

Local Government Recovery



Targeted state investments to stabilize towns and counties, accelerate rebuilding, and support residents.

Eighteen months after Hurricane Helene, western North Carolina's local governments are still leading recovery on the ground, while delayed federal reimbursements strain payrolls, services, and capital projects. Governor Stein's **\$792 million** Helene Phase 3 budget puts immediate, flexible resources in the hands of municipal leaders. Below are the items most relevant to western North Carolina's towns and counties.

FINANCIAL STABILITY FOR LOCAL GOVERNMENTS

\$50 million

LOCAL GOVERNMENT CASH FLOW REVOLVING LOANS

Interest-free loans help towns and counties keep first responders, sanitation, and essential services running while they wait on FEMA reimbursement. Repaid funds would recycle into new loans for other communities.

\$25 million

LOCAL GOVERNMENT CAPITAL GRANTS (OSBM)

Grants to repair or replace public buildings and core infrastructure damaged by Helene — town halls, public works yards, libraries, and more — without piling new debt onto local budgets.

RESILIENCE & PUBLIC SAFETY

\$20 million

DISASTER RELIEF & MITIGATION FUND

For mitigation projects to harden local infrastructure, support engineering studies, and create shovel-ready projects for future federal recovery funding.

\$10 million

FLOOD RESILIENCY BLUEPRINT

Equips local governments with the data, tools, planning capacity, and project funding to reduce flood risk in their watersheds.

\$10 million

DAM SAFETY & REMOVAL

Inspections, repairs, and removal of unsafe dams to prevent downstream flooding and protect downstream communities.

\$10.1 million

WILDFIRE MITIGATION & PREPAREDNESS

Personnel and equipment for the NC Forest Service to manage long-term fuel loads created by Helene debris.

HOUSING SUPPORT FOR LOCAL RESIDENTS

\$10 million

RENTAL & UTILITY ASSISTANCE

Helps families stay in stable housing during recovery, easing strain on human services and helping people stay in the region.

\$60 million

TEMPORARY RELOCATION ASSISTANCE

Covers short-term housing costs for Renew NC participants while their homes are being repaired — keeping families in their communities and kids in their schools.

\$20 million

NONPROFIT & VOLUNTEER REBUILDING GRANTS

Supports volunteer organizations that repair and rebuild homes for families whose needs are unmet by insurance or other programs. Nonprofit partners have already rebuilt or repaired over 800 homes with the assistance of state funds.

WHY IT MATTERS FOR TOWNS & COUNTIES

Together, these programs:

- 1) Protect local cash flow while federal reimbursements lag
- 2) Fund the capital projects and resilience work that protect against the next disaster
- 3) Keep displaced residents housed in their communities.

These investments reduce strain on local budgets, enabling local governments to focus on the work of long-term recovery for their citizens.

Governor Stein's Helene Phase 3 Budget Recommendations Summary

Item	FY 2025-26 Amount
<u>Availability</u>	
A1 Transfer from Stabilization and Inflation Reserve	627,000,000
A2 Appropriate Remaining Hurricane Helene Fund Funds	200,000,000
A3 Reallocate Unobligated Hurricane Helene Fund Funding	7,681,456
Total	834,681,456
<u>Recommendations</u>	
Strong Economy	
B1 Local Government Cash Flow Revolving Loan Program	50,000,000
B2 Helene Small Business Forgivable Loan	20,000,000
B3 Tourism Promotion for Helene Affected Areas	10,000,000
B4 Blue Ridge Parkway Foundation Match Funds	1,500,000
B5 Good Jobs Western NC Pilot	600,000
Subtotal	82,100,000
Safe Places to Live	
C1 Rental & Utility Assistance	10,000,000
Subtotal	10,000,000
Strengthened Infrastructure	
D1 Private Roads & Bridges Additional Funding	100,000,000
D2 Hurricane Helene Local Government Capital Grant Program	25,000,000
D3 Disaster Relief and Mitigation Fund	20,000,000
D4 Debris Removal Unmet Need	20,000,000
D5 Voice Interoperability Plan for Emergency Responders (VIPER)	15,000,000
D6 Additional Flood Blueprint Projects	10,000,000
D7 Dam Safety and Removal	10,000,000
D8 Public School Insurance Fund and State Property Fire Insurance Fund	10,000,000
D9 WNC Flood Monitoring and Alert Network (FIMAN)	9,000,000
D10 Decentralized Wastewater System Restoration	6,000,000
D11 Gameland Repairs	2,734,135
D12 Landslide Hazard Mapping & Warning System	1,426,218
D13 Microgrids	1,000,000
Subtotal	230,160,353
Farmers and Forests	
E1 Wildfire Mitigation and Preparedness at NC Forest Service	10,104,831
E2 Office & Visitor Center Replacement at Holmes Educational State Forest	4,186,000
E3 State Parks Damage Repairs	3,000,000
Subtotal	17,290,831
Disaster Response and Recovery	
F1 U.S. Army Corps of Engineers State Match	205,000,000
F2 Federal Disaster Programs State Match and Reimbursable Cash Flow	245,000,000
F3 Communications and Disaster Systems Improvements at NCEM	2,000,000
Subtotal	452,000,000
Total	791,551,184