

# Memorandum

**Date:** April 21, 2010

**To:** Councilman Arnie Fielkow, Council President  
Councilwoman Jacquelyn Brechtel Clarkson, Council Vice-President  
Councilwoman Shelley S. Midura  
Councilwoman Stacy Head  
Councilwoman James Carter  
Councilwoman Cynthia Hedge-Morrell  
Councilwoman Cynthia Willard-Lewis

**From:** Ernest Gethers, Office of Community Development

**Subject:** UDAG Summary

I am delivering, per request, Urban Development Action Grants (UDAG) summary report for your perusal. The current UDAG process is provided to inform the applicant of the various steps included in receiving any funding from the UDAG program. Each project is unique, special circumstances may arise.

The UDAG funds were made available to cities and urban counties experiencing severe economic distress to help stimulate economic development activity needed to aid in economic recovery. The funds are normally used for economic development activities which generally assist industrial, commercial and housing projects where stimulation of private investment is needed.

## **UDAG Eligible Activities:**

Generally, UDAG funds may assist industrial, commercial and housing projects where there is private investment. The following is a list of eligible activities:

- a. construction/permanent financing
- b. affixed capital equipment
- c. land acquisition
- d. parking facilities
- e. infrastructure
- f. interim expenses including interest, taxes, insurance
- g. hard cost, including building construction, rehabilitation
- h. professional fees, tenant improvements and finishes, legal, accounting, leasing



Ernie/David -  
Let's put this  
Agenda for the  
Budget Mtg. &  
UDAG + EOF  
reports -  
Do for  
May Br.  
Mtg

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**UDAG Ineligible Activities:**

The following activities are ineligible under the UDAG program, principally because program policy does not permit the use of UDAG funds for these activities:

- a. working capital and inventory
- b. research and development activities
- c. payment of prior debt
- d. educational facilities
- e. gambling facilities, except on Indian reservations
- f. free standing parking facility as the only project activity
- g. non-capital equipment (i.e., hand tools, office equipment)
- h. reserve fund for operating deficit, debt service or interest reserve
- i. acquisition of existing assets without additional private development activity
- j. rolling stock (i.e., railroad cars or boats not permanently moored, cars, moveable heavy equipment)

Here is the information that was requested:

**1. What is the total amount of cash that exist in the account to date?**

As per accounting that amount currently stands at **\$3,717,440.89**. (See the below balance sheet)

**2. What loans have been granted to date? How much is expected to return to the City?**

Sum of Original Grants		\$36,116,218.00
Less Administrative Expenses		<u>(\$223,878.00)</u>
Available to Grantee		\$35,892,340.00
Less 1st Generation Funds Drawn		<u>(\$35,654,254.99)</u>
Remaining Funds		\$238,085.01
Repayment to Fund		
1st Generation	\$32,452,462.39	
Available to Grantee		\$32,690,547.40
Less 2nd Generation Funds Drawn		<u>(\$26,094,993.00)</u>
Remaining Funds		\$6,595,554.40



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Repayment to Fund		
2nd Generation	\$2,355,132.60	
Available to Grantee		\$8,950,687.00
Less 3rd Generation Funds Drawn		(\$1,963,524.00)
Available Funds Prior to Adjustments		\$6,987,163.00
Adjustments:		
Investment Interest Income	\$650,374.94	
Service Charges	(\$11,074.38)	
*Funds used for Pic N Save HUD 108	(\$3,909,022.67)	
Total Adjustments		(\$3,269,722.11)
<b>Currently Available</b>		<b>\$3,717,440.89</b>
<b>Loans Receivable</b>		<b>\$10,839,945.82</b>
1st Generation	\$3,556,687.91	
2nd Generation	\$7,283,257.91	
<b>**Fund Balance</b>		<b>\$14,557,386.71</b>

\*Currently looking into to this amount more.  
 \*\* Fund Balance includes loans receivable and available cash balance.

**3. Where there any grants issued within the last four years?**

<b>Grants</b>	<b>Amount</b>
Second Line Stages	\$200,000.00
VA Hospital Project	\$7,412,310.00
City Related Capital Expenditures	\$2,649,114.00
Greater New Orleans Inc..	\$655,000.00
Quick Hits	\$306,075.00
Total	\$11,222,499.00

*When issued*

**4. Provide basics of granting loans and grants.**

Please see attached document.

Should you have any questions regarding this document please feel free to give me a call at 504-658-0927. Thanks for your time and patience.

Cc: Kenya J. H. Smith  
 Calvin Aguillard  
 File(s)

