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Testimony September 22, 2025: SBA's Hurricane Helene Response: One Year Later

September 27, 2024, one year ago, will be a day that we will long remember in Henderson County and Western North Carolina. Hurricane Helene hit us with full force. Not only was there an enormous amount of rainfall that resulted in flooding as deep as 30 feet in some areas, there were also over 2000 landslides, 80 of which were in Henderson County. The landslides uprooted giant oak and pine trees and dislodged mammoth boulders that could otherwise only be moved by heavy equipment. These landslides took out everything in their path from homes to businesses. In the Hickory Nut Gorge area, the river grew three times wider than normal. Small businesses along the river were washed away, as well as the land they once stood on. The power outages registered to 1.5 million in the multi-county area with 95% of Henderson County affected. These outages lasted up to two weeks in most areas. Over 425 miles of roads and over 200 bridges were severely damaged in Henderson County alone. All of this impacted our businesses, especially small businesses. Those that were not severely damaged by flooding or fallen trees were still affected by power outages and, most importantly, loss of business. Residents were focused on survival and potential visitors/tourists, who many of our businesses depend on, stopped coming, for obvious reasons. Even after power was restored, the water receded and the main roads were opened up, we were left with the cleanup and rebuilding that continues today, one year later. As a result, many businesses lost weeks of sales. Having been a small business owner, I am aware that one week of slow business is tolerable, two weeks is concerning but three weeks and beyond can be devastating. There was also the ripple down affect where loss of sales leads to loss of inventory purchase which affects other businesses, layoff of employees and, for the county, reduced sales tax income.

Within a few days, organizations showed up to offer assistance. SBA was one of those organizations. We quickly established a Disaster Relief Center (DRC) that was large enough to handle our own local non-profit organizations as well as FEMA and other State and Federal agencies. SBA had a presence at the DRC to answer questions and assist in application filing for loans. SBA was a critical part of the DRC's one-stop-shop. Once we opened those doors to the public, SBA representatives were there to speak with residents about the possibility of loans to rebuild. Our staff conveyed how SBA was there eager and ready to assist anyone who needed it. The staff who manned the table were friendly, accommodating, and helpful. We commend SBA on their presence and willingness to jump right in and help our citizens. We are also

grateful for their continued support not just in the immediate aftermath, but for staying in our DRC long after that to continue helping people who were still needing assistance.

While we spent the first few months in the midst of life-saving work, we have spent a lot of time since then thinking about the long-term recovery of Henderson County. The SBA was and continues to be a vital part of that recovery.

The benefits of the SBA program are numbered. The paperwork is straightforward and the loans are favorable, with low interest rates. The challenges of the program are also apparent, especially when asking people why they didn't apply. The biggest issue we heard was that these were loans, not grants. While recovering, many individuals and businesses didn't feel comfortable with taking on another loan that they would have to pay back, especially as they were uncertain about their source of income in the coming months. Some businesses chose not to reopen due to the extent of damages they faced and the lack of insurance to cover those damages. Some businesses are still undergoing repairs so that they can eventually re-open. Some businesses embraced the opportunity to become better than they were before and their businesses are thriving once more. Even 9-months after the storm, half of businesses in Western North Carolina were still earning 20% less than they were before Helene.[1]

The damages to small businesses in the county are hard to quantify, but we do know that across Western North Carolina, 96% of small businesses across were impacted by the hurricane.[2] This includes 83% of businesses that had to close for some period of time.[3] In Henderson County specifically, of 130 businesses we have data on, over $9 million were reported in damages.[4]

Small businesses struggled most in the immediate aftermath of the storm, when the devastation of this natural disaster compounded with a lack of internet and limited tourism. The lack of internet wasn't just an issue for communication and safety, but also for financial transactions. We live in a world of credit cards and Apple Pay. Losing access to these meant, for many people, losing access to purchasing anything. Though businesses were flexible, their customer base struggled to purchase goods in the new cash economy. Businesses needed support in this moment to meet the demands of the moment but until infrastructure was restored, they were on their own. There is room for growth and research about how we can solve these issues and better support businesses and the challenges they face in the immediate aftermath instead of only monetarily after the fact.

Henderson County's economy changed completely in the immediate aftermath of the storm. The infrastructure of the region was not capable of supporting the usual fall tourists, and the local businesses suffered a loss of revenue as a result. $10,500,000 were lost in the agro-tourism industry alone as a result of Hurricane Helene. That impact

cannot be overstated. Even businesses that didn't suffer direct damages struggled as narratives of total devastation across Western North Carolina deterred consumers. While our TDA did a great job reminding folks that there were areas of the County open for business, we lost over $4 million in stored apples that were ready for distribution.

The hesitancy to use SBA loans for some of these losses speaks to locals' fear of taking on debt in such a challenging economic situation. Though the terms are favorable, residents' concerns about duplication of benefits and their ability to repay such a sum impacted their involvement in the program. Adjustments to the SBA, including the addition of grant opportunities or loan forgiveness for businesses rebuilding and continuing to operate post-natural disaster would have increased the amount of businesses turning to SBA for assistance.

In conclusion, we are extremely grateful for the role SBA's Disaster Recovery Loans played in our recovery from Hurricane Helene. We have learned many lessons from this storm of how to be better prepared to support businesses in the wake of natural disasters and we hope that we can work together with the SBA to implement these changes to better respond to future disasters.