

HURRICANE SANDY REBUILDING STRATEGY

Progress Update — Small Business



Spring 2014



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BACKGROUND

On August 19, 2013, the Hurricane Sandy Rebuilding Task Force released its [Rebuilding Strategy](#) for the Sandy impacted region. The Rebuilding Strategy included a long-term plan for rebuilding that guides Sandy Supplemental spending to drive regional coordination and make communities more resilient to future disasters. The Rebuilding Strategy also aligns federal, state and local policies to achieve seven goals that are important to the long-term rebuilding of the region in the most economically efficient, ecologically robust and innovative ways possible. These goals are:

- Promoting Resilient Rebuilding through Innovative Ideas and a Thorough Understanding of Current and Future Risk
- Ensuring a Regionally Coordinated, Resilient Approach to Infrastructure Investment
- Restoring and Strengthening Homes and Providing Families with Safe, Affordable Housing Options
- Supporting Small Businesses and Revitalizing Local Economies
- Addressing Insurance Challenges, Understanding, and Affordability
- Building State and Local Capacity to Plan for and Implement Long-Term Recovery and Rebuilding
- Improving Data Sharing Between Federal, State, and Local Officials

The Rebuilding Strategy identified 69 specific recommendations across these broad goals as well as specific member agencies¹ to lead the implementation of each of them. Since the publication of the Rebuilding Strategy, these agencies have continued to work closely together to move the recommendations forward and deliver on their commitments to the region and the President.

This report includes an update on the implementation of one of the Rebuilding Strategy goals. This report is one section of a larger report that includes each of the seven Rebuilding Strategy goals and the internal efforts to improve data sharing and accountability through the Sandy Program Management Office (PMO); recommendations are grouped according to these goals. This shorter report includes background information from the original Rebuilding Strategy, identifies the relevant leading agencies¹, and includes brief updates on highlighted areas of progress made since the publication of the Rebuilding Strategy through the spring of 2014. Additional Rebuilding Strategy goal reports and a report on the PMO can be downloaded individually or can all be downloaded in the full report. A full list of the Rebuilding Strategy recommendations is included in the full report as an appendix to the report. To learn more about the Task Force or the Sandy Supplemental, to read the original Rebuilding Strategy, or to see the status of the Sandy Supplemental funding, please visit the following websites:

- Executive Order 13632, establishing the Hurricane Sandy Rebuilding Task Force: <http://www.gpo.gov/fdsys/pkg/DCPD-201200936/pdf/DCPD-201200936.pdf>

¹ While the Rebuilding Strategy identified specific agencies (such as the Department of Housing and Urban Development) to lead implementation, in some cases these leads have changed, or more specific subcomponents of or offices within an agency (such as the Office of Community Planning and Development) have been identified. Further, for some recommendations, the Rebuilding Strategy also identified contributing or supporting agencies. This progress report reflects the latest lead agencies only, and does not include contributing agencies, which in some cases have played a significant role to support implementation.

- Disaster Relief Appropriations Act, 2013, or “Sandy Supplemental,” which provided \$50 billion in disaster relief funding to Federal agencies: <http://www.gpo.gov/fdsys/pkg/PLAW-113publ2/pdf/PLAW-113publ2.pdf>
- The Hurricane Sandy Rebuilding Strategy, published by the Task Force on August 19, 2013: <http://portal.hud.gov/hudportal/documents/huddoc?id=HSRebuildingStrategy.pdf>
- Recovery.gov Hurricane Sandy maps, for the latest status of Sandy Supplemental funds by state: <http://www.recovery.gov/Sandy/whereisthemoneygoing/maps/Pages/HudPmo.aspx>

REBUILDING STRATEGY GOAL: SUPPORTING SMALL BUSINESSES AND REVITALIZING LOCAL ECONOMIES

Small businesses are particularly vulnerable to disasters because they often have small profit margins and cannot sustain extended business interruption. They also typically lack adaptive business management models, tend to be underinsured, and often depend on generating revenues from customers and clients who have also been impacted by the disaster. Disasters amplify existing economic issues for small businesses and entrepreneurs.

The Task Force recognized the role small businesses play in recovery and rebuilding after a disaster. Small businesses, such as grocery stores, pharmacies, and gasoline stations, provide services in their communities. Furthermore, small business contractors may contribute to economic recovery by taking on government contracts for rebuilding and long-term resilience and hiring a local workforce to do the work.

Lead Agencies

Department of Housing and Urban Development (HUD)
Department of Labor (DOL)
Department of the Treasury (Treasury)

Federal Emergency Management Agency (FEMA)
Small Business Administration (SBA)

Progress Update

The Rebuilding Strategy recommendations in this area are being implemented by SBA, HUD, Treasury, Labor, and the FEMA-led Recovery Support Function Leadership Group (RSFLG). Actions for all recommendations are in various stages of development.

