



# Hurricane Helene Recovery

Governor Roy Cooper

## Federal Funding Request

November 13, 2024







**STATE OF NORTH CAROLINA  
OFFICE OF THE GOVERNOR**

**ROY COOPER  
GOVERNOR**

November 13, 2024

An identical letter to this one was sent simultaneously to President Biden, President Trump, and Congressional Appropriations Leaders. The North Carolina Congressional Delegation has been cc-ed on all three letters.

Dear {Leader}:

As North Carolina continues to recover from the devastation caused by Hurricane Helene, the state is in urgent need of significant support from the federal government. North Carolina is requesting \$25.57 billion in federal support.

Hurricane Helene is the worst storm in our state's history, causing the tragic deaths of more than 100 North Carolinians. Helene caused a staggering amount of destruction to housing, infrastructure, and our economy. A preliminary damage and needs assessment conducted by the North Carolina Office of State Budget & Management points to an overall impact on our state from Helene in excess of \$53 billion. This is more than three times that of Hurricane Florence in 2018.

Helene struck at a time of year when visitors are normally just arriving in our state's beautiful mountains to see vibrant autumn leaves, hike our trails, pick apples and choose Christmas trees, stroll scenic towns, and drive the Blue Ridge Parkway. Instead, Helene left a trail of devastation that left some of our iconic places unrecognizable, flooding homes, landmarks, and town squares; destroying roads and water and power systems; and littering lakes and streams with piles of debris, some mixed with toxic materials.

The storm brought more than 30 inches of rainfall in some areas and created 1,000-year floods. Flooding in the western part of our state is very different than in our coastal plains in the east. Water rushed down the mountains, causing deadly landslides that moved everything in their path. The velocity and the turbidity of the water reached levels not seen before. Additionally, high winds, some measured at more than 100 mph, blew trees over from their root balls. This extreme level of destruction impaired access to many disparate communities in the mountains and created unparalleled complexity for search and rescue teams.

There are hundreds of thousands of small businesses in this area, many of whom suffered severe economic loss due to direct property damage, inaccessible roads, loss of customers, and extended outages of electricity, water, sewer, and communications. Helene brutally impacted the region's transportation infrastructure, from major thoroughfares to small access roads. I-40 – an essential artery for commerce and tourism – suffered severe damage. Thousands of western North

Carolina residents depend on private roads and bridges to navigate the region's unique topography and reach their homes. Many of these roads and bridges sustained significant damage or were lost completely, preventing emergency vehicle access.

Hurricane Helene hit families and individuals particularly hard, causing unprecedented damage to housing in western North Carolina. More than 150,000 homes have been damaged, and home and flood insurance rates in the region are low. The people of North Carolina are strong and resilient, but more than 12% of residents in the region live below the poverty line creating challenges for rebuilding.

Helene dealt a substantial blow to utilities infrastructure. Communication network outages isolated people for weeks and traumatized families who were left wondering if their loved ones had survived. Extensive damage to water and wastewater infrastructure has prevented people from remaining in their homes, created health risks, and inhibited schools and businesses from reopening. Eighteen of 163 impacted water systems remain on boil water advisories today. At its peak, the storm left almost a million customers without power. Recovery from this level of destruction is further complicated by topography that makes repairs difficult and costly.

Agriculture in western North Carolina is mostly comprised of small farms with diverse operations and specialty crops like ornamental plants and fruit trees and bushes. While this unique mix of businesses makes the region an agritourism destination, it also complicates the recovery; specialty plants generally have a much lower rate of insurance and small farmers will be strained by the years it will take to reestablish their crops. Helene and other declared disasters have left only one out of North Carolina's 100 counties without a disaster declaration this year.

Rebuilding our beautiful mountain communities will take everyone working together. We are grateful for the thousands of deployed troops and federal personnel who have been involved in extensive rescue and recovery operations. We know from previous disasters that significant funding and quick action are necessary to ensure a successful, sustained recovery. So, I ask that the federal government continue to stand with the people of North Carolina and provide substantial assistance.

Thank you for your service to our nation. I am proud of the people of my state, who are working together to overcome hardship and rebuild. They have come together in remarkable and heartwarming ways to help each other. Together, we can ensure the state of North Carolina quickly puts resources on the ground to rebuild stronger, safer, and smarter.

With kind regards I am,

Very truly yours,

A handwritten signature in black ink, reading "Roy Cooper". The signature is written in a cursive, flowing style.

Roy Cooper

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# Executive Summary

## Introduction

Hurricane Helene reached North Carolina on Friday, September 27, bringing historic rainfall, strong winds, and tornadoes generated by the storm. Helene's impacts – particularly flooding and landslides – have made it one of the deadliest US storms of the 21st century, with more than 100 confirmed deaths in North Carolina alone. The President declared a Major Disaster and FEMA has designated 39 counties for federal disaster assistance. An estimated 4.6 million people – more than 40% of the state's population – live in one of the designated counties. The region accounts for 45% of the state's GDP.

Preliminary estimates of damage and needs approach \$53.6 billion across the state, including \$41.1 billion of direct damage, \$7.6 billion of indirect or induced damage, and \$4.8 billion of potential investments for strengthening and mitigation. The damage attributable to Helene is roughly three times the \$16.7 billion impact of Hurricane Florence in 2018.

*Exhibit 1: Total needs for Hurricane Helene Recovery in North Carolina*

| Total Needs for Hurricane Helene Recovery in North Carolina (Million \$)*                                                                                                                                                                                                                                     |                                              |                                                                  |                              |                                |                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|------------------------------------------------------------------|------------------------------|--------------------------------|-----------------|
| Category                                                                                                                                                                                                                                                                                                      | Total Damage & needs (est. as of 10/23/24)** | Expected Private Insurance & Other Funding (est. as of 10/23/24) | State Funding as of 11/07/24 | Federal Funding as of 11/12/24 | Unfunded        |
| Economy                                                                                                                                                                                                                                                                                                       | \$15,915                                     | \$1,480                                                          | \$56                         | \$10                           | \$14,369        |
| Housing                                                                                                                                                                                                                                                                                                       | \$14,749                                     | \$2,639                                                          | \$101                        | \$231                          | \$11,779        |
| Utilities & Natural Resources                                                                                                                                                                                                                                                                                 | \$6,709                                      | \$1,442                                                          | \$134                        |                                | \$5,133         |
| Transportation                                                                                                                                                                                                                                                                                                | \$9,841                                      | \$157                                                            | -                            | \$100                          | \$9,584         |
| Agriculture                                                                                                                                                                                                                                                                                                   | \$3,376                                      | -                                                                | -                            |                                | \$3,376         |
| Government & Recovery Ops                                                                                                                                                                                                                                                                                     | \$1,422                                      | \$223                                                            | \$413                        | \$197                          | \$589           |
| Education                                                                                                                                                                                                                                                                                                     | \$844                                        | \$289                                                            | \$113                        |                                | \$442           |
| Health and Human Services                                                                                                                                                                                                                                                                                     | \$724                                        | \$102                                                            | \$61                         | \$7                            | \$554           |
| Tribal and Federal Lands                                                                                                                                                                                                                                                                                      | -                                            | TBD                                                              | TBD                          |                                | TBD             |
| <b>Helene subtotal</b>                                                                                                                                                                                                                                                                                        | <b>\$53,580</b>                              | <b>\$6,333</b>                                                   | <b>\$877</b>                 | <b>\$545</b>                   | <b>\$45,825</b> |
| * Numbers in the table might not add up due to rounding.<br>** Additional data since 10/23/24 has caused estimates to change since publication of the Preliminary Damage and Needs Assessment, especially increasing the damage and needs in the Agriculture and Government & Recovery Operations categories. |                                              |                                                                  |                              |                                |                 |

Unique aspects of the storm are likely to combine to complicate western North Carolina's recovery without significant investment:

*A large number of severe or catastrophic impacts on critical infrastructure*

- **Disruption of life-sustaining services:** Helene damaged or destroyed sewage and water treatment systems in multiple communities and 44 emergency response facilities. The

storm resulted in the evacuation of 145 healthcare facilities (including hospitals; nursing homes; and adult, family, mental health, and community health facilities) across western North Carolina.

- **Impacts on transportation and utilities:** Entire communities lost access to lifeline services like water, power, and communications. Over 1,000 roads and bridges were damaged and closed for traffic, including I-40. Landslides and flooding left almost 1 million customers without power and cut residents off from outside help and communication.

*Impacts that may be particularly long-lasting*

- **Delay in return-to-business:** With the loss of essential services, utilities, and transportation corridors, came long-term cessations in operations for businesses across western North Carolina. The complexity of restoring infrastructure has directly slowed the reopening of businesses and has impaired access to key customer bases. In turn, businesses face challenges to their survival, which may have significant impact on the region's communities.
- **Multi-year damage:** Key centers of production and revenue generation in industries such as agriculture and tourism experienced impacts that are likely to last for years (e.g., damage to nursery plants, which will need multiple seasons to regrow; damage to backcountry infrastructure and natural landscapes at state and national parks, which may not return to 'normal' for years). The longevity of these damages is likely to slow rebuilding and may make it more challenging for communities to recover, retain residents, and attract visitors.
- **Substantial uninsured home and property losses:** Helene damaged thousands of structures, including many residences. Unlike in coastal areas, most homeowners do not carry flood insurance. This coverage gap will dramatically reduce private financial resources for recovery.

*Increased costs to complete recovery and mitigate future harm*

- **Increased construction costs:** Construction costs have risen significantly since COVID-19. In addition, multiple recovery efforts from concurrent natural disasters across the Southeast may lead to higher-than-normal costs than for disaster recovery.
- **Opportunity for strengthening and mitigation:** Unprecedented damage and impact to the state have led to calls for strengthening and mitigation to prevent future disasters of this magnitude from happening again.

While assessments of damage and need continue to be refined, expedient action is critical to the long-term well-being of affected communities. The North Carolina General Assembly has already provided nearly \$1 billion in funding to support urgent recovery needs, with significantly more likely in the coming months. The state is also grateful for initial support provided by the federal government, including more than \$400 million in FEMA Individual and Public Assistance to-date; technical assistance from FEMA, USACE, and other federal agencies; and the mobilization of 7,000 federal personnel and 1,500 federal troops to support emergency response. However, the scale of the need highlights the importance of further support.

## **Requested Funding and Policy Changes**

North Carolina is requesting \$25.57 billion in total federal assistance. Federal funding at this level would account for 48% of total damage and needs, in-line with other major storms in the last two decades. This assistance would address critical needs for recovery, including temporary housing and the reconstruction of homes, restoration of critical infrastructure, resources to help small businesses reopen, and cashflow support for local governments. In addition, the state's request includes \$2.8 billion in resources focused on strengthening and mitigation to reduce impacts from future flooding and severe weather – investments that we know help to prevent future loss of life and that provide a \$6 return per \$1 spent.

