

Horry County Government

Recovery Plan

State and Local Fiscal Recovery Funds

2021 Report

Note: The Recovery Plan Performance Report will provide the public and Treasury information on the projects that recipients are undertaking with program funding and how they are planning to ensure program outcomes are achieved in an effective, efficient, and equitable manner. While this template includes the minimum requirements for the Recovery Plan, each recipient is encouraged to add information to the plan that they feel is appropriate to provide information to their constituents on efforts they are taking to respond to the pandemic and promote an equitable economic recovery.

Each jurisdiction may determine the general form and content of the Recovery Plan, as long as it meets the reporting requirements, and recipients are encouraged to tailor this template to best meet their needs. Use of infographics, tables, charts, pictures, case studies, and other explanatory elements are encouraged.

Horry County Government
2021 Recovery Plan

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GENERAL OVERVIEW

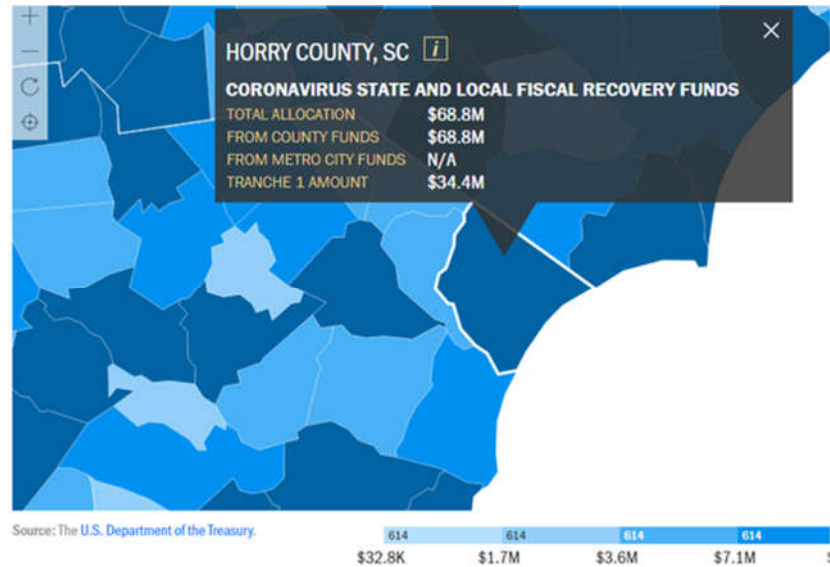
Executive Summary

The American Rescue Plan Act (ARPA) of 2021 is a \$1.9 trillion economic stimulus bill passed by the United States Congress and signed into law by President Biden on March 11, 2021. It is meant to accelerate the United States' recovery from the economic and public health impacts of the COVID-19 pandemic. A primary component of ARPA is the State and Local Fiscal Recovery Funds (SLFRF), which provides \$350 billion that state and local governments can use to cover recovery costs obligated by December 31, 2024, for eligible purposes including:

- Responding to the COVID-19 public health emergency or its negative economic impacts, including providing assistance to households, small businesses and nonprofits, or aid to impacted industries such as tourism, travel and hospitality;
- Providing premium pay to eligible workers of the government who are performing essential work, or by providing grants to eligible employers that have eligible workers who perform essential work;
- Funding government services to the extent of the reduction in revenue caused by the pandemic; and
- Making necessary investments in water, sewer, or broadband infrastructure.

Based on the U.S. Treasury's Interim Final Rule and subsequently issued guidance, Horry County has developed a Comprehensive Plan to develop the framework for programming this funding into eligible use categories to address local needs. The planning and implementation process aligns with the funding process of other federally-sponsored programs including the U.S. Department of Housing & Urban Development entitlement programs. This approach will allow Horry County to leverage other federally-sponsored COVID-19 pandemic allocations to meet the continuum of community needs throughout the County.

Local governments were constrained during the pandemic due to the increased need for services, countered by a reduction of revenues including fees and taxes due to economic downturn. In Horry County, a popular tourist destination, negative impacts on the hospitality industry were particularly acute. The CARES Act funding in 2020, designed in part to address the negative economic impacts of the COVID-19 pandemic on state and local governments, nevertheless included guidance that expressly prohibited replacement of lost governmental revenues. This left many governments in precarious positions. Although funding was allocated to respond to the pandemic, general governmental funds were depleted in order to maintain basic services. Pursuant to the ARPA guidance, SLFRF resources may be used for the “provision of government services to the extent of the reduction in revenue experienced due to the COVID-19 public health emergency.” Like many other programs, such as the Paycheck Protection Program (PPP), the reduction in revenue is calculated in relation to the previous full fiscal year prior to the health emergency.



Source: The U.S. Department of the Treasury.
 Figure 1. National Association of Counties, County by County Allocations, <https://www.naco.org/resources/featured/state-and-local-coronavirus-fiscal-recovery-funds>

In order to best position the County to use the SLFRF resources in furtherance of its overall recovery goals and in compliance with the U.S. Treasury Guidance, Horry County will utilize its SLFRF allocation for projects classified as Provision of Government Services authorized under the Expenditure Category of Revenue Replacement (EC 6). In doing so, the County then plans to utilize the funds to meet a broader scope of recovery needs. Horry County also projects expending approximately 1% of the total allocation for administrative costs associated with the management of the ARPA project (EC 7). In order to maintain the intent of the legislation, Horry County has categorized projects that meet the response and recovery areas set forth in the ARPA’s Interim Final Rule, published in the Federal Register on May 17, 2021. The “Revenue Loss for the Provision of Government Services” category allows broad flexibility to support general government services, while also allowing the County to meet its current long-term needs.

At the time of this report, the final plan regarding use of ARPA funding has not been approved by County Council. Review and approval of the plan is scheduled for a meeting of County Council scheduled to occur on September 7, 2021.

