



MEMORANDUM

Prepared for: Rep. Gomberg, Chair, House Interim Committee
on Economic Development and Trade
Date: September 19, 2018
By: Melissa Leoni, Analyst
Re: Small Business Assistance in Areas of Declared
Disasters or Emergencies

LPRO: LEGISLATIVE POLICY AND RESEARCH OFFICE

You asked for background research on capital access challenges for small businesses affected by disasters, including the existing programs, gaps or barriers, and best practices from other states. The purpose of the research is to assist the committee in further discussions or in developing legislation to support economic resilience in Oregon's rural communities.

SUMMARY

The top three declared disasters in Oregon are severe winter storms, fires, and drought.¹ The bulk of federal resources provided because of declared disasters have reimbursed certain public and private entities for emergency work and to repair or replace damaged facilities. When a business incurs property damage from a declared disaster, the Small Business Administration (SBA) disaster loans and loan guarantees and Farm Service Agency (FSA) programs may be available. When a business incurs an "economic injury," the only state and federal assistance officially available is the SBA Economic Injury Disaster Loan program.

Three themes emerged from interviews with 26 local, state, and federal economic development, finance, or program experts about the gaps and barriers to accessing current programs and the needs of small business directly or indirectly impacted by disasters.

1. Existing disaster assistance (finance programs or insurance) works where there is direct physical damage from a disaster, but these sources are either not available or beyond the reach of most small businesses who suffer only economic injury. A more flexible, short-term, loan or grant program could help small businesses, especially with payroll or operating capital, during or immediately after a disaster. Creation or support for an insurance fund or pool for economic injury losses could also support capital needs.
2. Strong, healthy small businesses are more resilient and recover more quickly with or without disaster assistance programs. Additional assistance or guidance could help businesses be more resilient and better prepared for disasters or to access capital.
3. Businesses in impacted communities need to regain customers or connect with new customers after a disaster. Business and community needs vary with each disaster, but efforts to increase tourism, promote economic development, or align programs have helped recent recovery efforts and may likely be needed in future years.

¹ FEMA. *Disasters*. <https://www.fema.gov/disasters/>, visited September 5, 2018.

USDA Farm Service Agency. *Disaster Designation Information*. <https://www.fsa.usda.gov/programs-and-services/disaster-assistance-program/disaster-designation-information/index>, visited August 23, 2018.

Jenkins, Richard. "Oregon SBA loan #s". Email message to Melissa Leoni, September 10, 2018.

BACKGROUND

In November 2017, the House Interim Committee on Economic Development and Trade heard presentations about the economic impacts and recovery efforts of the 2017 fire season, including job cuts, drops in sales in affected areas, and cancelation of major events due to the fires, smoke, and road closures. Wildfire recovery councils were formed in the Columbia Gorge and southwest Oregon to assess the impacts of fires, prioritize assistance needs, and work with Regional Solutions to coordinate state agency tools. These councils identified needs, including access to capital for small businesses, environmental recovery, public safety, and protecting regional brands as business and tourist destinations.

While this request originated from the 2017 fire season, staff has attempted to capture the available programs and the gaps, barriers, and needs of small businesses impacted by the disasters that typically occur in Oregon. Similarly, when looking at other state efforts to assist small businesses impacted by disasters, staff did not focus on specific types of disaster responses, but on the needs and gaps those programs or initiatives appear to address.

Disaster Declaration and Assistance Types

The following table describes the relevant types of disaster declarations and federal programs activated by them.

Table 1: Disaster Declarations and Federal Programs

Type of Disaster Declaration	Purpose or Description	Federal Programs Available
Presidential Major Disaster Declaration	<p>Declared for any natural event that the President determines has caused severe damage beyond the capabilities of state and local governments. The Governor or Tribal Chief Executive must request a declaration within 30 days of the incident, based on findings of damage and assistance needs.</p> <p>This declaration provides a wide range of federal assistance programs for individuals and for public infrastructure. Not all programs are activated for every disaster; some programs must be requested or be identified in the Preliminary Damage Assessment.</p>	<ul style="list-style-type: none"> Federal Emergency Management Agency (FEMA) programs available include Individual Assistance (help to individuals and households), Public Assistance (emergency work and repair or replacement of damaged facilities), and Hazard Mitigation Assistance (action to prevent future damage). Small Business Administration (SBA) disaster assistance programs (Physical Disaster Loans and Economic Injury Disaster Loans) are automatically activated when FEMA Individual Assistance programs are authorized. SBA Express Bridge Loan (EBL) Pilot Program. U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) Emergency Loans (help producers recover from production or physical losses) and Disaster Set-Aside Program (current borrowers). Housing and Urban Development Community Development Block Grant Disaster Recovery program to support rebuilding efforts.
Presidential Emergency Declaration	Supplements state, local, and tribal government efforts, in situations beyond their abilities, in providing emergency services.	FEMA assistance is typically limited to Public Assistance (governmental and nonprofit entities) for emergency protective measures. The total amount of assistance is limited to \$5 million.

Type of Disaster Declaration	Purpose or Description	Federal Programs Available
Presidential Fire Management Assistance Grant program	Assistance to state, local, and tribal governments for mitigation, management, and control of fires on publicly or privately owned forests or grasslands where the “threat of major disaster” exists. This process is expedited with decisions within hours.	Grants funded by FEMA. This program provides a 75% federal cost share and the state pays the remaining 25% of actual costs. The state must demonstrate costs above a threshold before a grant is awarded.
Small Business Administration (SBA) Agency Declaration	Declaration based on physical damage to 25 homes or businesses with sustained uninsured loss of 40% or more.	SBA Physical Disaster Loans and Economic Injury Disaster Loans.
Governor certification to SBA	A Governor can request, based on a certification, that at least five businesses have suffered substantial economic injury.	SBA Economic Injury Disaster Loans.
Secretary of Agriculture or Secretary of Commerce disaster declarations	Secretary of Agriculture declarations requested by Governor, Indian Tribal Council leader, or FSA State Executive Director. The process is fast-tracked for severe drought. Other natural disasters must have a 30% production loss of at least one crop, or a determination that other lending institutions will not provide emergency financing. Department of Commerce fishery disaster declarations requested by eligible entity and evaluated by NOAA Fisheries.	<ul style="list-style-type: none"> • SBA Economic Injury Disaster Loans. • USDA-FSA Emergency Loans (help producers recover from production or physical losses) and Disaster Set-Aside Program (current borrowers). • USDA-FSA Noninsured Disaster Assistance Program for crop losses and other Farm Bill programs. • There is no standing program at Department of Commerce for fisheries disasters. Congress must appropriate funding for fishery disaster relief or assistance grants.
USDA Farm Service Agency (FSA)	FSA Administrator’s Physical Loss Notification (physical losses only, including livestock losses).	USDA-FSA Emergency Loans (help producers recover from production or physical losses) and Disaster Set-Aside Program (current borrowers).
Secretary of Agriculture	Quarantine designation by the Secretary under the Plant Protection Act or animal quarantine laws.	USDA-FSA Emergency Loans (help producers recover from production or physical losses) and Disaster Set-Aside Program (current borrowers).

Source: Legislative Policy and Research Office

Data: Federal Emergency Management Agency,² Small Business Administration,³ U.S. Department of Agriculture Farm Service Agency,⁴ and Department of Commerce.⁵

Oregon Disaster Declarations

The top three declared disasters in Oregon are severe winter storms, fires, and drought. Recent Presidential declarations in Oregon include the following:

- Between January 1, 2003 and August 30, 2018, there were 12 major disaster declarations for severe storms, with or without flooding, wind, landslides, or mudslides,

² Federal Emergency Management Agency (FEMA). *The Disaster Declaration Process*. <https://www.fema.gov/disaster-declaration-process>, visited July 19, 2018.

³ US Small Business Administration (SBA), *Disaster Recovery: A guide to SBA’s Disaster Assistance Programs*. <https://www.sba.gov/course/disaster-recovery-guide-sbas-disaster-assistance-programs/>, visited July 20, 2018.

