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GOVERNING FOR RESILIENCE

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GOVERNING FOR RESILIENCE

Summary of Key Recommendations

PUBLIC SECTOR			PRIVATE SECTOR
LOCAL	STATE	FEDERAL	
<p>1. Begin a collaborative effort now: Local governments should form a collaborative agreement with other agencies using existing law to focus programs and regulatory activities on shared goals for long-term resiliency. This is critical in communities in high fire or earthquake risk areas.</p> <p>2. Anticipate local political issues: Joint Powers Authorities can set their own rules for governing; the biggest issue is often how to weigh the votes of the members on controversial matters. In setting these rules, community leaders need to consider: How much authority members are willing to delegate to the JPA? How should they allocate financial resources for major projects?</p> <p>3. Think regionally—and adopt new financing tools: The closer a Joint Powers Authorities can come to operating at a regional scale, the greater the opportunity to tap the resources needed (by capturing a portion of growth in the regional economy or through some other means) to invest in resilient and sustainable infrastructure, including affordable housing, water projects, transportation systems, and other community infrastructure. Models exist, including a Joint Powers Authorities bond pool operated by Association of Bay Area Governments, which sells bonds for projects backed by user fees and city payments to fund local infrastructure projects.</p>	<p>1. Provide financial support to local governments that form Joint Powers Authorities focused on resiliency:</p> <ul style="list-style-type: none"> a) Coordinate existing resources: The State should take administrative action to coordinate state resources and programs and match local investments in resilient infrastructure. b) Capitalize a resiliency fund: Either through a one-time appropriation or a stand-by authority authorizing the Governor to issue indebtedness. <p>2. Streamline regulations and programs for collaborative governance platforms: The State should work with Joint Powers Authorities to streamline regulations for projects that promote resilient communities. The State also could consolidate grant proposals for assistance and provide exemptions from additional environmental review.</p>	<p>1. Expand assistance beyond mitigation: The federal government through FEMA and other agencies should invest more resources into resiliency beyond just assisting communities with rebuilding to their pre-disaster state.</p>	<p>1. Engage early in local Joint Powers Authority formation: Local business and civic leaders should be involved in the earliest stages of a community's formation of a JPA focused on resiliency.</p> <p>2. Advocate for state actions: The private sector should mobilize to advocate at the local and state levels for legislative and administrative actions, including funding and regulatory innovations.</p> <p>3. Promote philanthropic investment in community resilience: As local, state and federal governments pivot to develop climate adaptation strategies, the private sector should play a supportive role in encouraging philanthropic investment to jumpstart initiatives and pilot projects.</p>

INTRODUCTION

As California communities seek to grow and thrive, they face dramatic new disruptions: a range of increasingly frequent natural disasters associated with climate change, and the social and economic dislocations caused by rising costs and changes in the workplace. To achieve lasting prosperity, California must build more sustainable, more resilient communities that can withstand these emerging challenges.

While economic disruptions can be difficult to anticipate, natural disasters have known causes and predictable consequences—providing communities with tangible circumstances to guide efforts to prevent damage, respond effectively and recover quickly. In the year after wildfires devastated the North Bay, California Forward and its Summit partners worked with local governments and civic groups to assess the region's recovery—and to capture lessons learned in Sonoma, Napa, and other counties to inform state level discussions for building more resilient, economically robust communities.

The North Bay's response to the fires, in particular, produced a thoughtful proposal for rebuilding fire-impacted neighborhoods and promoting environmentally sustainable development. That proposal informed conversations at the 2018 California Economic Summit about how to govern for greater resiliency, as well as legislation introduced in 2019.

Having cooperated deeply in the throes of the firestorm, the city of Santa Rosa and Sonoma County developed a formal intergovernmental relationship with a Joint Powers Authority to support the rebuilding effort. The partnership is intended to coordinate a wide range of policy levers—including new local infrastructure investments paired with additional state resources—to build 30,000 homes over 10 years. The goal, as expressed in an April 2019 joint statement from the city and county is to put “equity, affordability, and climate resiliency in the center of our housing and economic development.”

This paper takes a broader look at the Sonoma experience to consider options for public, private and civic-sector leaders throughout the state who seek to build more collaborative relationships important to the everyday efforts of growing equitable and sustainable communities—and essential to increasing resiliency to large-scale disruptions.

CRITICAL CONSIDERATIONS

To increase resiliency—in immediate response to disaster or as part of longer-term preparedness planning—local governments need to consider some fundamental governance-related questions:

Collaborative governance: Which public agencies need to partner, on what geo-political scale? What additional powers are required, especially related to funding, financing, service delivery and project approval?

