



The Holzheimer Memorial Student Scholarship

The Economic Development Division is pleased to announce the winners of the EDD Holzheimer Scholarship competition. The committee received 20 submissions from students or recent graduates from around the United States on a wide variety of topics related to economic development planning. The winner is **Emma González Roberts** of the Massachusetts Institute of Technology, who submitted the paper “Rebuilding Main Street After COVID-19: Recommendations for and Reflections from Small and Mid-Sized American Cities.” The paper summarizes research conducted in summer 2020 in six U.S. cities in the Northeast and Midwest examining the impact of the COVID-19 pandemic on downtown retail spaces. Based on a business survey and interviews with local officials, Emma’s paper offers practical recommendations for cities and their retail cores as they grapple with the fallout of business closures, commercial vacancy, and potential long-term decreases in downtown activity in the pandemic’s wake.

Ms. Gonzalez will be awarded a \$2,000 scholarship, and recognized at the Division Business Meeting on May 6 during the National Planning Conference.

The committee also acknowledged the following submission with “Honorable Mention” designation: **Grace Yixian Zhou & Avi Gandhi** (Cornell University), “Short Term Rentals: Economic Implications and Local Policy Response.”

The 2021 Holzheimer Scholarship committee was comprised of: Dr. Greg Schrock of Portland State University (chair); Dr. Li (Kerry) Fang of University of Florida; Dr. Henry Renski of University of Massachusetts at Amherst; Corey Proctor of Forrest County, Mississippi; Katie McConnell of Arlington (VA) Economic Development; and Emily Egan of City of Elmhurst, Illinois.

The winning paper, and a summary of the honorable mention, are published in this edition of *News & Views*. Thank you to all participants, and congratulations to those recognized.

Rebuilding Main Street After Covid-19: Recommendations for and Reflections from Small and Mid-Sized American Cities

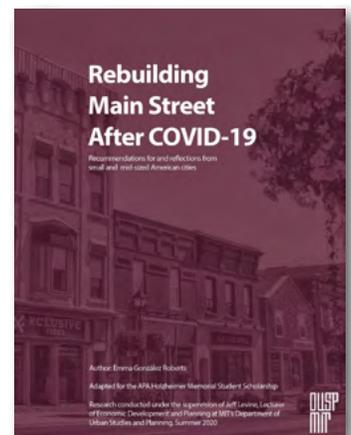
by Emma González Roberts

The arrival and persistence of COVID-19 pandemic has created one of the largest shocks to the ecosystem of America’s downtowns since the Great Depression. The pandemic has both resulted in a sudden need for most businesses to close, and reductions in disposable income that affected stores once they reopened. Add the public health precautions that need to be taken, and the uncertainty of when things can return to “normal,” and it becomes clear that we are in uncharted waters. There has been a fair amount of re-



search on what can help downtowns weather this pandemic in the short term. However, there has not been much work done on what happens next. This project is designed to answer that question: What long-term changes will be needed to ensure that downtown businesses can thrive in a post-COVID-19 environment? Based on data collected from interviews with 11 economic development professionals and survey responses from 131 small businesses in six U.S. cities, this study provides five recommendations for supporting small businesses and reimagining downtowns in the wake of COVID-19.

Holzheimer Memorial Student Scholarship Essay



(continued on page 8)

Notes From The Chair

Just One Thing

by Sean M. Maguire, AICP CEcD
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I often refer to our work as existing at the intersection of both planning and economic development. I identify equally with both fields, which is probably like many of you in our Economic Development Division. But looking back, I don't think that I always understood

nor appreciated that critical, interdisciplinary cross-roads. Even early in my career I struggled with the notion of being an "Economic Development Planner" because many of my colleagues were either planners or economic developers. I found myself wanting to exist exclusively in one realm or the other — not realizing that being smack in the middle of both was where I felt most comfortable in practicing my trade.

So, what does it mean to be here at this planning and economic development convergence? To me, it means that my concept of development is not bigger, but better. It means that economic development is more than just real estate development and business attraction — it is workforce development, environmental and economic sustainability, environmental justice, and community building, to name a few. In the course I teach, Local Economic Development Strategies and Techniques, we start defining economic development as a term in the first week. But it isn't until the third week that we start to refine that definition to one that puts the spotlight in where planning and economic development co-exist. Each semester my class develops its definition in its words, but the themes are consistent — reflecting ideas that mirror our current state. Here is my current, working definition:

Economic development consists of public policies and private actions which strive to improve the overall quality of life for a community or region by raising its standard of living, reducing inequality, and using all resources in a sustainable manner.

As economic development planners, we should all be laser focused on what we can do to make our communities better and greater tomorrow than they were yesterday. It's as easy as starting with just one thing.

After the past year, I found myself entering 2021 asking myself, what can I do? What do I have to contribute to make my community better? All of the aspirations of 2020 were suddenly overwhelming — at home, at work, and here in our Division. I began to use an old trick I used when I trained for my first half-marathon as a way to get my partner to agree to a vacation I knew she didn't want to take as much as I did. She agreed to the vacation provided I run a half-marathon while we were there. It was a deal! I trained for weeks and months. And whenever I felt like I couldn't go much further, I told myself that I just had to hold on for one more minute. I can tolerate anything for a minute. And once that minute was behind me, it was another accomplishment. I apply the same to a lot of things in my life.

Economic development is more than just real estate development and business attraction — it is workforce development, environmental and economic sustainability, environmental justice, and community building, to name a few.

When all of my staff returned to working in the office after an alternating office/work from home schedule, I dispensed with a litany of goals I had for 2021. I said that we would focus on one thing and we would do it well. I've decided to apply the same principles here in our Division.

