

LOUISIANA RECOVERY AUTHORITY

Fisheries Industry Allocation Recommendation

January 12, 2006

OVERVIEW: A resolution of the Louisiana Recovery Authority Board to recommend the publication for public comment an Action Plan Amendment to allocate \$20 million of Community Development Block Grant (CDBG) funds to help restore the commercial and recreational fishing industry to long-term viability in areas of the state that were affected by Hurricanes Katrina and Rita. Expenditures will include, but not be limited to, repairing, improving, acquiring, and/or constructing public infrastructure, returning fishing boats to service, and providing funds for loans and grants to fishermen, if necessary. Upon final approval of this Action Plan Amendment by the LRA board at a subsequent meeting, it would be forwarded for approval to the Governor, Louisiana Legislature, and federal Department of Housing and Urban Development.

Whereas, The LRA Board has committed by resolution on December 14, 2006 to recommend assistance to Louisiana's fishing industry.

Whereas, the fishing industry of the hurricane-affected areas has requested up to \$20 million in CDBG funds to spur the recovery of the industry.

Whereas, the fishing industry has expressed as priorities for this investment the following areas:

1. Direct assistance to fishermen, in the form of loans and grants for business expenses; and
2. Infrastructure, including repairing, improving, acquiring, and/or constructing public infrastructure, and returning fishing boats to service.

Whereas, a separate program, the Small Firm Loan and Grant program within the LRA's Economic Development program, will make available to small businesses in the most severely affected areas of the state \$100 million in grants and \$38 million in loans starting in February 2007.

Whereas, the Small Firm Loan and Grant program is designed such that fishermen and other single employee firms will be eligible for the program and most maritime fisheries are located in the areas covered by the Small Firm Loan and Grant program.

Whereas, three approved lenders within the Small Firm Loan and Grant program - Seedco Financial Services, Southern Mutual, and the South Central Planning District - will specifically target fishermen and fishing communities, and other lenders will be encouraged to do so.

THEREFORE BE IT RESOLVED: that the LRA Board hereby directs LRA and OCD staff to develop and publish for public comment an Action Plan Amendment for the allocation of \$20 million of CDBG funds to help restore the commercial and recreational fishing industry to long-term viability in areas of the state that were affected by Hurricanes Katrina and Rita. Upon final approval of this Action Plan Amendment at a subsequent meeting of the LRA, it will be forwarded to the Governor, Louisiana Legislature, and federal Department of Housing and Urban Development for their approval.

BE IT FURTHER RESOLVED: that the Louisiana Recovery Authority Board does hereby recommend that the funding to be provided under this Action Plan Amendment be focused on the following areas:

- (1) Repairing, improving, acquiring, and/or constructing public infrastructure, and returning fishing boats to service; and
- (2) To the extent necessary after determining utilization of the Small Firm Loan and Grant program by fishermen, providing direct assistance to fishermen in the form of grants and loans to help them return to/remain in the commercial and/or recreational fishing business. Any funds allocated to this activity will be distributed through the Small Firm Loan and Grant program created by the LRA within its Economic Development Program, via transfer of funds from the Infrastructure program to the Economic Development program. Money transferred for such purpose will be earmarked for distribution exclusively to fishermen. This transfer and portion of the proposed program will only be executed as necessary if the members of the fishing industry are not adequately served by the Small Firm Loan and Grant program for direct assistance.

BE IT FURTHER RESOLVED: that the Louisiana Recovery Authority Board does hereby recommend that the full \$20 million be allocated to these activities, and that the distribution of funds between the two focus areas be determined in consultation with stakeholders of the fishing industry based on estimates of utilization of the existing Small Firm Loan and Grant program by fishermen no later than March 31, 2007.