⁴ USDA Farm Service Agency. *Disaster Designation Information*. <https://www.fsa.usda.gov/programs-and-services/disaster-assistance-program/disaster-designation-information/index>, visited August 23, 2018.

⁵ NOAA Fisheries. *Frequent Questions – Fishery Disaster Assistance*. <https://www.fisheries.noaa.gov/insight/frequent-questions-fishery-disaster-assistance#what-is-a-fishery-disaster?>, visited September 17, 2018.

and one declaration for the tsunami wave surge in 2011.⁶ Of these 13 declarations, only the severe storms of December 2007, which included flooding in Vernonia, included both the individual assistance and public assistance funding programs through FEMA. The remaining 12 declarations only involved public assistance. The time lag between the start of these disasters and the disaster declaration date averaged 64 days, with the shortest gap for the December 2007 declaration (seven days).

- During this same period, there were 38 fire management assistance declarations in Oregon to fight fires that threatened to cause a major disaster.⁷ For these, public assistance funding is provided by FEMA. Fire management assistance declarations occur quickly, on average only one day after the start.
- In 2017, there was one county with a Presidential declaration for flooding and 27 counties with severe/winter storm designations for the Farm Service Agency (FSA).⁸

The SBA Agency Declarations and Governor Certifications include:

- From 1996 to 2017, there were seven SBA Agency disaster declarations and 11 Governor certifications. Five of the 11 Governor certifications occurred in the past two years, including three for fires in 2017.⁹

The USDA Secretary of Agriculture Declarations¹⁰ include:

- This year there are 18 Oregon counties with drought declarations.
- In 2017, eight counties had declarations for winter storms.
- In 2016, 16 counties had declarations for drought.
- In 2015, all 36 Oregon counties had a drought declaration and eight counties had a freeze declaration.
- In 2014, 23 counties had drought declarations and five counties had a freeze declaration.

EXISTING FINANCIAL ASSISTANCE PROGRAMS

Aid from FEMA is provided through three programs. None, however, directly aid small businesses impacted by a disaster.

- Individual Assistance¹¹. This program aids individuals and households with disaster housing, crisis counseling, and disaster-related unemployment.

⁶ FEMA. *Disasters*. <https://www.fema.gov/disasters/>, visited August 8, August 10, and September 5, 2018.

⁷ Ibid, visited August 23 and September 5, 2018.

⁸ Data is available for crop years 2017-2018 for Presidential Major Disaster and Emergency Declarations. USDA Farm Service Agency. *Disaster Designation Information*. <https://www.fsa.usda.gov/programs-and-services/disaster-assistance-program/disaster-designation-information/index>, visited August 23, 2018.

⁹ Jenkins, Richard. "Oregon SBA loan #s". Email message to Melissa Leoni, September 10, 2018

¹⁰ Data available for crop years 2012-2018 for Secretary of Agriculture disaster declarations. Ibid.

¹¹ FEMA. *Individual Disaster Assistance*. <https://www.fema.gov/individual-disaster-assistance>, visited September 5, 2018.

- Public Assistance¹². This aids the states, tribal, local governments, and certain private nonprofit organizations to do emergency work and repair or replace facilities that were damaged in the disaster. There is a 75 percent federal cost share minimum.
- Hazard Mitigation Assistance¹³. This assists states, tribal, and local governments and certain nonprofit organizations to take actions to prevent or reduce the future risks from natural hazards. The Hazard Mitigation Grant Program has a cost share of 75 percent federal and 25 percent non-federal.

“Business and farm loans are available to people who have suffered damage to business property or economic injury. These low-interest loans are available through the Small Business Administration (SBA) and the Farm Service Agency (FSA), to repair or replace damaged property not covered by insurance, and to provide working capital.”¹⁴

When a business incurs property damage, and with the appropriate disaster declaration, the Small Business Administration (SBA) disaster loans and loan guarantees and Farm Service Agency (FSA) programs are available. When a business incurs an “economic injury” as a result of a declared disaster, the only state and federal assistance officially available is the SBA Economic Injury Disaster Loan program. Appendix A contains a list of the financial assistance programs specifically available in declared or identified disaster areas. Descriptions of these programs are also included in this section.

Other public and private lenders may be willing to assist small businesses if the applicant otherwise qualifies for an existing program and can demonstrate an ability to repay the loan. These funding programs, however, are not specifically designed for disaster assistance and have existing application timelines and criteria. Similarly, small businesses with existing loans through Business Oregon, the SBA, or U.S. Department of Agriculture may be able to request and receive, on a case-by-case basis, modifications to their loans to account for the impact of the disaster, including forbearance or term restructuring.

Appendix B contains a list of the financial assistance programs generally available to small businesses. These programs are not specifically designed for disasters and do not have explicit disaster assistance authority, but they may be available as financing for small businesses impacted by or recovering from natural or other disasters. Another source of information on capital availability for Oregon businesses is the Oregon Capital Scan 2016.¹⁵

Small Business Administration Programs

Once a disaster is declared, the Small Business Administration (SBA) is authorized to make two types of disaster loans: Physical Disaster Loans and Economic Injury Disaster Loans.¹⁶

¹² FEMA. *Public Assistance: Local, State, Tribal and Private Non-Profit*. <https://www.fema.gov/public-assistance-local-state-tribal-and-non-profit>, visited September 5, 2018.

¹³ FEMA. *Hazard Mitigation Grant Program*. <https://www.fema.gov/hazard-mitigation-grant-program>, visited September 5, 2018.

¹⁴ FEMA. *What To Do If Your Business or Farm Was Damaged*. <https://www.fema.gov/what-do-if-your-business-or-farm-was-damaged>, visited August 8, 2018.

¹⁵ “Oregon Capital Scan 2016,” Lundquist College of Business, University of Oregon, December 2016.

¹⁶ SBA. *Disaster Recovery: A guide to SBA’s Disaster Assistance Programs*. <https://www.sba.gov/course/disaster-recovery-guide-sbas-disaster-assistance-programs/>, visited July 20, 2018 and August 24, 2018 and *Disaster Loan Assistance*. <https://disasterloan.sba.gov/ela/Information/Index>, visited July 20, 2018 and August 24, 2018.

Since 2005, the SBA has approved 64 Physical Disaster Loans and 110 Economic Injury Disaster Loans for Oregon businesses.¹⁷

Physical Disaster Loans are designed to replace damaged property or restore it to the condition prior to the declared disaster. Businesses of all sizes and private nonprofit organizations located in a declared disaster area are eligible for these loans. Applications must be submitted within 60 days of the disaster declaration. Since 2005, the amount of approved loans in Oregon has totaled just over \$1.11 million.¹⁸

Economic Injury Disaster Loans are available to small businesses, small agricultural cooperatives, and most private nonprofit organizations that have suffered substantial economic injury in a declared disaster area, regardless of physical damage. Substantial economic injury means being unable to meet obligations and pay ordinary and necessary operating expenses. Loans provide working capital for the business to survive until normal operations resume after a disaster. Applications for these loans must typically be received within nine months of the disaster declaration.¹⁹ Since 2005, the amount of approved loans in Oregon has totaled just over \$5.4 million.²⁰

The SBA will only make a disaster loan if it concludes that the loan will be repaid and the applicant has an acceptable credit history. Collateral is generally required, although SBA will not decline a loan for lack of collateral and may require other security. Interest rates on these loans cannot exceed four percent and the specific term is noticed by the agency in the disaster declaration.

On May 7, 2018, the SBA published a second Federal Register Notice regarding the creation of the Express Bridge Loan (EBL) Pilot Program.²¹ This program augments its other disaster loan programs by allowing certain lenders to deliver expedited SBA-guaranteed financing to eligible small businesses impacted by Presidentially declared disasters. This pilot program is intended to bridge the gap while small businesses apply for or wait to receive long-term financing. Applicants must have an existing relationship with an SBA Express Lender and the maximum loan amount is \$25,000. None of these loans have yet occurred in Oregon as there has not been a Presidential declaration so far, this year.

United States Department of Agriculture (USDA) Farm Service Agency

All four types of disaster designations or declarations make two types of Farm Service Agency disaster assistance available to eligible producers.

