Small Business Disaster Recovery

House Innovation, Community & Economic Development, & Veterans Committee Presentation

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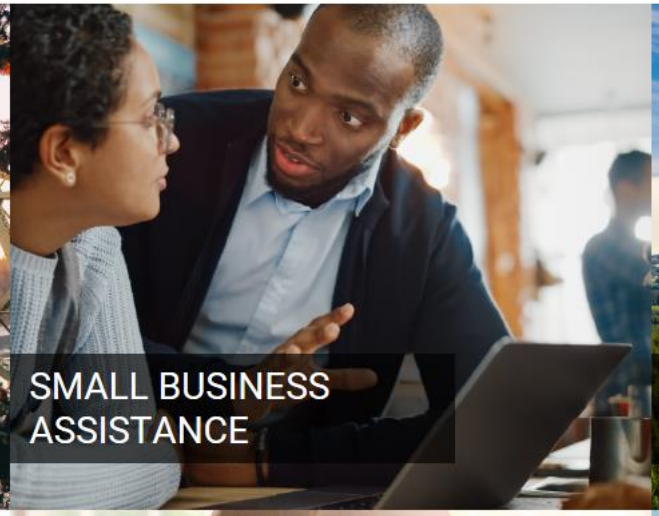
DECEMBER 5, 2023

Washington State Department of Commerce

We strengthen communities

















A disaster isn't a matter of if, but when…



Bellingham Flooding



Bolt Creek Fire



Sumner Arson



Maltby Fire



Port Orchard King Tides

Small Business Disaster Grant Program

- $20 million provided by state legislature in 2022-23 to provide grants to small businesses that sustained physical damage or economic loss due to a natural or other comparable disaster.
  - $10 million for NW Washington floods
  - $10 million for statewide relief
- Grants used for payroll, utilities and rent, marketing and advertising, building improvements or repairs, replacing damaged inventory and equipment, and other operations and business expenses that were not covered by other disaster relief or insurance.

Eligible disasters included

- DR-4635: Flooding & Mudslides - Nov. 13-Dec. 2, 2021
- DR-4650: Winter storms, snowstorms, straight-line winds, flooding - Dec 26, 2021-Jan 15, 2022
- FM-5447: Lind Fire - Aug 4, 2022+
- FM-5455: Bolt Creek Fire - Sept. 10, 2022+
- FM-5456: Nakia Creek Fire - Oct 9, 2022+
- DR-4682: Winter storms, snowstorms, straight-line winds, flooding - Nov 3-9, 2022
- Sumner Main Street Fire: Oct. 28, 2022

Why assistance is necessary

- The Federal Emergency Management Agency (FEMA) doesn't cover small business losses.
- 30% of small businesses are uninsured and 75% are underinsured.
- Business insurance policies can have claim and lifetime caps.
- Many businesses can't secure U.S. Small Business Administration or bank loans as they are at their borrowing limits from the pandemic.
- Without additional coverage, insurance may not cover: floods; cybercrime, computer fraud; exterior signage, furnishings or barriers; or losses in transit (event staging, for example).
- Historically underserved communities often lack the financial reserves necessary to restart/recover.

Program Results - Distribution

Northwest Flood Allocation

TOTAL: $7,388,125

Applications Received: 122

Businesses Funded: 109

- Clallam: $535,000
- Skagit: $1,163,000
- Whatcom: $5,690,125
- Tribal: $265,000

Statewide Allocation

TOTAL: $5,413,725

Applications Received: 292

Businesses Funded: 107

- Benton & Franklin: $62,004
- Chelan: $82,326
- Clark/Klickitat: $250,185
- Cowlitz: $156,565
- Grays Harbor: $237,974
- Island: $135,557
- King: $511,040
- Lewis: $57,364
- Mason: $255,681
- Okanogan: $391,967
- Piece: $884,104
- Skagit: $619,472
- Snohomish: $279,911
- Spokane: $3,462
- Thurston: $306,178
- Wahkiakum: $56,645
- Whatcom: $668,109

Program Results - Demographics

Northwest Flood Allocation

Race

White: 53.21%
Asian: 8.26%
American Indian/Alaska Native: 7.34%
Multi-racial: 5.5%
Black/African American: 0.92%
Prefer Not to Say: 19.27%

Gender

Male: 47.71%
Female: 42.2%
Non-Conforming: 0.92%
Prefer Not to Say: 9.17%

Statewide Allocation

Race

White: 62.8%
Asian: 15.6%
American Indian/Alaska Native: 3%
Multi-racial: 10.3%
Black/African American: 2.0%
Prefer Not to Say: 16.4%

Gender

Male: 34.5%
Female: 57.0%
Non-Conforming: N/A
Prefer Not to Say: 14.9%

Recipient Feedback

"Thank you so much for letting me know; this truly could not come at a better time for the business as we are just leaning into short-term funding to get through this tight period of time."