"Just One Thing"

Let's face it, our Division has been a little quiet. That's neither here nor there. It just is. But after the past year, we have a job to do for our communities as economic development planners. We are going to be the leaders and drivers in our communities. And

(continued on page 3)

FROM THE CHAIR, CONT. FROM P. 2

to do that, you need a Division that is a resource for the work ahead of you. We're going to be that resource for you and to do that, *we need you!* In 2021, I'm challenging you as a member of our Economic Development Division to do just one thing for the benefit of you and your colleagues. For our elected and appointed leaders, they've heard this from me each month as we press forward. As a group, we collectively committed to just one thing and we've already accomplished so much without getting pulled under by the weight of the work that is always there. ***I challenge you to do just one thing to support the Economic Development Division this year!***

We've launched a new email update, which I'm calling "EDD Notes." This is our way of staying in touch with you with information about courses, careers, and items of general interest. This update comes at least once a month to all our members as a supplemental resource to our *News & Views* newsletter that you've always received.

In March, we kicked off a quarterly membership meet-up to connect with you virtually. It's an hour of time to get a brief update and new member orientation from the Division, followed by time to gather in small groups to talk about what's going on all around the country. We had more than 100 members register, and more than 60 members were present at the event. Our next one will come in June with a slightly modified format.

At NPC21 in May, the Division will sponsor a booth as a place for current members and new mem-

bers to meet up throughout the three-day program. We recognize that one of the great opportunities we have at NPC is to see others face-to-face that we don't have the opportunity to work directly with. But we can facilitate these unplanned interactions virtually by reallocating a portion of our budget that would have been used for a membership reception.

Give Your "Just One Thing"

Challenge accepted? Great! Now what will you do? Let me tell you a little more about some of the things that we need. It's up to you to decide how you can give your just one thing. These are just a few of the ideas we have for you:

- **Share Information.** First and foremost, we need members to share with us information about what is happening around the United States that other members may find resourceful. That includes opportunities, news article about economic development and planning, opinion pieces about policies and practices, or an original article about a topic relevant to our members.
- **Volunteer for a Leadership Position.** If you have prior leadership experience or are looking to develop some, we need you to join a committee or take on the responsibility of being a coordinator or committee chair. As a volunteer organization, we always welcome new people and say some hard goodbyes as our members experience changes and transitions in their lives. You can visit our website at <http://economic.planning.org> to meet our leadership team and identify opportunities to get involved where we have a vacancy. You'll also find more information [on page 4](#) about these vacant positions.
- **Give Us Your Feedback.** Finally, if you don't know where to begin, my door is always open to you and all of our members. You can email me from our website, or my personal email is always provided at the top of each article. I've already heard from a few members and I hope to hear from many more throughout 2021 as I know many of you will do just one thing for the EDD this year.

Click for Registration Link!

JOIN US
For the APA Economic Development Division
Annual Business Meeting
at the NPC!
 May 6 @ 7pm ET
 Please register by ZOOM
 Networking afterwards

Volunteer Opportunities with the Economic Development Division



American Planning Association
Economic Development Division

These positions are currently vacant and we need your help to accomplish all we have planned for 2021. To express interest or to apply, please express your interest via email to info_EDD@planning.org.

STUDENT REPRESENTATIVE. The Student Representative serves as a liaison between the Division’s student members and Executive Committee and leads efforts to recruit student members to join the Division.

NEWSLETTER EDITOR. The Newsletter Editor identifies and works with authors to collect and edit articles for the quarterly newsletter about economic development. The newsletter layout is not part of this position’s responsibility.

CONTENT CREATORS AND GENERATORS. Content creators and generators can be authors or assist the Newsletter Editor to identify content for newsletters and updates to the membership.

MARKETING MANAGER. The Marketing Manager works with the Communications Chair to develop brochures, publications, swag, and other marketing materials for the Division. The Marketing Manager must have experience with graphic design.

LEARNING COMMITTEE CHAIR. The Learning Committee Chair works with Division Leadership to ensure that the learning objectives of the Division are being met. Preference will be given to someone with connections to academia.

FELLOWSHIP COORDINATOR. The Fellowship Coordinator will work with the Learning Chair to Conduct the successful annual Fellowship Program. The Fellowship Coordinator will promote the fellowship, work with Division Leadership to select a fellow, and coordinate with the fellow at the NPC. Preference will be given to someone with connections to academia.

MEMBERSHIP COMMITTEE CHAIR. The Membership Committee Chair will work with the Division Leadership to encourage membership in the Division. The Membership Coordinator must be interested in creating new benefits to encourage membership. The Membership Coordinator will also work to develop relationships between members through networking events and mentoring. The Membership Coordinator will ensure that the members with free membership are integrated into the Division and supporting the work plan.



Register For the May AICP Certification Exam

If you have an approved AICP application, now is the time to register for the May AICP Certification Exam — even if you haven’t submitted your essays! Exam registration is open until April 30.

AICP Certification brings value to your career, the organization you work for, and the communities you serve. Do you want to demonstrate your expertise, show your commitment to professional ethics, distinguish yourself in the job market, and keep your planning skills in tip-top shape? Good news! Getting AICP-certified is simpler and more flexible than ever.

Learn more at <https://planning.org/certification/>

Letter to the Editor

Who's supposed to live in ADUs?

Seems like everyone's fawning over Accessory Dwelling Units (ADUs) these days as the latest tool to resolve our nation's burgeoning affordable housing crisis. All sorts of praises and excitement have been exalted upon Los Angeles for its progressive Backyard Homes Project, which mobilizes private and non-profit builders alike and could yield up to 5,000 new housing units on existing single-family lots.

But to be honest — I'm not feeling ADUs like most planners.

Quick question: who's supposed to live in ADUs? Efficiently designed 300-800 s.f. living units are supposed to be sufficient for whom, exactly? Kwame graduating from college? Newlyweds Jacob and Jenny? Maybe. But in the great city of Atlanta where I live, the average household size is 2.19 (2019 ACS, 5-year estimate), and the average family size is 3.27 persons (2019 ACS, 5-year estimate). In LA, household size is 2.99, and average family size is 3.66 persons. I don't see ADUs serving the needs of our families — especially for our families with school-age youngsters — very well.

And I don't get the sense that ADUs are very affordable endeavors for renters. Design and construction for ADUs can range between \$100K-\$130K in Los Angeles (well-designed rentals LA can afford...Lubell). Rents demanded in LA could reach \$1,200 or more, market dependent. I get the sense that landlords will maximize their rental income — which will further exclude low-income Americans.