- Emergency Loans²² help producers recover from production or physical losses due to drought, flooding, and other natural disasters. Farmers and ranchers must own or operate land located in designated counties and have suffered at least a 30 percent loss

¹⁷ Jenkins, Richard. "Oregon SBA loan #s". Email message to Melissa Leoni, September 10, 2018.

¹⁸ Ibid.

¹⁹ Under the Secretary of Agriculture declaration, an application must be submitted within eight months of the declaration. Ibid.

²⁰ Jenkins, Richard. "Oregon SBA loan #s". Email message to Melissa Leoni, September 10, 2018.

²¹ SBA. *SBA Information Notice. Express Bridge Loan Pilot Program Guide*. <https://www.sba.gov/sites/default/files/2018-05/5000-180005.pdf>, visited August 24, 2018.

²² USDA Farm Service Agency. *Emergency Farm Loans*. <https://www.fsa.usda.gov/programs-and-services/farm-loan-programs/emergency-farm-loans/index>, visited August 24, 2018.

in crop production or a physical loss (livestock, livestock products, or real property). Producers can borrow up to \$500,000.

- The Disaster Set-Aside Program²³ allows the FSA to set-aside one payment for current borrowers located in designated disaster areas who are unable to make their scheduled payment.

The Noninsured Crop Disaster Assistance Program²⁴ also provides financial assistance to producers of noninsurable crops when low yields, loss of inventory, or prevented planting occur due to natural disasters. Other Farm Bill programs may also be available as disaster assistance.

USDA Rural Development

The business assistance programs at USDA Rural Development (listed in Appendix B) normally do not have disaster assistance authority. Small businesses impacted by a natural disaster may qualify for financial assistance, but according to existing program terms, requirements, and timelines. Additionally, these programs are designed for and better suited to long-term business development or rebuilding, not for disaster response.

State of Oregon Programs

Oregon does not have disaster assistance programs for small businesses. The Oregon Office of Emergency Management has a web page with disaster assistance resources for individuals, families, and businesses, but it is mostly focused on Presidential major disaster declarations and individual assistance.²⁵

Appendix B lists existing capital finance programs at Business Oregon. Like with USDA Rural Development programs, small businesses impacted by a natural disaster may qualify for Business Oregon programs, or may qualify for modifications to their existing loans, but these programs are generally designed for and priced based upon the risks typically associated with business growth and development purposes, not business retention or disaster recovery purposes.

Other Programs

Oregon has 12 Economic Development Districts (EDDs)²⁶ covering all 36 counties, including one statewide tribal and 11 regional EDDs. EDDs often originate, package, and administer loans funded by various state and federal programs, including the Department of Commerce Economic Development Administration, SBA, and USDA. EDD loan programs address local and regional priorities within the requirements of their funding sources. These are typically economic development and business capital purposes, not disaster response. Interest rates

²³ USDA Farm Service Agency. *Farm Loans Fact Sheet. Disaster Set-Aside Program*, 2017. https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdafiles/FactSheets/2017/disaster_set_aside_program_oct2017.pdf, visited August 24, 2018.

²⁴ USDA Farm Service Agency. *Disaster Assistance Fact Sheet. Noninsured Crop Disaster Assistance Program for 2015 and Subsequent Years*, 2017. https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdafiles/FactSheets/2017/nap_for_2015_and_subsequent_years_oct2017.pdf, visited August 24, 2018.

²⁵ Oregon Office of Emergency Management (OEM). *Disaster Assistance for Individuals, Families and Businesses*. <https://www.oregon.gov/OEM/emresources/disasterassist/Pages/Individual-Assistance.aspx>, visited August 24, 2018.

²⁶ Oregon's Economic Development Districts (OEDD). *Welcome to the Oregon's Economic Development District Website*. <http://www.oedd.org/>, visited August 24, 2018 and Lundquist College of Business, University of Oregon. *Oregon Capital Scan*, 2016. https://www.oregoncf.org/Templates/media/files/reports/oregon_capital_scan_2016.pdf, visited August 24, 2018.

are typically higher than market rates to support business use of private capital first. The EDDs also provide other business services and regional planning functions.

Community Development Financial Institutions (CDFIs) provide financial resources to economically disadvantaged communities. CDFIs can include banks, credit unions, loan funds, venture capital funds, or microloan funds.²⁷ Like EDDs, the CDFIs do not have explicit disaster assistance loan programs, but work to address community needs and create economic opportunity. Where business and community needs from a disaster align with the products or programs offered by EDDs or CDFIs, they try to work to meet those needs.

Umpqua Bank recently created a Disaster Relief Loans²⁸ program to provide emergency personal loans for customers in areas impacted by the 2018 fires. Qualifying customers, those with Umpqua Bank checking or savings accounts and living or working in disaster areas, can apply for loans of up to \$10,000 at a reduced interest rate.

GAPS AND BARRIERS

Between June and early September of 2018, staff conducted interviews with local, state, and federal economic development, finance, and other experts about the gaps and barriers small businesses face when accessing financial assistance programs in declared disaster areas. Appendix C contains the list of those individuals interviewed for this project. Most of those interviewed work in or with businesses in areas impacted by fires or winter storms in 2017.

Three themes emerged from those interviews: capital access, insurance, and recovery gaps and barriers. Additional information about these gaps and barriers, compiled through interviews, is provided in the following sections.

Capital Access Gaps and Barriers

- There are delays between the business impact and when financing (insurance, traditional financing, or other assistance) is available to support immediate payroll or operating expenses. This is due to delays in the disaster declaration process, delays in the application and approval processes of existing programs, or from state or regional lenders working to modify or fit existing programs to business conditions or needs.
- Businesses do not want loans unless it is necessary. In disasters, many businesses only need help because of the event, but they will still have the same financial constraints or tight profit margins once the immediate impact is over and usual business is restored.
- Many small businesses cannot demonstrate that they can pay back a loan, often because they do not have the required financial documentation or cannot meet collateral requirements.

²⁷ U.S. Department of the Treasury Community Development Financial Institutions Fund. *What are CDFIs?* https://www.cdfifund.gov/Documents/CDFI_infographic_v08A.pdf, visited September 10, 2018.

²⁸ Umpqua Bank. *Umpqua Bank Disaster Relief Loans Available to Communities in Need.* <https://www.umpquabank.com/blog/disaster-relief-loans-2018-fires-california-oregon/>, visited August 24, 2018.

- Many lenders or finance programs are risk adverse and conservative in their lending portfolio, because they are either accountable for loan portfolio results to their funding sources, must repay loan funds, or sustain revolving loan funds.
- Current business capital finance programs are not designed for disaster response and intentionally have higher interest rates than private lenders. Current finance programs provide flexibility to existing borrowers or try to make current programs work to help businesses impacted by disasters, but they must do so within existing authorities, criteria, or application processes.
- Existing disaster finance or insurance policies are more suited to disasters that have a direct, physical impact on a business. Gaps occur when disasters do not have direct impacts or where businesses are impacted in a different location than the disaster.
- Loans are the only capital resources available to businesses in a disaster. While loans can be appropriate for established businesses, grants or forgivable loans may be needed to help certain small businesses in rural communities survive disaster impacts.
- In a disaster, small businesses may not have access to financial statements or to sales, expenses, or income figures to be able to document impacts and capital needs. This can be a barrier to accessing existing programs, either for disaster or traditional financial assistance programs.
- Businesses may not be well informed about existing options and programs and may access more expensive financing as a result.
- The perception continues that the application and paperwork requirements for disaster assistance are complex and time consuming, especially for small businesses.

Insurance Gaps and Barriers

- Some business interruption insurance is only operative when the business is directly impacted by a disaster. The standard policy does not cover economic injury and small businesses may not feel they can take on the expense of adding this type of coverage.
- Insurance agents for small business policies are increasingly accessed online and not locally available to advise about whether to make a business interruption insurance claim.

Recovery Gaps and Barriers

- Small businesses that are healthy before a disaster will generally be more resilient than those that are not in good condition before a disaster event.
- Customer and visitor perceptions can be a barrier to economic recovery.
- Fires and smoke are having an impact on Oregon's outdoor economy and on business recruitment.