Broadly, North Carolina's request for federal support can be broken into three categories: eligibility-based funding, requests for new federal funding, and non-funding actions.

- **Eligibility-based funding:** North Carolina estimates receiving \$6.76 billion in FEMA Individual Assistance (IA), Public Assistance (PA), and Hazard Mitigation Grant Program (HMGP) funding.

As of November 11, 2024, North Carolinians have received \$228 million in FEMA IA awards, including \$58 million in Housing Assistance and \$170 million in Other Needs Assistance (ONA). The state currently anticipates another \$371 million in funding, for a total estimate of \$600 million.<sup>1</sup> Individuals may submit IA claims through January 7.

Eligible North Carolina state agencies, local governments, and private nonprofits have received \$197 million in PA funds to assist with immediate response efforts. The state estimates another \$4.54 billion is needed for a total of approximately \$4.74 billion for full recovery.

As a state with an enhanced mitigation plan, North Carolina anticipates receiving a higher percentage of eligible Stafford Act assistance (measured as total FEMA assistance from PA, IA, and other programs) as HMGP support. The state expects to receive about \$1.42 billion in FEMA Hazard Mitigation Grant Program Funding.<sup>2</sup>

While IA, PA, and HMGP are eligibility-based and do not require stand-up of new programs or funding sources, they are nonetheless essential to recovery, so have been included in this document. North Carolina asks Congress to ensure that all programs at FEMA, as well as other critical agencies like the Small Business Administration (SBA), have the funding needed to meet the federal cost-share for these critical programs.

- **Requests for new federal funding:** North Carolina's request includes \$17.58 billion in new funding from 14 different federal agencies. These requests include funding for creation of new programs, funding from existing programs, and the forgiveness of loans.

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<sup>1</sup> FEMA PA and IA awards may increase, as the application period for assistance has not ended and FEMA damage assessments are still ongoing.

<sup>2</sup> Based on FEMA's 30-day estimate for the HMGP ceiling of \$1,182 million, with an additional \$236 million in management costs. FEMA provided the estimate in a letter to NC Division of Emergency Management on November 5, 2024.

- **Non-funding actions:** To enable response and recovery, North Carolina is also requesting non-funding actions (e.g., extensions of deadlines, broadening of eligibility requirements). While smaller policy changes have been included in the detailed requests by federal agency, major and cross-cutting policy changes are included below alongside other non-funding actions:

*Adjustments to existing programs*

- Increase FEMA funding to remove the \$5 million cap and accelerate the impact of the Community Disaster Loan (CDL) program, similar to the federal government's changes to the program the aftermath of Hurricane Katrina. These changes would allow disaster affected local governments to access low or no interest loans of up to 50% of their operating revenue. Additionally, North Carolina requests that the federal government keep the cancellation clause so that loans can be forgiven if the local governments can show lost revenues and/or unreimbursable disaster-related expenses over a two-to-four-year time horizon. The state also asks that FEMA disburse CDL funding within 90 days.
- Require HUD to issue a Federal Register notice within 90 days for the Community Development Block Grant-Disaster Recovery program (CDBG-DR) so funding can flow to states more quickly. Federal Register notice has taken from 12-24 months after past authorizations. A bipartisan group of governors, led by North Carolina, asked Congress in 2019 to pass the bipartisan Reforming Disaster Recovery Act (S.2301 and H.R.3702) and streamline disaster recovery programs and expedite funding. North Carolina Senator Thom Tillis, among others, reintroduced this bill in 2023. The state urges Congress to pass the bill to facilitate funding for future disasters, even if this would come too late for Helene recovery.
- Extend deadlines in the American Rescue Plan Act (ARPA) for the obligation and expenditure of State and Local Fiscal Recovery Funds by one year (currently deadlines are 12/31/24 for obligation and 12/31/26 for expenditure).
- Broaden eligibility of Emergency Rental Assistance (ERA 2) funding to include rental assistance for natural disaster victims, including those who were homeowners but are displaced from their homes.
- Provide special consideration to North Carolina and other disaster affected states when reviewing grant applications for competitive funding, such as programs funded by the Bipartisan Infrastructure Bill, Inflation Reduction Act, and the CHIPS and Science Act.

*Changes to disaster management policy*

- Pass a bill to change FEMA reimbursement practices to ensure reimbursements for State Active-Duty costs, including domestic disaster response, incurred by a State's National Guard be returned to that particular National Guard, and not to the General Fund of the U.S. Treasury.
- Pass the Disaster Management Cost Modernization Act, amending the Stafford Act to allow state emergency management divisions flexibility to spread the

percentage of allowable management costs from FEMA funding across all open disasters.

- Provide exemption from Build America, Buy America (BABA) requirements for all disaster related federal spending in disaster declared counties. While North Carolina recognizes the value of the BABA requirements in supporting key US industries, the increased cost, complexity, and time needed to comply is likely to slow critical aspects of Helene recovery. North Carolina requests that CDBG-DR and Rapid Unsheltered Survivor Housing (RUSH) expenditures be exempt from this legislation. Extending this exemption to other disaster funding sources would further expedite recovery.

#### *Other considerations*

- Grant the request of the Councils of Government/Local Development Districts (LDDs) across the Helene impacted area for \$2 billion in Appalachian Regional Commission funding over five years for LDDs to support community and economic recovery. The funding will address recovery for small businesses, housing, local public infrastructure, and other local government needs. LDDs are uniquely positioned to aid localities in their recovery and assist in applying for, tracking, developing, and administering FEMA Public Assistance projects and other funding initiatives. The ARC represents the most flexible and least bureaucratic federal mechanism to assist communities affected by the disaster in Appalachia. Paired with the efficiency of LDDs, this can speed efforts and positively impact communities' recovery.
- Prioritize the reconstruction of infrastructure and the restoration of national forests within Helene-damaged national parks. North Carolina requests that the Department of the Interior (DOI) and the US Forest Service strategically utilize existing funds, and that Congress provide new appropriations for these purposes. Investments will support the preservation of natural resources, ensure visitor safety, and revitalize local tourism, which is essential to North Carolina's economy. According to a 2023 National Park Service report, visitors to the state's national parks spend \$2.6 billion annually and support close to 39,000 jobs. Of particular concern is the Blue Ridge Parkway, the majority of which remains closed in North Carolina as of November 7, 2024. The Blue Ridge Parkway alone attracts approximately 16 million visitors to North Carolina annually..
- Follow recommendations of the Nature Conservancy for Congress to appropriate \$3 billion to the US Forest Service to address damaged roads and trails, watershed restoration, vegetation management, and other projects critical to recovery on national forest lands. The Nature Conservancy has also recommended that DOI US Fish and Wildlife Service invest \$400 million in infrastructure repairs to minimize the disruption to aquatic species and improve flood resilience.
- The Eastern Band of Cherokee Indians (EBCI) has also incurred damage and has needs as result of Hurricane Helene. North Carolina is asking for the federal government to support the tribal lands in their recovery and provide swift funding and technical assistance. The EBCI will be eligible for FEMA IA, PA, and HMGP funding, as well as SBA disaster loans. Additionally, the state anticipates tribal

lands will require funding from programs like the Bureau of Indian Affairs' Emergency Management Program and Tribal Climate Resilience Program, the Historic Presentation Fund within the Department of Interior, the US Department of Agriculture's Rural Development Disaster Assistance and Emergency Watershed Protection Program.

Below is a summary table of North Carolina's total funding request by federal agency, including eligibility-based requests as well as requests for new federal funding. These vital resources – in addition to the support already provided by the federal government and funding allocated by the North Carolina General Assembly – will provide North Carolinians in these devastated communities with the greatest hope to rebuild and recover. The pages that follow describe the state's requests for each federal agency, beginning with a summary of how the agency's programs are relevant to Helene's impacts on North Carolina, then detailing specific funding requests and policy change requests by sub-agency (if applicable) and program.

*Exhibit 2: Summary table of total funding request by federal agency (Million \$)*

**Eligibility-based funding**

| <i>Federal agency</i> | <i>Federal sub-agency</i> | <i>Federal ask</i> |
|-----------------------|---------------------------|--------------------|
| DHS                   | FEMA                      | \$ 6,759           |
| SBA                   |                           | \$ 1,231           |
| Subtotal              |                           | \$ 7,990           |

**New requests\***

| <i>Federal agency</i> | <i>Federal sub-agency</i> | <i>Federal ask</i> |
|-----------------------|---------------------------|--------------------|
| DOT                   | FAA, FHWA, FRA            | \$ 7,412           |
| HUD                   |                           | \$ 5,678           |
| DHS                   | FEMA                      | \$ 1,750           |
| USDA                  | FSA, NRCS, RD, USFS       | \$ 1,666           |
| EPA                   |                           | \$ 270             |
| DOD                   | USACE                     | \$ 201             |
| HHS                   | ACF, ASPR, OCFS           | \$ 150             |
| DOC                   | EDA, FCC, NIST            | \$ 126             |
| Education             | FSA, OESE, OPE            | \$ 107             |
| DOI                   | NPS, USGS                 | \$ 90              |
| DOE                   |                           | \$ 75              |
| DOL                   |                           | \$ 40              |
| Treasury              |                           | \$ 17              |
| Subtotal              |                           | \$ 17,582          |

**Total Federal Request** **\$ 25,572**

\* Anticipated awards from applications for discretionary funding are not factored into the request total.



# Department of Transportation (DOT)

**Funding Request:** \$7.41 billion

Hurricane Helene has caused extensive damage to North Carolina's transportation infrastructure. Across the 39 disaster-declared counties, the storm damaged approximately 5,000 miles of state-maintained roads and over 1,300 public bridges and culverts. The terrain in this region is especially challenging, as it is mountainous with an elevation on average two to three times that of the Piedmont, which complicates road and bridge repairs. Western North Carolina also includes a significant number of non-state roads and bridges, with municipal and private roads making up 48% of all roads in the region compared to 41% for North Carolina as a whole. Rail and rolling stock, public transportation, and airports also incurred damage. In total, damage exceeds \$8.4 billion, with an additional \$100 million in indirect state revenue impact and \$1.3 billion needed for strengthening and mitigation. The disruption to transportation networks not only hampers immediate recovery efforts but also poses long-term challenges for mobility and economic stability in affected communities.

The Department of Transportation's funding will help repair and rebuild federal and major highways, interstate and state roads, municipal roads and bridges, and railroad tracks. This support is critical to the recovery and resilience of the region's vital transportation systems.

