

# Adaptive Recovery

Adaptive Recovery is about recovering from the disaster with an aim to surpass pre-disaster levels of community well-being, through increased equity.

It requires giving communities an active role in their recoveries, both through the process of understanding the pre-crisis issues that contributed to the disaster's harms, and when setting and implementing solutions to address these issues.



The key challenge faced by local governments in the adaptive recovery phase is to set and stick to community priorities that address longstanding inequities, using limited available funding.

Following a disaster, there are many competing demands for funding, most of which are worthwhile. It takes a broad and deep community commitment to a Just and Resilient Recovery to ensure that the long-standing inequities faced by marginalized and vulnerable communities, exacerbated by the immediate needs of the crisis, receive the funding necessary to build towards a new normal that is better than before.

- **Budget shortfalls begin to really hit, right as spending needs for a recovery rise.** State and local governments will begin to face deep fiscal constraints, as these governments (unlike the federal government) have a fiscal obligation to maintain balanced budgets. Tax revenue shortfalls resulting from lower retail sales and payrolls will emerge along with increased pension obligations to offset the market downturn. Federal funding can address some of these shortfalls, but it is often slow to arrive and not flexible enough to meet community needs.
- **Government funding processes tend to default to the pre-disaster status quo.** Without adjustments to the budgeting process, public funding will flow into projects and activities that were on the books before the disaster.
- **Consensus around what should be a priority will fray, as the focus shifts from immediate to long-term needs.** Immediately after the disaster, generally there is agreement about meeting the needs of households and small businesses who were impacted through no fault of their own. As time passes, long-standing inequities faced by marginalized and vulnerable communities are demonstrated by widening gaps between communities that are quicker to recover and those that are slower to recover.

## GUIDING QUESTIONS

How will you ensure that disaster recovery community planning processes include, and are accountable to organizations led by and representing marginalized and vulnerable populations, and result in actionable recommendations?

How will you center these processes on the underlying issues that led to greater harm to marginalized and vulnerable communities as a result of the disaster?

What criteria will you set to evaluate whether recovery initiatives align with the goal of a Just and Resilient Recovery?

What are you measuring to understand the impacts of the disaster, and what mechanism is holding you accountable to stay true to a Just and Resilient Recovery?

## ADAPTIVE RECOVERY

# 1

## Set recovery priorities through meaningful community planning

**Engage a broad set of stakeholders, including marginalized and vulnerable networks and their advocates.** Recovery strategies are created during a moment of repositioning and reckoning, as communities rebuild and recover to reach new levels. This process must be inclusive if that rebuilt world is to be inclusive. The recovery planning process should engage a broad set of stakeholders, especially those who are typically excluded from such processes, reaching beyond the people who self-select into meeting participation. At this point in the recovery, local governments should ideally have already explored new partnership and outreach efforts; these relationships should be extended through longer-term planning processes.

Stabilization is a prerequisite to engaging marginalized and vulnerable populations. To create the conditions for a more thoughtful and inclusive recovery process, local governments must ensure that the fundamental needs of all communities are met.

**Directly address local inequities—both historic and current.** The disaster recovery planning process should make use of this moment to directly confront the underlying conditions in communities, which led to a disparity in outcomes. For many communities, this is driven both by a history of redlining and racial segregation and by ongoing economic development practices that drive inequity, leading communities of color to be concentrated in areas correlated to increased risk of COVID infection and fatality.

**Insist on clear priorities that can guide future public investment.** This planning process should not be performative, nor should it produce a laundry list of wishes. To be effective it must set real criteria by which to evaluate potential recovery initiatives and wrestle with tradeoffs that are inherent in setting priorities. This requires putting advocates and community members in a position where they have to grapple with the inherent tradeoffs that come with a limited budget and any policy as part of the planning process.

**Maintain local, community-based control over reform.** Local governments should be cautious that post-disaster reform remains driven by local voices and needs, especially of those that have been marginalized, and not evolve into an opportunity to impose an outside reform agenda, however well-intentioned it may be. For example, after Hurricane Katrina, a pre-determined school reform agenda led to a state takeover of public schools in New Orleans, which consequently led to “the expansion of charter schools, an introduction

to school choice via the removal of geographic attendance zones, as well as a radical racial shift in teachers.”<sup>77</sup> These efforts were supported by federal and philanthropic money. This example serves as a reminder that reform in the name of disaster recovery can at times be destructive to communities who have already been disempowered through their suffering of the disaster.

“Reform shouldn’t be done to the community; it should be undertaken by the community... In this regard, recovering cities should take the time they need to make sure exclusion from the recovery process doesn’t prolong the damage caused by the storm.” – ANDRE PERRY<sup>78</sup>

**After Hurricane Maria, in response to strong advocacy, Puerto Rico’s public officials acknowledged and shifted away from destructive pre-storm fiscal priorities that had placed the interests of investors over those of residents.** Construyamos Otro Acuerdo (Let’s Build Another Agreement), supported by the Center for Popular Democracy, pressured the Fiscal Control Board to prioritize spending on public services and pensions, which had been cut to pay back private debt. This advocacy has had enduring effects on local government priorities, as the island’s oversight board has announced intentions to keep pension cuts off the table in debt deals during the COVID-19 response.

