ADMINISTRATION COMMITTEE AGENDA

Tuesday, February 25th, 2020 – 2:00 P.M.

County Council Conference Room

Committee Members: Johnny Vaught, Chairman, Harold Worley, Tyler Servant, Orton Bellamy

I. Call to Order……………………………………………………………………………………………Johnny Vaught
II. Invocation
III. Public Input
IV. Review and Approval of Agenda Contents
V. **Approval of Minutes – January 28th, 2019**
VI. New Business

- **A. Council on Aging Update**……………………………………………………………………… Elaine Gore
- **B. Historic Designation of Property**…………………………………………………………….David Schwerd
- **C. HUD Program Update**…………………………………………………………………………… Courtney Frappaolo
  - **a. Habitat For Humanity HOME Program Approval**
  - **b. HOME Policy & Procedures Amendment**
  - **c. CDBG, HOME, ESG Annual Funding Update**
- **D. Interim Financial – December 2019** ……………………………………………………… Robbie Jordan
- **E. Audit Charter Review**…………………………………………………………………………… Barry Spivey
- **F. Auditor Review**…………………………………………………………………………………… Barry Spivey
- **G. Debt Issuance Update & Rating Review**………………………………………………….. Barry Spivey
- **H. Community Benefit Fund Requests**……………………………………………………….. Pat Hartley

ATTACHMENTS (for information only)

A. County Council Expenses

VII. Old Business
VIII. Announcements
IX. Executive Session - Discussion of negotiations incident to proposed contractual arrangements and propose sale or purchase of property, and the receipt of legal advice covered by the attorney client privilege.

ADJOURN

2.17.2020
Barry Spivey, Asst. County Administrator/Administration

2.17.2020
Steve Gosnell, County Administrator

2.17.2020
Johnny Vaught, Committee Chairman

MINUTES
HORRY COUNTY COUNCIL
Administration Committee Meeting
Council Conference Room
January 28, 2020
2:00 p.m.

MEMBERS PRESENT: Johnny Vaught, Chairman, and Tyler Servant.

MEMBERS ABSENT: Harold Worley, and Orton Bellamy**.**

OTHERS PRESENT: Pat Hartley; Steve Gosnell; Barry Spivey; Randy Webster; David Gilreath; Arrigo Carotti; Councilman Gary Loftus; Patrick Owens; Robbie Jordan; and Samantha Wallace.

In accordance with the FOIA, notices of the meeting were provided to the press stating the time, date, and place of the meeting.

CALL TO ORDER: Chairman Vaught called the meeting to order at approximately 2:00 p.m.

INVOCATION: Chairman Vaught gave the invocation.

PUBLIC INPUT: None.

REVIEW AND APPROVAL OF AGENDA CONTENTS: Chairman Vaught moved to move the Discussion of Hospitality and Accommodations Revenue to executive session to receive a legal briefing, seconded by Mr. Servant. The motion was unanimously passed. Mr. Servant moved to approve the agenda contents. The motion was unanimously passed.

APPROVAL OF MINUTES: December 3, 2019: **Mr. Servant moved to approve the minutes as submitted. The motion was unanimously passed.**

NEW BUSINESS:

Air Force Base Redevelopment Authority Land Request (Buddy Styers): Mr. Styers said that in 1994 the state legislature passed Title 31 Chapter 12, South Carolina Law, and established a redevelopment authority to represent all the citizens of Horry County in overseeing the development, reuse of the base. They were given two main tasks besides overseeing, enhance the local tax base and create jobs to replace those lost when the air force base left. There were 800 civilian jobs lost when the base closed. In 1997 the redevelopment authority purchased military family housing which was now Seagate Village and later that year in the fall they purchased what was now the Market Common area and portions of the ITAP were included in that. The way they were driven to work with the Air Force, DHEC, and EPA on obtaining title to properties, if they were contaminated sites on the property the Air Force would literally draw a circle around it, lease that to them, and the rest of it they could get a deed for. Once that contaminated piece was found suitable for conveyance which meant that it either had a system in process that was cleaning the contaminant that had to go on for four years or it was found clean. The piece of property that he was asking them about, they had 14 sites that comprised about 45 acres like that. The site that he was asking them about, the 6.3 acres, was the very last piece that was found suitable for conveyance and was conveyed to the redevelopment fund. That piece of property was being mitigated naturally with no active system to clean it. It would just clean itself over a projected 30 year period. That piece of property was deeded to the county in 2010 because at that point it was believed that the end of the redevelopment authority commission was within some years out. The county would be here forever and they didn't know about the redevelopment authority. His redevelopment authority voted and tasked him to deed that to the county which they went through the whole process and deeded it to the county. He had watched over a period of time that other bases had found private developers that would buy a piece of property like this, clean it to the approval of Air Force, DHEC and EPA, and then develop it. They had that happen once. He would like for the county to give that back to the redevelopment authority and let him find a private developer that would clean it to the satisfaction of those regulatory agencies and develop it. If they did that he expected they would have tax base enhancement from the redevelopment and he expected it would create jobs. That was what he was there to ask for. Mr. Spivey had the documents. He was there to ask that it be given back to the redevelopment authority and they would then develop it through a private developer.

Chairman Vaught asked if he had anybody in mind or a specific use in mind.

Mr. Styers said it would have to be in accordance with the Myrtle Beach zoning which he thought was C6, urban village redevelopment. The property around three sides of it… The north side was adjacent to the ITAP. The three sides around it were owned by the same people that developed the Market Common. Their interest was light but possible. He didn't have any deals done or any offers done but he thought the county wouldn't be willing to spend their money to clean it when the Air Force by law has to do it. They were not going to expedite cleanliness just for them.

