POSSIBLE SOURCES OF BUSINESS FINANCING FOR DISASTER RECOVERY

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VERMONT’S EXPERIENCE WITH TS IRENE

- 8-11” of rain in less than 24 hours.
- Over 1,300 business affected
- Over 5,000 homes and businesses affected.
- Learned quickly while lots of help for individuals and municipalities, not much if anything for businesses.
IMMEDIATE BUSINESS SOURCES:

- SBA disaster loans: With a presidentially declared disaster
  - Direct from SBA
  - Many small businesses too highly leveraged for debt.
  - Reviewed by processing center in Texas
  - Strive for a two week turn around on approval
  - Often get a better review upon appeal of a denial.
IMMEDIATE BUSINESS SOURCES CONT'D:

- State financing authority or agency
  - Set up special funds
  - I.e. Vermont Economic Development Authority (VEDA) disaster loan fund.
    - State dollars for loan loss reserve
    - Up to $100,000, deferred payments
    - Somewhat relaxed underwriting criteria
TECHNICAL ASSISTANCE SOURCES:

- SBDC
- SCORE
- Chambers of Commerce
- Economic development organizations
- NADO
- Sustainable Communities
- Preservation Trust for historic buildings
- Businesses themselves
LONG TERM BUSINESS RECOVERY SOURCES:

- FEMA Hazard Mitigation Grant Program
  - Grants for property buy outs, infrastructure needs, mitigation
  - Typically covers 75% of the costs
  - Business assistance for mitigation strategies, not always a priority

- FEMA NSF-14: Community recovery based
  - Process for selecting communities.
  - Community visioning
  - Expert from around the country
EDA disaster funding: With presidential declaration, congressional action.
  - Planning, engineering, TA, visioning.

Regular EDA
  - TA
  - Public works/facilities if you have an approved CEDS

Foundations

Fund raising
LONG TERM BUSINESS RECOVERY SOURCES CONT'D:

- Community Development Block Grant-Disaster Recovery
  - Congressional support to provide the dollars
  - Provides an “urgent need” criteria in addition to low to moderate income benefit.
  - Requires a state plan to delineate the use of funds
- Community Development Block Grant regular program
- Can you state or region establish your own fund?
THANK YOU!

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