Jacob Young, Old Schoolhouse Brewery - Winthrop

"Wow, thank you very much. This is going to help us out so much. We have been so worried about what we were going to do, and this is going to help us immensely. I appreciate this all so, so much."

Adrienne Jones, Seafood Connection - Westport

"Our family-owned farm has been located in the Nooksack basin for over a hundred years. The flood was devastating to our home and business. We are not located in a flood zone and have never experienced water at that height before. We had no insurance and little help recovering from such a devastating disaster. We appreciate and are very thankful for the NW Disaster Grant as we continue to recover."

Williams Farms - Nooksack

Recipient Feedback

"This funding will allow my studio to survive! I am so encouraged to know that there are programs and people like you out there who are committed to investing in small businesses, and I am grateful for the trust and faith in my work that this grant money signifies."

Hadar Iron, InFerment - Seattle

"Not too many emails choke me up. This one makes a gratitude heart swell, causing the tears to flow. Thank you from my small business to all the parties that make this disaster aid possible."

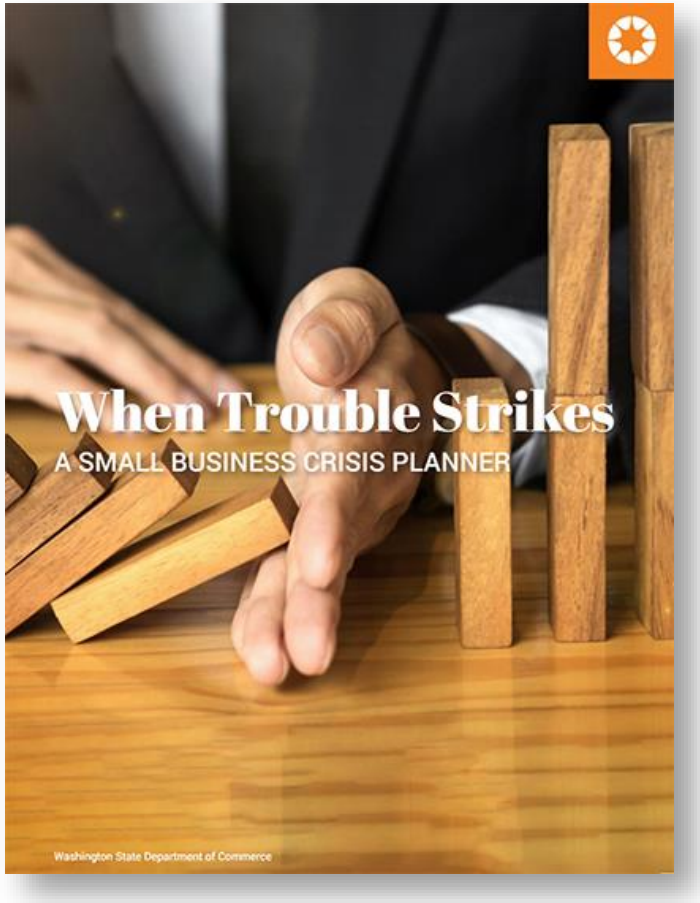
-Terry Gifford, Tea and Tour – Sedro-Woolley

"I am so grateful to have the support of the Department of Commerce as my business recovers from the impact of wildfires in and around our region. This grant will not only keep the lights on for my storefront studio, but ensure that I can pay subcontractors in full and on time as my public art projects progress."

Perry Howard, VMG Velocity Made Good – Twisp

Small Business Disaster Planning

- The state's Small Business Training and Education Center (MyStartup365.com) has a disaster planner to help small businesses identify, mitigate and recover from disasters.
- Commerce has set aside a portion of a U.S. Economic Development Administration (EDA) grant to create a mobile app that can be used by small businesses to manage business disruptions and store key documents remotely to increase survivability and recovery.
- The EDA hopes to adopt the mobile app for use nationally when completed.



Thank you!

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