



LRA Economic and
Workforce Development
Taskforce Meeting
October 10, 2006



Overview of overall CDBG and HMGP Programs

Sources and uses of funds

	CDBG (\$MM)	HMGP (\$MM)	Total (\$MM)
I. Subtotal – Road Home Program	\$ 8,080	\$ 1,170	\$ 9,250
II. Subtotal – Economic Development Program	350		\$ 350
III. Subtotal – Infrastructure & Hazard Mitigation	1,970	330	\$ 2,300
Total Budgeted Allocations of CDBG & HMGP*	\$ 10,400	\$ 1,500	\$ 11,900

* Current HMGP estimate is \$1.5B, down from original estimate of \$1.7B. If HMGP increases, Infrastructure budget increases.



Economic Development Program Budgets

Approved Programs	CDBG (\$MM)
Louisiana Recovery Bridge Loan Program	95
Long Term Recovery Loan Guarantee Program	95
Louisiana Tourism Marketing Program	28.5
Technical Assistance to Small Firms Program	9.5
Small Firm Recovery Loan & Grant Program	38
Recovery Workforce Training Program	38
Higher Education research and education program	28.5
Administrative Costs	17.5

Subtotal – Economic Development \$350 million

2



Bridge Loan Program

Purpose: To provide short term financing to companies that are still waiting on insurance payments or SBA loans.

- ✦ **\$95 million total**
- ✦ **\$10 million – Phase I – Fall 2005**
- ✦ **\$30 million – Phase II – Spring 2006**
- ✦ **\$55 million – Phase III – October 2006**
- ✦ **Program run through local banks**

3

Slide 3

CS1

Christina Stephens, 7/12/2006



Bridge Loan Program

Status:

- ✦ \$55 million Phase III launched yesterday
- ✦ Program is for businesses waiting on an approved SBA loan or insurance payment

4



Small Firm Recovery Loan & Grant Program

Purpose: To provide loans and grants to small firms that require more hands-on business assistance in order to restart, maintain operations, or grow

- ✦ \$38 million
- ✦ Modeled after NYC program
- ✦ Low-cost working capital loans
- ✦ Grants to reimburse tangible expenses
- ✦ Technical assistance to firms receiving funds
- ✦ Includes nonprofits
- ✦ RFP process
- ✦ Multiple contracts to service providers

5



Small Firm Recovery Loan & Grant Program

Status:

- ✦ RFP and Guidelines will be released at press conference with Governor Blanco on Wednesday, October 18th in New Orleans

6



Technical Assistance to Small Firms Program

Purpose: To fund a competitive RFP award that provides grants to entities for various forms of technical assistance to entrepreneurs and small firms

- ✦ \$9.5 million
- ✦ Modeled after NYC program
- ✦ Hands on assistance to small firms, including nonprofits
- ✦ Assistance for entrepreneurs
- ✦ RFP process
- ✦ Multiple contracts to service providers

7



Technical Assistance to Small Firms Program

Status:

- ✦ RFP and Guidelines will be released at press conference with Governor Blanco on Wednesday, October 18th in New Orleans

8



Long Term Recovery Loan Program

Purpose: To provide loans to companies unable to get conventional loans because of their post-storm risk profile or revenue status

- ✦ \$95 million to guarantee low-interest loans or tax exempt bonds, leveraging about \$550 million
- ✦ Available to firms in impacted areas that sustained physical or economic loss
- ✦ Local banks underwrite & approve loans
- ✦ Maximum \$1.5 million per loan
- ✦ Fixed assets, equipment, & working capital

9



Long Term Recovery Loan Program

Status:

- ✦ Program guidelines in development
- ✦ Launch in 2 weeks

10



Tourism Marketing Program

Purpose: To jump start the damaged tourism and convention industry sectors with a large marketing and advertising campaign

- ✦ \$28.5 million
- ✦ Prior to storms, 2nd largest industry; cultural economy was fastest growing
- ✦ Surveys show negative images since storms
- ✦ Funds to be used for:
 - ✦ Tourism travel advertising & marketing (including Southwest Louisiana)
 - ✦ New Orleans leisure travel marketing
 - ✦ New Orleans convention & meeting travel marketing

11



Tourism Marketing Program

Status:

- ✦ Grant recipients selected after CRT Request for Results (RFR) and proposal evaluation completed
- ✦ Program launched with Governor's press conference on September 19th

12



Recovery Workforce Training Program

Purpose: To create workforce training & placement programs that meet the needs of businesses in sectors critical to the recovery and rebuilding of the affected areas.

- ✦ \$38 million
- ✦ RFP process
- ✦ Administered by the Louisiana Workforce Commission
- ✦ Guidelines and RFP developed by working group, including Workforce Commission, Department of Labor, LA Community & Technical College System, Department of Economic Development, LRA

13



Recovery Workforce Training Program

Status:

- ✦ RFP and Guidelines completed
- ✦ Pre-proposal meeting held September 7th; 127 signed attendance sheet
- ✦ Governor's press conference at BRCC to announce program on October 4th
- ✦ Proposers' conference call to answer questions on RFP held on October 6th. 129 potential proposers participated.
- ✦ Proposals due November 28
- ✦ Workforce Commission Chair will select proposal review team

14



Research Recovery & Educational Enhancement

Purpose: To restore economic strength of the storm-impacted areas, focused on short-term revitalization and long-term growth

- ✦ 28.5 million
- ✦ RFP process
- ✦ Administered by the Board of Regents
- ✦ Strategic Plan by Nationally-Recognized Firm with participation from private and public sectors
- ✦ Guidelines and RFP developed by working group, including Board of Regents, LRA, and Office of Community Development
- ✦ Based on National Best Practices in Research Commercialization Strategies such as the Georgia Research Alliance.

15



Research Recovery & Educational Enhancement

Status:

- ✦ Board of Regents and LRA working on RFP to hire firm to do strategic plan
- ✦ Strategic plan to:
 - ✦ Plan a statewide organization to fund targeted research at universities and set up systems to transfer technology to Louisiana companies
 - ✦ Recommend target technology areas with Louisiana expertise and long-term commercial potential
 - ✦ Suggest how to spend CDBG funds at storm-damaged postsecondary institutions

16



Research Recovery & Educational Enhancement

Status:

- ✦ Legislative Approval Received October 5th
- ✦ Action Plan Amendment 5 sent to HUD week of October 9th
- ✦ Developing RFP to select a strategic planning firm
- ✦ RFP expected to be issued end of October

17



Economic Development Programs

Status:

- ✦ **ALL programs will be launched by the end of October**
- ✦ **Careful program and results monitoring will begin immediately**
- ✦ **Intent is to work on an ongoing basis with providers within each program to ensure success of programs**