Chairman Vaught stated they would take it under advisement and discuss it in executive session. They would get back to him.

Interim Financial – October & November 2019 (Robbie Jordan): Mr. Jordan stated they would go through November which would include the year to date October numbers. As of the end of November 2019 the revenues year to date were up $4.6 million. The expenses were up $1.7 million. FY20 percentage actual to budget they were about 27% of revenues through November and 37% of expenditures. They could compare that to FY19 and they would see that they were trending a little ahead and year to date on revenues and a little behind on expenditures. He presented slides and explanations on the executive summary general fund for significant revenue variances from prior year – five months ended and the significant expenditure variances from prior year – five months ended, and executive summary special revenue fund November 30, 2019 interim results. There was a net change in fund balance of $3.5 million.

OSHA Safety Log Update (Debra Mumford): Ms. Mumford presented a PowerPoint presentation on the 2019 OSHA Log Report update. The slides included the 2019 OSHA Log summary and 2019 OSHA Log comparison to 2018. The summary showed 10 cases with days away from work, 50 cases with restricted duty, and 129 medical only cases. Comparing 2019 OSHA Log to 2018, there were 18 less total recordable injuries, 76 less days out of work, and 279 more restricted duty days.

<u>Resolution R-04-2020</u> in Support of Senate Bill 259 Establishing a Resilience Revolving Fund to assist in Future Flood Prevention (Courtney Frappaolo): Ms. Frappaola said that she was asked to host a brief discussion about Senate Bill 259 which creates a state revolving loan fund that could be accessed by local governments for resiliency efforts related to buyouts during future events. Her understanding was that there was a house and senate bill that had been submitted and had been approved through the senate to establish the fund and to create an administrative arm of the fund which would be through the state disaster recovery office. They had also established some of how the fund would work and operate. This was given to them as Council looking for a resolution of support for the development of the fund.

Chairman Vaught said that he would like to see some of the details of this. He had read the legislation and it was not clear to him where the seed money would come from. It was not clear to him how… If they were buying into properties and they were making up the 25% that FEMA was not making up. They make up the 25% with the loan with the county through this fund. Was that correct?

Ms. Frappaola said yes. A low interest loan that essentially… It would be similar to other grants in the way FEMA had where the county was considered as a compositor. They would take the grant or loan from the state and issue that to the homeowner.

Chairman Vaught asked if the property would then belong to the county, FEMA, or who?

Ms. Frappaola said it would be the ownership of the county.

Chairman Vaught said one of the ways they could pay off the 25% or up to 25% debt would be for them to improve the land or take the land back to where it was before anybody ever built anything on it.

Ms. Frappaola said that was right. There was a bonus structure developed within the legislation that would rebate some of that back.

Chairman Vaught verified that the county would own the property.

Mr. Spivey said yes. They did have existing parcels that they received during Hurricane Floyd and other storms that had come into county ownership. Many of those we work out a use agreement with the adjoining property owners so that they were maintained appropriately for that community. It could not be built on again. It enhances the flood plain and allows those on built areas that flood can go and hopefully use up that space so it has less impact on the remaining parcels around it.

Chairman Vaught said it would be up to the county to clear it, raise it, and whatever needed to be done. Whatever was left on that property for them to take it back to the way it was before would be the expense of the county, correct? As well as paying back the loan.

Ms. Frappaolo said yes. The state was working on a number of different tools through different federal resources. FEMA had one. She thought this was one intended to spur along the FEMA program. The community development block grant mitigation fund and the disaster recovery fund that they had talked about also had a buyout program component. She thought it was more transparently laid out at this point because it was a HUD program so they know what those expectations would be. She thought they would be talking about buyouts and how they manage them as a county in the coming months. She thought it was something that the state was trying to develop a robust funding sources to be able to do that.

Chairman Vaught asked if they were talking about seeding it with $3 million.

Ms. Frappaola said that was $3 million so they had two other funding sources. You had (inaudible) coming from HUD that was in addition to FEMA. It was the CDBG mitigation money and that was money that was specifically tailored to developing resiliency projects. So it would be infrastructure and would also include a buyout component. She believed the state had put $60 million into that component. Then there would be an additional source that would be HUD, CDBG Florence funding. That would be funding that was directed to the state but predominantly Horry, Marion, and Dillon counties for resiliency efforts. It would be housing rehabilitation, infrastructure and buyouts. Those would be the main components.

Chairman Vaught asked how long it normally took FEMA to buy out a property like this.

Ms. Frappaola said that she thought for both programs it was a 12 – 18 month process. The challenge and part of what this bill was trying to spur was it takes a long time to even get into the queue. They heard that from the residents all the time. What are you doing and where is the money. She thought this was an effort to try to spur that along and get people enrolled into a program sooner in the recovery process.

Chairman Vaught said if FEMA was taking it under consideration, it would be premature for them to go ahead and approve the difference between what FEMA might approve and what they might not approve. He thought they were getting the cart before the horse. There were a lot of unanswered questions there for him and he knew they were going to do what they were going to do but there were a lot of unanswered questions. He didn't think this whole thing was very well fleshed out.

Mr. Servant asked if the Florence CDBG money counted for the 25% or was it strictly…

Ms. Frappaola said they were totally different programs. Part of what they could do with their Florence money was use that for their 25%.

Mr. Servant asked how much money they would allocate for that.

Ms. Frappaola said she didn't know. That notice was just released the day before so they would be (inaudible) that now.

