DISASTER RELIEF SUPPORT FOR THE SMALL BUSINESS ECOSYSTEM

A FRAMEWORK FOR CDFIs AS ECONOMIC FIRST RESPONDERS

AUTHORED BY COMMUNITY REINVESTMENT FUND, USA
PUBLISHED JUNE, 2025

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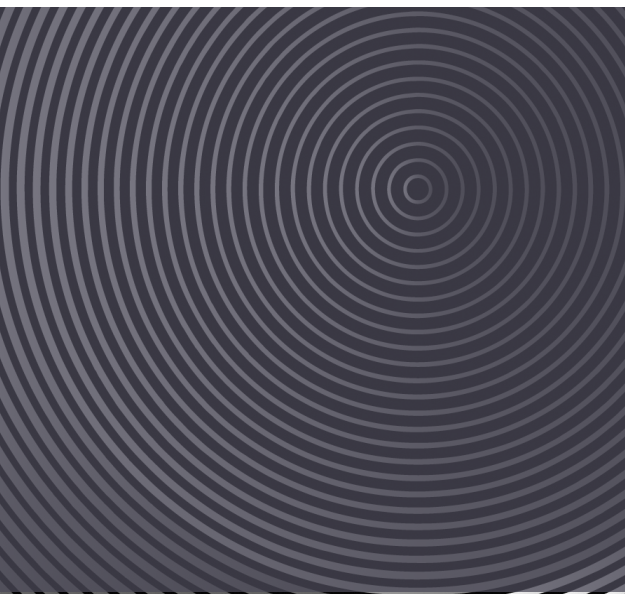