I understand that there is no silver bullet for America's affordable housing crisis, and I can appreciate the innovative product types. Still, I am in favor of efforts that promote modest infill residential renovations, instead, to provide affordable housing solutions for families — particularly low-income peoples. Or truly paying folks living wages.

While every little bit helps, who gets helped also matters. I guess we'll see how and who ADUs truly helps in the end.

— Randy G. Gibbs is a Broker with Real Estate Randy, Inc. He can be reached at Randy@RealEstateRandyInc.com.

We welcome comments, questions, announcements, feature stories, and letters to the editor! Please address your correspondence to info_EDD@planning.org.



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Introducing the Economic Development Division Leadership for 2021-2022

by Vicki Oppenheim, AICP, Communications Committee Chair

Every two years, the leadership at the Economic Development Division (EDD) undergoes a change with the transition of the Chair-Elect to Chair, Chair to Past Chair, and a new term for an incoming Chair-elect and Secretary-Treasurer. In 2020, the EDD saw a swell of interest from candidates interested in leadership roles. The EDD's Nominating Committee received six nominations for Chair-Elect and two for Secretary-Treasurer. On January 1st of odd-numbered years, the new leadership takes its positions. This term, your EDD leaders are Sean Maguire as Chair, Emi Thériault as Chair-Elect, and Morgan Worthman as Secretary-Treasurer. The Past Chair is Rebecca Leonard.

In this issue, the EDD is pleased to introduce the new leadership team and what they are looking forward to over the next two years.



Chair: Sean M. Maguire, AICP, CEcD

Sean joined the leadership team in 2019 as Chair-Elect following his election in the 2018 APA Consolidated Election cycle. He joined the EDD and became a volunteer, contributing both a webinar and newsletter article before taking

the leap into Division leadership. He is the Director of Planning and Economic Development for the Town of Colonie, New York. Maguire first became involved with the American Planning Association as a student at the University at Albany. He has held positions including Section Director, Chapter Newsletter Editor, and is also Vice President of the New York Upstate Chapter.

"For a long time, my involvement with APA was really limited to my local section and state chapter, but I wanted to connect with more people from across the organization and expand my professional network. It's been great because I've made new friends along the way that I would not have met otherwise," said Maguire.

After learning the role of Division Chair from now Past Chair Rebecca Leonard, Maguire is inspired to continue her momentum. "Rebecca has been a great mentor in preparing me for this position. She has a tremendous

network of planning professionals from her involvement at APA over the years. Over the past two years, it has been a wonderful experience learning from her and I'm honored to continue the work she's laid out for the Division."

While Divisions follow a work plan, the biennial change in leadership also allows a new team to embark on new ideas and opportunities. "After 2020, we're all ready for a re-start. We had so many ideas for our Division and while we've made the best of many of them, we still have many that were stalled by the challenges of the pandemic," said Maguire. "To help us get re-started, I am asking and challenging all EDD members to make a contribution of one thing. That can be one newsletter article, one introduction between members, or just one hour of time. This is our Twenty Twenty-One Thing, which will be exciting. As leaders, we're committed to adding a new opportunity to gather as a membership every few months which will serve as both a chance to talk and exchange ideas as well as an orientation and introduction for new members."

Keep your eyes open for the EDD's Twenty Twenty-One Thing challenge starting this spring. The Division invites members to make their contribution to the challenge. Read more about this challenge in the Chair's Corner in this issue.

Chair-Elect: Emi Thériault, AICP

Currently serving the City of Emeryville in California as their Small Business Support liaison, Emi has served as an urban planner for over 23 years and has been a member of AICP since 2004. She first became a member of APA in 1998 while still a student in Sonoma State University's Environmental Studies program and serving California Governor Wilson in an internship. Her role serving the Governor's Office of Planning and Resources began a career of municipal service intent on balancing the shared objectives of economic development, equity, and environmental protection in practical on-the-ground planning practices. She has been a contributor to the



(continued on page 7)

INTRODUCING THE EDD LEADERSHIP FOR 2021-2022, CONT. FROM P. 6

State of California General Plan Guidelines (on how to include practical measures to implement sustainable development principals in a General Plan) and has helped win regional and State awards for jurisdictions she has served based on promotion of sustainability.

Emi joins the EDD leadership team after being elected in 2020 as Chair-elect, a six-year commitment to the members of the Economic Development Division. For the next two years, Thériault will work closely with Maguire to manage committee activities, assist with special projects, assist with the creation of the Annual Performance Plan and Work Plan and planning efforts associated with the annual business meeting or the APA Annual Conference.

“Twenty-five years ago, I began being interested in working in the economic development field while I was working on a degree in environmental studies and in my first planning internships for the Governor’s Office of Planning and for various small and mid-sized cities,” said Thériault. “At that time, sustainable development was the model promoted as the highest and best approach to balancing and co-promoting the needs of the economy, social equity, and the environment. I have built a career that has consistently chosen to seek how to balance these sometimes competing goals.”

According to Thériault, the strongest economy is one in which consistent protection of human and physical resources guards the capital that fuels business interests. With her planning teams, she has balanced competing interests for the ultimate benefit of a sustainable economy.

In 2020, Thériault’s community went through some of the same challenges that communities across the United States faced. “The city I currently serve, along with its neighboring communities, faces some of the highest pandemic and civil unrest related impacts in my state. Rather than stand apart, the community, like our national community, sees the benefit of standing together to get through these times and sustain a way of life that economic development is meant to promote.”

Secretary-Treasurer: Morgan Wortham

Morgan has over 20 years of experience in economic and workforce development and urban planning. Wortham was previously the President/CEO of Envision Community Solutions in Iowa, where she managed multiple projects in economic and workforce development as well as consulted in nonprofit management, urban planning, affordable housing development and financial education. Prior to that, she was the Founder and Executive Director of New Waterloo Community Development Corporation in Waterloo, IA.