## **Federal Highway Administration (FHWA) – \$7.28 billion**

### ***Rebuild Interstates, Major Highways, and State Roads and Bridges – \$5.4 billion***

The state is seeking an increase in reimbursement for typical disaster-related costs from the 80% to 90%, per 23 U.S.C. 120(e)(4), and therefore a supplemental appropriation request of \$5.4 billion to cover the \$6 billion in estimated Helene damage. NCDOT's Helene needs dwarf FHWA's annual apportionment to North Carolina for FY 2024-25 of approximately \$1.4 billion, which is already allocated to other projects.

Hurricane Helene caused unprecedented damage to state-maintained transportation infrastructure, damaging over 5,000 miles of roads, 674 bridges and 712 culverts. Initial estimates are that the total cost of rebuilding and repairing state roads and bridges across western North Carolina will be \$6 billion – of which \$3 billion is needed to rebuild six major roads, including I-40 and I-26 – with a risk that costs will exceed that given labor market and other pressures.

### ***Rebuild Municipal Roads and Bridges – \$1.55 billion***

North Carolina is seeking 90% reimbursement for municipal road and bridge repairs, equating to a supplemental appropriation of \$1.55 billion. The initial estimate of damage to municipal roads and bridges is \$1.725 billion, of which bridges account for approximately one quarter. Most municipalities in western North Carolina are small, financially constrained, and have lost significant tourism revenue because of Hurricane Helene.

### ***Emergency Relief (ER) Program – \$325 million***

The state is seeking 100% federal reimbursement under the ER program for resources expended within 270 days of Hurricane Helene to re-establish road access across western North Carolina. The state has already received \$100 million from the ER program but expects to need an additional \$325 million to cover eligible expenses.

These costs include clearing roads of mud, trees, fallen power lines, and debris, as well as the creation of temporary bridges to provide essential access to towns, businesses, and homes cut-off by the storm. The request also includes emergency work to protect remaining facilities, including, for example, a \$8.5 million contract to stabilize the two westbound lanes of I-40 in Pigeon River Gorge.

### **Federal Railroad Administration (FRA) – \$135 million**

#### ***Rebuild Railroad Tracks and Bridges – \$135 million***

The state requests a \$135 million supplemental appropriation to cover half the cost of restoring critical railroad network infrastructure. North Carolina estimates that Hurricane Helene created \$270 million in damage to railroads. This reflects the destruction of, or major damage to, track and bridges owned by CSX and Norfolk Southern, who run key freight networks through western North Carolina that link east coast ports with inland cities across numerous states.

### **Federal Aviation Administration (FAA) – \$2.2 million**

#### ***Repairing Damage to General Aviation Airports – \$2.2 million***

North Carolina requests \$2.2 million to address damage to general aviation airports, which play a critical role not only in western North Carolina's economy, but also in the immediate emergency response to Hurricane Helene. These funds would be used to:

- Replace an under-construction hangar at Hickory Airport that was 80% complete before the storm (insurance has declined to pay) - \$500,000;
- Meet increased costs at Lincolnton Airport resulting from damage to an active utility project required as part of hangar construction - \$500,000;
- Address damage such as airfield lighting, fencing, and road repairs at the Asheville airport and other small airports in the disaster-declared region - \$210,000; and
- Meet additional costs at Avery Airport for its Terminal Program, an IIJA-funded project, resulting from Helene's impact on the availability of contractors and materials in western NC –\$1 million.

### **Policy Changes**

Additional policy changes would help address the unprecedented scale of this impact:

- Provide flexibility in the rules around FHWA funding, so that it matches FEMA practice in reimbursing actual rather than initially-estimated costs.
- Establish a federally-supported bond issuance program to support highway reconstruction following major disasters by expanding the use of GARVEE bonds and providing FHWA with increased authorization limits. Congress expanded their use in the

past to include public transit. These changes would help affected states to manage disaster cashflow needs while also enabling the federal government to spread the cost of reimbursement over 15 years.

# Department of Housing and Urban Development (HUD)

**Funding Request for Hurricane Helene: \$5.68 billion**

**Funding Request for Other Disasters: \$375 million**

Hurricane Helene caused unprecedented damage to the homes, businesses, and infrastructure of western North Carolina. Approximately 151,000 homes have reported damages from flooding, landslides, wind, and debris, as of November 9. Of Individual Assistance applications submitted to date, only 5.8% of owner-occupied households with flood damage have flood insurance, resulting in an estimated \$9.5 billion in uninsured residential property losses. The region's businesses, including over 500,000 small businesses, are also expected to experience \$15.9 billion in economic loss due to direct property damage, inaccessible roads, and extended outages of electricity, water, sewer, and communications.

HUD will play an important role in deploying flexible funding to enable a swift and effective long-term recovery, particularly through the Community Development Block Grant Disaster Recovery (CDBG-DR) program. While disaster funding from FEMA, DOT, and other federal agencies will help address immediate needs, western North Carolina will still have an unmet need of more than \$25 billion remaining.

## **Community Development Block Grant Disaster Recovery (CDBG-DR) – \$5.58 billion**

CDBG-DR is likely to play an essential role in addressing critical recovery needs not met by other federal programs. To provide this support and ensure near-term needs are met as quickly as possible, North Carolina requests that Congress require HUD to issue a Federal Register notice within 90 days for the Community Development Block Grant-Disaster Recovery program (CDBG-DR) so funding can flow to states more quickly. Federal Register notice has taken from 12-24 months after past authorizations.

### ***Housing Recovery – \$3.4 billion***

North Carolina requests \$3.4 billion in CDBG-DR grants to support housing repair, affordable housing construction, rental assistance, local redevelopment capacity, and mitigation activities. This estimate is based on scaling the state's housing CDBG-DR request from Florence and is comparable in scale to funding other states received for Superstorm Sandy.

Following Hurricane Helene, affected communities need both repairs of current units and an increased housing stock to meet the housing need of displaced residents. Of the more than 151,000 homes with damage, about two-thirds of them (101,400) are owner-occupied. Over 11,600 of these homes had FEMA-verified flood damage as of November 9; this number is expected to increase as FEMA completes inspections and more applications come in. Based on Individual Assistance applications submitted to date, only 5.8% of owner-occupied households with flood damage have flood insurance. NC will likely request waivers to allow maximum

flexibility in implementing CDBG-DR funds to ensure everyone who needs assistance receives it.

The state will use CDBG-DR funding to among other things:

- Assist many of the 101,400 owner-occupied homes with reported storm damage on IA applications. Estimated per unit costs for rehabilitation and reconstruction vary, from approximately \$150,000 to replace a single-wide mobile home, to roughly \$263,000 full reconstruction of homes without elevation, and even more for full reconstruction plus resilience and infrastructure costs for new developments;
- Elevate homes in high-risk areas from floods and landslides and complete other mitigation measures to ensure a more resilient housing stock;
- Expand the supply of resilient and affordable housing, by considering mitigation measures for potential hazards during construction phase to lessen potential future damage;
- Offer an acquisition option to owners of substantially damaged homes that are prone to frequent flooding and create challenges for redevelopment (setback issues, topographic obstacles to septic permitting, etc.). Based on Hurricane Florence, the state anticipates the total cost per unit to be \$110,000 per acquisition;
- Support short-term – up to three months – rental assistance for an estimated 10,100 renters displaced by Helene and supplement other, longer-term rental assistance programs;
- Provide Temporary Relocation Assistance (TRA) to homeowners and renters displaced during the repair or reconstruction of their residence. TRA pays leases, stipends to cover relocation and/or temporary lodging costs, or hotel costs, if longer-term lodging options are not available;
- Expand North Carolina’s Code Enforcement and Compliance Support Program to support local governments in meeting the spike in demand for critical building code enforcement activities; and
- Support the required state match for FEMA Other Needs Assistance and Transitional Sheltering Assistance.

### ***Economic Revitalization – \$950 million***

North Carolina requests a total of \$950 million in two allocations for economic revitalization to provide relief to the nearly 500,000 business establishments in the Helene disaster-declaration counties. The losses are especially acute for the more than 50,000 businesses in the fifteen hardest-hit counties. These businesses experienced extended power outages, little or no access to potable water, and the loss of visitors during the region’s busiest time for tourism. The mountains receive nearly 30% of annual visitor spending in fall and early winter, totaling more than \$2 billion in during the prior fall season according to VisitNC.

One allocation would be for \$300 million for a Small Business Disaster Loan program modeled after Louisiana’s CDBG-DR-funded program to promote economic recovery from Hurricanes Laura, Delta, and Zeta in 2020. The loan program would partner with local community development financial institutions and provide partially forgivable loans to hard-hit small

businesses, including farm businesses, for working capital and essential business-related structures and equipment.

The second allocation would be \$650 million for business infrastructure rebuilding and resiliency. Many of the businesses flooded by Hurricane Helene would remain vulnerable to future flooding without significant investments in hardening business structures and raising them out of harm's way. Projects would target commercial districts and be designed and implemented in partnership with local governments and councils of government, local business organizations, and resident stakeholders.

### ***Water Quality and Infrastructure – \$850 million***

Hurricane Helene has caused significant damage to western North Carolina's utilities, including 163 water and sewer systems and hundreds of miles of distribution pipes. The total disruption to critical systems is estimated to be \$3.8 billion, underscoring the need for immediate and sustained efforts to restore safe water, sanitation, and waste management services across the region. There remains a substantial need for targeted support to ensure full restoration of damaged utilities and safeguard environmental health.

The state requests \$850 million for construction and planning projects to improve water and stormwater infrastructure. These projects will repair, replace, and elevate water infrastructure systems.

### ***Rebuilding Private Roads and Bridges – \$350 million***

Given the exceptional scale of the disaster, the state is requesting \$350 million in CDBG-DR funding to cover the gap between FEMA-PA funds and the full costs of restoring access to isolated homes. The state is working with FEMA to allow Public Assistance funds to be used for private roads and bridges that provide essential, emergency access to homes. If approved, this would cover approximately \$110 million of the estimated \$460 million in damage to these roads and bridges.

### ***Community College Workforce Development – \$26 million***

North Carolina requests \$20 million to support disaster grants for accelerated training across disaster-affected regions. These grants would address recovery needs by helping eligible community colleges start and expand short-term training programs in critical workforce sectors.

In addition, the state requests \$4 million for Small Business Center & Technical Support to small businesses across affected regions. This funding would provide essential services and grants to small businesses, including assistance with insurance claims, disaster relief programs, rebuilding strategies, and other advisory services support.

The state also seeks \$2 million to expand ApprenticeshipNC to address disaster-induced workforce challenges. The program works with local businesses to develop apprenticeship programs that address workforce needs, creating job opportunities and strengthening local economies.