Chairman Vaught said he had a problem agreeing with going along with something that had so many holes in it. He knew it wouldn't make a lot of difference and he thought they were actually charged with considering this first and then sending it on to I & R because it would have impact on I & R also. What would be the pleasure if they send it on? Did they send it on with a positive recommendation or no recommendation or what?

Mr. Servant asked who provided the formula to fund the mechanism. The 25% match could be funded from the Florence CDBG money. The balance of 75% was funded from where?

Ms. Frappoala said FEMA.

Mr. Servant asked if they had already committed to that.

Chairman Vaught said that was their maximum buyout, the 75% of appraised value.

Ms. Frappoala said yes. That was their normal program so that was one of the allowable program components. There were two things that stuck out to her. One was that they were trying to spur the timeline and she was just reading that a bill that was in congress currently that would be an amendment to the Stafford Act trying to create their own. The federal government trying to create their own revolving loan funds to allow states and local communities to move forward. She thought everyone realized that the timeframes were an impediment to citizens. She thought that was the intent of this congressional legislation, the state legislation. Everyone was looking at how to create funding sources to allow them to help people sooner. She thought that was a benefit. It was a different tool that could be used especially if they get some of the semantics figured out and open it up a little bit so it was not just for FEMA match. Maybe it could be used just for buyouts.

Chairman Vaught said he didn't see how it speeds them up because it didn't attack the FEMA problem. If a goal was to speed up the reimbursement process or buyout process, he thought that was a false goal because he didn't see this was doing any of that. He saw this as filling the gap between FEMA's 75% and 100% of the property. He didn't see it as speeding up the process and asked Mr. Servant if he did.

Mr. Servant said no. It definitely does all the funding in his opinion. Getting back to the details of the funding mechanism… All this would be was a secondary funding mechanism to their 25% that they already have coming in from the CDBG money. So they already had a potential funding mechanism to fund their 25% and have FEMA match 75% with Florence monies, correct?

Ms. Frappoala said yes.

Mr. Servant stated which could be tallying millions of dollars.

Ms. Frappoala said yes.

Mr. Servant said they would have the money. All this would be was another funding mechanism to provide even more funding if they run out of the Florence money potentially if they decided to spend money that way.

Ms. Frappoala said yes. Once this was put into place, it was available for future disasters so they were not necessarily talking about the Florence problem. They did have mechanisms to deal with that but she thought part of the goal was to make sure they had a mechanism in place for future disasters.

Chairman Vaught said obviously that was what they were trying to do and look ahead. That was what resiliency was all about. Should they send it on to I & R for their consideration with a positive, negative, or no recommendation from their committee?

Mr. Servant said he thought they should send it on to I & R and allow them to discuss and hear the input they received there that day. Then hopefully bring it before Council so they could discuss it. He didn't think it was under the purview of administration or I & R. For that reason he thought they should pass it along to them and allow them to hear input and then bring it before full Council for a vote.

Chairman Vaught said okay. He would agree with that.

Mr. Loftus asked if they had any idea of what the potential exposure would be for the county.

Ms. Frappoala asked related to acquiring this or taking the grant because at the end of the day…

Mr. Loftus asked how much they were going to have to fund out of the county's pocket. That was up in the air wasn't it?

Ms. Frappoala said that was the question about the seed money. This was not written with the county providing any match source or any contribution to the fund. None of that was written into the legislature.

Mr. Loftus said they were only asked to administer it.

Ms. Frappoala said they would be asked … The position that the county would be put into would be to decide, so they could say no even if it did get created, whether or not they would like to make an application and manage the grant program or loan program on behalf of the state.

Chairman Vaught said the loan was actually made to the county. It was not made to the individual.

Ms. Frappoala said they would manage it with the proper (inaudible).

Chairman Vaught said the other cost would be the cleanup cost or whatever if they chose to mediate it that way.

Mr. Servant said which they would have money from the CDBG money.

Ms. Frappoala said yes. You could also use the disaster recovery funds for demolition, clearance, and the creation of floodways.

Mr. Servant said if this fund was created at the state level and you had the FEMA match, they would be able to use the CDBG monies from Florence to (inaudible) any expenses from the county to a certain limit. So it would be zero impact to the general fund.

Chairman Vaught said they had a motion and had voted to send this on to I & R.

Approval to Engage Audit Firm for Non-Audit Services (Barry Spivey): Mr. Spivey said this was the consideration of hiring their audit firm Elliott Davis to assist them in the implementation of a new governmental accounting standards for pronouncement. It was Statement 87 related to leases. That seemed to be a simple topic but it had become a much greater complicated topic. In essence in the past what they had done was to consider if they had an operating lease or capital lease. If it was an operating lease it was very easy. They simply expensed it as they made the payments. If it was a capital ease which was traditionally what they had done for large items similar to what they had for their fire apparatus, they count the asset as their asset and count the liability. This new pronouncement essentially converts every lease to a capital lease and it did effect their ongoing accounting for each of those items. This pronouncement was effective for FY2021, but they would suggest, recommend, and request the ability to bring in the audit firm and go ahead and address that so they had it addressed appropriately in the budget for FY2021. Based on the audit charter, this committee would need to approve any engagement of their services of the outside auditor outside of internal audits that the administrator had the ability to do as those were generally emergent type issues. So they were there before the committee to request permission to do that. The funding was estimated between $18,000 - $20,000 to complete the project and that would have their teams doing the paperwork from the standpoint of collecting all the information and they would have their higher level individuals, the partners, the managers actually analyzing the information with them to set up the process for them to move forward.