**Leaders should follow the example of communities that have used planning processes to more directly confront legacies of redlining and racism.** For example, “undesign the Redline” is a traveling exhibit, workshop series, and curriculum that uses interactive media to communicate structural racism to exhibit-goers. The curriculum deftly portrays both the historical roots and contemporary manifestations of racial segregation.<sup>79</sup> In Minneapolis, consciousness of the history of redlining has translated to tangible policy, as the city became the first in the nation to ban single-family zoning, a bold step towards more inclusive urban development.<sup>80</sup>

# 2

## Set recovery goals and metrics to guide recovery efforts and to communicate progress.

Local governments should use metrics to quantify and communicate progress towards recovery—and these metrics must be defined and gathered in a way that captures whether the recovery is reaching marginalized and vulnerable populations. Having recovery metrics will allow communities to measure the effectiveness of initiatives and tell the story of recovery.

**Measure both outputs and outcomes to evaluate progress.** Local governments must make sure that metrics not only measure the outputs of actions being taken, but also capture the outcomes that are ultimately most important. Positive outputs can contribute to, but do not guarantee positive outcomes. For example, if a city recruits an employer who brings 1,000 new jobs, but it is not monitoring the unemployment rate of existing residents without a college degree, the unspecific metric may create a misunderstanding of the community's economic health.

Metrics must also be thoroughly developed: every goal set by the community must have an associated set of key metrics. Only when these metrics are systematically in place will the community and leaders have the right points of reference to monitor progress.

**Disaggregate metrics by race, ethnicity, gender, and geography to provide insight into the disparate rates of recovery for different communities.**

For residents in neighborhoods experiencing faster recoveries, it is important to understand that other communities are not doing as well, and that additional support is necessary. For residents in areas that are not recovering as quickly, it is important that their needs are made evident and communicated to others.

**Tap into inclusive, community-led channels of communication to both report progress and receive feedback.** Ensure that data is made publicly available, with clear goals and milestones against which to evaluate progress. Public metrics and transparency help to establish trust and confidence in the recovery process. To be truly transparent and a means for accountability, progress reports must recognize and quantify failures in addition to successes, to prepare for the consequences thereof. The reporting process must also be done by an independent entity.

**In New Orleans, the City turned to data science to combat pervasive post-storm blight.** Mayor Mitch Landrieu had a goal of cutting blight by 10,000 units between 2010 and 2014, and the City achieved this goal a year early. BlightStat, an analytics program, helped this effort by combining data from the Department of Code Enforcement and other agencies and distilling this to key metrics. These data and metrics were presented in monthly public meetings, and were used to identify solutions, set priorities, and evaluate performance.<sup>81</sup>

**After Hurricane Sandy, New York City developed the Sandy Funding Tracker, which followed the progress of post-storm recovery projects.**<sup>82</sup> The City was mandated under Local Law 140 to publish information on post-recovery projects, including both the sources and uses of funding. By focusing on funded projects, the tracker was oriented around the effective stewardship of \$50 billion in public dollars. The tracker is divided into five areas of interest—Housing, Business, Infrastructure, Emergency, and Resiliency—with a set of performance metrics for each updated in real time.



# 3

## Design and implement catalytic initiatives with and for marginalized and vulnerable communities.

Local governments should take on bold efforts to rebuild and reinvest in communities, in partnership with other community stakeholders. These efforts should be significant enough to meaningfully mitigate deep-set inequities.

It is important to first understand what initiatives are needed, then to consider how to pay for it with federal funding—asking what federal funding or other outside funding sources can pay for first will distract from the priorities of a Just and Resilient Recovery.

**Design recovery projects and programs that achieve multiple benefits for communities.** Note, a “project” might be the revitalization of a commercial corridor, and a “program” might be a fund that provides small business loans. Due to resource constraints, directing large amounts of funding towards executing single-purpose projects or running single-purpose programs is not optimal. They must address multiple issues together. For example, a road-building project must also contribute to employment for marginalized and vulnerable populations, be designed to increase transportation options for residents without cars, address stormwater flooding, or otherwise contribute to whatever priorities have been set through the planning process.

**Establish a clear set of equitable projects to kickstart recovery and build momentum.** To avoid delays and start the recovery process, local governments and their partners should tee up and fast-track projects that will have the greatest impact on serving and driving resources to marginalized and vulnerable communities. Local governments should evaluate projects and give merit to those that are “shovel-ready,” as it is critical to deliver results and relief as quickly as possible. At the same time, local governments must also work to push the design of these projects to be maximally equitable, and to generate new equitable “shovel-ready” projects, such that expediency does not give way to a continuation of preexisting inequities.