- The lack of social media or marketing skills impacts the ability of small businesses to bring in or connect with customers and recover from disaster impacts.

SMALL BUSINESS NEEDS

Several other sources have identified small business needs resulting from disasters. The Hurricane Sandy Rebuilding Strategy, for example, included the following recommendations for supporting small businesses:

“Supporting Small Businesses and Revitalizing Local Economies by:

- *Making it easier for small businesses to access Federal contracts for Hurricane Sandy rebuilding.*
- *Creating specialized skills training programs to support Sandy rebuilding including training opportunities for low income individuals and other vulnerable populations.*
- *Developing a one-stop shop online for everything related to small businesses and recovery.*
- *Improving the process for accessing critical disaster recovery loans and other resources; and increasing SBA’s unsecured disaster loan limits and expediting the disbursement of small dollar loans.”²⁹*

The 2017 Oregon fire recovery councils identified small business needs, including using economic development funds to guarantee or buy down interest rates for businesses, developing a new state disaster relief program for businesses impacted by disasters, and supporting economic and business resilience.³⁰

During interviews about gaps and barriers, staff sought input on what is needed to assist small businesses who are directly or indirectly impacted by disasters. Three themes emerged from that input.

Small Business Assistance and Preparation Needs (Resilience)

- There is a need to coordinate local, state, and federal resources to help keep people and businesses in rural communities. Response efforts need to be flexible as each disaster event is different and will require different strategies and responses.
- Businesses need help with contingency planning, which would be beneficial not only for disasters but also for economic slow-downs, especially in tourism-dependent communities.
- Businesses need assistance or training around risk abatement and backing up files or paperwork in other locations or the cloud.
- The system that supports, trains, and assists small businesses to be prepared for disasters needs to be strengthened. This system includes local economic development

²⁹ Housing and Urban Development. *Hurricane Sandy Rebuilding Task Force, Hurricane Sandy Rebuilding Strategy*, 2013. <https://archives.hud.gov/news/2013/HSRebuildingStrategy.pdf>, visited August 7, 2018.

³⁰ “Initial Findings of Needs from Eagle Creek Fire,” Eagle Creek Fire Recovery Council, January 19, 2018, and “Update on requests made by CBFRC,” Alex Campbell, Regional Solutions Coordinator for Governor Brown, March 2018.

organizations and the Small Business Development Center Network. There is a need to get information out to small businesses before, during, and after a disaster event using a variety of methods.

Short-Term or Bridge Financing Needs

- Bridge loans, lines of credit, or short-term financing of payroll or other operating expenses are needed to keep businesses open or keep employees in the community. Loans should be low-or no-interest.
- Short-term financing solutions should require minimal documentation and provide approval within a week to address immediate needs. After the immediate impacts have passed, lenders can review full financial documentation and modify terms, if needed.
- There is a need for greater flexibility in collateral requirements. Lenders or financial assistance programs should look at the business' history and offer personal guarantee or garnishment options to recoup loans if the business fails.
- An insurance fund or pool for disaster relief that spreads the risk and makes funding available more quickly could also support small business recovery.

Post-Disaster Business Promotion Needs

- Tourism or economic promotion is needed following a disaster to help small businesses regain customers, pay operating expenses, and pay back loans.
- Small businesses may need help to reconnect with customers to recover more quickly, including through social media and other marketing supports. Reconnecting with customers can mean either getting people or products to the impacted business or getting products to customers, depending on the type of disaster.

BEST PRACTICES

Using the gaps, barriers, and business needs input as a guide, staff conducted additional research using online sources, with program staff validation as needed, to look for best practices or models from other state and federal programs. Those examples are organized by the three categories of business needs identified in the previous section.

Small Business Assistance and Preparation Needs (Resilience)

Examples of efforts to support small business assistance or preparation needs exist in federal, state, or private programs that provide direct technical assistance to businesses or through funding to support or grow business assistance organizations or systems.

For example, there are online resources from federal agencies to help businesses or other organizations prepare for disasters, including toolkits and checklists from the Federal Emergency Management Agency and Small Business Administration.³¹ Some states have online portals to assist businesses and communities during a disaster or provide their own

³¹ Federal Emergency Management Agency. *Preparedness Checklists & Toolkits*. <https://www.fema.gov/preparedness-checklists-toolkits>, visited September 5, 2018. SBA. *Prepare for emergencies*. <https://www.sba.gov/business-guide/manage-your-business/prepare-emergencies#section-header-5>, visited July 20, 2018.

disaster preparedness resources. For example, North Carolina has developed a *Small Business Disaster Recovery & Resiliency KIT*³² and the Florida Division of Emergency Management has both a portal (FloridaDisaster.org) and online business planning resources.³³

Other local, state, and national organizations, including the U.S. Chamber of Commerce Foundation³⁴, Insurance Institute for Business & Home Safety,³⁵ and the Ashland Chamber of Commerce³⁶ have online resources to help small businesses prepare for disasters.

The Small Business Development Center Networks are a resource for businesses looking for assistance and can provide advisers to work with those seeking disaster assistance. In Colorado, the Colorado Small Business Development Center Network, for example, developed a *Disaster Recovery and Continuity Guide for Colorado Businesses*³⁷ in 2013.

There are also financial resources available to state and local governments and nonprofits to support business technical assistance. One example is the Rural Business Development Grants program at USDA Rural Development, which is designed to support targeted technical assistance, training, and other activities to support small business development in rural communities.³⁸ Grants generally range from \$10,000 to \$500,000 and there is no cost sharing requirement. Rural public entities, including towns, communities, state agencies, and nonprofit corporations are eligible to apply.

Short-Term or Bridge Financing Needs

Some states, primarily those that experience regular natural disasters or that have had a recent, large disaster, have developed loan or capital finance programs. Appendix D lists examples of small business loan, loan guarantee, or grant programs from six states. For each program, the table describes the eligibility requirements, interest rates and fees, loan amounts, terms, collateral requirements, and required documentation.

Florida and North Carolina have examples of bridge loan or gap financing programs for small businesses. The Florida Small Business Emergency Bridge Loan Program³⁹ was created in response to Hurricane Andrew in 1992 to bridge the gap between a disaster occurring and when businesses can secure long-term financial resources. The program has been activated 23 times since its creation, including in August 2018 to support small businesses affected by

³² North Carolina Small Business. *Disaster Recovery & Resiliency KIT*. <http://carolinasmallbusiness.org/wp-content/uploads/2016/11/Digital-DisasterReliefKit-singles.pdf>, visited July 31, 2018.

³³ Florida Division of Emergency Management. *Get a Plan! FloridaDisaster.org*. <https://apps.floridadisaster.org/getaplan/>, visited July 20 and September 6, 2018.

³⁴ U.S. Chamber of Commerce Foundation. *Small Business Disaster Preparedness Quick Guide*. <https://www.uschamberfoundation.org/disaster-preparedness-and-recovery-quick-guides/small-business-preparedness>, visited September 5, 2018.

³⁵ Insurance Institute for Business & Home Safety. *Open For Business -EZ Business Continuity Planning*. <http://disastersafety.org/ibhs-business-protection/ofb-ez-business-continuity/>, visited September 6, 2018.

³⁶ Ashland Chamber of Commerce. *Workshop Recap: Smoke Preparedness 2018*. <http://www.ashlandchamber.com/Page.asp?NavID=1384>, visited September 6, 2018.

³⁷ Colorado Small Business Development Center Network. *Disaster Relief*. <https://www.coloradosbdc.org/consulting/disaster-relief>, visited September 6, 2018.

³⁸ USDA Rural Development. *Rural Business Development Grants*. <https://www.rd.usda.gov/programs-services/rural-business-development-grants>, visited August 21, 2018.

³⁹ Florida Disaster Loan. *Florida Small Business Emergency Bridge Loan Program*. <http://www.floridadisasterloan.org/>, visited July 20 and September 11, 2018.

the Lake Okeechobee algal bloom and red tide. North Carolina's Small Business Emergency Bridge Loan Program⁴⁰ was developed in 2016 to respond to Hurricane Matthew and other natural disasters. Loan terms are limited to 180 days and have zero-percent interest rates.