Chairman Vaught asked if this would be somewhat of a training thing that they would be doing.

Mr. Spivey said yes. They would be implementing the processes and the procedures as they moved forward into the future with this new pronouncement. It would be funded through the current budget's savings that they were experiencing this year so it was not coming out of … It would be coming out of contingency. It would be covered by the savings they were experiencing in the budget. **Mr. Servant moved to approve and the motion was unanimously passed.**

Resolution to Commit Unassigned Fund Balance & One-Time Revenues (Barry Spivey): Mr. Spivey said this was the consideration to follow up on the comments made at the fall budget retreat. As they were in that retreat they shared several topics of discussion. One was that they did have some one time monies that were available for consideration and one of the items they would like to suggest to Council to consider was a debris reserve. In Hurricane Matthew they incurred $7.2 million as their out of pocket costs. At that point and time the waste management fund did not have sufficient resources to cover that so there was an internal loan from the general fund of $1.6 million which was actually being paid back this year now that they had received reimbursement from FEMA so that the general fund would be made whole. In the interim from that point of Hurricane Matthew to where they were today, the excess fund balance in the waste management fund had been utilized to support operations. So in essence they did not have a debris reserve there today. With a recommendation they would like the committee to consider establishing from the one time funding sources a debris reserve in the general fund of up to $10 million. They would suggest they perhaps consider it a range between $7.5 - $10 million and $7.5 million would cover the largest previous event that they experienced. $10 million would give them a little cushion for that because sometimes the reimbursement from FEMA takes more than a year's time. They had already incurred two events by the time potentially they were getting the first reimbursement. **Mr. Servant moved to approve and the motion was unanimously passed.**

Administrator's Contingency (Barry Spivey): Mr. Spivey said this was an amount that was included within the budget for consideration. It gives the administrator the ability to deal with emergent issues that were not covered in the budget process. To date they had not appropriated any of those dollars. So the $150,000 was fully intact and if it was not used and it falls down to fund balance, it was not carried over year to year.

Committee Meeting Date Changes (Barry Spivey): Mr. Spivey said they had two recommendations they would like to make to the committee to consider. The meetings were essentially scheduled for the fourth Thursday of each month with a few changes during the year. There were two areas that they wanted to highlight and ask for consideration of and that was in the November timeframe. They would be scheduled for their meeting for the administration committee on the 16th. That same week they would be planning the fall planning retreat so that would put basically two full day meetings and this meeting in the same week. In the last several years they had omitted this meeting during that week when they had the larger planning retreat scheduled.

Chairman Vaught said that makes sense and that was what the planning retreat was all about. Unless business comes up that they need to take care of, he thought they should plan on eliminating that meeting and asked if it suited Mr. Servant and he said yes.

Mr. Spivey said the second item would have a meeting scheduled for December 16th but the last several years at their request they had actually backed that up to earlier in the month so they could have the audit firm in to present the results of the audit and give them sufficient time after that to make all the filings and recording that drive off of that. One of those was the Solid Waste Authority and the applications they had to send to the state which they need a report and they could not issue that report until it was approved or presented to this committee. They would just like to ask for consideration for December 1st as opposed to December 16th. Mr. Vaught asked Ms. Hartley if that was okay with her and she replied she was fine with it. **Mr. Vaught said so ordered.**

Community Benefit Fund Requests (Pat Hartley): Ms. Hartley said the first request that they had was for the Joshua Empowerment Foundation. This came before the committee back in October. The committee did not recommend approval but it was sent to the Council for further consideration. Council sent it back to this committee for further discussion. Mr. DiSabato was not present and her recommendation was that they defer this to the next meeting. She believed they were waiting for some additional information from the requester. **Mr. Servant moved to approve and the motion was passed.**

Ms. Hartley stated that the next item was for the Academy of Arts, Science, and Technology. They had requested $1,000 from District 3 to help send the We the People competition team to Washington, DC to compete in the national finals. **Mr. Servant moved to approve. Chairman Vaught stated that he wanted to add $1,000 to that from District 8 and Mr. Loftus asked to do the same.**

Ms. Hartley stated that the next item was Freedom Readers, Inc. and it was open to all districts. At the moment they had an allocation of $2,500. The money was to be used to purchase books for children who live in low income communities. **Mr. Servant moved to approve and the motion was passed.**

Ms. Hartley stated the next item was all districts requesting from A Father's Place. As it stood they had a $2,500 allocation from various districts. The money was to be used to help defray some of the expenses that they had with their comprehensive services. **Mr. Servant moved to approve and the motion was passed.**

Ms. Hartley stated that the next item was coming from Councilmember Orton Bellamy for $5,000 to go to the parks and recreation department for the Bucksport youth field trip to Charlotte to attend the basketball game. **Mr. Servant moved to approve and the motion was passed.**

Mr. Hartley stated that the next item was from the Carolina Forest High School. Again this was for the We the People competition team. There were only two teams in the county that would be going and representing the state to Washington, DC to help defer some of their travel expenses. The amount was $1,000 from District 3. Mr. Vaught added $1,000 to that from District 8 and Mr. Loftus did the same. . **Mr. Servant moved to approve and the motion was passed**

Ms. Hartley stated the next item was from District 3 for $1,000 for the Friends of Fisher House Charleston. The Fisher House was a place where families could go and spend the night if they had one of their family members at the veteran's hospital. Mr. Vaught stated he would add $500 to that. **Mr. Served moved to approve and the motion was passed.**

Ms. Hartley stated that the next item was not in their packet. It came in that day from Mr. Prince for $15,000 for the Loris parks and recreation department. It was a matching grant funding for the Loris recreation department to upgrade their ball fields and playground. The money would not be expended until they had reached their match. **Mr. Servant moved to approve and the motion was passed.**

Chairman Vaught stated that the County Council expenses were included in their package for their review.