Role of the State: How can the State promote and participate in multi-jurisdictional partnerships, by providing new funds, aligning existing programs and resources, or coordinating regulatory activities?

Role of business and community: How can private and civic sector partners inspire community buy-in, efficiently coordinate services and fill gaps, creatively resolve problems and conflicts, and sustain a communitywide commitment to results?

The table at left summarizes the key recommendations of this paper.



TOWARD RESILIENCE-FOCUSED GOVERNANCE

As natural disasters grow in frequency and impact, so does the collective experience and lessons learned from emergency response and efforts to help displaced people and businesses clean up the debris and meet their immediate needs. Less has been written, however, about the hard work of long-term recovery—to rebuild structures, lives and communities, and the comprehensive strategies and capacities required to do so.

As more communities experience the difficult road to recovery, still more communities are seeking to build the capacity to respond and recover prior to that life-changing effort—with the hope and the goal of reducing harm and damage, improving emergency response and developing a systemic ability to bounce back. In other words, to be resilient.

Resiliency is the forward-looking term that many civic leaders grasp quickly to try and inspire and direct the monumental tasks required for recovery. The standard definition is the capacity to recover quickly from difficulties.

The leaders in Sonoma, however, embraced a more aspirational definition. Instead of simply seeking to restore the pre-disaster status quo, Sonoma's leaders are pursuing an improved state—a community and region that is more economically vibrant, more environmentally sustainable, and more socially equitable than before.



A more resilient future requires a fortified structure of community governance.

The most significant characteristics of this fortified structure are functional coordination and integration among agencies, and collaboration among their elected and executive leadership and professional staffs. Developed prior to emergencies, these attributes can produce a more swift and sure-footed response, accelerating recovery and improving long term outcomes.

Embedded resilience also requires the continuous and active engagement of the community, including those segments that have not traditionally been involved. Different parts of the community have different needs, and all parts of the community can contribute to a comprehensive solution. Affirmative steps need to be taken to ensure those with low incomes and language barriers can fully participate. This is critical before, during and after the disaster.

How can communities better prepare for integrated response? This paper focuses on two major issues for consideration:

- 1) Promoting collaborative governance at the local, state, and federal levels; and
- 2) Encouraging participation from the private, non-profit and philanthropic sectors.

1. PROMOTING COLLABORATIVE GOVERNANCE—LOCAL, STATE AND FEDERAL

The diversity of government agencies are significant assets—authorities, resources and expertise—to deal with public issues. Over the last generation, many innovations in policy and practices have focused on developing the right relationships among these agencies to improve outcomes—results the agencies cannot produce without working together across levels and jurisdictions.

CONNECTING LOCAL GOVERNMENTS

California's decentralized form of local government presents an obstacle to a more integrated approach to pre-disaster preparation and post-disaster recovery. Governmental entities tend to operate within their defined institutional models: Counties have specific functions, mostly as agents of the state for criminal justice, public health and human services. Cities focus on land use authority and municipal services. Special districts primarily have narrow, service-defined functions, such as water supply, fire protection and transportation services.

K-12 school districts and community college districts are essential partners, too, because of the services they provide to so many residents, and the extensive physical plants which will inevitably be tapped as evacuation centers and staging areas.

Collaborative governance—in both ordinary and extraordinary times—can improve communications, coordinate decision-making, aggregate resources, and integrate authorities to produce a more comprehensive and unified response.



Following a major disaster—particularly those that cross jurisdictional lines, such as earthquakes, floods and fires—alternative local governance structures can facilitate rapid short-term and long-term recovery and resilience.

The ability to respond quickly after major disasters can be significantly enhanced if collaborative structures are put in place before the event, especially given that major disasters often cross political boundaries and can demand action by multiple governmental agencies—to address public health and safety, mental health, housing, transportation infrastructure, drinking water supplies, the power grid, and a range of other public services.

These inter-agency arrangements can be positioned along a continuum from intentional communication at one extreme—often intended to avoid conflicts or duplication—to deep collaboration at the other, enabling agencies to deploy their individual assets and strengths toward a shared objective. The structures and processes used reflect the intensity and the durability of the relationships, from informal agreements, to connected infrastructure, to new legal entities.