### ***Unmet Hurricane Florence and Matthew Recovery Needs – \$375 million***

North Carolina seeks an additional CDBG-DR appropriation to address an estimated \$375 million unmet recovery needs from Hurricanes Florence and Matthew. North Carolina received \$982.4 million in CDBG-DR and CDBG-MIT in response to Hurricanes Florence and Matthew, or 2.2% of the NOAA estimated damage of \$43 billion. The ratio of CDBG-DR to storm damage for Hurricane Maria and Sandy, storms that hit areas that are likely to have flood insurance more at the levels seen in North Carolina, was closer to 10%.

### **Other Programs – \$102 million**

#### ***Emergency Housing Voucher Program – \$75 million***

North Carolina is requesting an appropriation of \$75 million for Emergency Housing Vouchers (EHVs) and program administration. The original EHV program was created in the American Rescue Plan Act of 2021. EHV-Helene vouchers will be used to assist individuals and families who are homeless; at-risk of homelessness; fleeing domestic, dating, or sexual violence, human trafficking or stalking; or have a high risk of housing instability due to Hurricane Helene, and, like housing choice vouchers, could be ported to non-Helene disaster counties. Because EHV funds do not expire, households will benefit from them for as long as they need to secure stable housing. Investing in renter assistance and homelessness prevention will help the region not only avoid homelessness but also prevent out-migration from the impacted counties. The disaster-declared region has over 390,000 low-income households that are considered cost-burdened, and this number is expected to grow due to the economic and physical impacts of Hurricane Helene.

#### ***HOME Investment Partnership Program – \$20 million***

North Carolina requests \$20 million for the HOME program to increase single-family housing supply for low- and moderate-income (LMI) households, increasing the affordable housing supply in disaster-declared counties. This focus on single-family homes for LMI households will ensure that individuals and families not eligible for CDBG-DR funding still have housing options in their communities without becoming cost-burdened. In the fourth quarter of 2023, the National Association of Home Builders found that only 37.7% of all homes nationally are affordable to households earning AMI.

The NC Housing Finance Agency (HFA) currently uses HOME funds for the Community Partners Loan Pool, Self-Help Loan Pool, and Essential Single-family Rehabilitation Program. HFA has found these programs to be particularly effective in reaching residents that other first-time homebuyer programs do not traditionally serve, which will improve their recovery from Hurricane Helene.

#### ***Rapid Unsheltered Survivor Housing (RUSH) – \$7 million***

North Carolina seeks to receive the maximum allocation of Rapid Unsheltered Survivor Housing (RUSH) funds, \$10 million, as soon as possible. HUD has the authority to provide these funds, so HUD needs neither an additional appropriation nor legislation to allocate these funds. North Carolina received \$3 million in RUSH funds in early October and has already deployed them to rehouse individuals at risk of homelessness, including individuals living in temporary shelters.

North Carolina has used its initial allocation of RUSH funds to deploy multi-agency shelter transition (MAST) teams which work to with individuals in temporary shelters to find stable housing. The MAST teams have already enrolled 65 households in Buncombe County alone in the Back@Home program. The state needs RUSH funds to continue this work and provide direct rental assistance and supportive services for those at risk of homelessness.

# Department of Homeland Security – Federal Emergency Management Agency (FEMA)

**Funding Request: \$1.75 billion** (excluding Individual Assistance, Public Assistance, and Hazard Mitigation Grant Program)

Since Hurricane Helene reached North Carolina on September 27, FEMA has played a lead role in coordinating the federal disaster response and providing immediate Individual Assistance and Public Assistance funding. In addition, FEMA's Hazard Mitigation Assistance programs will play a crucial role in addressing strengthening and mitigation needs, supporting the region's pathway to recovery and ensuring the safety of communities and the protection of vital public assets. Expected IA, PA, and HMGP funding is detailed in the Executive Summary.

Additional FEMA-based programs will support local government operations and flood risk reduction.

## **FEMA non-eligibility-based programs – \$1.75 billion**

### ***Community Disaster Loan Program – \$1.75 billion***

Congressional action is requested to allow for Special Community Disaster Loans (SCDLs), structured similarly to those created in the wake of Hurricane Katrina, to be made available in North Carolina. These loans are critical for local governments to continue municipal operations including: financing police and fire protection, revenue collection, hazard insurance, trash collection, and public facilities maintenance. In 2005, following Hurricane Katrina, a total of \$999 million in CDLs (or \$1.58 billion in today's dollars) was approved by Congress.

The state requests that the \$5M CDL cap be changed to a cap of up to 50% of annual operating revenue, provided local governments can demonstrate a 25% loss of revenue. This change will make SCDLs more beneficial for large and mid-sized municipalities seeking support and will provide needed support for larger municipalities like the City of Asheville with a \$240 million operating budget.

The state also asks that FEMA make CDL disbursements within 90 days. It is imperative FEMA makes CDL funding available quickly as it is meant to address local government liquidity issues. In the past, the average days from disaster declaration to disbursement for various CDLs have gone beyond a year.

Additionally, the state requests that the option for local governments to request forgiveness for SCDLs remain, particularly given the extent of damage in western North Carolina and the expected complexity and length of recovery. Historically, 97% of CDL loan principal has been forgiven by FEMA or Congress.

### ***National Dam Safety – competitive funding application***

The North Carolina Department of Environmental Quality (DEQ) anticipates using \$420 million from the Hazard Mitigation Grant Program (HMGP) to repair high-hazard dams that pose a substantial threat to the health, safety, and welfare of downstream residents and businesses.

Additionally, the state anticipates applying for \$1 million from the National Dam Safety Assistance Grant Program and \$10 million in discretionary funding from the High Hazard Potential Dams Grant Program for DEQ to prevent damage in future disasters.<sup>3</sup> The state will use the funding for repairs to high hazard dams that pose a substantial threat to the health, safety, and welfare of downstream residents and businesses. DEQ will also conduct a dam overtopping study to fill data gaps and provide technical assistance to dam owners.

While awards for the Safety Assistance Grant Program are calculated based on the number of eligible dams within a state, North Carolina requests that Congress instruct FEMA to consider the scale of damage in western NC and adjust national allocations to benefit dams directly impacted by Hurricane Helene. Prior to the Hurricane, North Carolina received High Hazard Potential Dams Grant funds through the Bipartisan Infrastructure Law, highlighting the state's existing need for dam funding that was greatly intensified by the storm. The state requests that Congress instruct FEMA to waive the non-federal match requirement associated with these grants.

### **Program Adjustment and Policy Change Requests**

#### ***Flood Mitigation Assistance (FMA) Grants***

FEMA administers FMA grants, which focus on reducing or eliminating the risk of repetitive flood damage to buildings and structures that the National Flood Insurance Program insures. For the FY 2022-23 grant cycle, North Carolina received \$23.4 million, which funded 12 projects, to protect against flooding and tropical cyclones. Increasing the appropriation for the FMA grant program would allow North Carolina, and other states, to be more flood resilient and, in North Carolina, help western North Carolina communities compete for additional resources to lessen future flood damage.

#### ***Disaster Recovery Technical Assistance and Coordination Support***

North Carolina requests adequate funding and operational capacity for FEMA to support federal agencies in fully deploying all six Recovery Support Functions (RSF) to support western North Carolina's recovery: infrastructure, economy, natural and cultural resources, housing, health and social services, and community planning. Full funding to support FEMA's deployment of all RSFs will support successful coordination and planning among FEMA's partner agencies at the federal, state, and local levels.

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<sup>3</sup> Note, anticipated awards from applications for discretionary funding are not factored into request totals.

### ***Support Disaster Management Cost Modernization Act***

The Stafford Act outlines federal response and governs the administration of FEMA programs. The Disaster Management Cost Modernization Act (S 3071 and HR 7671) would amend the Stafford Act to allow states to utilize management costs across all open disasters. The current language prevents states from managing workloads efficiently by tying personnel costs to specific disasters and creates administrative burdens in parceling costs between programs. The Disaster Management Cost Modernization Act would consolidate management functions, which incentivizes the rapid close-out of disasters and promotes capacity building at both the state and local levels.

### ***Extend Stream Debris Removal Distance***

Due to the topography and hydrology of the western North Carolina mountain region, debris travels significantly farther downstream than in coastal flooding events. North Carolina requests that FEMA expand the extent of eligible stream debris removal projects to a distance equal to the greater of the next public road crossing or 2,000 feet upstream of bridges, utility infrastructure, and other at-risk structures.

### ***Reduce Burden and Delays for Cropland Restoration***

North Carolina requests that FEMA waive the requirement for a No Rise Certification for floodways and floodplains in the case of cropland restoration projects and streambank stabilization. This certification is unnecessary for these types of restoration activities and causes delays in farmland rehabilitation in advance of critical replanting seasons. This requirement affects conservation projects conducted through the USDA- Natural Resources Conservation Service, USDA-Farm Service Agency, and local soil and water conservation districts.

### ***Review Reimbursement Practices***

The state requests that Congress change FEMA reimbursement practices to ensure reimbursements for State Active-Duty costs, including domestic disaster response, incurred by a State's National Guard be returned to that particular National Guard and not to the General Fund of the U.S. Treasury.

# Department of Agriculture (USDA)

## **Funding Request: \$1.67 billion**

Western North Carolina's agricultural community is estimated to have suffered at least \$3.4 billion in economic damage due to Hurricane Helene. As of 2022, there were more than 20,000 farms in the Hurricane Helene disaster-declared counties. The significant crop losses from the hurricane are estimated to total at least \$1.4 billion in direct damage and \$1.2 billion in indirect and induced impacts. Because specialty crops make up the majority of farm operations in the mountains and foothills, only 5% to 10% of crop losses are estimated to be protected by insurance. Plant nurseries were particularly devastated: an estimated 80% of nurseries were destroyed, each of which can take up to eight years to reestablish. The state will need funding for crop and timber losses, stream debris removal and stabilization, farmland and forest land restoration, agricultural infrastructure and land restoration, and wildfire risk response.

The state needs additional funding from USDA to help North Carolina's agricultural sector recover. Hurricane Helene, PTC-8, Tropical Storm Debby, and the historic drought the state faced in 2024 have resulted in a combined \$2 billion crop loss. These disasters led to all but one of the 100 North Carolina counties having a disaster declaration. USDA funding will assist in providing crop and timber loss relief to growers, restore and mitigate flood risk for farmland and waterways, restore and mitigate fire risk on forest lands, and provide replanting assistance for nursery operations.

### ***Crop and Timber Loss Relief – \$1.15 billion***

North Carolina requests a \$1.15 billion supplemental appropriation in the form of a block grant for losses of crops, trees, bushes, and vines to address multiple agricultural disaster events occurring in calendar year 2024. Such assistance should also include compensation to nonindustrial private timber producers for timber value losses. Both the USDA and North Carolina have prior experience with the block grant approach from Hurricanes Michael and Florence.

Consistent with past appropriations following severe disasters, North Carolina requests supplemental funds to cover two-thirds of the estimated uninsured or underinsured crop losses, \$836 million from Hurricane Helene and \$201 million from other declared disasters.

