

Disaster Recovery Initiative
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**Louisiana Office of Community Development,
Division of Administration**

Louisiana Recovery Authority

**Action Plan Amendment 34 (First Allocation) – *Economic Development: Small Firm
Loan and Grant and Technical Assistance Programs***

Non-substantial Amendment: May 21, 2009



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Action Plan Amendment No. 34

Non-Substantial Amendment to the Small Firm Loan and Grant Program and Technical Assistance to Small Firms Program

1. This non-substantial amendment seeks to modify the business eligibility requirements of the Small Firm Loan and Grant program consistent with the broader goals contained in Action Plan No. 2 of assisting firms that suffered losses, damages, displacement or substantial business interruption from the 2005 hurricanes. The purpose of this non-substantial amendment is to make eligible those businesses previously approved in the initial processes of the program and were adversely impacted by the storms. However, such impact would not necessarily be confined to a particular measurement of the businesses' revenue as previously mentioned in Action Plan No. 8. The eligibility criteria for the program shall consist of:

- being open prior to the storm
- being located in one of the 20 affected parishes
- provided proof of tangible loss if located in Zone B

2. Action Plan Amendment No. 17 amended the program to allow amounts generated by repaid loans to be retained by the lenders contracted to implement the program to use as loan capital within the damaged parishes, according to the current rules and policies of the Small Firm Loan and Grant Program.

This non-substantial amendment clarifies that the contracted lenders will use amounts generated by repaid loans in accordance with the guidelines set forth in the Revolving Capital Fund agreements. This amendment also allows the contracted lenders to use up to 20% of amounts generated by repaid loans for reasonable costs associated with the administration of this program.

3. This Action Plan Amendment proposes to reallocate \$1,425,000 from the Small Firm Loan and Grant Program to the Technical Assistance to Small Firms Program. This amendment will allow program service providers to continue to provide technical assistance to small businesses adversely impacted by the storms and individuals seeking to start a new firm that would be located in the impacted area. The program has provided assistance to over 5,500 businesses and individuals to date. This amendment will provide assistance to an additional 1,000 businesses and individuals.

Amendment 34 Program Modifications	Program Total Prior to Amendment 34	Modifications Proposed in Amendment 34	Program Total Upon Approval of Amendment 34
Small Firm Loan and Grant Program	\$211 million	\$1,425,000 decrease	\$209,032,465
Technical Assistance to Small Firms Program	\$9.5 million	\$1,425,000 increase	\$10,925,000

Small Firms Loan and Grant Program

Eligible Activity	105(a)(17)
National Objective	Low to moderate income and urgent need
Activity Amount	\$209,575,000
Changes Proposed in this Amendment	(\$1,425,000)

Technical Assistance to Small Firms Program

Eligible Activity	105(a)(17) and 105(a)(15) Economic Development
National Objective	Low to moderate income and urgent need
Activity Amount	\$10,925,000
Changes Proposed in this Amendment	\$1,425,000