

# New and Expanded 2021 Economic Recovery Resources

## American Rescue Plan

The U.S. Department of Treasury has opened a portal for cities and counties to apply for [Coronavirus State and Local Fiscal Recovery Funds](#) (FRF) authorized by the America Rescue Plan Act. Treasury also released guidance and an interim final rule on how the funds may be used. <https://home.treasury.gov/system/files/136/FRF-Interim-Final-Rule.pdf>

Even if your jurisdiction is eligible for a direct allocation and has used the Treasury portal to request funding from other federal programs, you must submit a new request to receive Coronavirus State and Local Recovery Funds. Requests must include the jurisdiction's taxpayer ID number, DUNS number, a sam.gov account, and address as well as funds transfer information.

Non-entitlement units (NEU) of local government are eligible to receive funding from their state government. Once a state government requests its own funds, it is considered to have requested funding for its NEUs. After Treasury issues additional guidance on distributions to NEUs, check with your state officials to find out how to receive the funding.

For an overview of the Recovery Funds program including eligible uses, see this May 10 [fact sheet](#). For additional details on the state, local, territorial, and Tribal government allocations, see [the full list here](#).

For updates from Treasury Department Relief and Recovery Programs, [sign up here](#). For more information, visit [Coronavirus State and Local Fiscal Recovery Funds](#) on Treasury.gov.

- Allowable expenses include intervention for qualified census tracts, public health, direct aid, community and economic development, and infrastructure.
- Encouraged expenditures include addressing racial disparities, inequities, and disproportionate harm.
- Prohibited expenditures include paying unfunded pension liabilities, legal settlements, federal match requirements.

## Framework to Assess Eligibility for Projects and Services:

1. Identify the harmful effect of COVID-19 that the activity will address.
2. Assess the causal or compounding connection.
3. Assess for disproportionate impact on distressed sectors or populations.
4. Determine how to prove the expense produces the expected outcome.

## Expanded FEMA and CARES Act Resources

### **FEMA Public Assistance (PA)**

FEMA adjusted the federal cost share to fully reimburse certain COVID-19 eligible costs through September 30, 2021. FEMA has not set a cap for State, Local, Tribal, and Territories (SLTTs) on how much money they can claim through the PA program and these funds are not competitive. Jurisdictions may want to use their FEMA PA funding prior to the more flexible Coronavirus Relief Fund and American Rescue Plan funds.

Allowable costs under FEMA PA include but are not limited to:

- COVID-19 Testing Sites and Operational Costs
- Vaccinations
- Community Feeding Programs for At-Risk Populations
- Non-Congregate Sheltering
- Public Information Costs to promote public health and safety measures
- Emergency Operations Center costs
- Personal Protective Equipment
- Emergency Medical Transport
- Disinfecting Services and Supplies

### **Coronavirus Relief Funds (CRF)**

CRF funds are available through December 31, 2021, so their use can be prioritized for projects that are not eligible for funding under the FEMA PA program. The CARES Act funds can be used to cover expenses that:

- Are necessary expenditures incurred due to COVID-19;
- Unaccounted for in the government's most recently approved budget (as of March 27, 2020); and
- Were incurred between March 1, 2020, and December 31, 2021.

Prior to FEMA's cost-share adjustment, many governments across the nation elected to utilize CRF funding in lieu of FEMA PA funding or initially used CRF funds to cover the 25 percent FEMA PA cost-share requirement. Now that the FEMA PA program is fully reimbursable, local governments should consider reallocating these costs to, (1) support remaining response efforts, and (2) to continue any existing recovery programs that support individuals and families, non-profits, and businesses within their community.

### **Coronavirus State and Local Fiscal Recovery Funds (FRF)**

The American Rescue Plan's FRF funds are the largest and most flexible federal funding currently available to local governments. FRF funds must be obligated to projects by December 31, 2024, while the performance period is extended to December 31, 2026. These funds are meant to focus on long-term recovery and there are five primary allowable uses:

- Supporting public health expenditures;
- Addressing negative economic impacts caused by the public health emergency;
- Replacing lost public sector revenue;
- Providing premium pay for essential workers; and
- Investing in water, sewer, and broadband infrastructure.



## **Additional Case Studies**

### **Developing a Business Comfort Station Post-Disaster**

Leon County, Florida had not had a hurricane directly hit in over 30 years. Then in 2016, Hurricane Hermine caused 80 percent of power outages, 45 businesses and homes destroyed, 187 experienced severe damage and 259 experienced minor damage. The newly formed Tallahassee-Leon County Office of Economic Vitality realized a need to help their business community recover, rebuild and prepare for future disasters.