**Leverage the capacity and expertise of community organization partners to implement equitable projects.** Community-based organizations, quasi-governmental, philanthropic, and for-profit organizations will have expertise and capacities that state and local government lack. This might be the capacity to create and run a small business loan fund, manage the revitalization of a disinvested commercial corridor, or ramp up technical training for existing residents.

After Hurricane Harvey, the HOME coalition—a coalition of funders, advocates, and labor groups— negotiated with the City of Houston to create a worker protection program for post-storm rebuilding contracts. The coalition secured workplace standards, a \$15 minimum wage, and insurance benefits for all workers supporting more than \$300 million in affordable housing and multifamily construction projects funded by federal rebuilding funds. The program also requires 10 percent of work hours to be allocated to workers registered in an apprenticeship or bilingual craft training program, and allocates another 10 percent of work hours to low-income residents eligible for Section 3 housing assistance.<sup>83</sup>

The Project-Based Recovery Opportunity Program (PROP) boosts local economic development priorities in parishes impacted by Hurricanes Katrina and Rita by offering direct low-cost loans for mid-sized businesses that are located or intend to locate in an area suffering long-term effects of the hurricanes. For-profit businesses, community-based nonprofit organizations, community development financial institutions and community-based economic development organizations with significant operations in Louisiana are eligible. Each applicant must create a minimum number of jobs, based on the industry standards, have a minimum annual gross revenue of \$250,000 for existing businesses, and CDBG funds cannot exceed 75 percent of total costs. Special consideration is given to projects that align with community goals, such as creating opportunities for historically disadvantaged businesses or the preservation of historical structures.<sup>84</sup>

# 4

## Aggregate and align funding in support of community-designed and -planned projects.

Following a disaster, the normal sources of capital local governments rely on are disrupted. To move forward with the recovery process, local governments must inventory the available funding and weave it together to address the needs of their communities.

**Inventory the full range of available funding, and layer funding streams to maximize impact.** Local governments should assemble and assess a “capital stack” of all available funding sources, whether that is local or state or federal public funding, private or philanthropic capital, and whether it comes through direct investment or policy change. With an understanding of the available capital, local governments can more strategically allocate between different projects to maximize impact. For example, a local government might be able to funding from the Department of Agriculture to expand and improve the sources of fresh local food to their community, upgrade foodbanks with FEMA Public Assistance to be able to do clean hands offs that allow for social distancing and use CDBG funds to reopen local grocery stores and retrofit them to have better safer HVAC systems and support curbside pickup.

**Use public and philanthropic capital to attract positive private investment into marginalized and vulnerable communities.** Private capital—be it loan or equity—is risk adjusted, making it both much more expensive and less likely to flow into marginalized and vulnerable communities, where the risk of investments is structurally higher. The public and philanthropic sector should partner with the private sector to increase the flow of positive private investment into communities where it would not otherwise, with the imperative that private capital is directed to rebuild and uplift existing communities, rather than further exploit or displace them. Local governments must guard against the multiple forms that disaster capitalism can take, such as when private funds buy up financially or physically distressed properties in bulk—as seen during the foreclosure crisis and after major storms.<sup>85</sup> We are entering an era of workouts where the capital stack for most properties, commercial and residential, will be reworked. This can result in greater community control and affordability or a consolidation of absentee ownership and extraction of community wealth.

**Aggressively pursue federal funding, with an understanding of which communities do not qualify for federal aid.** While this is a process that will have already begun in prior phases, continuing to pursue available federal and state funding is important. Later phases of federal disaster aid tend to be more oriented to adaptive recovery than earlier phases, which focus on emergency response and stabilization.

Local and state governments should remain in close coordination to actively advocate for and pursue increased federal funding. Without that funding, cities and states will not only need to cut back on services, but they will also have to cut public sector jobs and pensions that are a lifeline for many communities of color. Local governments must also continue to support households and businesses to aggressively apply for later rounds of federal assistance, such as CDBG Phase 2 funding, which will be allocated based on need.<sup>86</sup>

## EXAMPLES

**The Detroit Home Mortgage program was launched through a partnership between philanthropy and private banks.** The Kresge Foundation led this effort, by making a \$475,000 grant to support the fund’s start-up operations, and by providing \$6 million in guarantees to the second mortgage pool to help borrowers hold onto their homes in times of hardship. The Ford Foundation, the Michigan State Housing Development Authority, and numerous private banks also partnered to launch the program.<sup>87</sup>

**After Hurricane Harvey, a coalition of fair housing advocates pushed FEMA to include the true impact of the storm on marginalized and vulnerable populations when estimating damages, which led the city to receive more federal funding than otherwise, using HUD’s methodology for determining jurisdiction aid.**<sup>88</sup> The City was able to keep its \$2.5 billion in federal money under local control, and created historic equity guidelines that directed 80 percent of housing recovery funds to low-income families.<sup>89</sup> (However, since then, the state has recently reclaimed control over Houston’s disaster funding).<sup>90</sup>