Morgan holds an MBA from the University of Northern Iowa and a MPA from Drake University. She has served on numerous boards and committees, including a chamber committee focused on diversity and inclusion, head start policy council, and city housing and community development commission. Morgan has also been recognized as one of Iowa’s Cedar Valley “20 under 40,” which honors outstanding young leaders.



Morgan is the Managing Director for the Maryland Women’s Business Center — a program of the Rockville Economic Development Inc. She leads MWBC’s team of experienced counselors and trainers who provide essential services to women entrepreneurs and empower them to launch and grow successful, women-owned businesses in Maryland’s Capital Region. She is also pursuing a Ph.D. in Urban & Regional Planning and Development at University of Maryland College Park and works as a Research Assistant at the University’s Center for Economic Development. Her role includes conducting research and analysis on economic impact and innovation ecosystems.

Morgan Wortham is the EDD’s new Secretary-Treasurer. In this role she prepares minutes of Division meetings, submits reports to APA National as required, manages overall communication to Division members, and manages Division funds in accordance with the annual budget. Morgan’s interest in equitable economic and community development and neighborhood revitalization in underserved minority markets will help the Division address APA’s focus on matters of equity and inclusion. She is currently taking an active role in promoting equity and economic development in the Division’s leadership discussions. She plans on continuing to have a key role in planning Division events and initiatives with the equity and inclusion theme.

REBUILDING MAIN STREET AFTER COVID-19, CONT. FROM P. 1



in economic development planning, programming, and/or policy within their community. Using a 13-question guide, we discussed the cities’ small business relief efforts, long-term COVID planning, and foreseeable changes in downtown employment and housing.

We also developed a seven-question survey designed for downtown small business owners and asked our contacts to distribute it to their respective listservs. We received a total of 131 unique responses. The survey asked small business owners about their most urgent needs, anticipated long-term challenges, and policy changes that would be most helpful.

Recommendations

Downtown landscapes have changed drastically since COVID-19 arrived in the United States in March 2020. At the time of the writing of this report, significant numbers of workers have not returned to downtown offices, large gatherings and events are not allowed

(continued on page 9)

Methods

In selecting the case studies for this project, we targeted mid-sized cities in New England and the Upper Midwest with populations between 50,000 and 150,000. The characteristics of these downtowns are generally similar, and cities this size have the capacity to implement policies to help local businesses. We chose cities with a variety of demographics in order to not limit our research to the well-off communities, nor to those with limited resources.

We conducted one-hour, semi-structured interviews with 11 economic development professionals over Zoom in July 2020. Each interviewee is a leader

Case Study Cities

City	State	Population ^[1]	Median Household Income ^[2]	Percent Non-White ^[3]
Flint	Michigan	95,538	\$27,717	63%
Haverhill	Massachusetts	64,014	\$67,579	27%
Lansing	Michigan	118,210	\$40,325	45%
Nashua	New Hampshire	89,355	\$73,022	27%
Portland	Maine	66,215	\$56,977	18%
Youngstown	Ohio	65,469	\$26,951	58%

¹U.S. Census Bureau 2019 Population Estimates.
²Ibid. National Median Household Income = \$63,179.
³Ibid. National Average Percent Non-White = 37%

REBUILDING MAIN STREET AFTER COVID-19, CONT. FROM P. 8

in most cities, and in-person shopping has decreased substantially. Nearly one year into the pandemic, the end to these conditions in American cities is still not near. Based on the interviews with stakeholders and responses from small business owners, we identified the following five recommendations. These recommendations are intended for city governments and economic development groups including but not limited to Business Improvement Districts, Buy Local Groups, Small Business Associations, and Chambers of Commerce.

1. Reimagine Downtown Uses

With many downtown office dwellers continuing to work from home, events and festivals canceled, and indoor uses limited, cities and economic development agencies must get creative with how downtowns can look, feel, and function in the time of COVID-19. Some creative ideas that surfaced in the survey responses and interviews included:

- Investing in permanent, covered spaces for outdoor eating and events
- Allowing fitness organizations to use parks for outdoor classes and activities
- Repurposing alleyways for outdoor dining and other activities
- Creating new art or mural exhibits that can be viewed from cars
- Using a space for drive-in movie nights
- Converting unused office space to residential uses

In terms of retail uses, small businesses should consider shifting their hours to cater towards patrons who

live in and near the downtown and those who are able to visit in the evening. Small businesses that provide essential goods such as grocery stores, convenience stores, and pharmacies may see the most stability, as opposed to retailers that cater more to daytime patrons or tourists.

“We need to realize that in-store shopping has been in crisis for some time. This may not be the time to make major investments in propping up the old forms, but time to reimagine how we shop and convey goods.”

— Retail business in Portland, ME

2. Invest in Housing Downtown

This public health crisis affirms the role of housing in a healthy, vibrant, and sustainable downtown. Downtown residents provide a permanent consumer base that small businesses can rely on. Cities should evaluate the housing development opportunities downtown, including newly vacant office and retail space. For example, building code requirements should be examined to determine if there are ways to safely permit adaptive reuse of existing upper story space for housing. Cities should revisit downtown zoning and land use code with this new priority in mind. This priority is top of mind for four of six of the cities we spoke with.

“If companies have a lot of office space, they may not need it. They could save money on rent, utilities, and insurance. I hope that means additional space for residential. We will be doing more work to advocate for that — there is a housing crisis here.”

— Cary Tyson,
Executive Director, Portland Downtown

3. Prioritize Grant Programs Over Technical Assistance for Small Businesses

Small business owners indicated clearly that they are most in need of grants and rent/mortgage relief in order to survive in the long term. The

(continued on page 10)

An alley in downtown Lansing, MI that Downtown Lansing Inc. proposed as a “social district.” July 2020. Photo credit: Craig Lyons.



REBUILDING MAIN STREET AFTER COVID-19, CONT. FROM P. 9

need for traditional technical assistance such as support with online marketing and merchandising is not a priority. In response to what changes would be most helpful in the long run, the resounding response was the desire for financial incentives such as funding to make physical changes to their space. As cities and economic development groups allocate resources for small business relief, the focus should be on grants over technical assistance or other types of support.

