own to communities, and these potential hazards should be identified and considered in emergency management planning and business recruitment and retention strategies. While some of the most easily identified examples of such industry sectors (e.g. nuclear energy plants) could be identified in emergency management plans as part of a Critical Infrastructure and Key Industries (CIKR) list, local government and economic developers should be aware of other businesses that could post a threat to the community, such as those that use hazardous chemicals in their product production or in the course of daily operations.

d) Considers the vulnerabilities or methods of risk avoidance for key industry sectors.

Plans should include an analysis of how major industries are vulnerable to different hazards, and the extent to which those vulnerabilities can be mitigated. The authorization of task forces or other entities could be utilized to improve preparedness for key industries and motivate mitigation resources.

e) Considers the natural hazard vulnerabilities of commercial development sites.

Land use planning should coordinate with emergency planning and economic development planning in order to identify which commercial sites are vulnerable to particular hazards, and how they can be protected from disasters. Land use patterns may need to be changed in order to shift commercial development to more resilient sites.

f) Demonstrates the ability to understand trends and identify activities for innovation and developing competitive advantages in current industries.

Innovation and adaptation are instrumental to improving the economic health and

viability of the local economy. Plans should identify resources or strategies for increasing the local advantage of major industries, and innovating practices and processes for better competition. Also, including analyses of economic changes and forecasting shifts in economic emphasis can help the economy get ahead of the curve and weather negative changes.

g) Recognizes industry interdependencies and potential opportunities for enhancing supply chain resilience.

Many industries depend on each other for inputs and services, and tend to grow in conjunction with each other. Recognizing how industries are interdependent can help economic planners identify how the loss of one industry in a disaster will affect others. This may help the development of alternate supply chain resources, or opportunities for investment and upgrading.

h) Promotes the development of enterprises and technologies that support disaster preparedness and recovery.

Local businesses have local knowledge, and contribute back into the local economy. When disaster preparedness and recovery businesses exist indigenously, they ensure that disaster responses are tailored to local needs, and that disaster funds are revolved within the economy and tax base. Finding ways to support local contractors, debris removers, response nonprofits, and other firms in the in-between years can ensure that capacity exists when it is needed. This may involve encouraging Chamber of Commerce to collaborate with other regional chambers to increase market opportunities for these businesses. It may also involve focusing routine procurement on local businesses (to the extent allowed by law) so that these businesses have constant revenue streams.

10) *Counseling and Technical Assistance*—Programs to provide technical assistance to businesses and individuals

a) Identifies presence of adequate personal and business counseling professionals.

An essential component of economic recovery is the availability of technical assistance professionals who can assist businesses in filling out applications for recovery resources, and begin the process of reopening. However, the human side of entrepreneurship is often overlooked. Business owners usually suffer from two tragedies after disasters – the loss of their business as well as the loss of their homes and personal stability. Small businesses owners are especially affected because their businesses and personal lives are closely intertwined. Consequently, economic recovery can be improved by targeting personal counseling to business owners who may need to deal with personal issues before facing their business issues. Plans should reflect the availability of, or relationships with, organizations and agencies that can provide both business and personal technical assistance services.

b) Demonstrates connection between counseling programs and the ability for businesses to access capital.

In addition to the broader emphasis on technical assistance services, there should be a recognition of the need for specialized assistance for accessing capital. Loan and grant

programs have significant requirements to access capital, and affected businesses generally need support for applying to these funders.

- c) Identifies existing business retention and expansion (BRE) programs/programs for assisting businesses in distress.

BRE programs that provide “economic gardening” or other enterprise supports can be adapted to assist economic recoveries after disasters. Linking these programs to recovery planning are an important activity for supporting economic resiliency.

11) *Communications Systems*—Systems and programs in place to facilitate information sharing with local businesses

- a) Identifies processes/mechanisms (e.g., business emergency operations center) for communicating with businesses in the aftermath of a disaster.

Disasters are not only composed of material losses, but also by the loss of information and certainty. Effective communication systems can reduce ambiguity and assist local firms in making choices that improve the economic recovery. Utilizing a business emergency operations center, a 211 call center, or other strategy for communication can help businesses owners get real-time information and share the status of operations (e.g. open/closed). This can help communities more effectively target where resources are needed in order to accelerate business recovery.

- b) Has produced or distributed a resource guide for disaster-mitigation and post-disaster recovery for local businesses.

Resource guides are an indispensable tool for communicating the resources mitigation and recovery. Guides can include best practices, contact information, and specific resources available for businesses. Having paper and online versions of guides increase the ability for businesses to access them, and updating the guides on a regular basis (e.g. daily or weekly) can improve the quality of information that local businesses have as they try to reopen and recover.