CONNECTING LOCAL GOVERNMENTS

→ INFORMAL COORDINATION AGREEMENTS

Coordination agreements can be established locally or by state action. The jurisdictions involved can create whatever arrangements meet their needs, while retaining all of their independent authority. This structure is the easiest to establish and may include some form of a Coordinating Council that provides overall policy direction. The Council can develop the shared vision for what must get done, coordinate policy and project development, charter task forces to explore specific issues, identify funding sources, allocate resources toward agreed-upon priorities, etc.

The Coordinating Council can operate for as long as members find it useful and be easily disbanded when the work is done. Funding rules may restrict some cross-jurisdictional projects, but arrangements can often be endorsed through routine federal or state administrative approval.

For example, after more than 5,000 homes were destroyed in the 2017 North Bay fires, city and county elected officials formed an ad hoc working group that met regularly on a range of issues—and whose members quickly agreed that the region should look beyond replacing the homes destroyed by the fire to providing the number of homes needed by the community. City and county leaders already knew that the community needed 30,000 housing units to bring housing supplies into balance with demand. Officials from multiple agencies were tasked with crafting a shared strategy for meeting the goal.

→ MEMORANDA OF AGREEMENT

Jurisdictions also may desire to establish more formal commitments for collective action by entering into a Memorandum of Agreement that sets forth what will be done, defines roles and responsibilities, and establishes a process and sequence of anticipated events. Agreements can establish joint planning, permitting and allocation of resources. They can define staffing responsibilities. They can establish

plans for seeking state and federal approvals, and even frameworks for changing state and federal policies.

Their structure is more formal than the Coordinating Council, spelling out specifically what is to be done and by whom. State legislation is not usually required for these partnerships, but they typically are approved by the governing bodies.

FORGED BY FIRE

With about half of the destroyed homes in the City of Santa Rosa and the balance in unincorporated Sonoma County, the need for better communication and cooperation among the two governments became clear on Day 1 of the disaster.

For the first time in anyone's memory, the City Council and the County Board of Supervisors conducted joint meetings.

Understanding that good communication was critical to success, staff from both governments met daily to share information and think through common problems.

Relationships were developed and a shared understanding emerged that ongoing cooperation would accelerate recovery.

That awareness gave rise to the creation of the Joint Powers Authority known as the Renewal Enterprise District with the focus on housing and infrastructure investment.

→ THE JOINT POWERS AUTHORITY (JPA)—A PLATFORM FOR RESILIENT GOVERNANCE

Historically, local agreements of this sort in California have taken two basic forms. One is an informal agreement to cooperate (similar to Sonoma's initial ad hoc workgroups). The other is a more formal model known as a Joint Powers Authority, which has proven to have significant advantages for addressing multiple needs.

Most JPAs across the state have a rather narrow focus—providing a joint library program, for example, or handling hazardous materials crossing jurisdictional lines. Responding to a major disaster necessitates a broader scope, while promoting long term resiliency requires even more collaboration over a longer period of time.

California has a history of collaborative models for fire response. The Orange County Fire Authority, one of the larger JPAs in the state, involves the county and the cities in an integrated disaster response system. A similar system was developed in Riverside County, which has 28 cities and 2.4 million people. This history—along with increasing expectations for larger scale disasters—is prompting a major shift toward regional governance and integrated approaches in all areas of emergency response.

Local governments already have the legal authority required to establish a JPA focused on resilience, which Sonoma County and the City of Santa Rosa determined is the best way to pursue their "build back better" housing goal.

The city and county began discussions in the summer of 2018 regarding a new JPA known as the "Renewal Enterprise District," which was designed as a way to work across jurisdictions to market and attract developers, blend private financing and public funds, leverage state and federal grant funds, and facilitate the creation of housing that meets state goals for increased density, access to transit, protection of open space and community separators, as well as improved energy efficiency, climate resilience, equity, and affordability.

The biggest hurdle was for the two agencies to agree to contribute a portion of the growth in the property tax to pay for infrastructure improvements required for the long-term build out. The leaders in Sonoma ultimately conditioned their individual commitments on a commitment from the State to make a contribution in the start-up phase, which also would be key to attracting private capital to projects.

While JPAs have been used for decades, the Sonoma Renewal Enterprise District also plans to pair it with an Enhanced Infrastructure Financing District (EIFD)—an authority established in 2014, with leadership from the California Economic Summit, to encourage local governments to work together, braid funding and finance physical improvements required to attract private capital for residential and commercial construction and job creation.

HOW JOINT POWERS AUTHORITIES ENABLE COLLABORATION*

1. JPAs are flexible and easy to form.

The Joint Exercise of Powers Act allows any government agency to participate in a JPA and allows members to create their own structure and obligations.