Colorado, Missouri, and New Jersey have created loan programs with interest rates at or below three percent for small businesses impacted by specific disasters. Terms for these loans range from three years (New Jersey) to 10 years (Colorado and Missouri).

Nonprofit entities in Colorado and North Carolina created funds and loan programs to assist businesses impacted by disasters. The interest rates for these programs are slightly higher (five to nine percent) and terms and conditions vary by program. In North Carolina, state investment in the loan fund was matched by federal and private sources.

The California Small Business Disaster Relief Loan Guarantee Program⁴¹ is the only loan guarantee program staff identified. This existing program was expanded in 2017 to include businesses that suffer physical damage or economic injury in declared disaster areas. The program is administered by regional financial development corporations, but is financed by the California Infrastructure and Economic Development Bank.

California also expanded its Jump Start Loan Program⁴² in 2017 to provide small loans (up to \$10,000) and technical assistance to low-wealth entrepreneurs located in a low-wealth community or disaster area. Borrowers must complete a minimum of two hours of technical assistance with a qualified entity within six months of receiving a loan.

None of these state examples appear to require the minimal documentation identified as a need in Oregon. Even the immediate or gap financing examples require submission of a significant amount of business and financial information, including copies of tax returns, insurance policies, and financial statements.

Appendix D also includes three grant program examples. In California, the Business Interruption Fund⁴³ provides operating expense grants to small businesses that can demonstrate lost business revenue directly related to transit rail construction. The program provides the lesser of \$50,000 per business or 60 percent of annual business revenue losses. In Colorado and New Jersey, disaster grant programs funded by the U.S. Department of Housing and Urban Development provided grants of up to \$50,000 to small businesses that experienced physical or financial damage from a specific disaster. Both programs have now ended.

⁴⁰ NC Disaster Information Center. Emergency Loan Program Activated for Small Businesses. <https://ncdisaster.ces.ncsu.edu/2016/10/emergency-loan-program-activated-for-small-businesses/>, visited July 20, 2018.

⁴¹ California Infrastructure and Economic Development Bank. *Small Business Finance Center*. <http://www.ibank.ca.gov/small-business-finance-center/>, visited August 6, 2018.

⁴² Ibid.

⁴³ Metro. *Business Interruption Fund*. <https://www.metro.net/projects/business-interruption-fund/>, visited on August 6, 2018.

Post-Disaster Business Promotion Needs

Travel Oregon has two initiatives working to address the need to increase post-disaster tourism.⁴⁴ The first is an effort with the seven Regional Destination Management Organizations to create marketing programs specific to community or regional needs and to aid impacted businesses. This effort is based on the “Show the Gorge Some Love” campaign from fall 2017.⁴⁵ The second effort is the recently formed West Coast Tourism Recovery Coalition with Washington and California that received media coverage in August 2018. Travel Oregon hopes to create a website to give visitors to western states the resources they need during wildfire season and to motivate travel in the west during the winter months and to impacted areas.

Two examples exist in other states. Colorado created a Tourism Marketing Grant Program⁴⁶ to assist nonprofit and quasi-governmental entities in promoting tourism and visitor-related jobs, job retention, and economic impact resulting from the 2012 and 2013 wildfire and flooding disasters. Grants were awarded to 13 organizations with a total award of nearly \$1.3 million. The Love Washington Project⁴⁷ is a recently created disaster resiliency project to support disaster preparedness and recovery in the state. In 2019, the project will begin fundraising to create an endowment fund that will be accessible to Washington communities after a nationally declared natural disaster.

APPENDICES

- A. Small Business Disaster Assistance Programs
- B. Small Business Financial Assistance Programs
- C. Interview Participants
- D. Other State Small Business Assistance Programs, by State and Program

⁴⁴ Morrissey, Sara. “RE: Sara's contact information.” Email message to Melissa Leoni, August 24, 2018.

⁴⁵ Travel Oregon. *9 Ways to Show the Gorge Some Love* <https://travaloregon.com/things-to-do/attractions/shopping/show-the-gorge-some-love/>, visited September 6, 2018.

⁴⁶ Colorado Department of Local Affairs. Tourism Marketing. <https://www.colorado.gov/pacific/dola/tourism-marketing>, accessed September 11, 2018.

⁴⁷ The Love Washington Project. *What is the Love Washington Project?*. <https://www.lovetwaproject.org/the-love-washington-project.html>, visited September 6, 2018.

Small Business Disaster Assistance Programs

Program Name	Agency/Entity	Purpose	Amount	Eligibility Requirements	Terms
Disaster Relief Loan	Umpqua Bank	Created an emergency personal loan program for customers in affected areas who have been financially impacted by the fires.	Up to \$10,000	Available to customers with Umpqua Bank checking or savings account who are living or working in disaster areas that have been economically impacted. Umpqua store participation is based on location. Available (as of 8/24/18) in Ashland, Cave Junction, Central Point, Grants Pass (3 stores), Medford (2 stores), Phoenix, and Rogue River.	Reduced interest rate and loan approvals subject to bank's minimum credit requirements.
Economic Injury Disaster Loans	U.S. Small Business Administration	Provides working capital to help small businesses survive until normal operations resume after a disaster. The loans do not replace lost sales or lost profits.	Up to \$2 million	Available to a small business, small agricultural cooperative, or nonprofit organization that is located in a declared disaster area and suffered substantial economic injury. Collateral required for loans over \$25,000. Must apply within 9 months of disaster declaration (or 8 months for Secretary of Agriculture declaration).	Interest rate not to exceed 4% per year. Maximum 30-year term. Loan amount based on economic injury and company's financial needs.
Express Bridge Loan Pilot Program	U.S. Small Business Administration	Provides immediate financial resources for small businesses impacted by a disaster to assist with rebuilding or continuing/restarting operations while waiting for long-term financing. Must be approved within 6 months of declaration date.	Up to \$25,000 loans with a 50% SBA guarantee	Loans made by SBA Express Lenders to eligible small businesses with an existing banking relationship as of the date of the disaster. Business must be in affected counties under a Presidential disaster declaration. Must meet business and personal credit score requirements.	Maximum term of seven years. Lender may require borrower to repay all or portion if approved for long-term disaster financing. May be fixed or variable rate. Certain fees allowed by lenders. No required collateral because of loan limits.
Physical Disaster Loans	U.S. Small Business Administration	Provides loans to replace or restore property damaged in a disaster. May be used for real property, machinery,	Up to \$2 million	Businesses of all sizes and private nonprofit organizations located in a declared disaster area and that experience	Interest rate determined by applicant's ability to obtain credit elsewhere. If unable to obtain credit

Program Name	Agency/Entity	Purpose	Amount	Eligibility Requirements	Terms
		equipment, fixtures, inventory, and leasehold improvements. Loan may be increased by up to 20% of the physical loss to protect the property against similar future disasters.		physical damage. Collateral required for loans over \$25,000 in Presidential declarations or \$14,000 in Agency declarations. Must apply within 60 days of disaster declaration.	elsewhere, the interest rate will not exceed 4%, otherwise it does not exceed 8%. Maximum term of 30 years.
Emergency Loan Program	USDA Farm Service Agency (FSA)	Helps producers recover from production and physical losses due to drought, flooding, and other natural disasters. Can be used to restore or replace essential property, pay all or part of production costs, pay essential family living expenses, reorganize farming operation, and refinance certain debts.	Up to \$500,000	Must be owner or operator of land located in designated counties and have suffered at least a 30% loss in crop production or a physical loss. Citizens/permanent residents with acceptable credit history and are unable to obtain credit from other sources.	Varies. Check FSA website. Repayment is typically from one to seven years, but terms can be 20 years, or 30 years for real estate. Collateral is required.
Disaster Set-Aside Program	USDA Farm Service Agency	Allows the FSA to set-aside one payment for current borrowers located in designated disaster areas who are unable to make their scheduled payment under certain circumstances.	Not applicable	Must meet eligibility criteria and apply within eight months of date of designation. Application requirements include actual production, income, and expense records.	Each payment set-aside must be repaid prior to the final maturity date of the note. Any principal set-aside will continue to accrue interest until it is repaid.
Noninsured Disaster Assistance Program	USDA Farm Service Agency	Provides financial assistance to producers of noninsurable crops when there are low yields, loss of inventory, or a natural disaster prevents planting.	TBD	Eligible producer with adjusted gross income not exceeding \$900,000. Eligible crops are commercially produced and crop insurance is not available. Eligible causes of damage include damaging weather, adverse natural occurrences, or conditions related to damaging weather, that directly affect the eligible crop.	TBD

Source: Legislative Policy and Research Office

Program Data: USDA Farm Service Agency, US Small Business Administration, and Umpqua Bank

Small Business Financial Assistance Programs

The following state and federal financial assistance programs are not specifically designed for disasters and do not have explicit disaster assistance authority, but they may provide financing to Oregon small businesses impacted by or recovering from natural or other disasters.