Of the total requested funds, \$110 million is to assist non-industrial private timber producers for timber value losses. Approximately 643,000 acres of privately owned timberland in 17 counties received some level of damage during Hurricane Helene. Using aerial survey data, the state estimates total losses to these private timberland owners at \$167 million.

### **National Resources Conservation Service (NRCS) – \$337 million**

#### ***Emergency Watershed Protection (EWP) Program – \$337 million***

North Carolina seeks a supplemental appropriation of \$337 million dollars to NRCS' EWP program for eligible stream debris removal, streambank stabilization, stream restoration,

drainage facility repair, and related measures to mitigate risks from flooding and soil erosion. The storm's extreme wind and rainfall, combined with the mountain region's topography, resulted in scouring, high-velocity floodwaters, extreme erosion and deposition, and landslides. The scope and scale of the need for agricultural land and waterway rehabilitation and protection measures is unprecedented, estimated at \$560M.

Additionally, North Carolina requests that Congress authorize NRCS to increase the EWP federal cost share to 90% from 75% for projects in the affected counties and the federal cost share for EWP technical and administrative costs (including engineering) to 75% from 15% for projects that require engineering in the affected counties. The state also requests that Congress sufficiently fund the NRCS Conservation Technical Assistance account immediately so that the state can complete necessary assessments.

North Carolina requests that NRCS expand the extent of eligible stream debris removal projects to a distance equal to the greater of the next public road crossing or 2,000 feet upstream of bridges, utility infrastructure, and other at-risk structures. Due to the topography and hydrology of the western North Carolina mountain region, debris will travel significantly farther downstream than in coastal flooding events.

#### **Farm Service Agency (FSA) – \$92 million**

##### ***Emergency Conservation Program (ECP) – \$72 million***

North Carolina seeks supplemental appropriations of \$72 million to the FSA's ECP to restore farmland to productivity and repair flood-mitigating conservation projects. The extreme force of the floodwaters in the narrow mountain valleys washed away fields, farm roads, and structures and caused severe and widespread erosion and sediment and debris deposits, resulting in a scale of the need that exceeds previous storms in the flat coastal plain.

North Carolina requests that Congress authorize FSA to increase the ECP federal assistance cost share to 90% from 75% for projects in disaster-declared counties and to expand the ECP eligible practices to include repair of farm access roads. The preliminary estimate of repair needs for existing access roads used for agricultural operations is \$20 million. Many more road miles need significant repair compared to past storms.

North Carolina requests that Congress authorize FSA to increase the \$500,000 per person cap on payments when projects include farm pond repairs. Experience from Hurricane Florence indicates that these repairs typically cost \$500,000 in 2018; construction costs and inflation have increased these costs significantly over the past 6 years.

As noted above, the state requests that FEMA waive the requirement for a No Rise Certification for floodways and floodplains in the case of cropland restoration projects and streambank stabilization. This certification is unnecessary for these types of restoration activities and causes delays in farmland rehabilitation in advance of critical replanting seasons. This requirement affects conservation projects conducted through the USDA- Natural Resources Conservation Service, USDA-Farm Service Agency, and local soil and water conservation districts.

### ***Emergency Forest Restoration (EFRP) Program – \$20 million***

North Carolina requests supplemental appropriations of \$20 million to FSA’s EFRP for payments to nonindustrial private forest land owners for restoration activities such as removing downed trees, site preparation, replanting, and repairing forest roads, fire breaks, and fencing.

Aerial surveys indicate 822,000 acres of western North Carolina timberland received some level of damage valued at \$214 million (including private and public losses). Damage distribution between land ownership is approximately:

- 21% public (US Forest Service and other public ownerships)
- 78% private (private individuals, corporations, and other ownerships)
- 1% reserved lands (reserved areas such as park lands)

The storm added an estimated 6.8 million tons of fuels to the fire environment. Risk mitigation efforts are needed in anticipation of more severe fire seasons.

### **US Forest Service (USFS) – \$65 million**

#### ***State, Private, and Tribal Forests (SPTF) – \$65 million***

North Carolina requests a supplemental appropriation of \$65 million to the USFS’s SPTF organization for technical and financial assistance to private forest owners and state agencies to recover and protect forest lands. North Carolina’s allocation would be for activities under the authority of the following SPTF cooperative programs: State Fire Assistance, Forest Health Protection, Urban and Community Forestry, Forest Stewardship, Forest Inventory and Analysis, and Volunteer Fire Assistance.

North Carolina requests a full waiver of state match requirements for SPTF programs.

### **Rural Development (RD) – \$25 million**

#### ***Rural Water and Waste Disposal Program – \$25 million***

The state requests \$25 million through the Rural Water and Waste Disposal Program to address critical sewage and solid waste disposal needs in impacted areas. As of November 7, 2024, four wastewater treatment plants were still only partially operational or operating on back-up power, three remain with no power, and five are closed with significant damage. The storm impacted 88 total wastewater systems.

### **Policy Changes**

#### ***Replanting Assistance for Nursery Operations***

FSA’s Tree Assistance Program (TAP) provides financial cost-share assistance to qualifying orchardists and nursery tree growers to replant or rehabilitate trees, bushes and vines that produce a commercial crop and that are lost by natural disasters. North Carolina requests that

Congress authorize FSA to expand TAP eligibility to container-grown nursery products, including those trees, bushes, and vines where the plant itself is the commercial product (e.g., ornamental bushes), rather than its fruit or vegetable crop.

The greenhouse, nursery, and floriculture sector is the largest sector of the western North Carolina farming community. Many of the plant nurseries are located in the fertile creek and river bottoms that experienced the most devastating impact from deep and high-velocity floodwaters. Initial estimates indicate that over 80% of plant nurseries were destroyed and losses in this sector are approximately \$800 million. These nurseries had inventories of plants and trees ranging from 1-8 or more years of age.

### ***Expand Access to Low-Interest Emergency Farm Loans***

FSA's Emergency Farm Loans offer crucial financial support to farmers impacted by natural disasters. These low-interest loans can be used to restore or replace essential property, cover production costs, pay essential family living expenses, and refinance certain debts. However, applicants seeking loans over \$100,000 must demonstrate that they are unable to obtain credit from other sources. North Carolina requests that Congress direct FSA waive the requirement that applicants in disaster-declared counties must first be denied credit from one or more commercial lending institutions, and thereby expand access to these low-interest emergency loans. Some affected farmers may be able to access credit through other institutions, but at significantly higher interest rates.

# Small Business Administration (SBA)

## **Funding Request: \$1.23 billion**

Over 500,000 small businesses are located in Helene-impacted areas, including 115,237 employer business establishments and an additional 384,000 “mom and pop” businesses with no employees. Western North Carolina is home to scenic parks and cultural attractions that drive tourism and support local hospitality, retail, and restaurant businesses, meaning these businesses were particularly hard-hit due to the timing of the hurricane during the region’s peak fall tourist season. The region’s businesses are estimated to have suffered \$15.9 billion in total damage, including \$10 billion in direct damage and \$5.9 billion in indirect and induced damage.

SBA has an important role to play in driving a successful long-term recovery for the economy in western North Carolina. While the SBA funding is eligibility-based, North Carolina is asking Congress to ensure fully funding SBA to meet the needs described below.

### **SBA Disaster Loans - \$1.23 billion**

Many businesses damaged by Hurricane Helene have applied for SBA Physical Damage Loans. However, SBA exhausted funding for disaster loans on October 15, 2024. Congress must appropriate additional funding so that SBA can disburse loans to eligible borrowers. SBA provides several different disaster loans that must be replenished.

#### ***Home and Personal Property Disaster Loan Program – \$931 million***

The Home and Personal Property Disaster Loan program provides financial assistance to individuals in disaster declared areas who experienced damage to their home or personal property— even if they do not own a business. Eligible expenses include the repair or replacement of a primary residence and personal property, such as clothing, furniture, cars, and appliances, not covered by insurance or other sources.

This funding could assist many of the estimated 24,984 individuals and households who have made FEMA-IA claims but whose damage exceeds IA thresholds and private insurance payments. The average Home and Personal Property Disaster Loan is expected to be \$37,257, resulting in an estimated need of \$931 million, based on SBA loans approved for homeowners and renters for Hurricane Florence adjusted using the known Helene FEMA-IA applicants and forecasted average loan amounts.

#### ***Physical Damage Loans – \$175 million***

North Carolina expects disaster-affected businesses to be approved for \$175 million in Small Business Administration (SBA) Physical Damage Loans to help repair and rebuild facilities and assets damaged by the hurricane. The expected amount assumes that, as with Hurricane Florence, these loans will address only 6.5% of the \$2.7 billion in total estimated business property damage. These loans will allow business owners to begin restoration efforts on their properties, including buildings, equipment, and inventory, ensuring that local businesses can reopen and support the region's economic recovery

### ***Economic Injury Disaster Loans (EIDL) – \$125 million***

North Carolina expects disaster-affected businesses to be eligible for \$125 million in EIDL. These loans support businesses facing operational disruptions and cash flow challenges during the recovery period and help cover essential expenses such as payroll, rent, utilities, and other operating costs until normal business conditions resume, particularly for businesses that have experienced substantial economic losses.

Given the significant economic impact and anticipated prolonged recovery period, especially in rural areas, North Carolina requests the following policy changes to both the SBA Physical Damage and EIDL programs to enhance recovery:

- **Extended Deferment Period for High-Impact Counties:** Extend the deferment and interest-free period from 12 to 24 months for businesses in counties with the highest need, based on Individual Assistance (IA) applications as a share of total households. This relief would offer necessary financial flexibility for businesses recovering from severe, prolonged economic disruption.
- **Partial Loan Forgiveness Tied to Workforce Stability:** Implement a loan forgiveness program modeled after the Paycheck Protection Program (PPP) Loan forgiveness program. As with the PPP program, only businesses that retained or rehired employees would be eligible for loan forgiveness.
- **Loan Forgiveness for Existing SBA Borrowers:** Many businesses and farms affected by Helene were already repaying SBA loans from prior disasters. North Carolina requests forgiveness of the remaining balances, up to the value of newly approved loans, on existing SBA loans for businesses and farmers approved for new SBA loans.

### **Policy Changes**

#### ***Duplication of Benefits***

North Carolina also requests legislation to ensure that, like in the Disaster Recovery and Reform Act of 2018 (DRRA), SBA loans are not considered a duplication of benefits when an individual is seeking support from CDBG-DR. DRRA temporarily amended section 312 of the Stafford Act such that, for qualifying disasters (i.e., disasters declared between January 1, 2016 and December 31, 2021), an SBA loan was not a prohibited duplication of benefits so long as all federal assistance was used toward losses resulting from a declared major disaster; this amendment sunset in October 2023.