Uses of Funds

Under the interim final rule, Counties may use Fiscal Recovery Funds “For the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency.” Through this approach, the County is able to replace lost revenue and then use these funds for a broad range of government services, programs and projects outside of explicit eligible uses of recovery funds under the interim rule. Horry County’s Calculation of Revenue Reduction yields a total that far exceeds the entire allocation of ARPA funding to the County, or \$68,776,083.00. Horry County intends to then use this revenue replacement to undertake projects that align with the goals of the American Rescue Plan Act funding and promote recovery for residents and businesses throughout the County

Calculation of Revenue Reduction

The interim final rule for the Coronavirus State and Local Fiscal Recovery Funds, published in the Federal Register on May 17, 2021, includes the following guideline for calculation of revenue reduction, “For purposes of measuring revenue growth in the counterfactual trend, recipients may use a growth adjustment of either 4.1 percent per year or the recipient’s average annual revenue growth over the three full fiscal years prior to the COVID-19 public health emergency, whichever is higher.” This calculation occurs in three steps:

1. A county must determine its revenue collected in the most recent full fiscal year prior to the pandemic (i.e. last full fiscal year prior to January 27, 2020), also known as the base year;
2. After the base year figure is known, the county determines its average annual growth rate (i.e. growth adjustment) over the last three fiscal years prior to the COVID-19 public health emergency;
3. Identify actual revenue, which equals revenues collected over the past 12 months.

The National Association of Counties (NACo) has developed the figure below, which provides an overview of how a county calculates revenue loss:

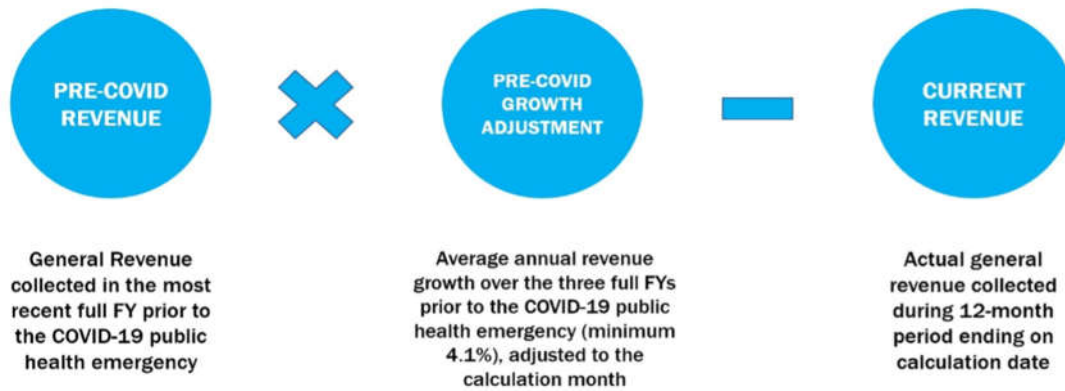


Figure 2. National Association of Counties Resource Page on Revenue Loss Formula.
<https://www.naco.org/resources/featured/understanding-eligible-expenses-fiscal-recovery-fund-what-counties-need-know-about-revenue>

In addition to developing the revenue loss calculation utilizing the prescribed methodology, Horry County also prepares its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Base Year Revenue - The base year for calculating revenue reduction is Fiscal Year 2019, the most recent year completed prior to the pandemic. Revenue for Fiscal Year 2019 totaled \$535,335,530 prior to excluded items. Base year revenue is calculated by removing excluded items as prescribed in the American Rescue Plan Act and Treasury Guidance. Exclusions are included for refunds and correcting transactions which are netted with reported revenues, proceeds from the issuance of debt which did not occur in the base period, interfund transfer which includes indirect cost allocation, interfund transfers, and interfund charges for service included in the internal service funds.

Horry County assumed the average actual three-year growth rate over the prescribed growth adjustment of 4.1% as provided in Treasury Guidance. The average actual three-year growth rate can be utilized if higher. A calculation of the actual rate represents a growth rate of 13.73%.

Therefore, the revenue reduction for the year ended December 31, 2020 is calculated by applying the same exclusions as noted above for revenues collected January 1, 2020 to June 30, 2020 (six months of Fiscal Year 2020) and July 1, 2020 to December 31, 2020 (six months of Fiscal Year 2021). The chart below reflects the total eligible revenue reduction for December 31, 2020 of \$147,426,927.

Horry County, South Carolina
Calculation of Revenue Reduction at December 31, 2020

Detailed Revenue (Year Ended December 31, 2020)	540,595,008
Excluded Items	
Refunds ¹	-
Correcting transactions ¹	-
Proceeds from the issuance of debt	23,981,312
Intergovernmental transfers (Federal)	56,562,061
Interfund transfers	46,981,733
Subtotal excluded items	127,525,106
Adjusted Revenue	413,069,902
Calculated Revenue Max (Fiscal Year 2019)	560,496,828
Revenue Reduction (Year Ended December 31, 2020)	147,426,927

¹ *Included as reductions in detailed revenues.*

Figure 3. Calculation of Revenue Reduction at December 31, 2020

Horry County’s calculation of revenue reduction is in the process of independent review for accuracy by Elliott Davis, the firm responsible for conducting Horry County’s single audit, and by Hagerty Consulting, a firm that specializes in helping clients to prepare for, respond to, and recover from disasters such as COVID-19, and which advises the County on interpretation of federal rulemaking related to disaster recovery. Horry County expects that both firms will concur with the accuracy of Horry County’s calculation of lost revenue and its eligibility for reimbursement through the ARPA.

Horry County therefore plans to allocate 100% of its funding for revenue replacement (EC 6). Funds replenished through the ARPA funding will then be used for provision of Government Services.

Use of Funds Replaced through ARPA Funding

Counties have served as a key resource for the provision of relief and recovery programs throughout the pandemic, despite limited resources to address local impacts comprehensively. The American Rescue Plan includes \$65.1 billion in direct flexible aid to every county in the United States, including Horry County, which has been allocated \$68.8 million in direct funding. Recovery requires a flexible framework and strong partnerships that can pivot effectively to meet changing demands. As such, this plan is intended to provide a structured framework through which the County can deploy annual project allocations to meet the changing demands

of recovery.

As a local government providing essential public services during the pandemic, Horry County was faced with substantial unplanned and unbudgeted expenditures. Resources required to meet COVID-19 related demands created budgetary pressures on the County at a time when resources were already stressed by sharply increasing population growth, particularly in the areas of public safety and transportation. Horry County has committed considerable financial resources to protect the health, safety and economic future of its local residents. The success of response efforts hinges on the ability of local governments to respond to the virus at a time when post-pandemic economic recovery is still in the early stages, and future pandemic impacts resulting from the virulent Delta variant remain uncertain. Additionally, for Horry County, a tourism-based economy, the impacts are particularly acute. Accommodations and Food Service make up 23.1% of jobs, many of which were lost due to COVID-19 during 2020, and are still in the process of being built back to pre-pandemic levels in 2021.