Program Name	Agency	Purpose	Amount	Eligibility Requirements	Terms
Entrepreneurial Development Loan Fund	Business Oregon	Direct loans to help start-ups, micro-enterprises, and small businesses expand or become established in state.	\$75,000 initial loan, up to \$100,000 total	Revenues less than \$500,000 in the previous 12 months or owned by a severely disabled person. Business plan and counseling required.	Maximum term of 5 years. Minimum fixed-interest rate of Prime plus 2%.
Oregon Business Development Fund	Business Oregon	Financing for land, buildings, equipment, machinery and permanent working capital.	\$1 million	Manufacturing, processing, and distribution businesses. Preference to businesses in rural and distressed areas with fewer than 100 employees.	Fixed-interest rate. Pays up to 40 percent of a project. Maximum term of 20 years.
Oregon Capital Access Program	Business Oregon	Business Oregon contributes to the lender's loan loss reserve account to help private lenders make more commercial loans to small businesses.	Maximum contribution of \$35,000 per borrower	Oregon small businesses.	Interest rates set by lender.
Oregon Credit Enhancement Fund	Business Oregon	Loan insurance program to assist businesses in obtaining access to capital.	Maximum guarantee of up to \$2 million and 80% of loan amount	Most types of businesses eligible.	Different terms for different versions of program. Rate is set by lender.
Small Business Expansion Program	Business Oregon	Allows business to pay a periodic revenue payment as a percentage of net sales combined with monthly principal/interest payments.	\$250,000	Manufacturing, processing, and distribution businesses. Preference to businesses in rural and distressed areas with fewer than 100 employees. Potential for growth in sales.	Payment targeted return over 3-7 years.
Business and Industry Guaranteed Loan Programs	U.S. Department of Agriculture Rural Development	Supports the availability of private credit for capital expenses, working capital, equipment, and refinancing by guaranteeing loans for rural businesses made by commercial lenders.	\$25 million maximum for loan guarantee	Loans by banks, credit unions, and other commercial lenders can be made to corporations, partnerships, cooperatives, federally recognized Indian tribes, and individuals in rural areas.	Negotiated by business and lender.

Program Name	Agency	Purpose	Amount	Eligibility Requirements	Terms
Intermediary Relending Program (IRP)	U.S. Department of Agriculture Rural Development	Capitalizes locally run revolving loan programs for small businesses unable to qualify for bank financing and located in an eligible rural area. Rural Development lists 14 intermediaries currently operating IRP revolving loan funds in Oregon.	\$250,000 or 75% of project, whichever is less.	Local intermediaries must have legal authority to operate a revolving loan fund, a record of successful assistance to rural businesses, and demonstrated ability to repay the loan. Loan recipients may be individuals, public or private organizations, or other legal entities.	USDA loans to the intermediary have a 1% interest rate for a maximum term of 30 years. Terms are set by the intermediary to cover the cost of operating and sustaining the revolving loan fund.
Rural Microentrepreneur Assistance Program	U.S. Department of Agriculture Rural Development	Provides loans and grants to Microenterprise Development Organizations (MDOs) to provide microloans for business startup and growth and to provide training and technical assistance to borrowers and microentrepreneurs.	Up to \$205,000 (grants for technical assistance). \$50,000 to \$500,000 for loan revolving fund.	Nonprofits, federally recognized tribes, and higher education institutions can apply to be an MDO. Businesses may receive a loan from MDO if they are located in an eligible rural area with 10 or fewer full-time employees.	Loans to MDOs have a maximum loan term of 20 years. Loans from MDOs to a business are up to \$50,000 with a fixed-interest rate and maximum of 75% of the project cost.

Source: Legislative Policy and Research Office

Data: Business Oregon and U.S. Department of Agriculture Rural Development

Interview Participants

Challenges, Gaps, and Needs Interviews

Alex Campbell, Regional Solutions Coordinator, Southern Oregon Region, Office of Governor Kate Brown

Arlene Soto, Small Business Development Center Director, Tillamook Bay Community College Small Business Development Center

Carolyn Meece, Regional Development Officer, Business Oregon

Courtney Crowell, Regional Solutions Coordinator, Eastern Oregon, Office of Governor Kate Brown

Eric Nerdin, Loan Fund Manager, Mid-Columbia Economic Development District

John P. Bacon, Executive Director, Southwestern Oregon Small Business Development Center

John Saris, Finance Manager, Business Oregon

Mary McArthur, Executive Director, Columbia-Pacific Economic Development District and Mt. Hood Economic Alliance

Nate Stice, Regional Solutions, North Central, Office of Governor Kate Brown

Nick Batz, Policy and Government Affairs Manager, Business Oregon

Nolan Alston, Business Development Loan Manager, Southern Oregon Regional Economic Development, Inc.

Paul Koch, Port General Manager, Port of Cascade Locks

Raihana Ansary, Portland-Metro Regional Solutions Coordinator, Office of Governor Kate Brown

Rick Leibowitz, Regional Director, Small Business Development Center, Columbia Gorge Community College

Scott Fairley, Regional Development Officer, Southeast Oregon, Business Oregon

Theresa Haga, Executive Director, CCD Business Development Corporation

Current Program & Best Practice Interviews

Andrew Mattingly, Commercial Loan Intake Specialist, Craft3

Eric Nerdin, Loan Fund Manager, Mid-Columbia Economic Development District

Jennifer Baker, Deputy Director, Portland District Office, U.S. Small Business Administration

Jill Rees, Assistant to the State Director, Community Development Director, Native American Coordinator, USDA Rural Development – Oregon

John Saris, Finance Manager, Business Oregon

Megan Hodapp, California Infrastructure & Economic Development Bank

Nick Batz, Policy & Government Affairs Manager, Business Oregon

Nicole Brindisi, Government Analyst, Florida Department of Economic Opportunity

Noah Brockman, Oregon SBDC Network Capital Access Team Lead, PCC Small Business Development Center

Richard A. Jenkins, Manager, Public Information Office, U.S. Small Business Administration Office of Disaster Assistance, Field Operations Center - West

Ron Fredrickson, Senior Policy Analyst, Division of Financial Regulation, Department of Consumer and Business Services

Ryan Vermette, Compliance Officer, Missouri Development Finance Board

Sara Morrissey, Public Affairs Manager, Strategy, Travel Oregon/Oregon Tourism Commission

Other State Small Business Assistance Programs, by State and Program

State	Program Name & Sponsor	Purpose	Eligibility	Interest Rate/Fees	Amount & Terms	Collateral Requirements	Program Funding Info	Required Documentation
California	Business Interruption Fund ⁱ Metro (Los Angeles County Metropolitan Transportation Authority) and Pacific Coast Regional Small Business Development Corporation	To help small businesses continue to thrive by providing financial assistance to those located along and impacted by transit rail construction. Covers fixed operating expenses including rent or mortgage, utilities, insurance, and payroll.	Directly impacted by relevant Metro construction project, located within eligible geographic area, and can demonstrate a loss of business revenue directly related to construction. Meets small business definition. In continuous operation for two years, able to provide financial records, and be in good standing with all taxing and licensing authorities.	Not applicable.	Maximum of \$50,000 per business or 60% of annual business revenue losses, whichever is less.	Not applicable.	Authorized \$10 million annually.	Online application and then schedule an appointment with a business advisor.
California	California Small Business Loan Guarantee Program & Disaster Relief Loan Guarantee Program ⁱⁱ California Infrastructure and Economic Development Bank ⁱⁱⁱ (IBank)	Helps lenders provide loans to small businesses, farmers and exporters that may not qualify without the guarantee. Can be used for working capital, lines of credit, gap financing, disaster relief, and other purposes.	Small businesses in California with 1-750 employees and eligible nonprofits. Small businesses include small farms, nurseries, and agriculture-related enterprises. Qualifications based on lender criteria. Program expanded in 2017 to include businesses that have suffered physical damage or economic injury in declared disaster and emergency areas.	Market rate negotiated by lender and borrower.	Guaranteed up to seven years and 80-95% of loan. Loans up to \$20 million. Maximum guarantee is \$2.5 million.	Lender-determined requirements. Available business and personal assets.	IBank created in 1994 to finance public infrastructure and private economic development. \$10 million in 2017 for program.	Apply through participating Financial Development Corporations (seven regional across state). No end date for applications.