# Environmental Protection Agency (EPA)

## **Funding Request: \$270 million**

Hurricane Helene has caused significant damage to western North Carolina's utilities, including 163 water and sewer systems and hundreds of miles of distribution pipes. Additionally, 400 facilities responsible for maintaining hazardous waste have sustained damage, posing potential risks to public health and the environment if not promptly addressed. The total disruption to these critical systems is estimated to be \$3.8 billion, underscoring the need for immediate and sustained efforts to restore safe water, sanitation, and waste management services across the region.

There remains a substantial need for targeted support to ensure full restoration of damaged utilities and safeguard environmental health. The assistance requested from the EPA will help in improving water quality and infrastructure, carrying out brownfield assessments, restoring damaged rivers, and supporting effective hazardous waste management.

### ***Clean and Drinking Water State Revolving Funds – \$250 million***

The state requests an additional \$250 million through the Clean and Drinking Water State Revolving Funds for North Carolina's Department of Environmental Quality (DEQ) revolving loan programs to ensure repairs to local government infrastructure are adequately funded and emergency loans are available for necessary cash flow for immediate solutions. This request is based on the impact of the disaster and the needs of local communities. The funding will be used for existing programs, technical assistance, loans, and grants to repair or replace water or sewer systems. A total of 163 water and sewer systems and hundreds of miles of distribution pipes were impacted across more than 20 towns in affected counties. Getting these systems back online is vital to the livelihood of individuals and businesses in the area.

### ***Resource Conservation and Recovery Act – \$20 million***

The state requests \$20 million in Resource Conservation and Recovery Act (RCRA) compliant funding from EPA. Currently, RCRA funds can only be used for assessment and cleanup, leaving owners, operators, or the state responsible for specific repair costs. With this allocation, the state requests Congress grant flexibility in the eligible uses of RCRA funds to include necessary repairs in Helene-impacted counties.

Funding will be used to support projects related to waste removal, remediation, emergency infrastructure repair, orphaned tanks, and underground storage tanks. DEQ also plans to use funding for resilient materials to be used for repairing or replacing infrastructure in solid waste or recycling facilities.

Hurricane Helene caused petroleum releases from home heating oil tanks, above ground storage tanks, and auto shops, these releases are hazardous and need complete assessment and remediation. As of November 4<sup>th</sup>, 2024, DEQ has received notification of releases from 115 large quantity generators, 405 small quantity generators, and 1,838 very small quantity generators in North Carolina counties under disaster declaration.

### ***Water Infrastructure Finance and Innovation Act – competitive funding application***

In addition to the requested funding, the state intends to apply for \$250 million<sup>4</sup> in discretionary funding through the Water Infrastructure Finance and Innovation Act to address critical water infrastructure projects across impacted regions. The state requests that Congress allow forgiveness of the loans given from the Water Infrastructure Finance and Innovation Act to alleviate hardships across local governments in the region.

#### ***State and Tribal Assistance Grant – competitive funding application***

The state intends to apply for \$85 million<sup>5</sup> from EPA’s State and Tribal Assistance Grant account for DEQ to support river and stream restoration. Restoring rivers and streams is an important part of the long-term recovery and sustainability of the region. This estimate is based on total impact and funding in prior disasters such as Hurricane Florence and Irma. Most rivers in impacted areas have been damaged by flooding and debris.

#### ***Section 319 – competitive funding application***

The state anticipates applying for \$35 million<sup>6</sup> in discretionary funding through EPA’s Section 319 programs, which address nonpoint source pollution, to support the implementation of gray water systems. These systems can be used for flushing toilets and washing recovery equipment. Gray water systems provide climate resilience and community support by providing resources in disaster impacted areas. This investment will help communities prepare for future storms. The state requests that Congress instruct EPA to waive any non-federal match requirement for granted funds.

#### ***Additional Drinking Water Programs – competitive funding application***

North Carolina anticipates submitting an application for an additional \$100 million<sup>7</sup> in discretionary funding through the drinking water grant programs including: the Midsize and Large Drinking Water System Infrastructure Resilience and Sustainability Program, the Drinking Water System Infrastructure Resilience and Sustainability Program for smaller communities, and the Emerging Contaminants in Small or Disadvantaged Communities Grant. The state will use these funds to repair failing public water systems, resolve documented low pressure in existing systems, the treatment of contaminated water, and to support connections between systems. The state requests that Congress instruct EPA to waive any non-federal match requirement for awards provided by these programs.

#### ***Brownfields and Land Revitalization Program – competitive funding application***

The state intends to apply for \$2 million<sup>8</sup> in brownfields assessment and multipurpose discretionary grants from EPA’s Brownfields and Land Revitalization Program. DEQ will use these funds to bolster the assessment of brownfield properties in areas damaged by Hurricane Helene. Funding will ensure these sites receive a proper assessment of potential damage and redevelopment needs, and in the event sites are compromised, assessment data is properly communicated to local communities for recovery and resiliency planning.

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<sup>4</sup> Note, potential awards from applications for discretionary funding are not factored into request totals.

<sup>5</sup> Ibid.

<sup>6</sup> Ibid.

<sup>7</sup> Ibid.

<sup>8</sup> Ibid.

# Department of Defense – Army Corps of Engineers (USACE)

**Funding Request: \$201 million**

Hurricane Helene resulted in significant damage to public works in western North Carolina, including dams, water resources, and roads. North Carolina's Department of Environmental Quality (DEQ) has reported that at least 10 dams overtopped during the hurricane; overall, 75 dams will need to be removed, 13 can be repaired, and additional dams will need to be replaced. Ensuring the structural integrity of dams, dikes, and levees is critical to reducing the risk of life, property loss, and surface and groundwater contamination that could result from dam breaches and failures. Furthermore, the hurricane damaged over 5,000 miles of state-maintained roads in western North Carolina, as well as over 1,300 bridges and culverts and 1,000 miles of private roads.

Assistance from the U.S. Army Corps of Engineers (USACE) will provide critical support to western North Carolina, focusing on flood control, water resource management, levee reinforcement, hazardous waste cleanup, dam safety, and ecosystem restoration. This support will also extend to enhancing resilience measures for private roads, constructing major resilience projects, and advancing long-term resilience planning for the region.

## ***Water Infrastructure – \$130 million***

North Carolina requests USACE prioritize funding for western North Carolina for flood control, water resources, levees, hazardous waste clean-up, dams, ecosystem restoration, debris management, and the restoration of outdoor recreation (e.g., trails, fishing, boating).

Of these requested funds, the state would allocate \$50 million to support the DEQ's efforts to assess dams, remove unneeded dams, reconstruct critical dams, and provide technical assistance to dam owners and operators. Ensuring the structural integrity of dams, dikes, and levees is critical to reducing the risk of loss of life, property damage, and surface and groundwater contamination that could result from dam breaches and failures. There are approximately 600 high- or significant-hazard dams in western North Carolina. DEQ has reported at least 10 dams were overtopped during Hurricane Helene. DEQ estimates that 75 dams will need to be removed, 13 can be repaired, and additional assessments are needed to determine the number of dams that will need to be replaced. DEQ would prioritize the repair of dams that pose a substantial threat to the health, safety, and welfare of downstream residents and businesses.

The state also requests that \$50 million support flood risk management capabilities including funding for programs that can be of immediate assistance in ensuring the USACE has ample resources to carry out recovery and mitigation. These funds would allow USACE to study and, if feasible, construct projects or implement programs to reduce the risk to life and property from flood situations.

Lastly, the state requests \$30 million of USACE funds to support debris management efforts across western North Carolina. USACE removal operations are active in multiple locations, including Lake Lure, Buncombe County, and Asheville. Key priorities include clearing right-of-

way debris, developing alternative disposal strategies to address potential landfill capacity issues, assessing waterway debris to define the removal scope. All state and federal agencies are continuing to work together to refine tasks, identify opportunities to repurpose debris materials, and establish processes for continued response.

***Transportation Infrastructure Construction – \$50 million***

Currently, private roads are not eligible for assistance from the USACE Construction Account. The state seeks a supplemental appropriation of \$50 million and a temporary adjustment of the eligibility criteria to support private roads with significant public benefit or emergency access needs.

This request would fund major resilience projects on critical private roads, including the construction of floodwalls, elevated sections, and embankment reinforcement, which protect essential access routes in high-risk areas.

***Continuing Authorities Program (CAP) – \$20 million***

North Carolina requests \$20 million in federal CAP funding to strengthen critical access routes and safeguard communities. CAP program eligibility would need to be amended to include private roads and bridges that serve critical public access and emergency needs. This expansion would allow essential localized resilience projects, such as slope stabilization and flood control, to protect private roads and reduce repeated hurricane-related damage.

***Planning Assistance to States – \$1 million***

North Carolina requests \$1 million from the Planning Assistance to States program to support planning studies to assess long-term risks to private roads in high-risk areas, helping identify future resilience projects for critical access routes.

# Department of Health and Human Services (US HHS)

**Funding Request: \$150 million**

Hurricane Helene's impact on essential services has been severe, with critical health and childcare infrastructure significantly affected across the region. A total of 145 healthcare facilities sustained damage, hampering the delivery of medical care to communities in need. Additionally, 55 childcare centers have reported damage severe enough to prevent their reopening, creating challenges for working families seeking safe, reliable childcare options. Much of the estimated damage from Hurricane Helene occurred in areas of North Carolina with a higher percentage of older residents and in rural communities that may already face challenges in accessing healthcare and social services. The state estimates an overall need of \$724 million to repair healthcare facilities and address urgent needs in public health, social services, mental health, childcare, and other health needs.

## **Office of Child Family Services (OCFS) – \$79 million**

### ***Childcare and Development Block Grant – \$74 million***

North Carolina is requesting \$74 million in Childcare and Development Block Grant funding to provide one-time disaster relief grants to childcare providers, including childcare centers, homes, and Pre-K sites in Helene-impacted counties.

Of the \$74 million, North Carolina will use:

- \$52.6 million to provide one-time disaster relief grants to childcare providers in impacted areas;
- \$16.6 million to waive parent co-pays for children receiving childcare subsidies to reduce barriers to accessing childcare; and
- \$4.8 million to cover 100% of the cost for programs caring for school-aged children full-time due to school closures.

These payments are required to keep the fragile childcare infrastructure in western North Carolina functional, supporting affected families, maintaining the childcare workforce, and sustaining the region's economic vitality.

### ***Child welfare grant programs – \$4.5 million***

North Carolina requests a total of \$4.5 million across four child welfare programs to support the more than 4,000 children in foster care in impacted counties, resource families involved in child welfare, and support programs that aim to reduce the need for foster care. Following Hurricane Florence, US HHS allocated \$28 million for Children and Families Services programs to cover similar needs. This funding will ensure that foster care involved youth, and families can continue to access critical services and meet basic needs, while also preventing child abuse and neglect in the impacted counties.

