



U. S. Department of Housing and Urban Development
South Carolina State Office
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Columbia, South Carolina 29201-2480
www.hud.gov

November 1, 2012

Christopher Eldridge
County Administrator
Horry County
1301 Second Avenue
Conway, South Carolina 29528

Mr. Eldridge:

Subject: Consolidated End-of-Year Review – 2011 Program Year

The Department of Housing and Urban Development is required to conduct an annual assessment of performance by each formula grant recipient. As part of this process, HUD must determine the recipient's compliance with the implementing statutes and regulations and whether the recipient has the continuing capacity to implement and administer the programs for which formula funding is received. This assessment meets the mandates of the statutes, and provides a basis to help the County achieve the housing and community development goals listed in its five-year Consolidated Plan and subsequent Annual Action Plans. The provisions of both the Housing and Community Development Act of 1974, as amended, and the National Affordable Housing Act of 1990, require the annual submission of specific performance reports from grant recipients that receive federal assistance from programs covered under these Acts.

The evaluation of the County's 2011 performance is based on documents and reports submitted by the County and ongoing technical assistance provided throughout the year. The information examined includes the County's Consolidated Plan, Annual Action Plan, and the Consolidated Annual Performance and Evaluation Report (CAPER). This letter provides the results of HUD's assessment of the County's administration of the Community Development Block Grant (CDBG) program for the reporting period covering July 1, 2011, through June 30, 2012.

The comments offered below are to be reviewed by the County. Any items identified as an Action Item will require a response to this office within 30 days of the date of this letter.

Community Development Block Grant (CDBG) Program

- During Program Year (PY) 2011, the County received a total of \$1,403,019 in CDBG funds. We noted that the County's total expenditure for the PY was \$1,661,913. HUD commends the County for its many accomplishments during

the past year in achieving Departmental objectives and addressing the goals outlined in the 2011 Annual Action Plan. It is noted that one-hundred (100) percent of all CDBG funds expended during the past year (less planning and administrative costs) were for activities that principally benefit low and moderate-income persons.

- We note that the County is in compliance with HUD's timeliness standard. The regulations at 24 CFR 570.902(a) require that the amount of undisbursed grant funds available to the grantee in its line of credit be less than 1.5 times the grant award for the grantee's current program year. HUD's analysis of compliance with the timely expenditure standard is performed approximately 60 days prior to the end of the grantee's program year. Our review determined that the County had 1.17 years of funding available in its line of credit.
- The County expended approximately 19.6 % of its CDBG grant for planning and administration costs. The regulations at 24 CFR Part 570.900 allow an entitlement grantee to expend up to 20 % of each grant (plus program income) for planning and administrative costs. Additionally, the County obligated thirteen (13) percent for public service related activities. The CDBG regulations at 24 CFR Part 570.201(e) (1) require that the grantee expend no more than 15 percent of the entitlement grant for that year, (plus 15 % of program income), on public service activities. Consequently, the County is in compliance with both the public service and planning and administrative caps under the CDBG program.
- The primary activities undertaken by the County during the reporting period were housing rehabilitation, public facilities and improvements, and public services.
- As evidenced in the CAPER, the County completed "essential repairs" on 50 single-family or multi-family residential units under its housing rehabilitation program as well as "emergency repairs" to forty-two (42) units, representing 24% of total expenditures during Program Year 2011. It is also noted that the County expended 56% on public facilities and improvements.
- The Inspector General of HUD issued an audit that found that "the CDBG program needs to increase its use of the HUD's Integrated Disbursement Information System (IDIS) to improve oversight of CDBG activities." The audit focused on the need to improve oversight of long-standing activities; cancelled activities with draws; and draws revised from one activity to another. Accordingly, the County is reminded of the importance of recording accomplishments and updating activity status in IDIS and to execute IDIS draws in a timely manner for all of its CDBG-funded activities. HUD is available to provide technical assistance if needed.

Office of Fair Housing and Equal Opportunity (FHEO)

The County's CAPER was reviewed and approved by the Office of Fair Housing and Equal Opportunity (FHEO).

Office of Public Housing

The County's CAPER was reviewed and approved by the Office of Public Housing.

Public Access

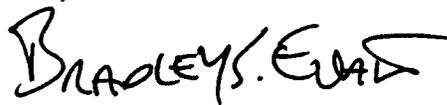
We are required to make this report (inclusive of your comments) available to the general public within 30 days of receipt of any comments from the County. We encourage the County to share this report with all interested citizens. This can be accomplished in a variety of ways, such as sharing it with your Citizens Advisory Committee, citizens attending hearings or meetings, or with the local media.

Conclusion

Our review concluded that the County has substantially followed the goals and priorities in its five-year Consolidated Plan and subsequent Annual Action Plan, and has made positive progress during the 2011 program year toward meeting these goals and priorities.

We appreciate our partnership with the County and look forward to working with the County and its community partners during the 2012 program year. If you have any questions or need additional assistance, please call me at (803) 765-5344 or Roy Norman, Community Planning and Development Representative, at (803) 253-3206.

Sincerely,



Bradley S. Evatt, Director
Community Planning and
Development

✓ cc: Ms. Diana M. Seydlorsky, Community Development Director