2. JPAs may be more efficient than separate governments.

JPAs allow local agencies to join forces and tackle issues together, using each agency's personnel, expertise, equipment, and property.

3. JPAs finance public works.

JPAs can finance improvements such as parks, city halls, courthouses, and schools, while also providing capital by selling bonds and refinancing members' debts.

4. JPAs cooperate at scale.

JPAs can be structured to serve geopolitical areas with common needs, enabling communities to deal with issues that cross agency boundaries and involve multiple specialties, such as affordable housing, transportation and social services.

5. JPAs can tap new funding.

Collaborative efforts can successfully compete for grants and other funding sources seeking to improve outcomes that one agency cannot produce, and they are evidence of a formal commitment to work together.

*This list adapted from "Governments Working Together," 2007; Senate Local Government Committee.

In each succeeding session, the Legislature has expanded and refined the legal authorities. Currently, the Legislature is considering improvements developed by the Summit and its partners that would allow state agencies to partner with local governments, and would allow school districts and community colleges to partner with general purpose local governments.

RETHINKING THE ROLE OF THE STATE

Whether it is responding to disasters or promoting long term resiliency, the State's role also must evolve, moving beyond emergency planning mandates, short-term funding and narrow regulatory relief toward a co-investment approach with communities eager to increase their resiliency.

FINANCIAL INCENTIVES

The State should encourage and incentivize communities to proactively plan for a more resilient future. The Santa Rosa/Sonoma proposal was crafted along these lines, with the JPA seeking a local-state match on housing assistance and infrastructure investment. Specifically, Sonoma partners offered to re-invest a certain portion of the anticipated growth in the property through an EIFD. To jump start the developments, the local agencies asked the State to allocate a portion of the revenue attributable to the growth in the local economy to community infrastructure, with all local entities remaining financially whole.

The Legislature is currently considering legislation—SB 5 (Beall)—that would provide state financial support for similar projects throughout California.

REGULATIONS

State agencies have long been able to waive regulatory requirements in a declared disaster area. But that authority is limited to repairing or replacing what was damaged or destroyed. The State could expand disaster-related regulatory waivers to advantage rebuilding projects that advance the State's sustainability and equity goals, especially those that will accelerate recovery and minimize harm from future events.

The State could significantly advantage “rebuild better” projects by limiting the scope of assessments required under the California Environmental Quality Act and by protecting these projects from the costs and uncertainties of anonymous lawsuits that can stop projects even when there is no significant environmental threat. Policymakers could extend the same protections provided in the past for sports venues to projects that go beyond replacing what was lost.

The Governor could proactively direct appropriate department heads to identify state regulations that may need to be coordinated or modified to expedite efficient rebuilding. These rules could be identified by evaluating past responses and consulting with communities that are striving to rebuild better.

The regulatory requirements will differ depending upon the nature of the disaster. The State must be prepared to work in real-time with local officials to ensure the maximum coordination possible and, where necessary, coordinate statutory changes with lawmakers.



FEDERAL GOVERNMENT

The federal government is an essential partner in preparing for, responding to, and recovering from disasters. Congress and the federal agencies have shown an increasing interest in projects that proactively reduce future harm and increase resiliency.

Still, the involvement of multiple federal agencies can challenge the ability of local governments—particularly rural governments—to understand requirements and do their part to clear debris, and secure short-term housing and other social and economic assistance.

Federal Emergency Management Agency (FEMA) assistance stops well short of a community's financial needs, most notably infrastructure replacement and housing assistance over the longer term. Funding infrastructure only to the pre-existing condition is not a foundation for resilience, especially if the condition was barely standard before the disaster. The State must be prepared to work with local governments to fill those gaps and to influence federal decisions that limit recovery.

For example, in 2018 Congress passed the Disaster Recovery and Reform Act, which establishes a new continuous appropriation to fund mitigation that can prevent and reduce damage and injury. FEMA estimates the program will be operational in 2020. The State and the counties could work together to identify projects that will provide the greatest benefits, and communicate clearly to FEMA as it establishes the program to prioritize those kinds of projects. The State also could work with counties to braid state funds with federal sources and coordinate regulatory compliance to reduce the costs and time associated to put projects in place.

LOCAL/STATE/FEDERAL INTERFACE

Federal agencies work directly with local governments as well as the State, and in some instances the State plays an important intermediary role to make sure local governments are receiving the federal assistance they need.