The \$4.5 million requested includes:

- \$2 million for the Community-Based Child Abuse Prevention program to support community-based efforts to reduce child abuse and neglect before it happens;
- \$1 million from the John H. Chafee Foster Care program to help eligible young adults who have transitioned out of foster care maintain self-sufficiency;
- \$1 million from the Child Abuse Prevention Treatment Act program to ensure the state has the resources to safeguard at-risk children; and
- \$500,000 in Title IVB-1 funds to provide supports for families impacted by Hurricane Helene to prevent entry into foster care and help displaced families stay together.

### **Administration for Children and Families (ACF) – \$69 million**

#### ***Low-Income Home Energy Assistance Program (LIHEAP) – \$44 million***

North Carolina requests \$44 million in LIHEAP funds to ensure that households can afford their heating bills and access services to remain warm. Approximately 20% of households in the storm-impacted area are eligible for LIHEAP. According to the US Department of Energy's Low-Income Energy Affordability Data Tool, North Carolinians who live below 150% of the federal poverty line face an average energy burden of 14%, requiring additional assistance to pay energy bills.

In addition to heating assistance, North Carolina will use these funds to enable individuals with destroyed homes to access temporary shelter, establish warming centers, cover the purchase and installation costs for generators and utility reconnection, and move individuals to shelters if they do not have access to heating.

#### ***Social Services Block Grant (SSBG) – \$14.9 million***

North Carolina requests a total of \$14.9 million in SSBG funding to ensure the well-being of vulnerable children, adults, and families in the Helene-impacted counties. This estimate is based on response and recovery needs reported by NC Department of Health and Human Services (NC DHHS). This request is modest at about \$3.27 per capita given that US HHS allocated \$462 million in SSBG funds for Hurricane Sandy, approximately \$21.17 per capita.

Specifically, North Carolina will use the SSBG funds as follows:

- \$7 million to support community crisis care, telehealth services, case coordination, and staff retention;
- \$2.9 million to help vulnerable adults remain in their communities;
- \$4 million to bolster temporary foster care support staff to maintain contact with children in foster care living in congregate settings, assist with Adult Protective Services and Child Protective Services intakes/assessments, and
- \$1 million to provide technical assistance to county agencies; and support long-term mold remediation needs not addressed by FEMA-PA.

### ***Community Services Block Grant – \$10 million***

North Carolina requests \$10 million in Community Services Block Grant funds to support continued disaster relief efforts over the next two years. Without this critical federal assistance, the impacted counties will struggle to recover from the devastation and provide essential services to their residents. NC DHHS plans to take steps to prevent benefit duplication for CDBG recipients.

The state will utilize the funds to support economic stability, provide emergency assistance, and improve health outcomes for eligible disaster impacted individuals. Specifically, the state will allocate funds to provide job placement services to individuals, enable access to education and skills training, and ensure children and young adults can maintain access to education and extracurricular activities. Additionally, these funds will be used to safeguard access to transportation so that individuals can continue to go to work and school; provide direct aid for food, shelter, utilities, and medicine to low-income families in crisis; and connect individuals to healthcare.

### **Administration for Strategic Preparedness and Response (ASPR) – \$3 million**

#### ***Hospital Preparedness Program – \$3 million***

North Carolina requests \$3 million in Hospital Preparedness Program funding to support response and recovery needs reported by NC DHHS. This amount is in addition to the \$7 million NC DHHS has already received to address a total of \$10 million in needs.

The NC Office of Emergency Medical Services will use the fund for ongoing operations and recovery activities to ensure the state sustains capacity to respond to the impact of Hurricane Helene. To achieve this, the office will be used to support several key areas, including healthcare supply warehouse operations; the State Medical Response System and NC Mobile Disaster Hospital; temporary staff to serving healthcare support sites; temporary mobile medical sites; equipment, supplies, and IT support for temporary locations, staff, and recovery operations.

# Department of Commerce (DOC)

**Funding Request: \$126 million**

Hurricane Helene has caused substantial economic disruption across North Carolina, with total economic losses estimated at \$16 billion. The affected counties, which account for 45% of the state's GDP, are central to North Carolina's economic stability and growth. Among these communities are 384,000 "mom and pop" stores—small businesses that serve as the backbone of local economies and provide essential services to residents.

The Department of Commerce (DOC) will be instrumental in supporting economic revitalization efforts, through direct small business recovery loan programs, provide funding to assess manufacturing disaster impact and disaster recovery technical assistance and coordination support. The DOC can help these hard-hit communities rebuild, fostering sustainable economic recovery and resilience. This support will be crucial for restoring local businesses and jobs, particularly in the small business sector, which is vital to the region's economic health.

## **Economic Development Administration (EDA) – \$115 million**

### ***Economic Adjustment Assistance (EAA) – \$75 million***

North Carolina requests \$75 million through the EDA's EAA program to support rebuilding and enhancing resilience in heavily impacted business districts across western North Carolina. EAA funds will be used to repair infrastructure, retrofit existing commercial facilities, and create climate-resilient features in business zones that were devastated by Hurricane Helene. This will include strengthened structures and supporting business infrastructure, shared business hubs, and utility resilience investments to help these communities withstand future disasters.

### ***Distressed Area Recompete Pilot Program (Recompete) – competitive funding application***

North Carolina requests additional funding through EDA to expand capacity for Recompete to provide local governments and organizations with flexible funding to support economic development activity and connect people to jobs. A Recompete expansion, if modified to target areas with a disaster declaration, will cover at least the 13 counties in North Carolina that sustained significant damage from Hurricane Helene and already qualify for Recompete under its pilot program eligibility criteria.

Congress authorized for up to \$1 billion in the CHIPS and Science Act and the Recompete Program received \$200 million in initial appropriations for the 2023-24 competition. If Congress allocates an additional \$200 million to the program for all areas with a recent disaster declaration, North Carolina anticipates successfully competing for \$40 million in total awards.<sup>9</sup>

### ***Direct Small Business Recovery Loan Program – \$30 million***

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<sup>9</sup> Note, potential awards from applications for discretionary funding are not factored into request totals.

North Carolina requests \$30 million from EDA to capitalize a revolving loan fund (RLF) to offer low-interest, flexible loans tailored to address the urgent financial needs of small and midsize businesses that experienced storm-related property damage or economic disruption.

RLF lenders will target small businesses needing support for repairing damaged facilities, replacing essential business assets, and restoring operational capacities for businesses in tourism, agriculture, and retail sectors. The RLF will also support Working Capital Loans to cover operating expenses, including payroll, inventory restocking, and emergency supply costs, helping businesses manage immediate financial obligations and maintain operations during the recovery period.

The state will also use funding to recapitalize existing RLF programs in North Carolina as needed.

#### ***Workforce Training and Economic Diversification Initiatives – \$10 million***

To address workforce displacement and support economic diversification in western North Carolina, the state requests \$10 million from EDA for investment for targeted workforce development programs that support training initiatives to equip displaced workers with skills for high-demand, resilient sectors. The state will use the funds to emphasize disaster-resilient job training and workforce diversification efforts.

#### **Federal Communication Commission (FCC) – \$10 million**

##### ***Emergency E-rate Program – \$10 million***

North Carolina requests \$10 million through the Emergency E-rate program to replace IT equipment that was damaged or lost because of Hurricane Helene. Following Hurricanes Harvey, Irma, and Maria, the Federal Communications Commission (FCC) made these additional funds available through order FCC 17-139 to help impacted schools and libraries restore services and replace equipment.

#### **National Institute of Standards and Technology (NIST) – \$1 million**

##### ***Manufacturing Extension Partnership (MEP) Disaster Assessment Program – \$1 million***

North Carolina's Manufacturing Extension Partnership Center (NCMEP) will use \$1 million in grant funding through NIST's MEP Disaster Assessment Program to determine the impact of Hurricane Helene on small- and medium-sized manufacturers in disaster-declared counties. This will include assistance with accessing disaster recovery resources for affected manufacturers and developing plans to mitigate future disaster risk.

# Department of Education (ED)

**Funding Request: \$107 million**

With over 1,100 public K-12 schools, 23 community colleges, 22 independent colleges and universities, and seven University of North Carolina institutions located in the impacted area, Hurricane Helene has profoundly affected North Carolina's educational infrastructure. These schools serve more than 940,000 students. Due to Hurricane Helene, 10 K-12 school districts closed for 10 or more days, and 82 public schools across six local education agencies (LEAs), two community colleges, and one UNC institution remained closed as of October 23. The damage of close to \$850 million incurred by North Carolina educational institutions estimated as of October 23, 2024, has increased. The disruption to school facilities places additional strain on educators, students, and families as they work to restore safe and effective learning environments.

The scale of impact on the educational system calls for dedicated resources to fully support the recovery and continuity of education. The state will use requested funding to provide higher education, elementary and secondary education hurricane relief support, which is crucial to providing stability for students as the region moves toward long-term recovery.

## **Office of Elementary School and Secondary Education (OESE) – \$100 million**

### ***Temporary Emergency Impact Aid for Displaced Students – \$58 million***

The state requests \$58 million through Temporary Emergency Impact Aid for Displaced Students to provide funds to the North Carolina Department of Public Instruction (DPI) to assist with the cost of educating displaced students. DPI is currently assessing how many students were displaced and have enrolled in schools elsewhere.

### ***Immediate Aid to Restart School Operations (RESTART) – \$38 million***

North Carolina requests \$38 million through the Immediate Aid to Restart School Operations (RESTART) program to support public and nonpublic K-12 schools with restarting operations, re-enrolling students, and reopening in areas affected by the disaster. RESTART funding will help schools cover items such as replacing instructional materials, equipment, and information systems; recovering data; renting mobile educational units; and covering educator-related costs.

### ***Assistance for Homeless Children and Youth Program – \$3 million***

North Carolina requests \$3 million through the Assistance for Homeless Children and Youth program to support local educational agencies serving homeless children and youths displaced by Hurricane Helene. This funding would provide student transportation services and other supports that comply with the McKinney-Vento Homeless Assistance Act.

### ***Project School Emergency Response to Violence (SERV) – \$1 million***

North Carolina requests \$1 million in Project School Emergency Response to Violence (SERV) funding for short-term education-related services following violent or traumatic disruptions to the learning environment. This funding would support overtime for teachers, counselors, law

enforcement and security officers, emergency transportation and other costs to operate school at an alternative site, targeted mental health assessments, and temporary security measures.

**Office of Post-Secondary Education (OPE) – \$4 million**

***Emergency Assistance to Institutions of Higher Education – \$3 million***

The state requests \$3 million in Emergency Assistance to institutions of higher education to help institutions in disaster-impacted counties expand student aid, support faculty and staff salaries, and assist homeless students.