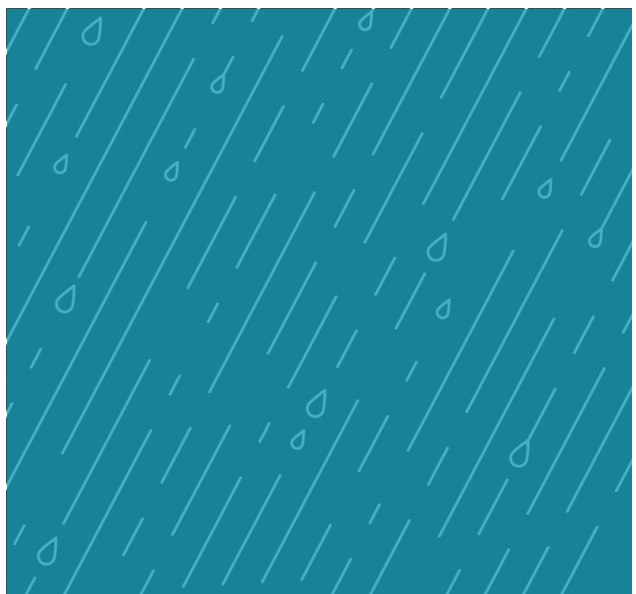

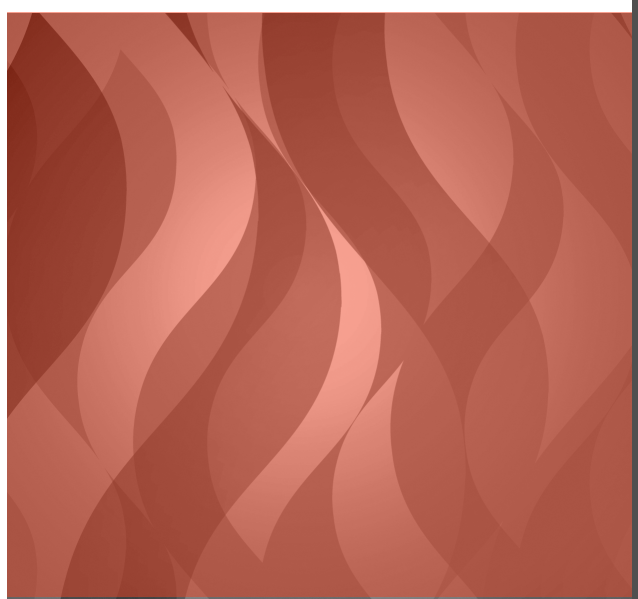

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Executive Summary

As natural disasters grow in frequency, scale, and complexity, small businesses face mounting challenges to survival and recovery. In the United States, natural disaster events increased from an average of 3.3 events per year in the 1980s to 24.3 events per year between 2022 and 2024 (NOAA National Centers for Environmental Information, 2025). Research shows that 40% of businesses do not reopen after a disaster, and another 25% close within a year of the disaster (Congress.gov, 2025).

Capital is critical to a small business's ability to recover from a disaster. Yet many traditional financial institutions face challenges in fully meeting the unique needs of small businesses during these critical moments, as their models center on risk management, corporate efficiency, and scale. Aptly stated in a recent Milken Institute report, "Small businesses struggle with access to capital under normal conditions, and natural disasters make those challenges more acute." According to the same report, 77% of loan applications following a natural disaster are denied because of credit score or ability to repay, and the approval rate is lower in communities with low median household incomes (Fanarakis, 2025).

Community Development Financial Institutions (CDFIs) have emerged as vital "economic first responders" in the wake of disasters, providing essential support when traditional institutions cannot. Alongside partners, our organization Community Reinvestment Fund, USA (CRF), a national nonprofit CDFI and supporting organization, has supported and administered programs leading to the deployment of more than $1.2 billion in disaster related assistance to more than 25,000 small businesses since 2020. Based on this experience, we have developed a three-phase framework for disaster relief, recovery, and resilience:

Relief: Immediate crisis response through grants and technical assistance

Recovery: Bridge support through short-term zero or low-interest rate loans

Resilience: Long-term support through longer-term market or near-market rate loans

The practices described for each phase are designed to address the evolving challenges small businesses face after disasters: from immediate survival needs, to rebuilding customer bases and operations, to establishing long-term sustainability. Each phase requires different capital structures, stakeholder engagement approaches, and program design considerations to effectively support businesses in their recovery.

In this white paper we share a framework for communities, funders, and program administrators to effectively support small businesses affected by disasters. We detail best practices for each phase, outline effective program structures, and provide actionable recommendations for stakeholders. By adopting this framework, communities can better support small businesses through disasters, preserve local economies, and build long-term resilience.

1

The Current Landscape

The Current Landscape

As communities recover in the aftermath of a disaster, small business owners often face a unique set of challenges. While federal, state and local governments offer some resources, these often are limited in scope and require entrepreneurs to complete time consuming and onerous applications. CDFIs have a demonstrated track record serving communities and small businesses adversely impacted by disaster events, but these organizations also face challenges of their own.

THE LIMITS OF FEDERAL RESOURCES

Federal resources have traditionally been the primary source of aid for disaster-affected communities. Federal resources include the Small Business Administration's (SBA) Economic Injury Disaster Loan (EIDL) program, FEMA assistance, and HUD funding for community rebuilding. However, these programs face limitations in supporting small businesses effectively for multiple reasons.

The application process for federal funds is often complex, lengthy and ultimately inadequate. The average time between a disaster declaration and the receipt of federal assistance can stretch to almost two years—a timeline that is untenable for many small businesses operating with limited cash reserves (Teles & Martin, 2021). Further, not all small businesses qualify, leaving those that do not without the support they need.

Even if funding is secured, ongoing compliance and reporting requirements may hinder the overall recovery of the small business.

Federal disaster resources are foundational but insufficient to support the needs of small businesses recovering from such an event. Recent executive orders and staffing reductions may limit the support for these federal programs and challenge small businesses facing disasters even further. The limitations and uncertain future of these programs highlight the importance of the complementary support systems that more holistic stakeholder groupings, including CDFIs, provide.