SBA has completed several innovative improvements to its Disaster Loan Program, and published an interim final rule on April 25, 2014 that implements changes to expedite processing of applications from disaster victims with strong credit and to increase the amount of disaster assistance funds that can be disbursed to borrowers immediately following loan closings.

Further, SBA is developing legislative proposals to remove statutory barriers for some of its programs, to provide additional technical assistance to small businesses before and after disasters, and to better use business accelerators to promote recovery and growth following disasters. SBA also completed actions to improve small business contracting opportunities in Sandy rebuilding and has drafted language for statutory changes to the HUBZone program for disaster affected areas.

Treasury and HUD have continued to raise awareness of the use of Community Development Financial Institutions (CDFIs) for disaster recovery. HUD has encouraged [Community Development Block Grant - Disaster Recovery \(CDBG-DR\)](#) grantees to consider the provision of grant funds to a broad range of community organizations, including CDFIs, to help grantees address unmet needs through grantee training conferences,

publication in the November 18, 2014 Federal Register Notice regarding CDBG-DR allocations, and in ongoing technical assistance with grantees.

Section 3 of the Housing and Urban Development Act of 1968 requires that certain HUD-assisted projects provide opportunities for training and employing low-income persons. The HUD Office of Fair Housing & Equal Opportunity, in coordination with the HUD Office of Community Planning and Development delivered [Section 3](#) training to all three grantees (New York, New Jersey, and New York City). An ongoing process has been established to deliver additional training as necessary and in response to future monitoring.

DOL's Employment & Training Administration has provided more than \$70 million in National Emergency Grants to affected states. Additionally DOL has assisted State Departments of Labor in sharing best practices. DOL representatives from the Occupational Safety & Health Administration, the Wage Hour Division, the Office of Federal Contract Compliance Programs & the Office of Congressional and Intergovernmental Affairs continue to work with the Regional Infrastructure Working Group to coordinate with every Federal and State agency that is financing recovery and resilience projects.

What this means for communities

Agencies are working to **speed funding to small businesses** after disasters, to expand the role of **community-based financial institutions** after disasters, to compile and align information about **federal resources available to small businesses** in the wake of a disaster, and to ensure that the Federal investments after a disaster **provide economic opportunities to those who need them most**.

For More Information

- SBA Website with small business assistance information: www.sba.gov/sandy
- SBA Government Contracting Information: www.sba.gov/gcclassroom
- Federal Register Notice: www.gpo.gov/fdsys/pkg/FR-2013-11-18/pdf/2013-27506.pdf
- CDFI Research Information: http://cdfifund.gov/impact_we_make/research/CDFI_Response_to_Superstorm_Sandy_Impact_Assessment.pdf
- HUD Small Business Grant and Loan Program Toolkit: <https://www.onecpd.info/cdbg-dr/toolkits/small-business-loan-and-grant/>
- HUD Section 3 Resources: http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/section3/section3

