



# Resilience and Economic Development

*Moving from Idea to Action*

May 19<sup>th</sup>, 2015



# **A PRIMER ON RESILIENCE**

# A RESILIENCE PRIMER: WHAT IS RESILIENCE?

- **Resilience is the ability to prepare for and adapt to changing conditions and withstand and recover rapidly from disruptions. Resilience includes the ability to withstand and recover from deliberate attacks, accidents, or naturally occurring threats or incidents.**
- The contemporary use of “resilience” has many applications.
- Change, either gradual or catastrophic, is unavoidable.
- Resilience focuses on increasing the ability of systems to adapt and change with little long-term loss of function or potential for growth.

# A RESILIENCE PRIMER: WHAT IS A DISASTER?

A “disaster” has three primary components:

**Physical  
Environment**



**Community  
of People**



**Hazard  
Event**



# A RESILIENCE PRIMER: ECONOMIC BENEFITS OF RESILIENCE

## Investing into resilience:

- Reduces the financial impacts of disasters
- Improves economic profitability and performance
- Improves the climate for investment and site-location





# **EVALUATING ECONOMIC RESILIENCE**

Economic resilience involves many aspects of a local or regional economy. In 2014 the EDA developed a tool for evaluating economic development plans for resiliency using 11 relevant topical areas:

- Research and Knowledge-Building
- Planning
- Governance
- Financing
- Infrastructure
- Procurement Strategies
- Business Continuity and Risk Management
- Workforce Support
- Economic Diversification
- Counseling and Technical Assistance
- Communications Systems

# ECONOMIC RESILIENCE TOOL: *RESEARCH AND KNOWLEDGE BUILDING*

*Research and Knowledge-Building* includes background data and analyses used to understand the local economy. In order to “build back better” it is critical to have adequate data on what the pre-disaster baseline was, and best practices in preparation and recovery.

- Identifies robust data system concerning the local economy and local firms.
- Includes SWOT analysis or other evaluation of economic and industry-specific vulnerabilities or opportunities for growth.
- Demonstrates understanding of best practices in preparedness and recovery for key industries.



*Planning* identifies the integration of economic development plans into other local, regional, and state planning activities. Planning in silos leaves the economy exposed to gaps in planning or lack of collaboration. Integration of various planning instruments is important, as well as evidence of broad stakeholder support and engagement.

- References or identifies points of integration with other planning efforts in the community (i.e., land use plans, hazard mitigation plans, etc.).
- 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.
- Exhibits evidence of broad or significant stakeholder engagement (including Chambers of Commerce, industry organizations, workforce groups, etc.).
- Provides evidence that vulnerable populations have been adequately engaged and represented in plans.
- Tracks the extent to which plans have been implemented or active projects have been initiated/completed.

*Governance* addresses the organizational structures in place to address economic planning and recovery issues. This includes both government agencies, as well as evidence of a viable non-profit sector to implement relevant activities.

- Identifies an office or team tasked with managing economic incident response and/or recovery.
- Demonstrates integration with other relevant regional, state, and federal economic response and recovery entities.
- Includes or acknowledges the role of non-profit organizations, volunteer organizations, community foundations, and non-traditional lenders to support resiliency building and recovery efforts.
- Includes an assessment of community organizations and their ability to manage and contribute to post-disaster recovery programming.
- Cultivates public-private partnerships to foster mutual support for economic development goals.
- Identifies an office or team tasked with managing economic incident response and/or recovery.

*Financing* includes resources and programs in place to support economic recovery. This includes financing of both pre- and post-disaster activities, through both private and public funding sources.

- Identifies resources to incentivize economic disaster mitigation planning and preparedness.
- Identifies resources for economic disaster response and recovery for public and private sector services.
- Identifies local funding or grant-making mechanisms for post-disaster small business financing and financial program management.
- Maintains a program to promote adequate private insurance coverage for local businesses.
- Identifies strategies for financing resilience initiatives.

# ECONOMIC RESILIENCE TOOL: *INFRASTRUCTURE*

*Infrastructure* includes strategies and programs to maintain critical systems, as well as planning for redundancies and alternatives to failed systems.