One of their first steps was creating a partnership with their local incubator and co-working space to provide a business comfort station post-disaster. Disaster impacted businesses are welcomed to use workspaces, wifi connections, and outlets to charge their phones and laptops. A local business offers coffee to those who are working at the incubator. This partnership has been renewed for additional disasters including Hurricane Michael.

Hurricane Michael was a Cat-5 hurricane that made landfall near Mexico Beach, Florida on October 10, 2018. The next day, the Tallahassee-Leon County Office of Economic Vitality released an #OpenForBusiness map on social media, which allowed businesses to communicate to the community whether they had reopened. The Office for Economic Vitality partnered with Leon County Tourism to encourage restaurants to self-report they were open. The GIS map was shared on Facebook, Twitter, and LinkedIn. On Facebook alone, the post achieved a post-engagement of over 2,400 and reached over 20,000 people.

Prior to the start of hurricane season in 2018, the Tallahassee-Leon County Office of Economic Vitality and Leon County government partnered with the Federal Alliance for Safe Homes, the Federal Emergency Management Agency, and National Weather Service to deliver a day-long program to provide over 100 local business leaders with the resources to discover their risk to a hurricane and to develop a business continuity plan. As an additional benefit, businesses with business continuity plans had the opportunity to have experts review and make recommendations to strengthen their plans.

### **Business Continuity Planning**

The Los Angeles Economic Development Corporation developed the Planning for Business Operations After Earthquakes guide for businesses. Recognizing their risk for earthquakes in Los Angeles, the Los Angeles Economic Development Corporation worked with several local partners to develop an eight-page guide and webpage with recommendations and resources for businesses to evaluate their own risk and develop a plan. Some of the recommendations included in the guide are:

- Review the business process flow chart for your organization. Then identify a shortlist of business operations and related systems that are critical for the company to survive and recover as quickly as possible. Identify the top few critical functions in each department that must continue (based on criteria such as financial, customer, or reputational impact) and identify the key employees and alternate employees.
- Pre-establish access-to-capital (or lines of credit) for payroll and other expenses for post-earthquake, in case revenue is temporarily difficult to process. Some payment processing systems offer loans, for prequalified businesses.
- Have your building inspected to see if it needs a retrofit. This is an employee safety issue and affects ability to use the building after an earthquake. Many buildings are designed to remain stable for people to exit, but what's needed is a higher standard—a building that remains usable after strong, sustained shaking at your location. If you lease, ask your landlord for a seismic structural analysis report.

The guide was developed under the sponsorship of Wells Fargo Bank and available to share with businesses through local partnerships.

### **Shifting from International to Local Workforce**

For the 100 days of summer, the tourism industry in some communities has relied on international students for seasonal employment positions. During the COVID-19 pandemic, with borders closed and international travel discouraged, many summer tourism communities found themselves with a workforce gap. Door County, Wisconsin is one of the communities that relied on international students to fill seasonal positions at small businesses.

Located in Northeast Wisconsin, Door County is nestled along the shores of Lake Michigan and Green Bay. Hundreds of small businesses, many of them catering to seasonal tourists, primarily operate during the summer and fall months. Approximately two-thirds of the small businesses have four or fewer employees. Door County has 28,000 year-round residents and welcomes over 2 million visitors annually, which is approximately 25,000 visitors any given weekend during the tourism season.

Over 500 international students would come each summer on J-1 Student Work Visa. During the summer of 2020, it was not possible for the international students to fill the positions leaving a workforce gap. The Door County Economic Development Corporation created the Student Summer Job Project as a way to fill the open positions. The Economic Development Corporation brought to the attention of high school students in the region over 200 positions through existing youth apprenticeship programs and school districts.

The Economic Development Corporation has a staff of four people who were working remotely during this project. One of the four staff members was assigned to communications and outreach, often contacting their business community and stakeholders daily. The only cost for the Student Summer Job Project was the membership to Constant Contact.

### **Utilizing Media and Branding for Crisis Communications**

In September 2013, Northern Colorado suffered from the 1,000-year flood event that damaged over 19,000 homes and damaged 485 miles of roads across 14 counties in the Boulder region. The City of Longmont, Colorado had been proactive in preparing for potential flooding events, as city staff had determined that the community could not contain a 100-year flood event and resilience planning had begun several months before the September floods. The community suffered significant damage but was able to provide assistance to neighboring communities due to their aggressive preparedness efforts, the creation of a regional Disaster Assistance Center, and their role as the fiscal agent for the CDBG program serving their area.