“We and many small businesses need grants/funding or we will be forced to close. There’s no other way around it. Even help paying basic utilities. Revenue is drastically down as well as number of customers.”

— Arts/culture/entertainment business in Portland, ME

4. Evaluate the Need for Commercial Rent Relief and/or Stabilization

A paramount long-term concern for small businesses is keeping up with rental payments. Over half of the survey respondents listed rent/mortgage relief as a top challenge. In response to the “What do you most need?” survey question, one food business owner stated, “Rent reductions as we will never be able to be at the capacity we were at pre-COVID.” Another owner stated “[We] need help renegotiating rent for this new market.” Cities and economic development groups should facilitate communication between property owners and small business owners to understand needs and priorities. To prevent mass vacancies, cities could consider enacting commercial rent stabilization and/or eviction control. Additionally, cities should partner with mission driven property owners such as community development corporations to expand affordable commercial rent opportunities.



Business owner with face shield in downtown Haverhill, MA. 2020. Photo credit: Dougan Sherwood.

5. Determine a Long-Term Plan for Repurposed Parking and Access Downtown

In the first months of the pandemic, cities across the country worked quickly to repurpose parking space for outdoor dining. This creative change in downtown use was met with both enthusiasm and concern. For example, in Flint, MI restaurant owners reported that the outdoor seating has been critical to their stability because people aren’t comfortable eating indoors. However, repurposed parking and street closures are not unanimously popular. Some business owners are concerned that eliminating parking spots prevents people from accessing their storefront and drives down business. In particular, street closures cause access concerns. While cities cannot please everyone when it comes to parking policy, creating a long term plan for parking and access can remove the frustration of uncertainty for small business owners.

“Parking is important but we need to rethink it. Do we need this many parking spaces downtown?”

— Cathleen Edgerly, Executive Director, Downtown Lansing Inc.

(continued on page 11)



Nashua Public Works employees begin the installation of concrete jersey barriers along Main Street to enable outdoor dining and curbside pickup space for downtown restaurants. Photo credit: Nashua Public Works.

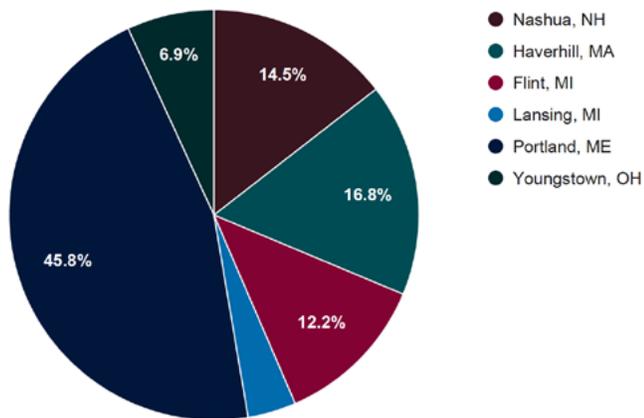
REBUILDING MAIN STREET AFTER COVID-19, CONT. FROM P. 10

Small Business Survey Results

A total of 131 unique small businesses responded to the survey. The charts on the following pages summarize the characteristics of the small businesses. The responses on pages 9 through 12 provide insight into what the businesses need, what challenges are most pressing, and what policy changes would be most helpful for them.

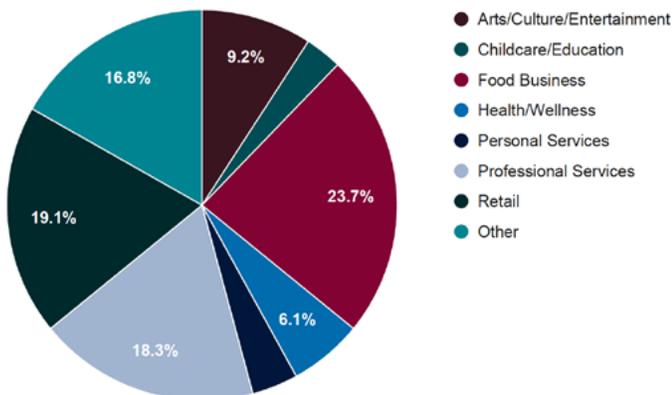
Respondents by City

Nearly half of the respondents were small business owners based in Portland. We received a similar number of responses from businesses in Nashua, Haverhill, and Flint and nine and five responses from small business owners in Youngstown and Lansing, respectively.



Respondents by Business Type

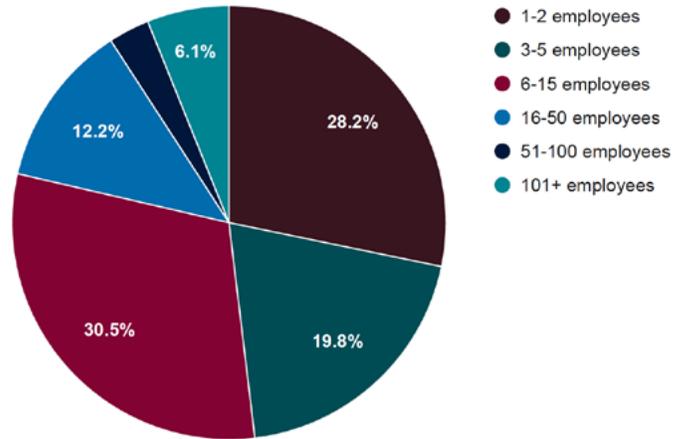
The three most prevalent business types were Food Business, Retail, and Professional Services. 16.8 percent of respondents indicated “Other” and listed business types including manufacturing, construction, and hospitality.