State	Program Name & Sponsor	Purpose	Eligibility	Interest Rate/Fees	Amount & Terms	Collateral Requirements	Program Funding Info	Required Documentation
California	Jump Start Loan Program ^{iv} California Infrastructure and Economic Development Bank ^v (IBank) provides funds; regional Financial Development Corporations (FDC) make loan decisions and disburse funds.	Helps small businesses start, grow, and thrive. Provides microloans, technical assistance, and financial literacy training. Not intended for working capital.	Borrowers must be a low-wealth entrepreneur located in a low-wealth community or disaster area. Borrower's annual income must be equal to or less than the statewide average. Proceeds must be used in California. Must complete a minimum of two hours of technical assistance from FDC or other qualified entity within six months of receiving loan.	Prime rate plus 5%. 3% of loan principal to FDC.	Loans from \$500 to \$10,000. Terms up to five years.	Business assets or personal property. Personal guarantees from all individuals with a 20% or greater ownership share.	Established in 2016 as a small loan and technical assistance program for low-income small businesses in low-wealth communities. Expanded in 2017. Loan principal is returned to IBank (not FDC).	Application with financial statement, tax returns, and other business documents. ^{vi}
Colorado	Recover Colorado Business Grant & Loan program ^{vii} Colorado Office of Economic Development and International Trade	To address recovery needs of small businesses impacted by wildfire and flooding events. 50% or more of funds directed to needs of low- and moderate-income businesses.	Small businesses located in impacted counties (fires and flooding). In existence as of and profitable before incident and employ at least 1 FTE prior to incident. Eligible expenses include operating costs. Must have at least \$5,000 in unmet needs (financial loss).	Loans – 1.5% simple interest.	Grants up to \$50,000. Loans up to \$100,000 and term up to 10 years.	Requires subrogation of future payments that may be a duplication of benefits.	U.S. Department of Housing and Urban Development Community Development Block Grant Disaster Recovery Program funds were used to create the program.	Includes financial, balance sheet, profit/loss reports, and tax returns to determine unmet needs and verify expenditures. Must list all assistance received to determine duplicative assistance.
Colorado	Business Relief Loan ^{viii} Colorado Enterprise Fund ^{ix}	To assist businesses affected by 2013 floods.	FEMA-designated counties affected by 2013 floods.	7.99% New borrower application fee (\$25).	Up to \$10,000. 6 months interest-only. 3-year repayment term.	Business assets (will subordinate to bank loan).	Not available.	Credit report. Explanation of issues and needs. New borrowers only submit a business and personal tax return.

State	Program Name & Sponsor	Purpose	Eligibility	Interest Rate/Fees	Amount & Terms	Collateral Requirements	Program Funding Info	Required Documentation
Florida	Florida Small Business Emergency Loan Program	Intended to bridge gap between disaster and when business secures longer term resources, including profits from revived business, insurance, or federal disaster assistance.	Businesses with two to 100 employees located in counties affected by disaster (2017 criteria). Must have been established on the date of the disaster and demonstrate economic injury or physical damage.	0% interest rate. Up to 180 days.	Between \$1 and \$50,000. The 2017 maximum was \$25,000. Payments not required during loan term, but loan must be repaid in full at the end of the loan term.	None required. Must identify the expected source of repayment and certify that applicant intends to repay using business revenues or will apply for a SBA disaster loan or other financing.	General Funds. First activated after Hurricane Andrew and has been activated 23 additional times (including August 2018). In 2017, \$10 million was allocated to the program.	Application form, including documentation of business financial information. Must include federal tax returns and documentation of impact (economic or physical).
Missouri	Small Business Disaster Loan Program ^x Missouri Department of Economic Development (DED) and Missouri Development Finance Board ^{xi} (MDFB)	Provides financial assistance and access to capital to businesses impacted by a natural disaster. Part of the Missouri Small Business Loan Program ^{xii} which offers low-interest direct loans to help small businesses take steps to expand or create jobs. For eligible working capital, inventory, equipment purchase, or real property improvements.	Businesses with direct property damage or sustained interruption to operation and service because of temporary customer loss, temporary interference with access, or other impacts. Company must be 100% Missouri owned and located in federally declared disaster (FEMA) area. Certain businesses not eligible, including gambling entity, pawn broker service, or sale or distribution of alcohol or tobacco products.	3% with a two-year deferral period, or 1% rate for the ten-year term of the loan (borrower's choice).	\$2,000 to \$50,000 10 years or less. Quarterly principal and interest payments.	Requires certificate of insurance naming MDFB as an additional insured on business insurance. Blanket security interest filed with Secretary of State.	MDFB created and capitalized a \$2 million revolving loan fund in 2009 for small business loans. Added disaster loans in 2011. Loan origination, collateralization, and loan servicing by the MDFB. Has done eight disaster loans for \$350,000 total.	Application form with personal financial statement. Also requires Missouri Department of Revenue tax clearance certificate, memorandum of understanding from E-Verify, signed and notarized certification and affirmation page, business and personal tax returns, and \$15 check or money order for credit reviews by MDFB.

State	Program Name & Sponsor	Purpose	Eligibility	Interest Rate/Fees	Amount & Terms	Collateral Requirements	Program Funding Info	Required Documentation
New Jersey	REBUILD New Jersey ^{xiii} New Jersey Community Capital (NJCC) – a nonprofit community development financial institution	Assist impacted businesses, especially those without access to traditional lending products. Building repairs, equipment and inventory replacement, rent or mortgage payments, salary expenses, and utility costs.	Businesses physically and economically impacted by Superstorm Sandy. In operation for at least two years. Minimum credit score of 600; larger loans may require a higher credit score. Other underwriting criteria may apply.	3% fixed.	\$10,000 to \$65,000 Three-year term, with option for additional three months interest free.	Security interest (UCC-1) filing on equipment purchases more than \$10,000. Personal guarantees from business owners.	\$1.8 million NJCC created and capitalized the disaster recovery fund with contributions from public and private investors, including Goldman Sachs, TD Bank, Wells Fargo, and Citi.	No fee. Loan application with attachments, including SBA Form 413 (Personal Financial Statement), recent tax returns, and other applications or filings for assistance.
New Jersey	Stronger NJ Business Loan Program ^{xiv} New Jersey Economic Development Authority	Response to Superstorm Sandy. Renovation, construction, new equipment, and/or working capital. Funds not intended to duplicate funding already received or known to be forthcoming from private insurance, FEMA, or SBA for the same purpose.	Small business or nonprofit located in impacted counties. More than \$25,000 in gross operating revenues. Entity in existence on date of event with one year of financial statements prior to storm. Positive community impact through capital investment or creation/retention of jobs. At least \$5,000 in physical damage (property or inventory). Demonstrate overall creditworthiness, including minimum credit score of 650 for at least one guarantor.	0% for first 24 months, then reset to match the rate of the 5-year U.S. Treasury. Rate reset every 10 years.	Up to \$5 million. Up to 30-year term based on purpose of loan. Maximum of \$500,000 for working capital loans. No deadline, but funds disbursed within two years after storm.	Guarantees required for all individuals or entities having a 20% or greater ownership position in applicant. Lien on assets taken are required as collateral.	\$100 million from the U.S. Department of Housing and Urban Development Community Development Block Grant Disaster Recovery Program.	For working capital: complete a worksheet of revenue and expenses, including copies of invoices or receipts, insurance policies and payments, tax returns, and other documentation of expenses. Entity must have applied for a SBA disaster loan and received a final determination.