Horry County is currently engaged in a strategic process to determine the most impactful utilization for SLFRF resources. To this point, this process has identified a number of potential projects that can be grouped into a variety of topical areas, including support for employees, community development initiatives, public facility investments, technology modernization and public health. Analysis of the County's fiscal condition has documented a significant revenue reduction that occurred due to the negative economic impacts associated with the COVID-19 pandemic. Each of these potential projects represents provision of government services that, without SLFRF resources, would be infeasible due to those financial impacts.

While rough cost estimates have been assigned to potential projects, more formal decisions on scoping and resource allocation level have not been made at this point in the process. As the project identification, selection and approval process is concluded, authorized costs will become more clear. Only after all necessary approvals have been secured will SLFRF funds be obligated for a project.

While it is currently contemplated that all approved projects will be classified as Provision of Government Services (EC 6.1), the County intends to use SLFRF resources not only to replace lost revenue but to make meaningful, lasting investment that will facilitate future success for all residents and businesses within the County. A wide range of programs are under consideration, ranging from rebuilding aging infrastructure to expanding social services. As part of the identification, selection and approval process, particular attention is being paid to how a proposed program will serve to aid members of traditionally disadvantaged communities and contribute to the County's overall recovery strategy.

Horry County presented an initial briefing and expenditure plan for ARPA funding at a meeting of the County Council's Administration Committee on July 27, 2021. The County then initiated a public comment period from July 30-August 17, 2021 during which the proposed framework for Horry County's ARPA expenditures was made public. A public hearing was held on August 12,

2021 at 3:00 pm, and public comments were received at arpa@horrycounty.org. Following the public input period, a revised expenditure plan, as summarized in the table below, as presented to the County Council’s Administration Committee on August 24. The Administration Committee advanced the plan to the Horry County Council for review and approval at its next meeting, to be held September 7, 2021.

Provision of Government Services	First Appropriation	Future	Projected Total	%
COVID-19 Extra Pay	4,250,000.00	-	4,250,000.00	6.2%
Beach Bathrooms	500,000.00	1,000,000.00	1,500,000.00	2.2%
Beach Parking	1,000,000.00	1,500,000.00	2,500,000.00	3.6%
Road Improvements	10,000,000.00	15,699,237.35	25,699,237.35	37.4%
Coast RTA Operations	-	750,000.00	750,000.00	1.1%
Proposal Based Projects for Public Services and Infrastructure	8,219,841.38	8,034,179.38	16,254,020.75	23.6%
Touchless payment system (Coast RTA)	440,000.00	-	440,000.00	0.6%
Assessible Playgrounds	250,000.00	250,000.00	500,000.00	0.7%
Cyber Security	1,400,000.00	1,400,000.00	2,800,000.00	4.1%
Remote Working Capability	500,000.00	500,000.00	1,000,000.00	1.5%
ROD Digitization	1,000,000.00	500,000.00	1,500,000.00	2.2%
Land for Economic Development	1,000,000.00	-	1,000,000.00	1.5%
DHEC South Strand	100,000.00	-	100,000.00	0.1%
COVID Impacts - Waste Management	700,000.00	-	700,000.00	1.0%
Online Payments Fees	100,000.00	-	100,000.00	0.1%
Facilities Information Technology Enhancements	100,000.00	-	100,000.00	0.1%
PPE & Other Direct Expenses	373,575.35	300,000.00	673,575.35	1.0%
County Facilities Upgrades	500,000.00	500,000.00	1,000,000.00	1.5%
Administrative Expense	515,820.62	515,820.62	1,031,641.25	1.5%
Contingency	3,438,804.15	3,438,804.15	6,877,608.30	10.0%
Total	34,388,041.50	34,388,041.50	68,776,083.00	100.0%

Figure 4. Preliminary Framework for Expenditures under Provision of Government Services.

Horry County’s preliminary plan for use of revenue shortfalls replenished by the ARPA are designed to support a strong and equitable recovery from the COVID-19 pandemic and economic downturn. The determination of areas for investment includes consideration of the totality of investments through the County’s FY 2022 budget, while also leveraging other funding sources designated for response and recovery from the COVID-19 health emergency.

Support for Employees

Horry County Government remained open for business throughout the COVID pandemic, providing vital services that support individuals and businesses alike, and devising new strategies to provide services while minimizing the risk to employees and the citizens they serve. This outcome was only achieved through the dedication and perseverance of the

County's employees. Based on public feedback, and in alignment with other local jurisdictions within the County, the preliminary framework for expenditure of ARPA funds includes supplemental compensation for County Employees, including public safety personnel, frontline workers and other employees who were critical to the continued operation of the County's programs and services. (Proposed line item: COVID-19 extra pay.)

Community Enhancement Initiatives and Services

The COVID-19 pandemic has overwhelmed local non-profit organizations that address basic needs such as affordable housing, food and transportation services, child care, mental health services for disproportionately impacted communities and other relevant projects. In order to address locally identified needs, the county proposes to allocate a tranche of funding for public solicitation of projects that would be selected based on the ability of the project to meet a demonstrated local need for an underserved or disproportionately impacted clientele, a sound strategy for implementation and performance metrics and an evaluation plan designed to measure the project's success. (Proposed expenditures: Proposal-based projects for public services.)

Clean drinking water and services for the collection and treatment of wastewater and stormwater play a critical role in protecting public health. Similarly, broadband access has played a critical role in supporting continuing education, access of services and provision of health care during this public health emergency. APRA funding will enable Horry County to make necessary investments in these sectors, particularly in low to middle income and rural areas where services are currently inadequate. Horry County proposes to solicit applications for water, sewer, stormwater and broadband projects from eligible providers. Potential projects could include, but would not be limited to the following: improvement of drinking water infrastructure, such as building or upgrading facilities and transmission, distribution, and storage systems, including replacement of lead service lines, consolidation or establishment of drinking water systems, improving publicly-owned treatment infrastructure, managing and treating stormwater or subsurface drainage water, facilitating water reuse, and securing publicly-owned treatment works. Broadband projects would include the expansion or improvement of service to rural or underserved communities. (Proposed line item: Proposal-based projects for infrastructure.)

Several projects designed to benefit rural or underserved communities have also been budgeted in the proposed framework, as they address known needs that were already known to the County, or were proposed as part of the public comment process. Projects include support of the Coast RTA, which provides critical transportation services to low-income and rural populations in Horry and Georgetown Counties, and the creation of accessible playgrounds in rural areas of the County which currently lack such amenities. (Proposed line item: Coast RTA Operations, Touchless Payment System – Coast RTA, and Accessible Playgrounds.)