OLD BUSINESS: None.

ANNOUNCMENTS: None.

EXECUTIVE SESSION: Discussion of negotiations incident to proposed contractual arrangements and the receipt of legal advice covered by the attorney client privilege and discussion of Hospitality and Accommodations Revenue. **Mr. Servant moved to enter into executive session and the motion was passed. Mr. Servant moved to exit executive and the motion was passed.** Mr. Carotti said while in executive session the committee engaged in the discussion of negotiations incident to proposed contractual arrangements and received legal advice covered by the attorney client privilege. While in executive session no decisions were made and no votes were taken.

ADJOURNMENT: Mr. Servant moved to adjourn at approximately 3:25 p.m. and the motion was unanimously passed.

HCCOA
Horry County Council on Aging, Inc.
(A private 501(c)(3) non-profit corporation)
P.O. Box 1693
Conway, South Carolina 29528

TELEPHONE: (843) 248-5523
1 (800) 922-6283
FAX (843) 248-6361

February 12, 2020

To: Horry County Council

From: Elaine Gore, Executive Director

Re: Horry County Council on Aging

It is with great pleasure and an honor that I have been offered and accepted the position of Executive Director of Horry County Council on Aging by our Board of Directors. As many of you know I have spent the last thirty-three years at this agency which is dear to my heart. We plan to move our agency forward offering Horry County's elderly citizens options that are not only life sustaining but also life enhancing. We have become an icon in South Carolina offering some of the best programs in South Carolina. I am truly grateful to have been an intricate part of that and I am excited for our future. One of the goals that I have is to start and complete the Carolina Forest Senior Center. We have encountered several setbacks with the three major floods of our Administrative office but have now moved to 1714 Mill Pond Road making that our permanent location. This move will assure that our internal operations will not be disrupted again. Our previous location has been restored as a distribution center and training location for staff. If you have any questions of me or need additional information, please do not hesitate to contact me. You can reach me by calling our office at (843)-248-5523, cell phone, (843) 503-8582.

My email address is elaine@schccoa.org

Again, it is my pleasure to serve our Senior Citizens.

With Regards,

Elaine D Gore

Elaine D. Gore

FY 2019-2020
Budgeted Revenues=$2,548,685
In-Kind=$274,000
Total Budget= $2,822,685
Bi-Annual Report-July 1, 2019- June 30, 2020
Horry County Council on Aging, Inc.

1st & 2nd Quarter End FY 2019-2020

Total Revenue	YTD Revenue	Total Expense	YTD Total Expense
$2,822,685	$1,156,398.12	$2,318,354	$1,159,177.20

	YTD	
Federal, State, Grants=	$528,818	$1,626,677
Local County Millage=	$461,004	$922,008
	$989,822	$2,548,685

Services Provided

Units of Service	YTD	Total Contract Units
Congregate Meals	22,843	52,064
Home Delivered Meals	25,815	97,200
Transportation	65,591	176,000
Homemaker 1	1,661	3,200
Health Promotion	16,016	33,000
Nutrition Education	60 Classes	120 Classes
Outreach	375	680
Medication Management	20 Classes	40 Classes
Assessments	460	1,100
Telephone Reassurance	1250	2,500
Information & Referral	1,800	0
Emergency Services (meals, Etc.)	0	0
Veteran Services- (in conjunction with Local Veteran Affairs)	48 Clients	0

Community Collaborations/Other Services: 4th Annual Senior Health Fair; Alzheimer's Awareness Training; Veterans Outreach Program; Emergency Preparation Training; Senior Fraud Prevention; Nutrition Management Services; USDA Food Vouchers $20,000

County Council Decision Memorandum
Horry County, South Carolina

Date:	February 25, 2020
From:	Planning & Zoning
Division:	Administration Committee
Prepared By:	Lou Conklin, Senior Planner
Cleared By:	David Schwerd, Director
Regarding:	Historic Designation of Property for Special Property Assessments

ISSUE:
Should Horry County Council designate the Platt Building, the Sasser House/Physician Office, and the building at 329 and 331 Laurel Street as historic?

PROPOSED ACTION
Recommend the designation of the Platt Building, the Sasser House/Physician Office and the building located at 329 and 331 Laurel Street, as historic.

RECOMMENDATION
Designate the Platt Building, the Sasser House/Physician Office and the building located at 329 & 331 Laurel Street as historic.

BACKGROUND:
Horry County Code, Section 19-7, provides for a special tax assessment for eligible rehabilitated historic properties. This special assessment creates an incentive for the rehabilitation of historic parcels by freezing the tax assessments at pre-rehabilitation levels for up to 15 years. This prevents a property owner from being penalized for improving the value of a historic property. In order to receive preliminary certification a property must meet the following conditions:

1. The owner of the property applies for and is granted Historic Designation by Horry County Council; and
2. The proposed rehabilitation receives approval of rehabilitation work from the Horry County Board of Architectural Review.

Because the property is located in the City of Conway, they are not eligible to be added to the County's Historic Register; however, they are eligible to be designated as historic through a resolution of County Council.

