



# 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 CONTD:

- ▶ 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

# LONG TERM BUSINESS RECOVERY SOURCES CONTD:

- ▶ 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 CONTD:

- ▶ 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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