Public Facility Investments

Horry County will make improvements to public facilities and services designed to reduce the risk of infection through the spread of airborne pathogens. Such improvements can include improved ventilation, physical barriers or partitions, signage to facilitate social distancing, provision of masks or personal protective equipment, or consultation with infection prevention professionals to develop safe reopening plans. Public facility investments will also include maintenance of County facilities for which repairs have been deferred due to budgetary constraints. The County also proposes improvements to a Department of Health and Environmental Control facility that will provide a new access point to public health services in a location with a large population of underserved clientele. Provision of government services in the revenue replacement category also extends to roads and bridges. Projects will be designed to improve the safety and wellbeing of citizens by improving roads and ensuring structurally sound transportation infrastructure within the County. (Proposed line items: DHEC South Strand, Road Improvements, County Facilities Upgrades.)

Technology Improvements

The COVID-19 pandemic has underscored the need for robust information technology resources that allow employees to work remotely, and for services to be provided in electronic format. Such resources allow for social distancing, while also permitting the provision of government services for individuals and businesses. The proposed framework includes investments in cybersecurity upgrades as well as implementation of remote working capabilities for specific positions within the County for maintenance of services under emergency conditions. Information Technology Enhancements also include the conversion of a large government meeting room into a space that can broadcast meetings to the general public, also providing interactive capabilities that facilitate the public input process in a distance format. The proposed Online Payments Fees program will allow the County to continue to subsidize online payments at a time when walk-in service poses a risk to employees and the general public. The proposed digitization project for the Register of Deeds will provide full online, indexed document access to real estate agents, attorneys and the general public as an alternative to walk-in service. (Proposed line items: Cyber security, Remote Working Capability, Register of Deeds Digitization, Online Payments Fees, and Facilities Information Technology Enhancements)

Ongoing COVID-19 Impacts

In light of the continuing impacts of COVID-19 at the time of this report, funds have also been proposed for the purchase of PPE and other direct costs related to emergency protective measures. Moreover, as work from home models continue to be an option for many residents, and with 75% of the permanent population living in the unincorporated County, the pandemic has also significantly increased the cost of waste management services in the County. Funds have therefore been budgeted in the expectation of additional increased costs in these areas. (Proposed line items: PPE and other direct expenditures and COVID Impacts – Waste Management.)

Economic Development

Historically, Horry County has been an important economic contributor to the financial success and stability of South Carolina and a leader in hospitality and tourism sector. Some of the metrics indicating the favorable impacts to the state as reported by the SC Department of Revenue and the SC Department of Parks, Recreation, and Tourism indicate that Horry County, ranks fourth in the State with a population of 354,081, and is also a national top golf destination. The County is first in Accommodations Tax Revenues, \$21.8 million (29.1 % of state) ; first in Admissions Tax Revenue, \$9.9 million (23.8% of state); and first in domestic travel expenditures with \$4.8 billion, 31.4% of State, supporting \$907 million in payroll income and 44,700 jobs for area residents, \$297.5 million state tax receipts. The area recorded 20.6 million visitors in 2019 (D.K. Shifflet & Associates Ltd. Study, 2020).

Nationally, on net, the leisure and hospitality industry has experienced an approximately 24% decline in revenue and approximately 17% decline in employment nationwide due to the COVID-19 public health emergency. A study published by the Brookings Institute placed Myrtle Beach ninth among all U.S. metro areas as most vulnerable to the economic downturn resulting from the health crisis. About 29% of all jobs in the area fall in sectors considered “at risk”, with the vast majority of those in the leisure and hospitality category.

In order to support the economic recovery of Horry County, the preliminary plan includes expenditure categories related to tourism and economic development. (Proposed line items: Beach Bathrooms, Beach Parking, and Land for Economic Development in the form of a new or expanded industrial park.)

Administration and Project Contingency

Approximately 1.5% of the ARPA allocation has been set aside for administrative expenses related to management, reporting and compliance of ARPA funds. At present, 10% of the funding is proposed as project contingency, to be used upon County Council approval as contingency for approved projects and/or allocations for future identified unmet needs. (Proposed line items: Administrative expense, Contingency).

Leveraged Funds

In addition to the ARPA funding, Horry County continues to benefit from additional federal supplemental funding that is intended to mitigate the negative economic and public health impacts, with a particular focus on disproportionately impacted communities. On March 27, 2020, the Federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law to assist communities in their efforts to prevent, prepare for, and respond to the coronavirus COVID-19 pandemic. The CARES Act included supplemental formula allocations to HUD’s Community Planning and Development (CPD) programs, including CDBG (CDBG-CV), the Emergency Solutions Grant (ESG-CV), and HOME Investment Partnerships Program (HOME) for Horry County. The additional CARES Act funds allocated to the County were \$3,422,118 in

aggregate for CDBG-CV and \$2,173,736 in aggregate for ESG-CV. Horry County has also received supplemental HOME funding in the amount of \$3,823,021. Horry County developed funding priorities aligning with program objectives and in compliance with the CDBG, ESG and HOME regulations respectively. Special attention will be paid during SLFRF program design, implementation and monitoring to ensure there is no unauthorized duplication of benefits.

To date, CDBG-CV, Horry County has allocated funding to small business technical assistance (\$300,000), small business direct assistance (\$1,180,000), public services (\$270,000), rent/mortgage/utility assistance (\$303,065), small business direct assistance for Myrtle Beach (\$684,423), and administration (\$684,410). Technical assistance to small businesses allows for guidance for navigation of available funding resources to prevent, prepare for, and/or respond to the Coronavirus. Small business direct assistance consists of financial support to small businesses to maintain operations and retain full-time-equivalent low to moderate income jobs. Public services includes activities that served low to moderate income persons through programming that is designed to prevent, prepare for and respond to the Coronavirus. Administrative costs include planning, reporting and compliance to ensure that CDBG-CV funds are utilized in a manner compliant with the CARES Act, CDBG regulations and other applicable laws and authorities.

During the 2020-2021 Program Year, Horry County expended \$1,005,289 in CDBG-CV funds to prevent, prepare for, and respond to the Coronavirus. Activities included financial assistance to qualifying small businesses impacted by the COVID-19 pandemic. To date, more than \$1.1 million in CDBG-CV funds have been obligated to assist more than 50 small businesses in Horry County and the City of Myrtle Beach. Additionally, public services were funded through CDBG-CV to provide support for safety and programming modifications to allow for continuing operation of a program assisting adults with Autism (\$4,839) and an after school program (\$10,043).