The City of Longmont prioritized disaster communications, which led to a resilient economy and no loss of life throughout the floods. Using a common visual image to unite its disaster communication efforts, Longmont created five different sub-brands to identify different areas of community and economic recovery. These brands each had their own dedicated website that connected residents and businesses to appropriate resources. These five brands were:

- Longmont Prepares! Flood Awareness
- Resilient St. Vrain! Restore and Revitalize
- Longmont Cares! Flood Assistance
- Boulder County Collaborative - CDBG Disaster Recovery Funding
- Longmont Works! Flood Recovery (specifically city reconstruction projects)

Following resilience efforts in 2013 and 2014, Longmont prioritized proactive preparedness communication with community partners and stakeholders. The City of Longmont now offers preparedness presentations for community groups through an initiative titled “Be Ready Longmont.” These presentations ensure that groups are prepared for an emergency and have

access to the resources they need to plan for disaster and communicate effectively with members of the community.

### **Creative Solutions for Recovery: Financing and Community Resilience**

Keller, Texas' Beyond the Mask is a disaster recovery program created in response to COVID-19 and its impact on the local economy. The program includes the creation of a Forgivable Loan Fund to assist businesses that have suffered an economic injury due to the pandemic. Funding for the program was raised in part through community fundraising initiatives and city matching funds, which provided a way for the community to safely support all of the businesses during the COVID-19 shutdown. The effort was meant to assist and retain local businesses that would otherwise close due to financial hardship.

Funding for the program was raised by the local community, as Keller's residents participated in events such as a Virtual Quarantine 5K, Keep Calm and Carry Out event, and a Chalk Your Driveway event. Other community events such as the local farmers market and "Keller Summer Nights" promoted the project through sales.

Since its inception, the Keller - Beyond the mask program has assisted over seventy small businesses, distributing \$218,990 in funds to relieve the effects of COVID-19 on small businesses. This creative financing solution was created by Keller's COVID-19 task force, which recognized the need for further assistance and outreach for local small businesses. This initiative also highlights the importance of synergy between a community's leadership and its local businesses. Small businesses need grants or forgivable financing when faced with a disaster; otherwise, they are at risk of financial failure. Forgivable loans assist in the comfortability of businesses to accept outside financial assistance, as some businesses doubt their ability to handle loan repayment in addition to economic recovery.

### **Expedited Permitting for Commercial Properties**

In 2020, the city of Santa Monica issued a supplemental emergency order expediting business recovery efforts by fast-tracking permits and eliminating fees for local businesses that suffered damage from civil unrest protests. More than 250 businesses in the area suffered roughly \$11.5 million in exterior damage.

The supplemental emergency order waives permit and plan review fees on repairing commercial properties. Applications for permits with fee waivers must be submitted within 60 days of the announcement to be eligible.

The supplement also provides that repair permits do not need approval by the Architectural Review Board of the Landmarks Commission, provided the repair work involves:

- Replacement of existing materials with like materials provided that new materials are of comparable quality and the building is not a City-Designated Historic Resource
- Alterations to the design or materials of a facade of an existing building provided that the building is not located in the Main Street Neighborhood Commercial District or the BS (Promenade) District with frontage along the Third Street Promenade and is not a City-Designated Historic Resource
- Alterations to the materials of a facade of an existing building that is located in the Main Street Neighborhood Commercial District or the BC (Promenade) District with frontage along the Third Street Promenade, provided that the alterations are consistent with the building's existing design and the building is not a City-Designated Historic Resource

- For a City-Designated Historic Resource, a replacement of awnings, windows, doors, roofing materials and details that do not change the design, including the pitch, shape, or roof style, and exterior materials, provided that such replacement does not detrimentally affect any character-defining feature of the City-Designated Historic Resource

Similarly in Nashville, Tennessee, in 2020, the Metro Codes Department, which issues permits and conducts inspections for all commercial and residential construction, implemented a three-pronged approach to fulfilling the high demand of applications after a tornado disaster.

The first is making the public aware of permitting requirements in order to save time.

The second is designating a specific type of permit for storm damage issues, which gives the permit an expedited review.

The third is the use of third-party review, where builders and developers have the option of having architects and engineers licensed in Tennessee review plans or inspect finished buildings and certify to Metro that the project complies with city building codes. Metro Codes will accept that affirmation in lieu of reviewing the plans themselves. Those plans and certification letters must bear that architect's or engineer's professional stamp.

### **Leveraging Local Talent to Bring the Community together**

In 2019, Mexico Beach, Fl., was hit hard by Hurricane Michael, devastating the tourism industry in the area.

The Never Forgotten Coast campaign, created by a husband and wife creative team along with a nationally recognized photographer, has sold merchandise to over 11 states to support recovery efforts.

The funds raised by the campaign stated a micro-grant fund for local businesses. These micro-grants are small amounts of money quickly distributed to eligible businesses. By helping cover some of the costs that insurance does not, micro-grants will offer support for small businesses necessary for redevelopment.