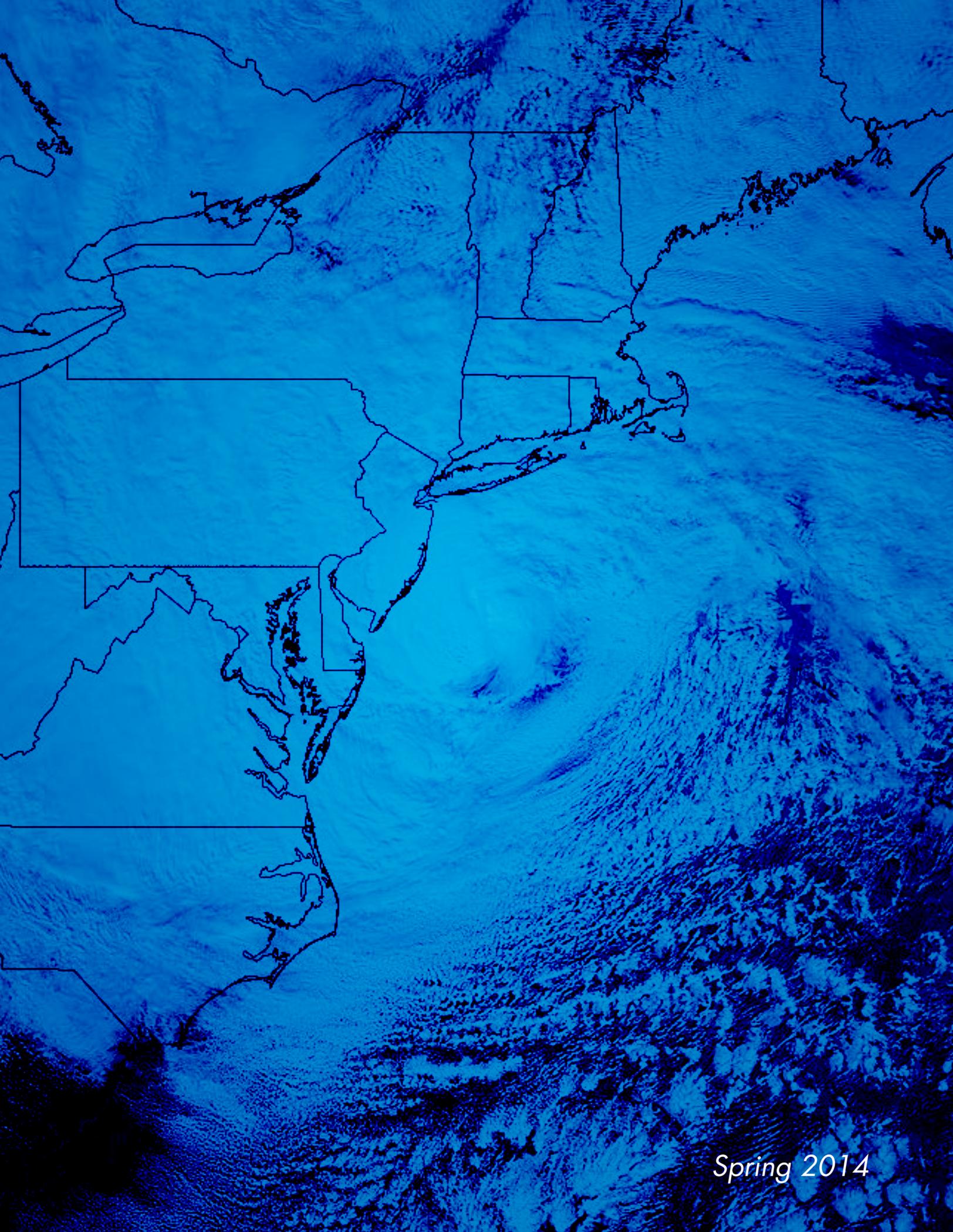
SMALL BUSINESS RECOMMENDATIONS FROM THE HURRICANE SANDY REBUILDING STRATEGY

Small Business: Supporting Small Businesses and Revitalizing Local Economies

1. Build a Disaster Preparedness and Operations Team (DPOT) focused on planning to help SBA district offices, including those in the Hurricane Sandy region, ensure clear and consistent guidance on how to access both local and Federal aid following a disaster.
2. Institute a “No Wrong Door” approach to federal information sharing after disasters by building on existing information platforms and cross-referencing Hurricane Sandy disaster recovery resources. Furthermore, measures should be taken to ensure that information about economic recovery from Hurricane Sandy is accessible to vulnerable populations.
3. Encourage HUD CDBG-DR grantees to address the needs of a broad range of affected small businesses, including through the provision of grant funds to community organizations that work closely with businesses whose needs might otherwise be unmet.
4. Remove statutory barriers for SBA programs that provide additional technical assistance to small businesses before, during, and after a disaster.
5. Provide SBA statutory authority to fund incubators and accelerators.
6. Institute new and innovative process improvements to SBA’s Disaster Loan program.
7. Modify regulations to adopt and “alternative size standard” for small businesses for SBA’s Economic Injury Disaster Loans similar to the standard for SBA business loan programs, to enable more businesses to qualify for loans.
8. Increase SBA’s unsecured disaster loan limits and expedite the disbursement of small dollar loans.
9. Defer loan payments due to SBA from Microloan Intermediaries, when appropriate as determined by SBA Administrator, if a certain percent of the Intermediary’s portfolio is made up of loans to micro-borrowers in major disaster areas, including the Hurricane Sandy region.
10. Encourage HUD CDBG-DR grantees and private sources to fund additional CDFI outreach and support to small businesses in vulnerable communities.
11. Raise awareness that Treasury’s SSBCI Program can be used for disaster recovery, including Hurricane Sandy recovery.
12. Create opportunities and tools to increase access for small businesses to rebuild their businesses and participate in Hurricane Sandy rebuilding.
13. Make statutory changes to existing SBA initiatives to make it easier for small and local businesses to access Federal contracts for Hurricane Sandy rebuilding.
14. Promote best practices of local workforce agencies that are integrating disaster recovery and long-term Hurricane Sandy rebuilding into their ongoing efforts.
15. Encourage HUD CDBG-DR grantees, in complying with Section 3 regulations, to maximize efforts to create

specialized skills training programs in the areas needed most for Sandy rebuilding, ranging from mold remediation and construction to ecosystem and habitat restoration, green infrastructure, and coastal engineering. Furthermore, the Task Force recommends that these training programs include low-income individuals and other vulnerable populations and create local Hurricane Sandy recovery jobs that pay wages and benefits at industry standards.

16. Pursuant to Executive Order 13502, executive agencies should be encouraged to consider consideration of Project Labor Agreements (PLAs) on large-scale construction projects in the Hurricane Sandy region in order to promote economy and efficiency in federal procurement.



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