For The Emergency Solutions Grant – COVID (ESG-CV) program, Horry County has allocated funding to rapid rehousing (\$960,812), homelessness prevention (\$759,703), emergency shelter (\$178,221), Homeless Management Information System (HMIS) (\$85,000), subrecipient administration (\$95,000), and administration (\$95,000). Rapid rehousing includes rental assistance to help homeless individuals or families move as quickly as possible into permanent housing and achieve stability. Homelessness prevention consists of arrears and other assistance to prevent households who are at risk of homelessness from becoming being evicted and becoming homeless due to effects derived from the COVID-19 pandemic. Emergency shelter consists of vouchers for overnight stays for homeless individuals while isolating due to COVID-19 concerns. HMIS data management includes tracking of individuals and households receiving assistance through the ESG-CV program. Administration includes planning, reporting, and compliance to ensure that ESG-CV funds are utilized in a manner compliant with the CARES Act, ESG regulations and other applicable laws and authorities.

During the 2020-2021 Program Year, Horry County expended \$1,126,771 in ESG-CV funds to prevent, prepare for and respond to the Coronavirus. Activities have included homelessness prevention, rapid rehousing, emergency shelter, HMIS and administration. To date, 182 persons have been assisted through rapid rehousing, 303 persons have been served through homelessness prevention, and 118 persons have received emergency shelter overnight vouchers.

In addition to the above funding, Horry County has been awarded Emergency Rental Assistance (ERA) program funding through the U.S. Treasury. The ERA program makes funding available to assist households that are unable to pay rent or utilities. Two separate programs were established: ERA1 was established under the Consolidated Appropriations Act, 2021, which was enacted on December 27, 2020, and ERA2 was established under the American Rescue Plan Act of 2021, which was enacted on March 11, 2021. To date, Horry County has been awarded funding under both ERA 1 (\$10,708,257) and ERA 2 (\$8,300,000). In order to implement this program, Horry County has partnered with the Eastern Carolina Housing Organization (ECHO), which provides veteran services, transitional housing programs, short-term housing programs, and long-term housing programs. ECHO also serves as Horry County's subrecipient for the HUD Emergency Solutions Grant. Individuals and landlords interested in receiving rental and utility assistance can apply to the program through the following link: <https://erap.echousing.org>.

Horry County has also received an award letter for an FY 2021 allocation for HUD's HOME Investment Partnerships Program – American Rescue Plan (HOME-ARP) funding in the amount of \$3,823,021. The HOME ARP program funding is in addition to the regular FY 2021 HOME formula allocation, and is designed to help recipients meet the housing and service needs of the community's most vulnerable populations. Member jurisdictions of HCHC include Georgetown, Horry, and Williamsburg Counties, as well as the municipalities of Myrtle Beach, Conway, Atlantic Beach, Aynor, Loris, Georgetown, Andrews, Kingstree, Hemingway, Stuckey, Lane, and Greeleyville. Horry County is the designated lead agency for the Consortium. Horry County administers the HOME Program on behalf of the Consortium, and coordinates the planning and administration of HOME Investment Partnership Funds.

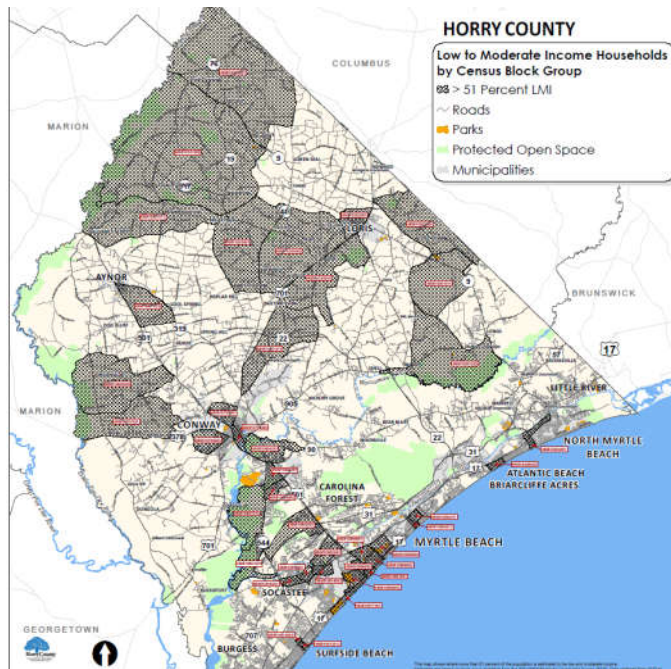
Promoting equitable outcomes

The negative impacts of the coronavirus pandemic have affected not only local economies but also families, employers and governments in unprecedented ways. Money spent under this category should address an economic harm resulting from, or exacerbated by, the public health emergency.

Economic disparities that existed prior to the COVID-19 public health emergency were amplified because of the impacts of the pandemic among low-income and minority cohort groups. Families facing housing, food and financial insecurity are over-represented among low-income workers. Economic impacts of COVID-19 are most acute in lower income neighborhoods, which suffer from unemployment, housing instability, and educational disparities. Lower-income neighborhoods can also benefit from programs designed to promote

healthy environments. Qualified activities may also have presumed benefits that provide services in qualified census tracts.

A qualified census tract (QCT), is an area that has an assumed disparate impact. Other low-income communities and communities of color also faced exacerbating effects on economic inequality, so funds may address disproportionate negative economic effects due to the COVID-19 public health emergency in the following ways:



- Investing in housing and neighborhoods to strengthen communities by supporting unhoused individuals and increasing supply of affordable and high-quality living units;
- Addressing educational and childhood welfare disparities by expanding early learning services and promoting evidence-based practices that address mental health needs of students; and
- Supporting healthy childhood environments through expanding childcare and enhancing services for child welfare-involved families.

Figure 5: Horry County LMI Map

The map shown in figure 1 shows census block groups in which more than 51% of the population is estimated to be low and moderate income. Estimates are based on block groups available from the 2011-2015 American Community Survey (ACS). Data used for these estimates were obtained from HUD at: <https://www.hudexchange.info/programs/acs-low-mod-summary-data/acs-low-mod-summary-data-summarized-block-groups>. The map was created by the Horry County Department of Planning & Zoning.

