

MEMO

TO: Restore Louisiana Task Force, Office of Community Development
FROM: Economic Recovery Working Group
DATE: November 9th 2016
SUBJECT: Recommendations for Economic Recovery Programs

Our Economic Recovery working group members met to discuss and recommend recovery programs for the recovery from the March and August flood events. Our recommendations are that the Restore LA Task Force should create four programs to address small business needs in the short term and long term, provide more actionable business recovery decision data, and provide technical assistance and business counseling services for businesses determining how to recover.

These four suggested Economic Recovery programs are:

Business Technical Assistance: Provide technical assistance for the next 18-24 months for small businesses in the affected parishes to have professional business coaching. This is most useful alongside a financial recovery programs for small business such as those recommended below

Business Intelligence Decision Data: Conduct surveying - possibly quarterly - of the business communities in the impacted parishes, provide the results to the local business communities and local media. The purpose will be to provide decision data that is helpful to business owners about whether and when to take the risk to restart and reinvest in their operations.

Small Business Bridge Loan Program: Create and fund a bridge loan program through existing banks, providing banks a guarantee against losses for short term bridge loans to assist businesses with immediate capital while they seek flood insurance, SBA assistance or longer term recovery assistance. The Bridge Loan program model was used in the immediate 12-18 months after Hurricanes Katrina and Rita. A similar design as post-Katrina, limited to use on working capital bridge loan assistance, would be ideal. It should be designed in a manner to serve small businesses with 50 employees or less who were affected by the March and August floods. This should be considered as designed to provide immediate, rapid financial assistance using existing banks as the conduit for businesses to gain access to the resources, and immediately useful in the short term of the first 12-18 months after the disaster.

Small Firm Grant and Loan Program: Create and fund a Small Firm Grant and Loan program as the primary financial assistance program for these disaster events. It would be intended to provide medium and long term business recovery financial assistance to small businesses seeking to recover from the March and August flood events. We recommend a program design similar to the similar program design used after Hurricanes Katrina and Rita. The program provides small grants blended in with loans to help companies to get back on their feet. The

program can be implemented through local non-profit community partners or through state-led program delivery.

We recommend to the Restore Louisiana Task Force that these programs be developed by staff and included in the initial Action Plan submitted to the Department of Housing and Urban Development, if possible.