

North Carolina State Disaster Recovery Task Force
Business and Workforce RSF
September 26, 2019, 10:00am-12:00pm
North Carolina Department of Commerce – Board Room

Meeting Minutes

Lead Agency: NC Department of Commerce
Liz Crabill, Chief Deputy Secretary
Susan Fleetwood, Executive Director of Economic Development

Staff: NC Office of Recovery and Resilience (NCORR)
Amanda Martin, Deputy Chief Resilience Officer

[Hurricane guide update](#)

Katie Webster in NCEM reached out on content for updated NC Hurricane Guide for individuals and businesses. Business RSF provided input and shared draft over to Katie by email.

[Recommended operating procedures](#)

Draft of memo on recommended practices for establishing SBA business recovery centers in NC. Outlines 3 recommended protocols. Recommendation #1 to establish NC Rural Center as central staging location. Recommendation #2: Existing SBTDC and/or SBCN centers for preferred locations for recovery centers. Recommendation #3: include info about processes in all SBA training and public announcements.

Suggestion: add a POC name and email address to the memo.

[Update on Housing RSF workforce working group](#)

Housing RSF has four working groups for remainder of the year: affordable housing for very low income, organizational capacity, zoning, workforce issues. Focusing on issues of construction workforce issues and problems those create, as well as maximizing opportunities for NC workers and firms in disaster recovery spending.

Invitation to any Business/Workforce RSF members who would like to contribute to the workforce working group.

Suggestion - invite Jenni Harris. Barry Ryan of Rural Center also volunteers.

Potential contact from DOT: their Office of Civil Rights has been working on diversifying contractor base and may have transferable advice or programs. Also potential DEQ contact – Marcela Vargas works on Section 3 requirements.

Dorian update

- Governor made request for SBA to authorize its disaster recovery programs separately from FEMA – some help for businesses but a bigger deal on the housing front. Just SBA programs, wouldn't trigger DUA.
- Thread Capital has made 5 bridge loans so far, expecting to make many more. A lot of businesses are worried that season cut short and we extended bridge loan term to 9 months to June. Some businesses are chicken and egg and don't want to apply for ThreadCapital until they know they can get larger funds. Currently a \$50K loan, if it was stacked with Florence funds, it could go up to \$250,000 for 10 years, but GA would need to authorize. Appetite may change with SBA decision.
- There will not be any Disaster Unemployment Assistance since there is no FEMA IA declaration. Challenge is many seasonal employees who rely on regular unemployment to get through the winter months. Every worker can only claim 12 total weeks of unemployment insurance through the state – so seasonal workers may have already exhausted their benefits for the year.
 - Hearing businesses are worried they will lose workforce. Even a dozen people is a huge problem.
 - Don't know how many are in that circumstance.
 - Commerce Division of Employment Security may be able to get data on how many workers in the area of Okracoke (may be Hyde County) have exhausted their employment benefits already. Will share that data.

Review of potential business and workforce recovery programs

In 2017, Commerce wrote a document on programs to recommend and prioritize as GA considered hurricane recovery package. ID gaps state dollars could fill, where there are federal programs that could help businesses. Would like to revisit that document.

Let's put ideas on the table – what would you want to see?

- Pool of funds that could be used for state/local match in grant applications; funds for engineering required for getting federal funding for recovery of infrastructure that businesses depend on.
- Payroll assistance. More and more companies try to pay businesses rather than file for unemployment. Even a matching program would incentivize that. Larger employers do it. Some down 3-4 weeks so unemployment insurance is a tremendous cut, but if company can provide regular paycheck then incentivizes company to lessen pain.
- In cases like Dorian where we don't have a federal declaration, programs like dislocated worker that don't activate – can we have state equivalent? Dislocated worker program where the state pays workers affected by disaster to work on state projects and help retain the workforce, keeps them in community.

- Target individuals affected by disaster and a lot of jobs are \$13 an hour, which is better than unemployment insurance. Could run through local workforce board?
- Temporary incentives to get construction firms, ideally in-state firms, to operate in disaster impacted areas. e.g. pay for housing and transportation to help close contractor gap. Temporary housing for contractors? Can we incentivize especially for projects that benefit middle and low income households. Could do by temporary housing for disaster survivors –once vacated, use that housing for contractors.
- Vacant buildings and teardowns and demos. Targeted programs focused on commercial properties. Driven by municipality or local government – so that the town can make strategic decisions about commercial corridors and recovery. Local govt. could layer those decisions with residential buyouts– target teardowns to where you’ll also have residential relocation.
- Tourism marketing
- Direct counseling and assistance
- Mitigation strategies for businesses. Not a need for loans, need incentivized and/or subsidized small business property mitigation strategies if whole community flood protection isn’t feasible. That way businesses can do dry/wet floodproofing through grants and/or cost share in places we know will flood.
 - Need to be proactive: develop options for every phase so businesses can invest in resiliency outside of disaster recovery.
 - Don’t have resources or don’t have time to know where to begin. Even just small business paperwork stuff.
 - University partnerships? Helps us farm out systematic needs assessment if we can direct those up front to be useful, not too academic. E.g. NSF rapid funding to assess Ocracoke community recovery. Could help us more with understanding things like why the UI data looks the way it does.
- Problem with predatory small business lending after disaster – could there be protections. After a disaster businesses are more likely to be susceptible to predatory lending to make payroll or rebuild quickly. They get things in the mail that look like checks, cash them, and then find out it’s 10% monthly interest, not yearly. Lenders won’t even take payments from refinancing through Thread Capital because it cuts their profit. Post-disaster gouging laws don’t apply to small business, including lending. Need to balance protections for small businesses with not creating any obstacles to access to capital.

Next steps: Susan creates a document with a title for each item. RSF members rank each option, as a group figure out top 5, then move forward to do a deeper dive. Prioritize based on impact, and then feasibility.

Could there be a narrow ask for a dislocated worker program following federal structure? Input has been requested from cabinet agencies for a possible legislative ask.

Meeting date for November and December

Dec. 4, 10 am - 12 pm

Action items for follow up

- Tracked changes on SBA memo
- Housing RSF workforce work group
- Ranking of topics from roundtable
- Next meeting: codifying operations after a disaster. Pickup from Persia's operations after a disaster? Ask her to join next meeting.