In 2017, Horry County published a HUD-approved Affirmatively Furthering Fair Housing (AFFH) plan. This plan utilizes a HUD-prescribed framework to review disparities found within the County, focusing on the identification of concentrated poverty, disparities in access to opportunities and disproportionate housing needs. Local indicators suggest a need for further investments in education, affordable housing and improved access to public transportation and primary community needs. The existing gaps identified in the AFFH plan have been exacerbated by the pandemic. As such, Horry County will continue to prioritize all competitive proposals that serve a disproportionately impacted community and/or meet a goal of the AFFH plan. Projects submitted for funding consideration through non-profit organizations (for public

services) and utility companies (for water and broadband) projects will specify goals for impacting historically underserved, marginalized and adversely affected groups. Proposals will also specify strategies for awareness and equitable access and distribution, as well as specific, measurable goals for outcomes. These criteria will be included as components of the merit review process for evaluating proposals.

Goals: For selected line items, service to historically underserved individuals and communities will be prioritized through an emphasis on projects that create positive impacts for LMI individuals and individuals residing in LMI census tracts, as noted in the map above.

Awareness: As a CDBG entitlement community, Horry County is experienced both in direct outreach and working with non-profit partners to create awareness of opportunities made available through federal funding programs. Depending on the program, outreach methods enacted by the county and its partners include, but are not limited to street outreach, flyers and hangtags for doors, outreach through churches, direct phone calls, and outreach through non-profit organizations. As individual projects are identified and approved by County Council, outreach plans customized for each project will be developed and implemented.

Access and Distribution: Horry County has identified issues with access to electronic documents among individuals based on lack of broadband access, technical literacy challenges and service to elderly citizens. In order to ensure equitable access and service through programs, Horry County Community Development and its partners routinely provide assistance with completion of applications by phone, in-person, or with the consent of the beneficiary, in consultation with a family member.

Outcomes: Intended outcomes are tailored to the specific project that is funded. Anticipated outcomes for underserved individuals or communities will be specified for selected project prior to project award, and will be detailed in future reports.

Projects focusing on historically underserved individuals and populations within the proposed plan above include, but are not limited to the following: Coast RTA Operations, Coast RTA touchless payment system, proposal-based projects for public services and infrastructure and DHEC South Strand. Moreover, the accessible playgrounds line item is intended to provide equitable facilities for children in rural communities, which currently lack these amenities compared with the County's urban centers.

To date, projects serving disproportionately impacted communities are already underway through Horry County Community Development, which currently supports home repair and rehabilitation through its CDBG and USDA programs, as well as non-profit subrecipient agreement for a mobile vaccination clinic to provide vaccine access to those who are geographically isolated, a transportation service providing rides to medical appointments and food banks. Horry County is also providing rental assistance to tenants and landlords through the Emergency Rental Assistance Program. A separate project to build stronger neighborhoods is also underway in the Racepath Community, where access to municipal water service is being

established. In addition, CDBG-CV funds have been used in support of a Small Business Assistance program intended to assist small businesses located in Myrtle Beach and unincorporated Horry County with recovery from negative economic impacts of the COVID-19 pandemic. To date, 30 business in Myrtle Beach and 35 businesses in unincorporated Horry County have received assistance through this program.

Community Engagement

In order to solicit public input for the plan, Horry County adapted the approach used for public input for its Community Development Block Grant (CDBG) entitlement program. Horry County developed a draft framework based on known areas of need for which funds had not been allocated in the budget for the current fiscal year. The framework, which included suggested areas of investment to address public health, negative economic impacts, infrastructure, disproportionately impacted communities and provision of government services, as well as the suggested funding level and potential projects under each category.

The draft framework was made publicly available on June 30, 2021 and the availability of the plan was announced through a press release, the Horry County website, and public notices in local newspapers. A public hearing was then held on August 12, 2021 in order to solicit input from the general public and a dedicated email address, arpa@horrycounty.org, was established for the public to submit comments and suggestions for the use of funds.

Overall, 39 individuals submitted comments, either at the Public Hearing or through email. Some individuals submitted multiple requests on how they would like to see the ARP funds be utilized in Horry County. Below is a summarization of the public input.

- 39 Separate Comment Submissions
- 55 Different Requests

These requests have been categorized in to 5 eligible use categories:

1. Public Health
2. Negative Economic Impacts
3. Services to Disproportionately Impacted Communities
4. Infrastructure
5. Revenue Replacement

20 of 55 requests (36%) of requests were related to the **Public Health** category. Of the 20 comments, 16 were specific requests asking for funds to be used as hazard/premium pay for the essential workers in Horry County public safety (fire, police, and rescue workers). The remaining 4 comments were regarding improved mental health and treatment access.

5 of 55 requests (9%) were related to **Negative Economic Impacts**. 2 of the requests in this category were specifically related to investing in land or an industrial park infrastructure to improve economic development.

27 of 55 requests (49%) were related to the **Services to Disproportionately Impacted Communities** category. More specifically, 12 of the 27 comments were directly asking for the development of affordable housing, particularly housing for persons with disabilities. 3 requests were regarding the creation of a resource center so individuals and families can easily and quickly access any resources they are in need of at one location. 4 requests were related to transportation and the improving the opportunities for all residents to easily access transportation. 2 requests were for improvements to Coast RTA.

1 request was made for **Infrastructure**. This request cited various water and sewer projects needed throughout the County.

2 of 55 requests (4%) were related to the **Revenue Replacement** category.

Public comments and a list of proposed projects were provided to County staff and leadership to inform the development of the proposed funding priorities.

Public hearings will be held on an annual basis for public transparency into the progress of ARPA-funded projects as well as for the purposes of receiving public input regarding any planned rebudgeting or realignment of projects. Changes to published and reported plans will require County Council approval.

Labor Practices

South Carolina does not have a state Prevailing Wage law. Horry County intends to comply with all requirements imposed by the guidance, as well as normal and customary procurement processes established within Horry County.

Use of Evidence

Horry County anticipates utilizing SLFRF resources to undertake projects that were unable to be completed due to reductions in revenue caused by the COVID-19 pandemic. The County has engaged in a comprehensive process in order to determine the most appropriate allocation of these resources and identify projects that will best support the County's recovery goals, but project selection and approval is not yet complete. As such, it is not clear whether any of the approved projects will constitute evidence-based interventions, although none are currently proposed. While no rigorous program evaluations designed to build evidence are being contemplated, achieving meaningful outputs is of the utmost importance. As such, program outputs and outcomes will be closely monitored. Data collection and analysis will be appropriate to provide for program monitoring and to ensure that program outcomes can be used to inform future decisionmaking.