ANALYSIS:
After conducting hearings on November 19, 2019 and January 21, 2020, the Board of Architectural Review and Historic Preservation has unanimously determined that the above named structures meet the requirements of Section 1706.1 of the Horry County Zoning Ordinance, *Criteria for Historic Designation*. The buildings are a minimum of fifty (50) years old in addition to meeting other historic standards. The Board of Architectural Review and Historic Preservation provided Preliminary Tax Assessment on the Platt Building, the Sasser House/Physician Office, and the building located at 329 and 331 Laurel Street.

COUNTY OF HORRY) **RESOLUTION**
STATE OF SOUTH CAROLINA)

A RESOLUTION GRANTING HISTORIC DESIGNATION TO CERTAIN PROPERTIES.

WHEREAS, Horry County Code, Section 19-7, provides for a special tax assessment for eligible rehabilitated historic properties; and

WHEREAS, this special assessment creates an incentive for the rehabilitation of historic parcels by freezing the tax assessments at pre-rehabilitation levels for up to 15 years; and

WHEREAS, this special assessment prevents a property owner from being penalized for improving the value of a historic property; and

WHEREAS, in order to be eligible for the special tax assessment, historic properties must receive Preliminary and Final Certification from the Horry County Board of Architectural Review and Historic Preservation; and

WHEREAS, to receive Preliminary Certification, the property must be granted Historic Designation by Horry County Council; and

WHEREAS, the Platt building located at 317 Main Street in Conway, was built ca. 1909 and is a two-story brick commercial building with post-1945 alterations to the storefront and second story façade. The building is located in the Conway Downtown National Historic District, and the alterations have obtained their own historic integrity being over fifty years old; and

WHEREAS, the Sasser House/Physician Office located at 1403 9th Avenue in Conway, was built ca. 1895 as a side gabled, central passage house and later used as a physician’s office. This building is a certified historic residential structure per the State Historic Preservation Office; and

WHEREAS, the building located at 329 & 331 Laurel Street in Conway, was built c. 1940. The building was once used as a 5 & Dime, and later as a pool hall in the early 1950’s. This building was designated historic by the Conway City Council on December 18, 2019; and

WHEREAS, on November 19, 2019 and January 21, 2020, Horry County Board of Architectural Review and Historic Preservation provided Preliminary Tax Assessment; and

WHEREAS, each of the properties listed above have significant inherent character, interest, history, and value as part of the community and heritage of Horry County.

NOW, THEREFORE, Horry County Council grants Historic Designation to the following properties: the Platt Building, the Sasser House/Physician Office, and the building located at 329 and 331 Laurel Street.

AND IT IS SO RESOLVED this _________ day of ____________, 2020.

HORRY COUNTY COUNCIL

____

Johnny Gardner, Chairman

Harold G. Worley, District 1	Bill Howard, District 2
Dennis DiSabato, District 3	Gary Loftus, District 4
Tyler Servant, District 5	Cam Crawford, District 6
Orton Bellamy, District 7	Johnny Vaught, District 8
W. Paul Prince, District 9	Danny Hardee, District 10
Al Allen, District 11	

Attest:

____

Patricia S. Hartley, Clerk to Council

County Council Decision Memorandum
Horry County, South Carolina

Date:	February 11, 2020
From:	Courtney Frappaolo, Community Development Director
Division:	Administration
Cleared By:	Barry Spivey, Assistant County Administrator
RE:	2019-2020 Proposed HOME Funding Award

ISSUE

The Horry County HOME Consortium recently released a solicitation for Homeowner and Tenant Based Rental Assistance projects. Staff have reviewed the received applications and the Project Review Committee has developed a recommendation for awards for the funding solicitation.

BACKGROUND

Horry County serves as the Participating Jurisdiction for the Horry County HOME Consortium. The Horry County HOME Consortium is an intergovernmental entity representing jurisdictions within Horry, Georgetown, and Williamsburg counties, excluding the local jurisdictions of Briarcliffe Acres, North Myrtle Beach, Surfside Beach, and Pawleys Island. Horry County Council is the governing body for the Horry County HOME Consortium and is responsible for authorizing grant related actions. This responsibility includes the approval of HOME funding awards.

The 2019-2020 budget includes an allocation for $300,000.00 for homeowner housing development activities. Due to changes in the commitment deadlines for the HOME Program, specific activities were to be determined at a later date. Subsequently, staff conducted a solicitation for eligible project proposals.

Horry County HOME Consortium released a request for Homeowner and Tenant Based Rental Assistance projects on November 19, 2019. Applications for HOME funding were due on December 13, 2019. Review of the HOME program applications was completed pursuant to the policies and procedures and included staff review. Staff examined the received applications for conformance with the solicitation criteria, financial feasibility, and alignment with Consolidated Plan goals. The Project Review Committee, consisting of representatives from Georgetown, Horry, and Williamsburg Counties, as well as the Cities of Conway and Myrtle Beach, provided a recommendation for awards for the HOME funding round. Three applications for HOME funding were received, of which one application was recommended for funding at this time:

1) Habitat for Humanity of Horry County: $120,000.00 for new construction of 3 single family residential units for homeownership.