The Current Landscape

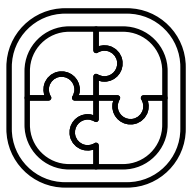
The CDFI industry works in and with communities all across the country. This localized presence is particularly important in the aftermath of a disaster when basic infrastructure such as telephone lines and internet access may be unavailable. CDFIs are positioned to quickly deploy essential grant and loan capital to small businesses in impacted communities, especially those that are low-to-moderate income (LMI) and rural areas.

During the COVID-19 pandemic CDFIs demonstrated their ability to effectively serve as "economic first responders." The U.S. Congress turned to CDFIs to help reach LMI communities that were unable to access Paycheck Protection Program (PPP) financing through traditional sources—CDFIs succeeded at deploying 40% of PPP loans to LMI-located businesses compared to the program's average of 28% (Yee, Tartar, & Patino, 2022).

Despite these impacts, CDFIs often face headwinds in fulfilling this role effectively for disaster relief for several reasons:

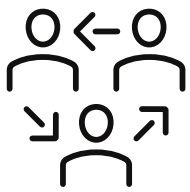
CAPITAL ACCESS

CDFIs, often nonprofit organizations, operate with smaller budgets than traditional financial institutions and require quick access to operating capital and liquidity to meet community needs in the immediate aftermath of a disaster.



OPERATIONAL READINESS

Limited standardized guidance leaves each CDFI, program sponsor and/or philanthropy to create its own playbook for managing disaster relief grant or loan funds.



COORDINATION INEFFICIENCIES

Fragmented small business support ecosystems often create information silos and inefficiencies between multiple stakeholders simultaneously responding to disasters. Rapid coordination and communication are imperative.

2

Framework for Small Business Disaster Relief

Framework for Small Business Disaster Relief

To overcome the challenges, CRF has built a framework based on established disaster response models, including the FEMA National Disaster Recovery Framework, while focusing specifically on the needs of small businesses. Our approach categorizes disaster relief into three distinct phases, each with different characteristics, requirements, and stakeholder roles.

PHASE	Relief	Recovery	Resilience
	Immediate crisis response to help small businesses meet basic survival needs (e.g., staying open, paying employees).	Bridge period where businesses are open but not fully operational; focus on stabilization and revenue recovery.	Long-term phase focused on business strength, sustainability, and growth post-disaster.
CHARACTERISTICS	• Speed and fraud mitigation are critical • Use unrestricted, self-directed grant capital • Focused on survival rather than recovery	• Capital needs increase; urgency begins to decrease • Transition from grants to zero/low-interest rate loans • Requires flexible, patient capital	• Less immediate urgency but vital for long-term viability • Requires selective capital deployment • Near-market terms with some credit enhancement
SMALL BUSINESS NEEDS	• Grant Funding • Hyper local communication and connection	• Credit enhancement • Risk mitigation • Technical assistance	• Long-term capital • Technical support
KEY STAKEHOLDERS	COMMUNITY PARTNERS LENDERS (CDFIS, BANKS) PHILANTHROPY PROGRAM MANAGERS & ADMINISTRATION LOCAL & STATE GOVT		

Framework for Small Business Disaster Relief

ROLES IN A DISASTER RECOVERY PROGRAM

Experience from successful disaster response programs shows that clearly defined roles among stakeholders significantly improve program effectiveness. When funders can focus on capital raising, local CDFIs can concentrate on community engagement and on-the-ground operations, and program administrators can focus on implementation and data management, the overall response becomes more efficient and impactful. This separation of responsibilities—on-the-ground community engagement, behind-the-scenes operations, and funder relations—allows each entity to operate in their area of expertise.