The County’s decisions regarding use of SLFRF funding have been and will be informed by gathering evidence from a variety of sources. While the County has not engaged in a Learning Agenda process for SLFRF funds or its broader policy agenda, its decisions are guided by many of the same principles that place a high value on ensuring inputs from a variety of sources, setting broad goals, capturing program outputs, conducting meaningful analysis and evaluating program outputs against overall goals.

Table of Expenses by Expenditure Category

Category		Cumulative expenditures to date (\$)	Amount spent since last Recovery Plan
1	Expenditure Category: Public Health		
1.1	COVID-19 Vaccination		
1.2	COVID-19 Testing		
1.3	COVID-19 Contact Tracing		
1.4	Prevention in Congregate Settings (Nursing Homes, Prisons/Jails, Dense Work Sites, Schools, etc.)		
1.5	Personal Protective Equipment		
1.6	Medical Expenses (including Alternative Care Facilities)		
1.7	Capital Investments or Physical Plant Changes to Public Facilities that respond to the COVID-19 public health emergency		
1.8	Other COVID-19 Public Health Expenses (including Communications, Enforcement, Isolation/Quarantine)		
1.9	Payroll Costs for Public Health, Safety, and Other Public Sector Staff Responding to COVID-19		
1.10	Mental Health Services		
1.11	Substance Use Services		
1.12	Other Public Health Services		
2	Expenditure Category: Negative Economic Impacts		
2.1	Household Assistance: Food Programs		
2.2	Household Assistance: Rent, Mortgage, and Utility Aid		
2.3	Household Assistance: Cash Transfers		
2.4	Household Assistance: Internet Access Programs		
2.5	Household Assistance: Eviction Prevention		
2.6	Unemployment Benefits or Cash Assistance to Unemployed Workers		

Category		Cumulative expenditures to date (\$)	Amount spent since last Recovery Plan
2.7	Job Training Assistance (e.g., Sectoral job-training, Subsidized Employment, Employment Supports or Incentives)		
2.8	Contributions to UI Trust Funds*		
2.9	Small Business Economic Assistance (General)		
2.10	Aid to nonprofit organizations		
2.11	Aid to Tourism, Travel, or Hospitality		
2.12	Aid to Other Impacted Industries		
2.13	Other Economic Support		
2.14	Rehiring Public Sector Staff		
3	Expenditure Category: Services to Disproportionately Impacted Communities		
3.1	Education Assistance: Early Learning		
3.2	Education Assistance: Aid to High-Poverty Districts		
3.3	Education Assistance: Academic Services		
3.4	Education Assistance: Social, Emotional, and Mental Health Services		
3.5	Education Assistance: Other		
3.6	Healthy Childhood Environments: Child Care		
3.7	Healthy Childhood Environments: Home Visiting		
3.8	Healthy Childhood Environments: Services to Foster Youth or Families Involved in Child Welfare System		
3.9.	Healthy Childhood Environments: Other		
3.10	Housing Support: Affordable Housing		
3.11	Housing Support: Services for Unhoused persons		
3.12	Housing Support: Other Housing Assistance		
3.13	Social Determinants of Health: Other		
3.14	Social Determinants of Health: Community Health Workers or Benefits Navigators		
3.15	Social Determinants of Health: Lead Remediation		
3.16	Social Determinants of Health: Community Violence Interventions		
4	Expenditure Category: Premium Pay		
4.1	Public Sector Employees		
4.2	Private Sector: Grants to other employers		
5	Expenditure Category: Infrastructure		
5.1	Clean Water: Centralized wastewater treatment		
5.2	Clean Water: Centralized wastewater collection and conveyance		

Category		Cumulative expenditures to date (\$)	Amount spent since last Recovery Plan
5.3	Clean Water: Decentralized wastewater		
5.4	Clean Water: Combined sewer overflows		
5.5	Clean Water: Other sewer infrastructure		
5.6	Clean Water: Stormwater		
5.7	Clean Water: Energy conservation		
5.8	Clean Water: Water conservation		
5.9	Clean Water: Nonpoint source		
5.10	Drinking water: Treatment		
5.11	Drinking water: Transmission & distribution		
5.12	Drinking water: Transmission & distribution: lead remediation		
5.13	Drinking water: Source		
5.14	Drinking water: Storage		
5.15	Drinking water: Other water infrastructure		
5.16	Broadband: "Last Mile" projects		
5.17	Broadband: Other projects		
6	Expenditure Category: Revenue Replacement		
6.1	Provision of Government Services	\$506,322.22	\$506,322.22
7	Administrative and Other		
7.1	Administrative Expenses	\$11,516.05	\$11,516.05
7.2	Evaluation and data analysis		
7.3	Transfers to Other Units of Government		
7.4	Transfers to Nonentitlement Units (States and Territories only)		

Table 1. Table of Expenses by Expenditure Category.

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Project Inventory

As of July 31, 2021, the County has not completed the process for identifying, selecting or approving projects to be funded using SLFRF resources. It is currently anticipated that a wide diversity of projects will be approved, all of which will be classified as Provision of Government Services (EC 6.1). Updates to the Project Inventory will be made pursuant to Treasury guidance following the conclusion of the project identification, selection and approval process. To date, some expenditures have occurred under the online fees, waste management, facilities information technology improvements, and administrative expenses categories. At the time of this report, Horry County's spending plan for the ARPA is pending final approval by County Council on September 7, 2021.

COVID Impacts – Waste Management

Project [Identification Number]: RR1

Funding amount: \$435,569.51

Project Expenditure Category: EC 6.1 Provision of Government Services

Project Overview

Due to the systematic closure of Schools, Higher Education, and businesses, normal waste disposal systems were impacted to shift municipal and commercial disposal to Horry County's rural waste collection system. The physical relocation of school children and workers from their normal daytime locations and shift of on-premises restaurant dining to take-out service or home delivery resulted in a dramatic shift in waste disposal from the municipal and commercial systems to the rural system. Analysis by Horry County Financial Staff reflects a 12.89% increase in the volume of waste collected by the rural collection system.