Eligible businesses were small businesses located in Mexico Beach that had been in operation on or before Hurricane Michael hit. Potential recovery expenses that may be covered by the micro-grants include equipment, working capital, construction, operating expenses, furnishing, and marketing.

Two economic professionals in the area are volunteering their time as advisors to the campaign, having experience working with state government loan programs.

### **Web Pages to Support Local Businesses**

Some disasters, such as a tornado, only impact parts of a community or region. Oftentimes, businesses that were not impacted have spare supplies or space around that can be shared with the impacted businesses. Chambers of commerce and economic development organizations have developed web pages for businesses who are not impacted to offer spare items or services. Many times, these web pages can be developed prior to a disaster.

On May 21, 2013, an EF-5 tornado touched down in Newcastle, Okla., and traveled through Moore, Okla., ending 4.8 miles east of Moore. Fourteen miles long and approximately 1.1 miles wide, the tornado was on the ground for approximately 40 minutes.[1] In the path were approximately 300 businesses. Another 2,100 businesses within one mile of the tornado's path were impacted by road closures, electricity loss, and customer loss.

Immediately following the tornado, the Greater Oklahoma City Chamber created a webpage for impacted businesses to post their needs, for items such as furniture, space, and equipment.

Local businesses that were not impacted could post what they had available to lend or give to an impacted business. The website was unmonitored. The Greater Oklahoma City Back to Business Initiative was eventually formalized, with forms for businesses to complete and a business resource specialist to match businesses in need with those that had something to offer.

On March 2-3, 2020, several tornados spawned across Tennessee. The tornado outbreak destroyed 1600 buildings and damaged another 2700 buildings. One of the tornados was a strong EF-3 that traveled over 60 miles starting in western Davidson County, headed east across the City of Nashville and Wilson County, and lifted in Smith County.

Five days after the tornados, the City of Nashville reported their first COVID-19 case. Businesses in Nashville received a one-two disaster punch. The Nashville Chamber of Commerce recognizing they need to find a way to support local businesses created the Be a Good Neighbor program to encourage local support of businesses. Using Google Forms, businesses were invited to submit information about their business and special offers that would be added to the program webpage.

### **Supporting Local Businesses Through Organized Community Initiatives**

The Sonoma County Economic Development Board in Santa Rosa, California responded to the damage that October 2017 wildfires in the region had on their small businesses. Through “#GoSoCo Post Wildfires Shop Local Campaign,” the Board was able to concentrate local spending among small business owners that had suffered physical and financial losses as a result of the fires. As the leading economic development agency in the region, they took initiative in coordinating this effort.

Directing shopping dollars towards local businesses during the holiday season was their top priority, as the season is arguably the most crucial time for business owners to boost revenue and bolster their bottom line. These revenues were particularly important for economic recovery after the wildfire natural disasters. The campaign launched in November of 2017, just one month after the fires. This quick coordination effort led to a successful campaign. The Sonoma County Economic Development Board outlined their success through numbers:

- 9 cities supported the campaign;
- 15 chambers of commerce participated;
- 55,000 shoppers were reached;
- 255,000 impressions on Facebook;
- Daily digital and print reach of 175,000 persons in newspaper; and
- 6 local newspapers ran print and digital ads.

This social media and outreach campaign through a coordinated effort had profound impacts on business recovery efforts in Sonoma County. Implementing similar campaigns so soon after a natural disaster is imperative to maximize recovery and resilience.

### **Coordinating Recovery Efforts: Integrating media campaigns, financial assistance, and BRE efforts**

The Norfolk Department of Economic Development in Norfolk, Virginia, established a multi-faceted “Business Retention and Recovery” project in order to coordinate resilience efforts following the COVID-19 disaster. The project had four components: a large-scale outreach campaign primarily to small businesses, the immediate creation of the Norfolk Economic Disaster Assistance Loan and Grant products, an integrated marketing communications effort, all coupled with long-term support of businesses identified as “at-risk” of closure.

The project team was responsible for directly contacting and engaging approximately one-third of Norfolk's firms with paid employees over a 12-week period. Going into this crisis, Norfolk maintained over 3,700 firms with paid employees working at more than 5,300 establishments. This comprehensive effort in response to COVID-19 specifically addressed job retention, protecting the tax base by providing direct services and resources to 354 businesses and supporting 210 small/micro businesses deemed "at-risk." This represented as many as 1,000 at-risk jobs.

The Norfolk Department of Economic Development seeks consistently to support local businesses through business expansion, enhancement, and development in a manner that is complementary to its neighborhoods and business climate. Because the organization had established strong foundations for business retention and expansion prior to the COVID-19 crisis, it was able to quickly adapt and integrate established BRE measures with innovative resilience and recovery strategies.