- Includes a plan for maintaining/upgrading critical infrastructure and the resulting impact on the business community.
- Identifies interface between critical infrastructure organizations (e.g., water board) and economic development organizations.
- Contains a strategy or plan for rapid return of utilities following a disaster.
- Includes a strategy for alternate transportation routes and logistics for economic activity.



*Procurement Strategies* include plans for reducing capital leakage and providing training to support procurement efforts. Public and private purchasing of goods and services after a disaster are important to economic recovery, which requires a focus on buying local whenever possible.

- Includes a strategy for working with emergency management and recovery organizations to identify local procurement opportunities following disasters.
- 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.
- Has preliminary marketing plan for promoting local businesses during a recovery.
- Has strategy for maintaining supply chain access for local businesses following disasters.

*Business Continuity and Risk Management* promote the development of business continuity plans and facilitate a quick return to business. Preparing the private sector to manage their own resilience and recovery reduces the load on public services and resources.

- Has a program in place promoting/assisting local businesses in preparing business continuity plans.
- Has a program in place promoting good record keeping in order to access business recovery resources.
- Has a program in place promoting generators and other private forms of energy and water access.
- Has plan for providing short-term space for affected businesses.
- Has plan in place to relax or streamline permitting and zoning bylaws to encourage quick return of businesses.



*Workforce Support* includes programs focusing on training, placement services, and community support. Ensuring that the workforce has flexible skill sets and their own personal recovery plans will increase the ability of the workforce to weather changes in the economy and be available for business needs.

- Identifies programs for workforce education and skills training for a more flexible and adaptable workforce.
- 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
- Promotes personal financial literacy, Individual Development Accounts, or other programs to encourage savings and other practices for precarious workforce members.
- Promotes disaster preparedness and planning for households.
- Accounts for the vulnerabilities posed to the workforce by transportation, schools and other critical infrastructure outages.
- Has a program in place to educate employers on public and private resources available to support workforce preparedness and post-disaster assistance.

*Economic Diversification* is the primary method for increasing resilience and ensuring that if some industries are compromised, there may be others that can continue to drive economic activity.

- Recognizes extent to which the local economy is dependent on a single or few industries.
- Indicates activities or partnerships for attracting or developing new industries.
- Considers the hazards posed by targeted growth industries or existing economic drivers of the community.
- Considers the vulnerabilities or methods of risk avoidance for key industry sectors.

- Considers the natural hazard vulnerabilities of commercial development sites.
- Demonstrates the ability to understand trends and identify activities for innovation and developing competitive advantages in current industries.
- Recognizes industry interdependencies and potential opportunities for enhancing supply chain resilience.
- Promotes the development of enterprises and technologies that support disaster preparedness and recovery.

*Counseling and Technical Assistance* include programs to provide technical assistance to businesses and individuals. In addition to traditional business technical assistance, personal crisis management support is important for an entrepreneurial class that is usually coping with both personal and business losses simultaneously.

- Identifies presence of adequate personal and business counseling professionals.
- Demonstrates connection between counseling programs and the ability for businesses to access capital.
- Identifies existing business retention and expansion (BRE) programs/programs for assisting businesses in distress.