Partner	Role
Funders (philanthropic, public sector, private)	• Provide grant/equity/debt capital • Provide overarching design, vision and goals of the program (e.g., geographic focus, grant/loan size, timeline, scoring priorities) • Crowd in resources from other philanthropies, government entities, or private sector investors
Program Manager	• Lead program design (e.g., eligibility, application questions, timeline, FAQs, process, scoring) • Lead program marketing, impact reporting • Act as the primary point of contact for the overall program (between funder, administrator, community lenders, impacted businesses, etc.)
Program Administrator (can also be performed by Program Manager or split activities depending on program needs)	• Implement the guidance set forth by funder and program manager • Set up + implement application (highly accessible, multi-modal digital and analog applications) • Set up + implement application processing (conduct applicant communications, conduct application quality scoring, collect required documentation, execute legal agreements, facilitate transfer of funds) • Provide (or outsource) technology services • Lead data collection and support real-time program progress visibility • Set up + manage SPV, including legal, accounting, and audit (if necessary)
Community Lenders (CDFIs, Support Organizations, Technical Assistance Providers)	• Technical assistance to small businesses (e.g., application completion/support) • Support community outreach + marketing • [If necessary] Deploy capital (grants or loans)

3

Relief Phase

Relief Phase

OVERVIEW

The Relief phase represents the initial small business crisis response following a disaster. After the well-being of community members is secured, this phase focuses on helping small businesses address their most urgent challenges like staying open, paying employees, and making physical repairs.

The immediate aftermath of a disaster often creates uncertainty around a small business revenue recovery and their ability to pay off even a zero-interest loan. Given these circumstances, the optimal funding structure for this phase often is unrestricted grant funds from philanthropy, which can be quickly deployed with the support of an experienced program manager/administrator.

Leverage local partnerships to address the immediate survival needs of disaster-affected small businesses when revenue recovery is uncertain

KEY CONSIDERATIONS

- Speed and fraud mitigation are paramount
- Focus on support through unrestricted, self-directed grant capital
- Primarily addressing immediate survival needs

PRIMARY STAKEHOLDERS

- Philanthropy (providing grant funding)
- Program managers/administrators (designing and implementing programs)
- Local and state government (coordinating response efforts)
- Community partners (providing outreach and technical assistance)

Relief Phase

BEST PRACTICES

The relief phase requires rapid response to meet urgent needs while maintaining program integrity. Speed in fund deployment is critical to helping the impacted small businesses. At the same time, there is a tension between thoughtful program design and speed to deployment. Successful disaster relief programs can navigate this tension effectively with the practices below.

1. **Prioritize speed:** Speed is critical. Programs should aim to be operational within 1-3 weeks of a disaster, with funds beginning to flow 2-4 weeks thereafter.

2. **Streamline application processes:** A two-phase application process reduces the burden on applicants during a crisis. An initial screening application can collect basic information to determine grant eligibility and prioritization. A second phase after eligibility screening and prioritization can be used to request further documentation. Additionally, each data point collected should have a clear purpose related to eligibility, prioritization, follow up support, or reporting. Each application question adds time and work for applicants and potential liability for administrators.

3. **Focus on fraud detection:** Grant programs are fraught with sophisticated fraud attempts originating from countries around the world. Fraud attempts range from false businesses and duplicate applications to sophisticated identity theft with information (e.g., SSN, EIN, bank account numbers) purchased through data brokers on the dark web. Effective fraud prevention should include:
    a. IP quality scoring and device fingerprinting
    b. Professional verification services (e.g., LexisNexis, Plaid, GIACT)
    c. Federal and State directory verification (e.g., Secretary of State, Department of Revenue, etc.)
    d. Pattern recognition and duplication checks
    e. Reference checks and site visits when feasible

4. **Work with local partners:** Local partnerships are critical to the success of disaster relief grant programs. Local partners provide:
    a. Local knowledge to inform program design (e.g., small business eligibility and prioritization)
    b. Enhanced program credibility
    c. Verification of business legitimacy
    d. Local outreach and marketing
    e. On-the-ground application support

Relief Phase

BEST PRACTICES

5. **Leverage technology:** Efficient and scalable technology platforms are necessary components of this phase to help expedite application collection and processing, match to appropriate resources, and facilitate fraud detection. Successful grant programs must leverage technology platforms that automate and support workflows, applicant communications, and information verification.