Respondents by Business Size (pre COVID-19)

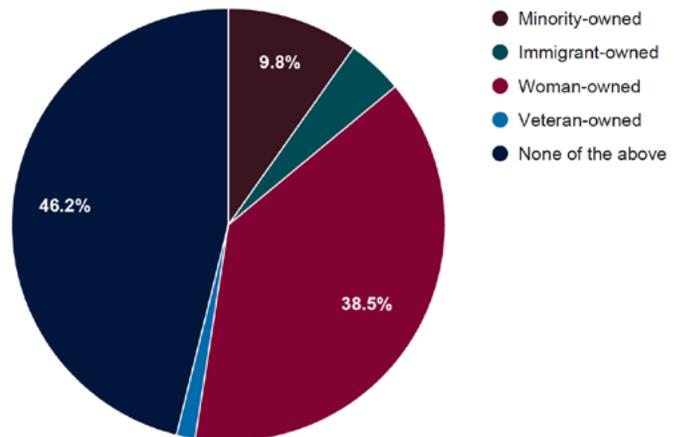
We asked respondents to select the number of employees, including the proprietor, their small business had before COVID-19 hit their community. Nearly half —

48.1 percent — of the small businesses surveyed reported having five or fewer employees.



Respondents by Ownership

Of the 131 respondents, 38.5 percent were women-owned, 9.8 percent were minority-owned, 4.2 percent were immigrant-owned, and 1.4 percent were veteran-owned. Respondents were allowed to select more than one ownership type.



What do you need in the next three to six months to stay in business?

The top three responses to this question were “Additional grants/loans,” “Rent/mortgage relief,” and “The city to fully reopen and ‘go back to normal.’” Comments from the “Other” option provided more insight into these needs:

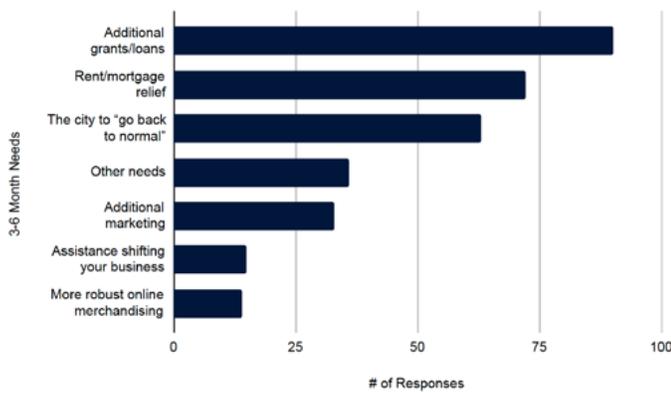
- “Help with payroll, rent, utilities, and miscellaneous expenses [such as] copier machines.” — Retail business in Flint, MI
- “Rent reductions as we will never be able to be at the capacity we were at pre-COVID.” — Food business in Portland, ME

(continued on page 12)

REBUILDING MAIN STREET AFTER COVID-19, CONT. FROM P. 11

- “Assistance with securing Covid cleansing products and masks and additional costs related to them and the cleansing efforts.” — Retail business in Portland, ME

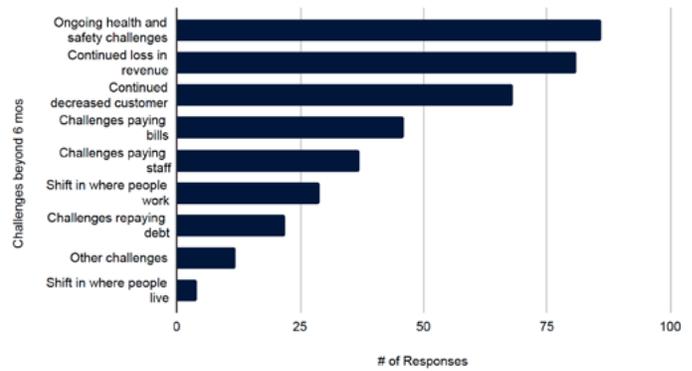
Respondents ranked marketing, shifting business model, and online merchandising last. Interestingly, these are services and support that cities often provide in the form of technical assistance. These results indicate that small businesses are in need of financial support and a focus on public health and safety over technical assistance during this time. As one retail business owner in Portland, ME described, “[We need] people who are not afraid of the future and feel they can spend money. Marketing is worthless if people are worried about their future.”



What challenges do you expect you will continue to face beyond six months?

The top three responses to this question were “Ongoing health and safety challenges”, “Continued loss in revenue,” and “Continued decreased customer basis.” As one respondent highlighted in their comment, many of the answer choices are inextricably linked: “[The] loss of customers becomes decreased customer base which becomes loss of revenue which becomes challenges is [sic] paying staff, repaying debt, and paying rent.”

There were a small number of responses to the open-ended “Other challenges” question but they included “finding good help” from a Professional Services business in Youngstown, OH and the “general shift away from brick and mortar shopping” from a Retail business in Portland, ME. A relatively small number of respondents selected “shift in where people work (e.g. more work from home)” and “shift in where people live (e.g. people moving away from city center)” as top concerns.



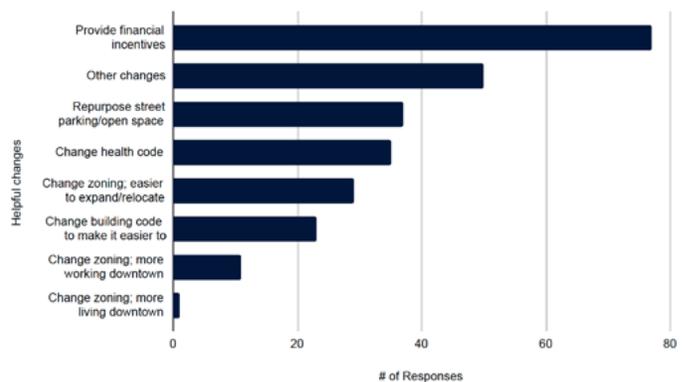
What changes would be most helpful to you?