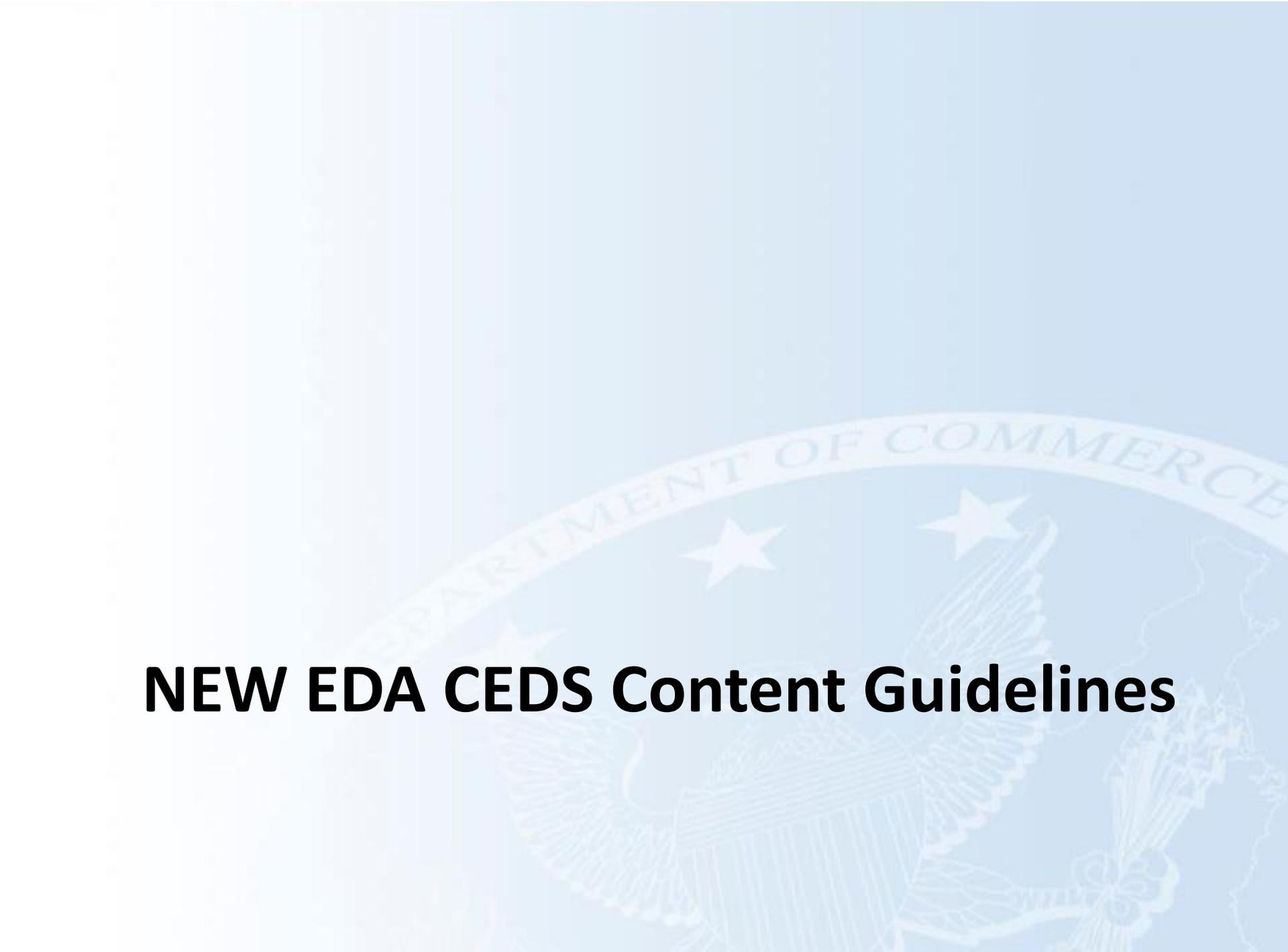
*Communications Systems* include those systems that facilitate information sharing with local businesses. Resource guides, 311 call centers, and other communications systems can all contribute to getting important information to the business sector before, during, and after a disaster event.

- Identifies processes/mechanisms (e.g., business emergency operations center) for communicating with businesses in the aftermath of a disaster.
- Has produced or distributed a resource guide for disaster-mitigation and post-disaster recovery for local businesses.



## Charting a Pathway to Resiliency





# **NEW EDA CEDS Content Guidelines**

The new **CEDS Content Guidelines** are a collection of suggestions and recommendations, not a list of additional requirements. . .

# CEDS CONTENT GUIDELINES

## Why new CEDS Content Guidelines?

- The new CEDS Content Guidelines (Guidelines) are intended to help regional planning organizations craft more impactful CEDS. The Guidelines will be released in conjunction with EDA's new regulations.
- The Guidelines are intended to replace the current two-pager ("CEDS Summary of Requirements") which was often criticized for simply repeating the regs while not providing enough information on what EDA would like to see in the CEDS.



# CEDS CONTENT GUIDELINES

## What's new with the CEDS Content Guidelines?

- Looks more like the 2000 and 2002 CEDS Guidelines (“Brown Book” and “Green Book”).
- Developed with input of EDA regional office staff and stakeholders.
- Offers suggestions on what should be included in each of the required sections (per the regs), and recommends tools, resources and examples to help in the development of the CEDS document (“Recommended Resource”).
- Focused almost exclusively on content (versus process).
- Provides practical suggestions about formatting – look and feel.