6. **Offer flexible use of relief funds:** Trust small business owners to use relief funding effectively and direct resources where they are most needed. While programs must provide clear guidance on eligible uses, requiring documentation of expenditures undermines this trust and slows the relief process.

7. **Implement responsible self-attestations:** Allow business owners to self-assess damage levels rather than requiring third-party verification that adds burden to the business owner and slows program implementation.

8. **Prioritize locally-based business owners:** Program design should clearly and carefully define ownership criteria—for example, distinguishing between absentee owners of real estate and local business operators. While both may support the local economy, disaster relief programs typically aim to prioritize business owners who are physically present in and committed to the affected community.

9. **Obtain ecosystem referral permissions:** An often-overlooked best practice is securing permission from businesses during the application process to share their information with ecosystem partners. This enables seamless referrals to appropriate support organizations in later phases of recovery, supporting a coordinated response system. Importantly however, these referrals must be targeted without overwhelming businesses with outreach.

Case Study

Response to NC Hurricane Helene

In October 2024, CRF partnered with Appalachian Community Capital, the Dogwood Health Trust and local CDFIs through the Western North Carolina Small Business Initiative to provide grants ranging from $5,000 to $50,000 to small businesses impacted by Hurricane Helene. Responding to the urgent challenges facing entrepreneurs in the aftermath of the hurricane, the program was launched in 5 business days, with funds flowing in 3 weeks and full funding distributed in 7 months.

The program exceeded expectations and was upsized several months after launch, bringing the total amount of grants deployed to $55 million to more than 2,100 businesses.

TOTAL FUNDING

$55M

SMALL BUSINESSES SERVED

2,182

PARTNERS

10+

LEAD PARTNERS

APPALACHIAN COMMUNITY CAPITAL

dogwood health trust

CRF USA

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Recovery Phase

Recovery Phase

OVERVIEW

The Recovery phase serves as a bridge period from reopening to revenue recovery. During this phase, small businesses may be open but not at full capacity (e.g., 'only open for dinner'). These limited operations can hinder the ability of a business owner to make payroll, pay rent, or buy supplies while they wait for a receipt of insurance money, government aid, or working capital loans. The small business's need is beyond the benefit of a small grant; it needs a more substantial loan to make the payroll, pay rent, buy supplies, keep their team employed and make improvements to owned or leased spaces damaged during a disaster.

Technical assistance is another important component during this phase as many small businesses are navigating unfamiliar circumstances caused by the disaster situation. For example, entrepreneurs may begin offering online services if their storefront was damaged or destroyed. In this scenario, the business owner may benefit from guidance related to online sales, shipping/delivery, and cybersecurity. By pairing this type of guidance and education with financial assistance, small businesses are better equipped to pivot to a new business model or maintain operations; even at reduced capacity.

Balance thoughtful underwriting flexibility with program integrity while maintaining strong local partnerships

KEY CONSIDERATIONS

- Size of capital needs increase even as urgency decreases
- Moving from smaller grants to potentially larger loans
- Best financed by patient, low-cost capital with more flexibility

PRIMARY STAKEHOLDERS

- Local and state governments
- Lenders (community banks and CDFIs)
- Program managers/administrators
- Philanthropy (providing credit enhancement and risk mitigation)

Recovery Phase

BEST PRACTICES

The recovery phase bridges immediate crisis response and long-term resilience. This phase focuses on helping businesses re-establish operations while planning for future sustainability. Foundational best practices from the Relief phase such as fraud mitigation, local partnerships and effective technology are equally important in this phase. We include those to the extent they apply differently in the Recovery phase than the Relief phase.

