

**Disaster Recovery Initiative**  
**U.S. Department of Housing and Urban Development (HUD)**  
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**Louisiana Office of Community Development,  
Division of Administration**

**Louisiana Recovery Authority**

**Action Plan Amendment Number 13**  
**Changes to Small Firm Loan and Grant and Long Term  
Loan Guarantee Programs (First Allocation)**

**Public Comment: April 4<sup>th</sup>, 2007**  
**HUD Submittal: September 26<sup>th</sup>, 2007**  
**November 9<sup>th</sup>, 2007**



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## 1. Introduction

Action Plan Amendment Number 13 (First Allocation) proposes modification to programs originally detailed under Action Plan Amendment Number 2 (First Allocation), which outlined four economic development recovery programs, and Action Plan Amendment Number 8 (First Allocation), which modified two of the four programs. This Action Plan Amendment proposes to reallocate the remaining \$68M from the Long Term Loan Guarantee Program to the Small Firm Loan and Grant program. This amendment will also increase the number of businesses eligible by including all businesses with 100 or fewer employees.

Despite significant efforts, the Long Term Loan Guarantee Program has not been implemented because of insufficient interest among lenders. Based on the demonstrated demand for the Small Firm Loan and Grant Program, which has demand greater than the amount of funds available in the current program and has been determined to be able to better meet the needs of small businesses than the Long Term Loan Guarantee Program, this action plan amendment reallocates the \$68 million to the Small Firm Loan and Grant Program.

## 2. Long Term Recovery Loan Guarantee Program

<b>Eligible Activity</b>	<b>105(a)(17)</b>
<b>National Objective</b>	<b>Low to moderate income and urgent need</b>
<b>Activity Amount</b>	<b>\$0 million</b>
<b>Changes Proposed in this Amendment</b>	<b>(\$68 million)</b>

### Program Size

This amendment will redistribute the remaining \$68 million in this program to the Small Firm Loan and Grant Program.

## 3. Small Firm Loan and Grant Program

<b>Eligible Activity</b>	<b>105(a)(17)</b>
<b>National Objective</b>	<b>Low to moderate income and urgent need</b>
<b>Activity Amount</b>	<b>\$211 million</b>
<b>Changes Proposed in this Amendment</b>	<b>\$68 million</b>

### Program Size

This amendment will increase the available funding to the Small Firm Loan and Grant program from \$143 million to \$211 million to allow additional businesses to access important low-cost financing in the form of loans and grants. This will

allow many worthy businesses excluded from the first round of the Small Firm Loan and Grant Program due to insufficient funds.

### **Business Eligibility**

This amendment increases the size of businesses eligible to receive grants and loans to include all businesses with 100 employees or less. All other eligibility requirements will remain the same, including geographic eligibility.

### **Use of Funds**

As under the original program outline, funds will be used for both grants and loans. As modified in Action Plan Amendment 8 (First Allocation), grants and loans will cover business costs including any or all of the following items dependent on implementation: operating costs such as leases, insurance, debt payment on new equipment, utilities, or inventory.

### **Program Management and Monitoring**

Management and monitoring of this program will follow the original program outlined in Action Plan Amendment Number 2 (First Allocation).

## **Appendix 1 – Summary and State’s Response to Public Comments**

This Amendment was posted for Public Comment on April 4<sup>th</sup>, 2007 and remained available for review and comment through April 16<sup>th</sup>, 2007. This Amendment was also approved by the Louisiana Recovery Authority Board on March 14<sup>th</sup>, 2007 and the Louisiana Legislature on September 12<sup>th</sup>, 2007. The State received no comments on this Amendment.