By far, the top response to this question was “Financial incentives (e.g. additional funding for making physical changes to my space).” This aligns with the respondents’ top need being additional grants and loans. As one small business described: “Continued federal financial support allowing me to hire additional employees as I need a gatekeeper to enforce mask wearing & hand sanitizing.” — Retail business in Portland, ME

The open-ended “Other changes” option was the second most selected response. There were a broad range of comments here including:

- “A program to help businesses exit from commercial leases and a clearinghouse for liquidating inventory.” — Retail business in Portland, ME
- “Assistance for middle & lower income folks/redistribution of wealth.” — Retail business in Nashua, NH
- “Stop the extra \$600 federal unemployment to get people back to work!” — Retail business in Portland, ME

The “Repurpose street parking/open space” and “Change health code to make it easier to operate” were the next most common responses. Several comments



(continued on page 13)

REBUILDING MAIN STREET AFTER COVID-19, CONT. FROM P. 12

included the desire for additional parking and the need for a vaccine. Interestingly, four business wrote a variation of "I do not know" or "none of the above" with one saying, "these changes do not directly affect my business."

Despite the significant demographic differences across the six case study cities, clear themes emerged from the small business survey results as well as the interviews with the eleven economic development leaders. These themes informed the five long-term recommendations we provide for supporting small businesses and downtowns in the wake of COVID-19.

Conclusion

COVID-19 has transformed American lifestyles and with it our downtowns. Even with widespread vaccination, the long-term impacts of COVID-19 on downtowns will include a decreased daytime population, a recognition of the need for more outdoor space, and small business closures. With work from home becoming a permanent option at companies across the country, fewer people are working in commercial districts during the daytime. This has a significant impact on small businesses that have traditionally depended on daytime shoppers and diners. COVID-19 exacerbated existing issues including the racial wealth gap, homelessness,

The global pandemic has shed light on challenges that existed long before COVID-19 and provided an opportunity for cities to implement innovative ideas and strategies.

and downtown vacancy rates. Despite these challenges, small businesses are resilient and adaptable. The global pandemic has shed light on challenges that existed long before COVID-19 and provided an opportunity for cities to implement innovative ideas and strategies. This report provides a window into the experiences of businesses and economic development professionals in six small and mid-sized cities in the midst of the global pandemic. We hope these recommendations for addressing the long-term impacts of COVID-19 support ongoing planning and policy efforts across the country.

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Short Term Rentals: Economic Implications and Local Policy Response

by Grace Yixian Zhou & Avi Gandhi

The past decade has seen an explosive growth in short-term rentals (STRs)¹ globally. Currently, there are more than 125 STR platforms in the U.S., with Airbnb, HomeAway, and VRBO among the most popular ones. The emergence of online platforms as part of the “sharing economy” has made the STR market safe and easy to navigate. During 2012-2017, room sales of STRs grew by 82%, compared to 27% for hotels (Geerts, 2018). Although the travel industry suffered greatly since COVID-19, STRs have recovered better than hotels, as home-sharing became a socially distanced refuge for the travel-starved.

The market’s rapid growth has, however, posed significant impacts on local communities, as well as regulatory challenges for local governments. This study describes the market of STRs, the economic development implications brought about by the emerging STR platforms and examines various local policy responses. Based on a review of secondary data and reports, survey

of state bills and city regulations, and stakeholder interviews with local governments and third-party professionals, we find that if regulated well, the STR market can be harnessed as a local economic development strategy. We provide local governments with a toolkit to apply in regulating STRs.

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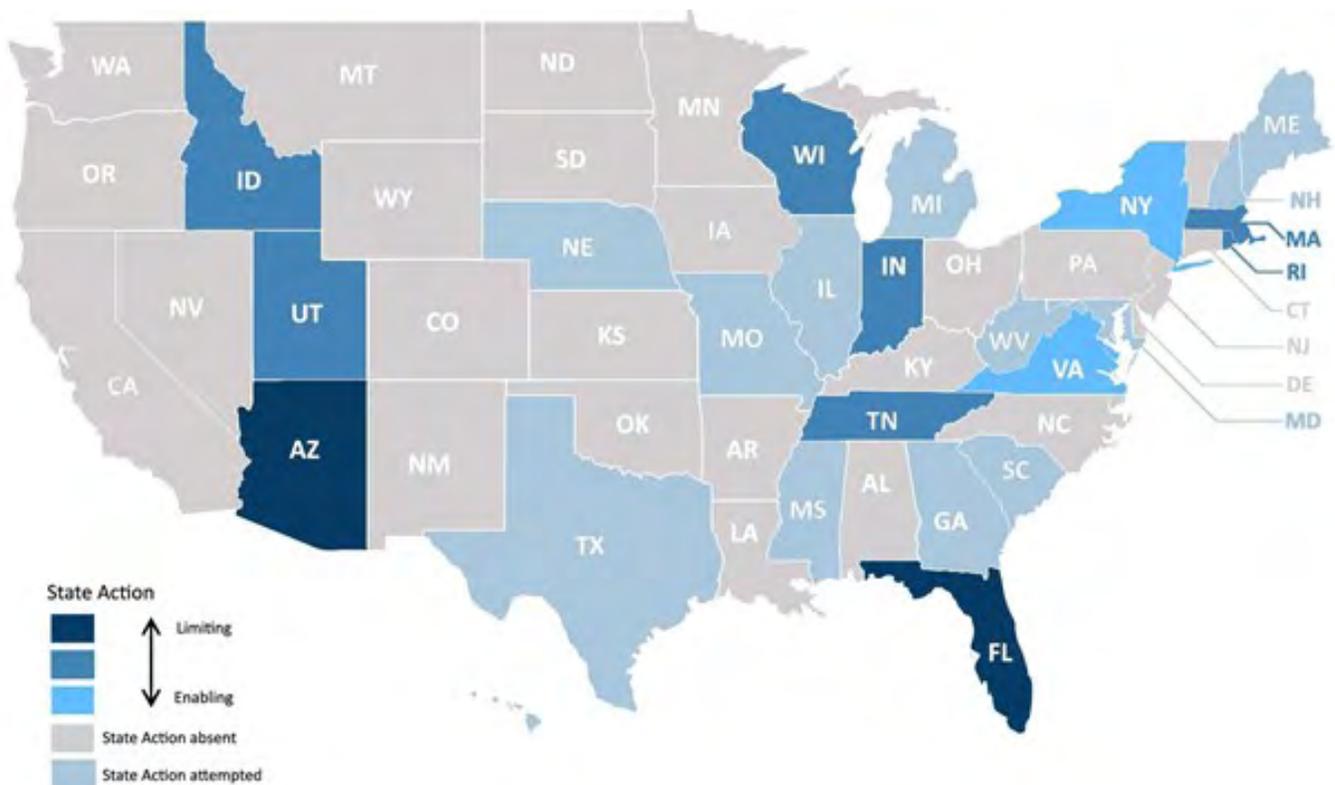