1. **Talk to business owners first:** Before designing recovery programs, it's vital to speak with affected small businesses to understand their specific needs rather than creating "top-down" solutions. Gathering this market intelligence ensures the program will address actual rather than perceived needs.

2. **Employ appropriate capital structures:** Recovery loan programs require a thoughtful capital structure that balances risk and accessibility. Stakeholders should work to understand any restrictions or covenants tied to financial support that may limit the ability of the recovery program to achieve its goals. Effective structures include:
   a. Layered capital with different risk/return requirements
   b. Credit enhancements (loan loss reserves, guarantees)
   c. Participation models that share risk among multiple lenders

3. **Adjust underwriting criteria and loss expectations appropriately:** Recovery lending requires different underwriting approaches than non-disaster related lending. Flexible underwriting criteria allow small businesses impacted by the disaster to secure the loans they need to rebuild. Program sponsors should design and model the program with a higher-than-normal loss expectation and program funders can be protected from the higher risk levels by credit enhancements funded by government sponsors and philanthropy.

4. **Allow for program evolution/flexibility:** Flexibility to modify aspects of the program—for example, bringing in new capital sources, adjusting underwriting criteria, or revising loan terms—can significantly improve program effectiveness. Anticipating and negotiating the range of potential changes upfront, as well as the process to make those changes will create a more responsive program.

5. **Incorporate technical assistance:** Recovery programs should include robust technical assistance for the small business owners to help improve their operations, financial management, and disaster preparedness.

Recovery Phase

BEST PRACTICES

6. **Consider forgivable loan structures:** Forgivable loans can be used to incentivize borrowers to use funds for specific reasons, like paying rent or making payroll. For example, federal Paycheck Protection Program encouraged small business owners to continue paying staff wages by designating those uses as forgivable.

7. **Prioritize local partnerships:** CRF has found significant value in working through and with local partners on recovery programs. With deep community connections, these partners understand the opportunities and challenges facing local small businesses. These partners can provide invaluable insights that inform a final program design that uniquely fills gaps in the target geography.

8. **Deploy technology effectively:** Like Relief programs, technology platforms designed for loan programs can significantly improve program efficiency. In particular, technology should be used to pre-qualify and match businesses to appropriate resources, manage fund flows in loan participation programs, process program enrollments, serve as an archival record and data repository, and simplify and enhance program reporting.

9. **Establish impact collection and reporting systems:** Funders and community stakeholders often require impact reporting to understand how their support creates meaningful change. Program participants should establish impact metrics that capture both quantitative and qualitative outcomes. Leveraging available technology can streamline both collection and reporting processes, making it easier to understand not only immediate outputs but also longer-term outcomes that demonstrate sustained impact.

Case Study

California Rebuilding Fund

The California Rebuilding Fund was a public-private partnership that offered flexible, affordable loans up to $100,000 and free business support services to small businesses across the state during the COVID-19 pandemic.

Participating CDFIs provided $73 million in lending to serve nearly 1,500 California businesses recovering from the negative impacts of the pandemic. Financing could be used for working capital, inventory marketing, refitting for new social distancing guidelines, operating and emergency maintenance, property taxes, utilities, rent, supplies, and other appropriate business purposes.

The fund proved especially effective at serving California's smallest businesses. For example, 86% of businesses served reported revenues of less than $10 million and 87% employees 10 or fewer employees.

FUND SIZE

$73M

SMALL BUSINESSES SERVED

~1,500

PARTNERS

16

LEAD PARTNERS

IBank California Infrastructure and Economic Development Bank

Calvert Impact™

CRF USA®

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Resilience Phase

Resilience Phase

OVERVIEW

The Resilience phase focuses on supporting small businesses in returning to pre-disaster strength or better. We identify this phase as potentially the most overlooked component of disaster response, because the initial disaster challenges have mostly been addressed, and funders and public agencies have started to move on to other pressing challenges facing the community.

During this phase, a small business has survived the initial destruction of the disaster and managed to successfully navigate the new normal caused as a result. Now their attention turns to longer-term stability, growth, and preparation for future disasters.