***Defraying Cost of Enrolling Displaced Students in Higher Education Program – \$1 million***

North Carolina requests \$1 million through the Defraying Costs of Enrolling Displaced Students in Higher Education program. These funds would help institutions of higher education defray unexpected expenses associated with enrolling displaced students from disaster-impacted institutions.

**Federal Student Aid (FSA) – \$3 million**

***Federal Supplemental Education Opportunity Grant – \$3 million***

North Carolina requests \$3 million for Federal Supplemental Education Opportunity Grants to provide awards of \$100 to \$4,000 to undergraduate students who demonstrate exceptional financial need resulting from the disaster. These grants would help students maintain enrollment at community colleges, UNC institutions, and private colleges and universities by assisting with tuition, fees, and other emergency expenses.

# Department of the Interior (DOI)

## **Funding Request: \$90 million**

Hurricane Helene has severely impacted North Carolina's natural resources and state-owned land, with damage reported across 300,000 acres of public land. This area includes parks, preserves, and wildlife habitats that are essential not only for ecological health but also for tourism and recreation, both vital components of the local economy. There is an estimated \$1.4 billion in damage to state-owned properties across 29 counties.

While other federal funding will support immediate recovery, there remains a critical need to address longer-term restoration and conservation of these lands. Funding from DOI will play a pivotal role in supporting mapping and modelling efforts needed to inform recovery efforts and repair the region's wetlands and wildlife habitat.

In addition to funding requests, North Carolina asks that DOI prioritize the reconstruction of infrastructure and the restoration of national forests within Helene-damaged national parks. According to a 2023 National Park Service report, visitors to the state's national parks spend \$2.6 billion annually and support close to 39,000 jobs. Of particular concern is the Blue Ridge Parkway, the majority of which remains closed in North Carolina as of November 7, 2024. The Blue Ridge Parkway alone attracts approximately 16 million visitors to North Carolina annually.

North Carolina requests that the Department of the Interior (DOI) and the US Forest Service strategically utilize existing funds, and that Congress provide new appropriations for these purposes. Investments will support the preservation of natural resources, ensure visitor safety, and revitalize local tourism, which is essential to North Carolina's economy.

### **National Park Service (NPS) – \$50 million**

#### ***Flood Abatement and Water Quality Protection Measures – \$50 million***

The state requests \$50 million from NPS to fund the NC Land and Water Fund (NCLWF) in the North Carolina Department of Natural and Cultural Resources for conservation and restoration of the state's storm-damaged streams, parks, and trails. With these funds, the state will provide grants to nonprofits and government entities for restoration projects for wetlands, streams, wildlife habitats, fisheries, and riparian buffers, projects that improve water quality, increase natural flood protection, and reduce erosion.

North Carolina will also use the funding for projects to restore outdoor recreational opportunities, such as reestablishing trail networks in western North Carolina. Additionally, the state requests that Congress instruct NPS to waive any non-federal match requirement for this allocation.

### **US Geological Survey (USGS) – \$40 million**

#### ***Mapping and Modeling – \$40 million***

The state requests \$40 million from USGS for the North Carolina Department of Environmental Quality (DEQ) to improve landslide hazard mapping, assessments, planning, and communication to reduce losses. This request is based on a similar congressional appropriation in the wake of other major natural disasters. Congress provided \$42.4 million through the Additional Supplemental Appropriations for Disaster Relief Requirements Act of 2018 to USGS for equipment repair and replacement; high-resolution elevation data collection in both hurricane- and wildfire-impacted areas; and scientific studies and assessments that supported recovery and rebuilding decisions after Hurricanes Harvey, Irma, and Maria and the California wildfires.

There is a need to update the western North Carolina landslide hazard maps and the state's Flood Resiliency Blueprint to include current geodata from the more than 1,900 landslides and catastrophic flooding caused by Hurricane Helene. Updated maps and hazard areas will inform recovery efforts through local government planning and state permitting. The state also plans to fund projects that identify potential geo-engineering solutions to protect critical infrastructure and to create a landslide warning and notification system.

# Department of Energy (DOE)

**Funding Request: \$75 million**

The energy infrastructure of North Carolina sustained extensive damage from Hurricane Helene, impacting the stability and reliability of electrical services for millions of residents. The disaster caused an estimated \$1.4 billion in damage to the electrical wiring and electrical infrastructure facilities of 23 municipal owned systems, seven co-operative owned electrical systems, and two major private electrical providers that serve nearly two million households. North Carolina will need an additional \$1.3 billion to make infrastructure and technology upgrades to secure a more resilient western North Carolina.

DOE will play a vital role in supporting the repair and reinforcement of these essential systems, ensuring that households regain reliable access to power. Furthermore, DOE could aid in meeting the over \$1.8 billion in estimated need for weatherization and other resiliency needs for housing.

## **Loan Programs Office**

### ***Clean Energy Financing Program – discretionary funding application***

The state anticipates applying for \$1 billion in loan credits for North Carolina’s State Energy Office from the U.S. Department of Energy’s Clean Energy Financing Program to establish a State Energy Financing Institution (SEFI) and fund microgrids for communications infrastructure.<sup>10</sup> Once established, the SEFI will enable North Carolina to leverage significant investments from DOE’s Loan Program Office, providing financing support or credit enhancements for eligible clean energy projects. This investment will fund a loan program to help communications providers install solar and storage microgrids allowing communications infrastructure, such as cell phone towers, to remain operational when the electric grid goes down.

The state requests that Congress give the U.S. Secretary of Energy discretion to forgive all or a portion of these loans to address potential hardships for businesses. This action would prevent the severe consequences of default for projects within the 39 federally disaster-declared counties in North Carolina.

## **Office of State and Community Energy Programs – \$75 million**

### ***Weatherization Readiness Fund – \$75 million***

North Carolina requests \$75 million in Weatherization Readiness Fund (WRF) and Weatherization Assistance Program (WAP). WRF funds are needed for necessary repairs, cleanup, and remediation needs for homes currently on the deferral list for the WAP due to their condition while WAP funds are needed to support weatherization upgrades.

Over 4,300 homes in western NC are currently on this deferral list because of structural issues that disqualify them from WAP. Once a readiness job is complete, full weatherization activities begin and are typically completed within a year.

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<sup>10</sup> Note, potential awards from applications for discretionary funding are not factored into request totals.

# Department of Labor (DOL)

## **Funding Request: \$40 million**

The economic impact of Hurricane Helene has been substantial, with total losses estimated at \$13 billion. Businesses and nonprofit organizations have incurred approximately \$2.8 billion in property damage, disrupting operations and affecting employment across the region. These losses have a direct impact on the workforce, particularly in sectors dependent on small businesses and community organizations that are essential for local employment and services.

There remains a significant gap in resources for supporting longer-term workforce recovery and business resilience. The Department of Labor's assistance will be crucial in providing support to the disaster-affected workforce, which will help impacted businesses and nonprofits rebuild, retain jobs, and support the region's economic revival.

### ***Disaster Affected Workforce Training and Support – \$40 million***

US DOL has already granted \$10 million to North Carolina to temporarily expand the service capacity of dislocated worker training and employment programs at the state and local levels.

However, the state urgently needs additional funding. Based on past funding precedents, including \$18.5 million and \$15 million for Hurricanes Florence and Matthew, respectively, North Carolina requests an additional \$40 million from DOL to fully meet the current needs of the state's dislocated workforce, bringing the total allocation to \$50 million.

As of October 21, 2024, over 22,000 North Carolinians were unemployed due to Helene and had filed for state and/or federal unemployment benefits with the NC Division of Employment Security. This is nearly three times the number of individuals who received benefits due to Hurricane Florence.

# Department of the Treasury (USDT)

## **Funding Request: \$16.5 million**

Across the 39 disaster-declared counties, 41% of households earn less than 80% of the area median income, and 55% of low-income households in the region are cost burdened. This makes affordable housing a key issue for disaster-impacted individuals. Impacted communities need both rehabilitation of current affordable housing units and construction of new units at manageable rates for low- and moderate-income renters. Resources from USDT can assist western North Carolina in strengthening the affordable housing supply and providing rental assistance to residents displaced by the hurricane.

### ***Affordable Housing Construction and Rehabilitation – \$16.5 million***

Disaster Housing Credits would enhance the Low-Income Housing Tax Credit (LIHTC) program and incentivize the construction or rehabilitation of affordable rental units in disaster-declared counties. The 2025 LIHTC allocation is set at \$3 per capita. North Carolina requests a special disaster credit increase of 50%, or \$4.50 per capita, which would be an increase of \$16.5 million. The state would utilize these additional funds for projects in disaster-declared counties.

Congress has previously provided disaster credit authority to states suffering from storms. In 2020, certain areas received a 50% allocation increase based on the total state population. Congress also provided disaster credit authority for states that had experienced disasters in 2021, 2008, and 2005. Previous appropriations also included programmatic flexibility, such as tax-exempt bond authority and relaxed low-income requirements.

Even though North Carolina experienced two major hurricanes – Hurricanes Matthew and Florence – in 2016 and 2018 respectively, neither the 2020 nor 2021 appropriations for disaster housing credit authority increased North Carolina’s allocation. This inaction hurt the state’s ability to restore its affordable housing stock after the storms.

LIHTC is a primary funding mechanism for creating new affordable housing nationwide. Additional disaster credit authority would strengthen the affordable housing supply by repairing or constructing new housing units, ensuring that those facing financial difficulties have housing within their means.

### **Policy Changes**

#### ***Tax Relief for Small Businesses and Farmers Suffering Disaster-Caused Losses***

North Carolina requests that Congress allow the thousands of small businesses and farms impacted by the storm to fully deduct Helene-caused losses on their federal income tax returns for tax years 2024 through 2026, rather than having losses limited to 80% of taxable income, and carry back those losses to the two most recent tax years.

Congress has previously extended carryback allowances for businesses affected by disasters and temporarily suspended the 80% limit on net operating loss deductions, including in the Fair Disaster Tax Relief Act of 2008 and the 2020 CARES Act. Providing this tax relief will help sustain small businesses and farms until they are able to build back to normal operations.

The state is additionally requesting that the IRS allow farmers in the Hurricane Helene disaster declaration area to carry back net operating losses from tree and bush damage for 10 years. This tax relief specific to farmers is needed to address multi-year income losses. Timber, fruit and nursery trees and bushes, and Christmas trees can take 10 years or more to reach full production or salable maturity.

***Expand Credit Availability for Small Businesses***

North Carolina requests authorization from the Department of Treasury to retain funds provided for the Rapid Recovery Loan Program under the 2020 CARES Act. The state would repurpose these funds for disaster lending and grants to small businesses affected by Hurricane Helene.