Fig 1. Map showing status of state action on STRs (created by authors)

SHORT TERM RENTALS, CONT. FROM P. 14

Risks	Regulatory Responses	Examples
Economy and Tourism <ul style="list-style-type: none"> Loss of tax revenues Opposition from hotels 	<ul style="list-style-type: none"> Collect Transient Occupancy Tax (TOT) Voluntary Tax Agreements 	Tompkins County, NY
Housing Affordability <ul style="list-style-type: none"> "Hotelization" Gentrification 	<ul style="list-style-type: none"> Permanent Residency Requirement Cap the % of STR / Rental Period Earmark funds from TOT for affordable housing 	Austin, TX San Francisco, CA Tofino, BC, Canada
Neighborhood Impacts <ul style="list-style-type: none"> Noise and trash Parking and traffic congestion 	<ul style="list-style-type: none"> Zoning Regulations Enforce nuisance ordinances 	Los Angeles, CA Maui County, HI Denver, CO
Public Health & Safety <ul style="list-style-type: none"> Fire safety Disability (ADA) compliance 	<ul style="list-style-type: none"> Require Licenses; Inspection "People/vehicle limit" Require local contact 	Denver, CO Chicago, IL Garrett County, MD

Fig 2. Various local responses (compiled by authors from multiple sources).

Level of Restrictions	Regulations	Examples
None	No restrictions against STRs	Dallas, TX; Milwaukee, WI
Minimal	May have some tailored framework but with minimum legal restrictions related to nuisance clauses, e.g., limit vehicles or occupants; notify neighbors	Galveston, TX; Louisville, KY
Modest	Report STR income; pay lodging taxes	Tompkins, NY
Greater	Register; obtain license; inspection; pay fees	San Diego, CA; Tucson, AZ
Significant	Multiple licensing; cap on number of rooms or duration of stay	Chicago, IL; Las Vegas, NV
Major	Retrofit to comply with safety codes; heavy licensing costs; limit number of rental properties in a zone; NYC's "multiple dwelling law"	Long Beach, CA; New York, NY; Denver, CO
Maximum	Have laws that largely ban STRs (e.g., Santa Barbara, CA refers to STRs as hotels that can operate only in specific zones, and if all necessary approvals are obtained)	Santa Barbara, CA; Fort Worth, TX; Jacksonville, FL

Fig 3. Levels of restrictions in city regulations (author analysis based on Knipe, 2019; Moylan, 2016).

We evaluate the impacts of STRs in four broad areas: economy and tourism, housing, local lodging industry, and neighborhood impacts. STRs can bring additional tax revenues to local governments, especially if both state sales taxes and Transient Occupancy Taxes are collected. This can prove beneficial, as the cost of enforcing STR regulations is 5-20 times less than the value of taxes collected (Host Compliance, 2018). STRs also help boost local tourism and provide extra income for homeowners. However, homeowners and commercial operators — who dominate the market — have incentives to list housing units on STR websites rather than as long-term rentals, since profits are much higher. This "hotelization" process takes housing units off the local market, thus adding to the supply shortage and exacerbating the affordable housing crisis.

Additionally, STRs are not subject to the many local regulations that govern hotels: zoning licenses, hotel permits, insurance purchase, health and safety regulations, etc. (Lee, 2016). This creates an unfair playing field in the lodging industry. Unregulated STRs can also bring considerable negative impacts on local neighborhoods, including public health and safety concerns, and noise and parking problems. Therefore, although STRs may bring economic benefits

(continued on page 16)

SHORT TERM RENTALS, CONT. FROM P. 15

to local communities, their negative effects make STRs an important issue for local governments to address.

The STR market is generally regulated by local governments through zoning, taxation, and public health laws. Yet some states directly regulate the market, either in anticipation or as a reaction to local regulation. In our study, we found that as of December 2020, 21 states directly regulated some aspects of the STR market (see Figure 1). State action falls along a broad spectrum: prohibiting/preempting local authority at one end, while enabling local regulation at the other. Most State bills fall somewhere in-between, however, thus leaving scope for creative local solutions.

Due to the mixed impacts that STRs have on communities, local governments have responded with various regulations (see Figure 2). These range from minimal restrictions such as occupancy limitations, nuisance clauses, etc. to more significant restrictions including license and registration requirements, inspections, and high fines for violations (see Figure 3). Cities differ in terms of geography, population, density, tax base, and economic scale. These differences should also be taken into account when adopting specific levels of regulations. We find that regulations work well when local governments take a balanced approach and tailor regulations to meet policy goals.

We recommend six steps for local governments to address STRs:

1. **Research your city:** Research on STR markets, impacts, and stakeholders.
2. **Define your policy goals:** Weigh all costs and benefits.
3. **Know your limitations:** Is there state preemption of local functions? Is there enough ambiguity in the legal language to find workarounds?
4. **Draft clear rules:** In many cases, STRs operate in a gray area, in between residential and commercial use, and rental and hotels. Drafting clear rules concerning STR definitions, zoning, taxation, fines, etc. removes the ambiguity amongst various stakeholders.
5. **Tackle enforcement:** One of the biggest challenges faced by cities has been enforcing regulations effectively and keeping track of violations. Technology and real-time data are critical, and third-party service providers like [Granicus](#), [AirDNA](#), [Inside Airbnb](#) can be helpful.
6. **Evaluate results:** Finally, local governments should provide feedback channels, strengthen public participation, and regularly update regulations with regard to the feedback.

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Footnotes

¹ A short-term rental (also called a vacation rental) is most often defined as a rental of a residential dwelling unit or accessory building for periods of less than thirty consecutive days.

Full report available at:
<http://cms.mildredwarner.org/p/301>



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