Given the increasing frequency, severity and geographic reach of disasters—and the expectations for climate change to compound the impacts of fires and floods—the State and local governments should assess how they can work even better together to optimize federal assistance.

For example, claims submitted to FEMA can take years to process and communities have often had claims rejected by FEMA years after those communities spent funds with the expectation of being reimbursed.

Similarly, many communities need help connecting residents with federal aid during the early stages of response and recovery, and particularly vulnerable families with cultural or language barriers. For example, renters have 60 days to file for FEMA assistance. Finding renters who have been displaced requires extraordinary effort and in the midst of the disaster local resources are so constrained that the 60-day time period is far too short. Nonetheless, FEMA holds rigidly to these time periods to file a claim which almost ensures failure in getting renters assistance they need.

How can the State and local agencies fortify the expertise needed to effectively work with federal agencies in real time to maximize federal benefits, resolve conflicts and minimize financial risks? This expertise could be provided through a state-local partnership and deployed when and where necessary to assist local agencies.

2. ENCOURAGING PARTNERSHIPS WITH PRIVATE AND NONPROFIT SECTORS

The private sector, and its willingness to invest, plays an essential role in disaster response and community resiliency. Major employers can be compelling advocates for public policies that will strengthen the local economy, just as they invest time and resources to quickly restore their own operations. Similarly, non-profit organizations and philanthropy play a critical role in restoring the social health of the community by quickly channeling resources to those most in need.

To encourage participation by all these partners, local governments should institute collaborative planning processes and include community advisors early in the creation of any Joint Powers Authority intended to promote resiliency.

SONOMA PRIVATE SECTOR LEADERSHIP

Efforts by Sonoma County business leaders in the wake of the 2017 fires may once again provide a model. The California Economic Summit in 2018 partnered with Sonoma County, the Santa Rosa Chamber of Commerce and Deloitte to plan and conduct a “Greenhouse” experience to identify high-impact cross-sector activities that would accelerate the recovery process.

Deloitte provided pro bono project design, process tools and subject matter expertise. The Deloitte team diagnosed that 11 months after the fire, many leaders were becoming frustrated that multiple planning efforts were not resulting in action and reconstruction was moving slowly.

Some 40 public, private and civic sector leaders were convened and over the course of a day developed a shared understanding of what would be required to address the barriers to the established goal of “rebuilding better.”

The obstacles were known—even predictable—from the high costs of infrastructure to neighborhood opposition. But united by a bias for action, the leaders identified four specific actions that would address the barriers, numerous specific steps that could be taken, and a long list of individual commitments to advance the shared agenda.

Specificity of action was key to restoring confidence among the leaders that the community did not have to be stuck in “planning mode.” The leaders also quickly realized that collaboration and partnership among regional businesses, government entities, and non-profits would be essential to making the desired progress. The group agreed to four specific next steps that could be used by other communities considering

public/private partnerships to promote resilient governance:

- » **A) Form a Sonoma County Housing Council, with representation from the public and private sectors, to pool funding, drive accountability, and increase advocacy for housing development in Sonoma County.**
- » **B) Identify new, unique, innovative funding sources for housing development.**
- » **C) Enable affordable housing development through “by-right” regulation (removing barriers to development).**
- » **D) Develop a communications campaign (led by non-profit and private sector organizations), to inspire community buy-in for housing development plans.**

The Santa Rosa Chamber of Commerce frequently reports out progress being made on all four objectives.

Finally, the philanthropic community plays an essential role in supporting community resilience. In the wake of the 2017 fires, over \$90 million was donated for the North Bay, most of it to Sonoma County, with the majority of funds coming from outside the county. In addition to relief for those directly affected by the fires, philanthropic funds supported systemic reforms such as community visioning for a more equitable, sustainable recovery; collaboration across political jurisdictions; and sharing of “lessons learned” more broadly through efforts like this one. The private sector can be helpful in raising funds and promoting relationships that help communities deal with the aftermath of disaster as they prepare to “build back better.”

CONCLUSION

Community and regional leaders have expressed the challenges they are facing with the status quo—exorbitant housing prices and growing homelessness, a growing underclass and a lack of living wage jobs. The challenges of a new status quo, defined by natural disasters and economic disruptions, could seem too much to handle.

This document captures just some of the ambitious and creative efforts that emerged from the North Bay fires to essentially set a new standard for recovery, and then to develop the civic muscle to achieve that standard. The new approach uses the emergency to take on what was already urgent—the imperative of government agencies to work closer together and with their civic and business leaders to break through self-imposed limitations and improve the prosperity, equity and sustainability of their communities.

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