Applicant	Eastern Carolina Homelessness Organization	Habitat for Humanity of Horry County	His Hands of Horry County
Project Name	**ECHO Tenant Based Rental Assistance**	**Hope's Crossing**	**Rehab Assistance**
Community	Throughout Horry County HOME Consortium	Conway (Horry County)	Horry County
Type of Activity	Tenant Based Rental Assistance	Homeowner New Construction	Owner-Occupied Rehabilitation
Units Proposed	25	3	6
Cost per Unit (HOME)	$6,000	$40,000.00	$33,333
HOME funds requested	$150,000	$120,000	$200,000
Total Project Cost	$187,500	$240,000	$240,000
Match % (Match Amount/HOME Request)	25.00%	100.00%	20.00%
Technical Review Funding Recommendations:	**HOLD**	**$120,000 3 units**	**HOLD**

Total Home Investment:	$120,000
Total Non-HOME Leveraged:	$120,000
Total Housing Units Produced:	3

The recommended project consists of the new construction of three single family residences for homeownership in the Hope's Crossing community of Conway, located in unincorporated Horry County. HOME funds will be leveraged with $120,000.00 in private donations and volunteer labor to construct the units for ownership by eligible low-income households. The other two project applications received from His Hands of Horry County and Eastern Carolina Homelessness Organization (ECHO) are being held due to issues with match. The His Hands application is also being held due an unexpended balance from a previous HOME award. Staff will work with the applicants to address these issues prior to the next funding round. In order to assist the timeliness of reporting, applications will be submitted moving forward on a rolling basis. This process will be formalized in the coming quarter as a part of the HOME Consortium policy review.

RECOMMENDATION

Community Development staff recommend approval of the proposed HOME funding award for Habitat of Humanity in the amount of $120,000.

COUNTY OF HORRY) **RESOLUTION R- -20**
STATE OF SOUTH CAROLINA)

A RESOLUTION TO AWARD HORRY COUNTY HOME CONSORTIUM FUNDING

WHEREAS, Horry County is designated the participating jurisdiction for the Horry County HOME Consortium, an inter-governmental entity representing jurisdictions within Horry, Georgetown, and Williamsburg counties, excluding the local jurisdictions of Briarcliffe Acres, North Myrtle Beach, Surfside Beach, and Pawleys Island, and is responsible for the administration of the HOME Investment Partnerships Program (HOME);

WHEREAS, Horry County has conducted a solicitation for eligible homeowner and tenant based rental assistance projects for utilization of HUD funds for the 2019-2020 Program Year; and

WHEREAS, the Project Review Committee has developed a recommendation for funding for the project solicitation round.

NOW, THEREFORE, BE IT RESOLVED, that the Horry County Council hereby awards HOME funding for the following activity:

Habitat for Humanity of Horry County – Hope's Crossing: $120,000.00

AND IT IS SO RESOLVED this 10th day of March, 2020.

HORRY COUNTY COUNCIL

____
Johnny Gardner, Chairman

Harold G. Worley, District 1
Bill Howard, District 2
Dennis DiSabato, District 3
Gary Loftus, District 4
Tyler Servant, District 5
Cam Crawford, District 6

Orton Bellamy, District 7
Johnny Vaught, District 8
W. Paul Prince, District 9
Danny Hardee, District 10
Al Allen, District 11

Attest:

____
Patricia S. Hartley, Clerk to Council

County Council Decision Memorandum
Horry County, South Carolina

Date:	February 13, 2020
From:	Courtney Frappaolo, Community Development Director
Division:	Administration
Cleared By:	Barry Spivey, Assistant County Administrator
RE:	2019-2020 HCHC HOME Consortium Policies & Procedures Version 2

ISSUE

The Horry County HOME Consortium Policies and Procedures are being revised to more effectively accommodate the development and funding of financially feasible, construction-ready HOME projects. These updates also create additional HUD required underwriting protocols that assist the Consortium in mitigating risk to the organization.

BACKGROUND

Horry County serves as the Participating Jurisdiction for the Horry County HOME Consortium. The Horry County HOME Consortium is an intergovernmental entity representing jurisdictions within Horry, Georgetown, and Williamsburg counties, excluding the local jurisdictions of Briarcliffe Acres, North Myrtle Beach, Surfside Beach, and Pawleys Island. The HOME Investment Partnership Program is governed by its implementing regulations at 24 CFR part 92. The changes within the policies and procedures align the Consortiums policies with HUD regulatory requirements. For example, adopting HUD underwriting guidelines for projects. Below are the four major components being amended at this time:

1. Creation of an underwriting committee to review and evaluate HOME project submissions. The underwriting committee, consisting of professionals from financial and other related sectors, will assist in determining the financial feasibility of project proposals.

2. Transition the rental program from an annual project application cycle to a rolling submission process for rental projects. This change will allow for the submission and funding of projects as they are ready to move to the construction phase. The application submission process will be split into two phases. The first phase will consist of a review of general project compliance, structure, and feasibility. Applicants completing the first phase will then secure all funding sources besides HOME, complete the environmental review process, procure a contractor, and achieve all other steps necessary to submit a comprehensive, fundable project. The phase two process will consist of final underwriting and approval of a financially feasible, construction-ready project.

3. Modify homeowner and TBRA projects from an annual project application cycle to a semi-annual submission process. This change will allow for additional opportunities for the

award of funding for homeowner and TBRA projects, while limiting additional administrative burden during the approval process.

4. Reclassification of certain subrecipients to a more appropriate classification, through the creation of a developer role. Developers are not subject to Federal procurement regulations under 2 CFR 200. The introduction of this change will reduce the procurement requirements placed upon qualifying housing developers. True subrecipients will continue to be classified as subrecipients.

RECOMMENDATION

Community Development staff recommend the approval of the Horry County HOME Consortium Policies and Procedures Manual update.

COUNTY OF HORRY	**)**	**RESOLUTION R- -20**
STATE OF SOUTH CAROLINA	**)**	

A RESOLUTION ADOPTING THE HORRY COUNTY HOME CONSORTIUM POLICIES AND PROCEDURES MANUAL.