State	Program Name & Sponsor	Purpose	Eligibility	Interest Rate/Fees	Amount & Terms	Collateral Requirements	Program Funding Info	Required Documentation
New Jersey	Stronger NJ Business Grant Program ^{xv} New Jersey Economic Development Authority	Response to Superstorm Sandy. Working capital and inventory are priorities. Equipment, machinery, fixtures, furnishings, and prospective construction are also eligible uses.	Small business or nonprofit which sustained a minimum of \$5,000 in physical damage from event. Existence on date of event and registered to do business in state. Less than \$1 million in liquid assets. Small business with revenues of at least \$25,000 and no more than \$5 million.	Not applicable.	Grants or forgivable loans up to \$50,000 per impacted location. Max of \$250,000 per entity.	Not applicable.	\$260 million from the U.S. Department of Housing and Urban Development Community Development Block Grant Disaster Recovery Program.	Most recent tax returns. Three most recent bank statements. Documentation of damage. Lease or mortgage and insurance policies in effect as of event.
North Carolina	North Carolina Small Business Emergency Bridge Loan Program ^{xvi} Partnership of N.C. Rural Economic Development Center, Small Business and Technology Department Center, and Community College Small Business Center Network.	2016 response to Hurricane Matthew. Goal was restoring small businesses and family farms by providing short-term, no-interest loans while applicants wait for insurance payouts, SBA disaster loans, or other recovery programs.	Small businesses with one to 100 employees located in 52 counties affected. Business must have been established prior to event and must demonstrate economic or physical damage as a result.	0% for the term of loan.	Up to \$15,000. Terms of 90 or 180 days.	Not available.	Raised \$3 million from various public and private funders. Only a two-month application window in 2016. Similar program in 1999 made 217 loans totaling \$1.6 million.	Not available. Businesses were directed to contact the N.C. Rural Center.

State	Program Name & Sponsor	Purpose	Eligibility	Interest Rate/Fees	Amount & Terms	Collateral Requirements	Program Funding Info	Required Documentation
North Carolina	<p>North Carolina Small Business Recovery Fund^{xvii}</p> <p>North Carolina Small Business Development Fund, which fosters economic development in underserved communities by providing capital, business services, and policy research to support small businesses.</p>	<p>Fund provides low-interest loans to businesses affected by Hurricane Matthew, the western wildfires, Tropical Storm Julia, or Tropical Storm Hermine.</p> <p>Provides gap financing as a complement to other disaster recovery programs.</p>	<p>Business must document physical damage or economic injury.</p> <p>Business must have at least one employee (including owner) or the business must use loan proceeds to make improvements to a commercial or residential property that will be occupied by a tenant displaced by the disaster.</p> <p>Proposed use of funds may not duplicate or overlap with other disaster relief programs; and is limited to documented business expenses necessary for disaster repair, mitigation, or operational expenses.</p> <p>Any individual with greater than 20% ownership in the affected business must cosign the loan. Only one loan per individual.</p>	<p>Between 5 and 9%.</p> <p>Up to two years interest only and/or deferred payments.</p> <p>Both evaluated on a case-by-case basis.</p>	<p>Starting at \$1,000; no maximum loan size.</p> <p>Up to 10 years.</p>	Not available.	<p>Funding provided by Golden L.E.A.F. Foundation under the Disaster Recovery Act of 2016^{xviii} passed by the N.C. General Assembly, along with additional support from Bank of America, Wells Fargo, First Tennessee Bank, and the U.S. Economic Development Administration.</p>	<p>Application with the following:</p> <p>Personal and business tax returns (3 years), or only one year for loans of \$50,000 or less.</p> <p>Profit and loss statement and balance sheet.</p> <p>Resume(s) of key management.</p> <p>Business Cash Flow Projections (template form).</p>

Source: Legislative Policy and Research Office

ⁱ Metro’s Business Interruption Fund is administered as a pilot program in partnership with Pacific Coast Regional Small Business Development Corporation. Metro. *Business Interruption Fund*. <https://www.metro.net/projects/business-interruption-fund/>, visited on August 6, 2018. Pacific Coast Regional Small Business Development Corporation. *BIF Application Home*. <http://www.pccorp.org/business-interruption-fund-bif-c8pa>, visited on August 6, 2018.

ⁱⁱ The Small Business Finance Center has a Jump Start Loan Program, a Small Business Loan Guarantee Program, and a Farm Loan Program. California Infrastructure and Economic Development Bank. *Small Business Finance Center*. <http://www.ibank.ca.gov/small-business-finance-center/>, visited August 6, 2018.

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- ⁱⁱⁱ The California Infrastructure and Economic Development Bank is located within the Governor’s Office of Business and Economic Development, has a five-member Board of Directors, and an Executive Director who runs the day-to-day operations. IBank issues tax-exempt and taxable revenue bonds, provides loans to state and local governments for public infrastructure and economic expansion projects, and loan guarantees to help small businesses. California Infrastructure and Economic Development Bank. *IBank Financing Programs*. <http://www.ibank.ca.gov/>, visited August 6, 2018.
- ^{iv} California Infrastructure and Economic Development Bank. *Small Business Finance Center*. <http://www.ibank.ca.gov/small-business-finance-center/>, visited August 6, 2018.
- ^v California Infrastructure and Economic Development Bank. *IBank Financing Programs*. <http://www.ibank.ca.gov/>, visited August 6, 2018.
- ^{vi} “Jump Start Loan Program Financial Development Corp Policy Manual,” California Infrastructure and Economic Development Bank, Revised October 2017.
- ^{vii} Colorado Department of Local Affairs. *Recover Colorado Business Grants*. <https://www.colorado.gov/pacific/dola/recover-colorado-business-grantsloans>, visited September 5, 2018.
- ^{viii} Colorado Enterprise Fund. *Affected by floods?* <https://www.coloradosbdc.org/documents/RELIEF-Program-9-2013-final.pdf>, visited September 5, 2018.
- ^{ix} The Colorado Enterprise Fund is a nonprofit lender and community development financial institution formed in 1976. <http://www.coloradoenterprisefund.org/>, visited September 14, 2018.
- ^x Missouri Department of Economic Development. *Small Business Disaster Loan Program*. <https://ded.mo.gov/programs/business/small-business-disaster-loan-program>, visited August 2, 2018.
- ^{xi} Missouri Development Finance Board assists with financing public sector infrastructure improvements and economic development projects that result in the creation or retention of jobs and expansion of capital investment. In 2009, the Board created and capitalized a \$2 million revolving loan fund for small business loans, including the disaster loans. Missouri Development Finance Board. <https://www.mdfb.org/index.html> , visited July 20, 2018.
- ^{xii} For the Small Business Loan Program, an applicant must employ 15 or fewer employees, including the owner, and must receive tax clearance from the Missouri Department of Revenue. Sample grant agreement requires collateral security interests. Missouri Department of Economic Development. *Small Business Loan Program*. <https://ded.mo.gov/programs/business/small-business-loan-program> , visited August 2, 2018.
- ^{xiii} New Jersey Community Capital. *REBUILD New Jersey*. <https://www.newjerseycommunitycapital.org/initiatives/rebuild-new-jersey>, visited July 31, 2018.
- ^{xiv} New Jersey Economic Development Authority. *Stronger NJ Business Loan Program*. https://www.njeda.com/disaster_relief/loans, visited July 31, 2018.
- ^{xv} New Jersey Economic Development Authority. *Stronger NJ Business Grant Program: Grants and Forgivable Loans for Superstorm Sandy-Impacted Businesses*. https://www.njeda.com/disaster_relief/grants, visited July 31, 2018.
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