

Additional Disaster Assistance for Small Businesses

Modifications to two disaster programs created in 2009 will provide additional recovery help to small business owners. The changes will be funded with \$85 million in Community Development Block Grant (CDBG) funding from the U.S. Department of Housing and Urban Development. In all, Iowa received almost \$800 million in CDBG funds.

The modifications came after state officials met with city and community leaders in Cedar Rapids and heard of continued unmet needs caused by the 2008 floods.

Business Rental Assistance

This program is for businesses remaining in or locating in rental space that was physically damaged by the 2008 disasters. As created, the program allowed business owners up to \$50,000 to help offset building rental lease payments for a maximum of six months. Recipients were also allowed to use the \$50,000 for replacing damaged machinery, office furniture, supplies, and other equipment. Now, businesses can use up to \$50,000 for rental assistance and receive reimbursement of 75% (or up to \$75,000) of the actual replacement costs for damaged equipment.

Loan Interest Expense

Many businesses that reopened after the flood are now in jeopardy of closing due to the debt they acquired to get up and running again. This program provides funds to business owners to pay for the interest on an SBA or private disaster recovery loan. Up to \$50,000 will be provided to a business, for a maximum of three years. The date a business must close on their physical disaster loan has been extended from June 1, 2009, to June 30, 2010. The maximum reimbursable interest rate is set at 8%.

Funds are awarded on a first-come, first-served basis. Small business owners should apply or update their applications at their local Council of Government or Entitlement City.

For additional information or for a listing of area Council of Governments or Entitlement Cities, visit the Rebuild Iowa Office Web site at www.rio.iowa.gov/assets/disaster_program_contact_list.pdf or call (515) 242-5004.