# CEDS CONTENT GUIDELINES

## How are the CEDS Content Guidelines structured?

1. **Overview**
2. **Content**
  - Summary Background
  - SWOT Analysis
  - Strategic Direction/Action Plan
  - Evaluation Framework
  - Economic Resilience
3. **Format**
4. **Preparation**
5. **Equivalent/Alternative Plans**

US Economic Development Administration - 010515

### **Comprehensive Economic Development Strategy (CEDS) Content Guidelines:** *Recommendations for Creating an Impactful CEDS*

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# CEDS CONTENT GUIDELINES

1. **Linking the sections to improve the CEDS focus and measurable impact**
  2. **Including key elements such as workforce, broadband, energy, etc.**
  3. **Emphasizing goals, measurable objectives and strategies rather than a stand-alone list of projects**
  4. **Integrating/leveraging other planning efforts and resources**
  5. **Infusing economic resiliency into the CEDS document**
- “...each CEDS must promote Regional resiliency and be unique and responsive to the relevant Region.”***

- Economic resiliency = An area’s ability to withstand, prevent, or quickly recover from major disruptions (i.e., ‘shocks’) to its underlying economic base.
- CEDS serves as a critical mechanism to help regions identify vulnerabilities and withstand or recover from disruptions.
- Integrating resiliency into the CEDS can take multiple forms (need to identify assets and vulnerabilities regardless)

# CEDS CONTENT GUIDELINES – ECONOMIC RESILIENCE

- Steady-state initiatives: longer-term efforts that seek to bolster a community's ability to withstand or prevent a shock
- Responsive initiatives: establishing capabilities that allow an organization/region to be responsive to region's recovery needs following an incident
- As a baseline, EDA suggests regions undertake a *two-pronged approach*:
  - 1) Implement **specific goals or actions** to bolster the long-term economic durability of the region (*steady-state*)
  - 2) Establish **information networks** among the various stakeholders in the region to facilitate active and regular communications between the public, private, education and non-profit sectors to collaborate on existing and potential future challenges (*responsive*).

# TAKEAWAYS



- Economic resilience is the process of reducing vulnerabilities and increasing adaptive capacities in the local economy.
- Resilience is a form of economic development and can provide material benefits for firms and local governments.
- Many resilience activities are incremental and relatively inexpensive for local governments. Local governments can act as catalysts to engage the private sector to improve the economy.
- Good planning is critical for resiliency. Investing into community organizing, assessing the economy, and planning for programs or initiatives builds the foundation for economic preservation and growth.

## **Community Resilience System**

A set of tools developed by CARRI to help communities analyze and improve their level of resilience. <http://www.resilientus.org/>

## **Building Code Effectiveness Grading Schedule (BCEGS)**

The Insurance Services Offices (ISO) administers the BCEGS to assess building codes and building code enforcement in municipalities which highlights vulnerability in the built environment.

<http://www.isomitigation.com/bcegs/0000/bcegs0001.html>

## **HAZUS - FEMA**

A national model for estimating potential disaster losses.

<http://www.fema.gov/hazus-software>

**Bureau of Labor Statistics** ([www.bls.gov](http://www.bls.gov)) provides extensive county-level data on various economic factors.

**StatsAmerica** ([www.statsamerica.org](http://www.statsamerica.org)) provides side-by-side comparisons, plus innovation metrics and distress indicators

**EDA's Custer Mapping project** ([www.clustermapping.us](http://www.clustermapping.us)) provides data on industry sectors for different geographic scales.

# GOOD RESOURCES – ECONOMIC RECOVERY/RESILIENCE

- **RestoreYourEconomy.org** – lots of good references, guides, etc.
- **Leadership in a Time of Crisis: A Toolkit for Economic Recovery and Resiliency** – a “textbook” on economic recovery and resilience! <http://restoreyoureconomy.org/toolkit/>
- **EDA’s Disaster Recovery Page**: - includes good guidance materials, and examples of past technical assistance work products. <http://eda.gov/about/disaster-recovery.htm>
- **HUD Exchange Community Resilience Planning Resources**: <https://www.hudexchange.info/manage-a-program/community-resilience/community-resilience-planning-resource>



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