The optimal funding structure for this phase is market or near-market rate longer-term loans that enable long-term resilience and growth. Ideally there is some credit enhancement to encourage capital providers to lend to businesses that are emerging from the disaster.

Focus on customized local solutions that complement existing capital sources while maintaining standards to help communities emerge stronger post-disaster

KEY CONSIDERATIONS

- Less compelling to funders perhaps but important for long-term community viability
- More selective capital deployment
- Near-market terms but still accessible

PRIMARY STAKEHOLDERS

- Lenders (with a focus on long-term sustainability)
- Program managers/administrators
- Philanthropy (for continued support of underserved populations)
- Government (for policy and funding support)

Resilience Phase

BEST PRACTICES

The Resilience phase focuses on long-term sustainability and growth. While often overlooked, this phase is critical for ensuring that communities emerge stronger after disasters. The transition from recovery to resilience occurs when "business as usual" begins to resume—when the community has reliable infrastructure again, businesses have secured physical locations, and staff is in place. However, these businesses are essentially starting from zero not from their pre-disaster state.

Foundational best practices from the prior phases such as fraud mitigation, local partnerships and effective technology are equally important in this phase. We include those to the extent they apply differently in the Resilience phase than prior phases. We note that many of the best practices for a Rebuilding fund will be similar to those for any small business public/private loan fund. We point out here the distinguishing best practice for a Rebuilding Fund.

1. **Maintain appropriate underwriting and default standards:** In contrast to recovery programs, resilience programs should have more "normalized" and tighter eligibility and underwriting standards than recovery programs. Additionally, in this phase, it's important to establish clear loan recovery protocols for delinquent accounts. Different CDFIs often have varying approaches to recovery, and these differences can be even more pronounced between on-balance sheet and off-balance sheet loans. Consistent recovery standards and procedures for the program should be established from the outset.

2. **Tailor programs to local needs:** Resilience programs can/should be tailored to local needs to complement what's available on a state and national level to small businesses in the community.

3. **Support multiple funding sources:** Effective Resilience programs encourage businesses to access multiple funding sources. CDFIs should steer their business owners into the most appropriate product for them, even if it's not the sponsored Resilience program.

4. **Plan for economic cycles:** Programs should be designed flexibly so they can be adapted as economic conditions change.

5. **Incorporate technical assistance:** Resilience programs should include robust technical assistance for the small business owners to help improve their operations, financial management, growth strategy and/or disaster preparedness.

Case Study

New York City Small Business Opportunity Fund

The NYC Small Business Opportunity Fund was launched in January 2023 disbursing $85.5 million, making it the largest public-private loan fund ever established to support small businesses in New York City. This initiative was the result of a collaborative partnership between the City of New York's Deparment of Small Business Services, Goldman Sachs, Mastercard Center for Inclusive Growth, CRF, and eight local CDFIs.

Developed amidst the challenges of the pandemic, the fund was a direct result of a strategy to strengthen small business resiliency during COVID and foster a more resilient economy in New York City. Offering loans of up to $250,000 at a market-leading interest rate of four percent, the program prioritized accessibility and flexibility, breaking down barriers that often stand as obstacles to small business financing.

Nearly 60% of the businesses that received financing through the fund were located in low-income areas of the city. Additionally, the fund distributed $12 million to businesses in their startup phase (0-2 years). This financing helped position small businesses to emerge from the pandemic in a strong position as many reported that the funds enabled them to improve job quality, increase wages, and hire more staff.