The rural collection system is comprised of 24 individual collection centers where rural waste is delivered by individual residents to the center closest to their home. Most centers are closed periodically during the week depending on historical service need of that individual community. The individual communities served are included in Figure 6. Geographic Distribution of Rural Collection Centers.

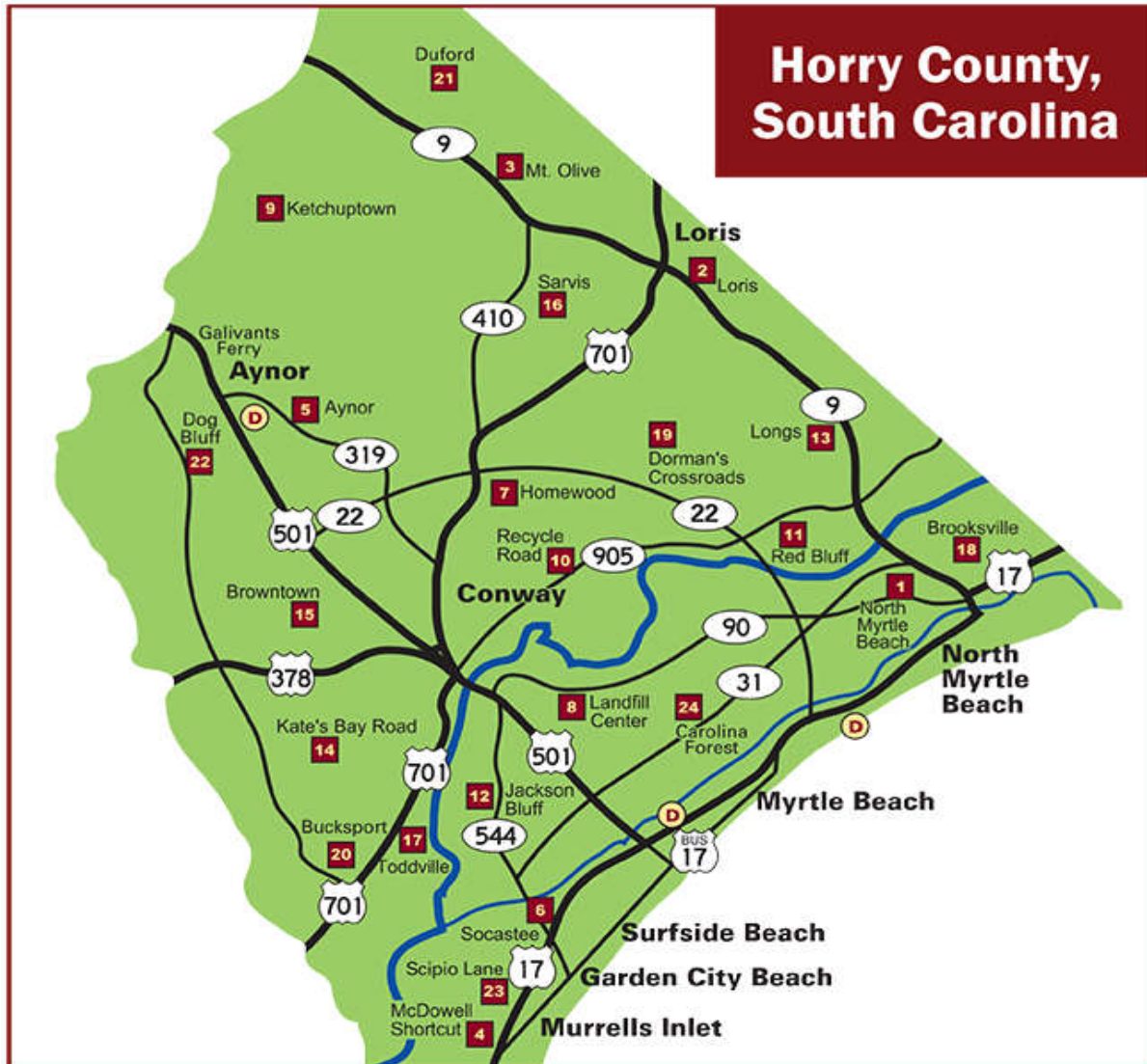


Figure 6. Horry County Rural Waste Collection Sites.

Use of Evidence

This project does not qualify as an evidence-based intervention. At this time, no program evaluation is contemplated. The County will collect performance metrics and program data sufficient to appropriately monitor the program and to determine whether the program outputs support the County’s overall recovery goals.

Online Payment Fees

Project [Identification Number]: RR2

Funding amount: \$66,627.48

Project Expenditure Category: EC 6.1 Provision of Government Services

Project Overview

In order to reduce possible expose of staff and citizens to COVID-19, Horry County is subsidizing online payment fees in an effort to encourage social distancing for bill payment. Totals incurred for online fee processing, including software maintenance and remote backup from April 1-July 31 for the Departments of the Treasurer and Auditor are included in the total.

Use of Evidence

This project does not qualify as an evidence-based intervention. At this time, no program evaluation is contemplated. The County will collect performance metrics and program data sufficient to appropriately monitor the program and to determine whether the program outputs support the County's overall recovery goals.

Facilities Information Technology Enhancements

Project [Identification Number]: RR3

Funding amount: \$4,125.23

Project Expenditure Category: EC 6.1 Provision of Government Services

Project Overview

This project is intended to expand the County's Ability to stream and record content for electronic distribution, thereby providing an electronic platform for communication of larger County meetings. Modifications are to Multipurpose Room B, Government and Justice Center, 1301 Second Avenue, Conway, SC 29526.

Use of Evidence

This project does not qualify as an evidence-based intervention. At this time, no program evaluation is contemplated. The County will collect performance metrics and program data sufficient to appropriately monitor the program and to determine whether the program outputs support the County's overall recovery goals.

Administrative Expenses

Project [Identification Number]: AE1

Funding amount: \$11,516.05

Project Expenditure Category: EC 7.1 Administrative Expenses

Project Overview

This category of expenditures includes the time and effort of administrative employees related to planning, public input processes, reporting and other administrative work related to the American Rescue Plan Act.

Use of Evidence

This project does not qualify as an evidence-based intervention. At this time, no program evaluation is contemplated. The County will collect performance metrics and program data sufficient to appropriately monitor the program and to determine whether the program outputs support the County's overall recovery goals.

Performance Indicators

The projects listed in the project inventory have not been completed or operational for sufficient time to develop or report on key performance indicators. The County will update key performance indicators for these projects in subsequent reports.