FUND SIZE

$85.5M

SMALL BUSINESSES SERVED

1,046

PARTNERS

11

LEAD PARTNERS

NYC Small Business Services | careers businesses neighborhoods

center for inclusive growth

Goldman Sachs one MILLION BLACK WOMEN

CRF USA

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Program Structure and Financial Tools

PROGRAM STRUCTURES AND FINANCIAL TOOLS

Effective disaster response requires appropriate financial structures tailored to each phase of recovery. Based on our experience, we have identified capital structures for each of the phases, and the benefits of using that capital structure. From immediate relief to long-term resilience, financial interventions must be designed to deliver timely support, leverage local infrastructure, and bridge market gaps. Selecting the right mechanism—whether direct grants, capital for CDFIs, or structured guarantees—can significantly impact the speed and effectiveness of economic recovery.

The table below outlines key capital deployment strategies commonly used in disaster response. Each program type is matched to a recovery phase, with corresponding capital requirements, benefits, and example implementations. This framework illustrates how thoughtful financial structuring—grounded in real-world examples—can enhance the speed, reach, and effectiveness of recovery efforts.

Program Type	Capital Requirements	Target Phase	Benefits	Example Implementation
Grant Program	Direct grants to cover expenses	Relief	Quick to deploy with minimal administrative burden for recipients	Hurricane Helene grants for Western North Carolina Small Business Initiative ($5,000–$50,000 grants to affected businesses)
Capital Support (for CDFIs)	Net asset grants, low-cost loan capital	Recovery	Leverages existing relationships and CDFI infrastructure	Minnesota Inclusive Growth Fund (provided CDFIs with capital to support small businesses)
Participation Programs (for CDFIs)	Guarantee/LLR grants, senior/ subordinate debt	Recovery/ Resilience	Risk-sharing structure extends lending capacity	Washington Flex Fund (used a participation model to extend CDFI lending capacity)
Guarantee Programs	Grants to cover guarantees of small business loans by CDFIs	Recovery/ Resilience	Facilitates increased risk-sharing and well-defined loan products	SOAR Fund (incorporated guarantees to enhance lending capacity)
Special Purpose Vehicles (SPV)	Various grants and debt structures	Resilience	Addresses gaps where existing products are inadequate	NY State Forward Loan Fund (created an SPV structure to purchase loans from CDFIs)

7

Conclusion and Recommendations

CONCLUSION AND RECOMMENDATIONS

Small businesses are the backbone of local economies—and among the most vulnerable during disasters. As climate-related and economic disruptions grow in frequency and severity, the need for a more coordinated, rapid, and resilient disaster response framework becomes urgent. This white paper has outlined a three-phase model—Relief, Recovery, and Resilience—designed to guide capital deployment, improve responsiveness, and strengthen long-term resilience for small businesses.

A critical insight from CRF's experience is the imperative of speed: timely capital deployment can mean the difference between recovery and permanent closure for small businesses. However, speed is only possible with intentional pre-disaster planning. Communities that invest in ecosystem disaster preparedness—from stakeholder relationships and pre-designed program templates to committed capital sources and modern technology platforms—can dramatically accelerate aid and improve outcomes.

To address the three most significant challenges CDFIs face during disasters—capital access, operational readiness, and coordination—we recommend focusing on five key preparedness pillars:

1. **Pre-established stakeholder relationships** to streamline coordination and capital sourcing.
2. **"On-the-shelf" program designs** that can be rapidly activated and scaled.
3. **Pre-committed capital sources** that unlock funds without delay.
4. **Data-driven triggering mechanisms** to automate response and reduce bottlenecks.
5. **Robust technology infrastructure** to efficiently manage processes and measure impact.

As communities confront increasingly complex risks, this framework offers a practical, actionable roadmap to protect small businesses and enable faster, more equitable recovery. At CRF, we remain deeply committed to building the networks, tools, and capital strategies needed to meet this moment—and the many more to come.

The time to prepare is now.

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Founded in 1988, Community Reinvestment Fund, USA (CRF) is a national non-profit organization with a mission to improve lives and strengthen communities through innovative financial solutions. CRF has injected more than $3.6 billion to stimulate job creation and economic development and support community facilities.

Community Reinvestment Fund, USA is an equal opportunity lender, provider, and employer.

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