WHEREAS, on July 1, 2018, Horry County assumed the role of Participating Jurisdiction for the HOME Investment Partnerships Program;

WHEREAS, the HORRY County HOME Consortium is an inter-governmental entity representing jurisdictions within Horry, Georgetown, and Williamsburg counties, excluding the local jurisdictions of Briarcliffe Acres, North Myrtle Beach, Surfside Beach, and Pawleys Island;

WHEREAS, Horry County has updated a policies and procedures manual, entitled "*HCHC HOME Policies & Procedures Manual Version 2"*, to comply with the statutory requirements of the HOME Investment Partnerships Program; and

WHEREAS, the Horry County Council authorizes staff to make subsequent revisions to the Policies and Procedures Manual, when required to comply with future HUD regulatory changes;

NOW, THEREFORE, BE IT RESOLVED, that Horry County Council adopts the "Horry County HOME Consortium Policies & Procedures Manual Version 2" dated February 13, 2020.

AND IT IS SO RESOLVED this ___ day of March, 2020.

HORRY COUNTY COUNCIL

____
Johnny Gardner, Chairman

Harold G. Worley, District 1
Bill Howard, District 2
Dennis DiSabato, District 3
Gary Loftus, District 4
Tyler Servant, District 5
Cam Crawford, District 6

Orton Bellamy, District 7
Johnny Vaught, District 8
W. Paul Prince, District 9
Danny Hardee, District 10
Al Allen, District 11

Attest:

____
Patricia S. Hartley, Clerk to Council

Horry County
HOME Consortium
(HCHC)

Horry County
SOUTH CAROLINA
Committed to Excellence

Program Policies and Procedures

Administered by:
Horry County Community Development
1515 4th Ave
Conway, SC 29526

EQUAL HOUSING OPPORTUNITY

Updated February 13, 2020
Version 2

Table of Contents

I. HOME Investment Partnerships Program

The HOME Investment Partnerships Program (HOME) (24 CFR 92) provides formula grants to states and local governments which are used, typically in partnership with local nonprofit groups, developers, and community housing development organizations (CHDOs), to finance a variety of housing activities. These activities include homeowner-occupied housing rehabilitation, homeowner new construction, rental acquisition and rehabilitation, rental new construction, and tenant-based rental assistance.

II. Horry County HOME Consortium

The Horry County HOME Consortium (HCHC), a public body politic and corporate, with corporate succession, was created in 2017 to assist the low-income and underserved areas of Georgetown, Horry, and Williamsburg Counties of South Carolina in the financing, development, and preservation of affordable housing. The HCHC receives and administers funds provided by the HOME Investment Partnerships Program (HOME Program).

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.

The goals for the HCHC focus on decent housing, which includes:

- Retaining the current affordable housing stock;
- Increasing the availability of affordable permanent housing for low and moderate-income families;
- Increasing the supply of supportive housing which includes structural features and services to enable persons with special needs to live in dignity and independence; and
- Creating new affordable housing units.

III. Program Design

The Horry County HOME Consortium's (HCHC) HOME Program is designed to promote partnerships among the U.S. Department of Housing and Urban Development (HUD), other federal entities, state and local governments, and with nonprofit and for-profit sectors who build, own, manage, finance, and support affordable housing initiatives. HOME provides the flexibility needed to fund a wide range of affordable housing initiatives through creative and unique housing partnerships. HCHC administers the HOME Program in a manner that will address the needs of very low to moderate income persons, with an emphasis on areas referenced in its 5-year Consolidated Plan.

HCHC funds are intended to provide gap financing for development projects and to fund needed affordable housing projects that would otherwise not be available in the community.

HCHC enhances coordination between public/private housing providers, and health and social service agencies as they are key stakeholders in developing and sustaining healthy communities. HCHC has developed region-wide partnerships with community housing organizations, local housing authorities, various social service and mental health agencies, members of real estate industry, and local lending institutions. Through the community needs assessment process, all partners and key stakeholders are engaged and provide input on an on-going basis.

a. Duties of Horry County

Horry County is hereby designated and authorized to administer the activities of the HCHC. Additionally, Horry County Council acts as the governing body of the HCHC.

As Lead Entity, Horry County will assume overall responsibility for ensuring compliance with all HOME requirements through the oversight and coordination of services on behalf of the Consortium Members. Those activities include:

1. Monitoring the performance of all entities to ensure HOME program funds are compliant with all federal laws and programmatic requirements of the HOME program;

2. Managing day-to-day operations of the Consortium's participation in the HOME program;

3. Coordinating project solicitation and selection process; and

4. Ensure compliance with Federal procurement requirements including those outlined in 2 CFR 200.

b. Duties of Members

Each member agrees to cooperate in undertaking or assisting in undertaking housing assistance activities for the HOME Program. Members are prohibited from withdrawing from the HCHC and/or the HOME Intergovernmental Agreement during the initial three (3) year term or qualification period. Each Member agrees to affirmatively further fair housing. Each Member agrees to approve any amendment to the HOME Intergovernmental Agreement that incorporates future changes necessary to meet the requirements for consortia agreement in subsequent qualification periods.

Each member jurisdiction agrees to strict adherence to the program descriptions as approved and to all assurances and certifications provided, including agreement to take all actions necessary to assure compliance with Horry County's certification under the Fair Housing Act; Executive Order 11063 (Equal Opportunity in Housing) and Title VI of the Civil Rights Act of 1964, the Uniform Relocation Assistance, Real Property Acquisitions Policy Act of 1970, and the Davis-Bacon Act at 40 USC 276a, et seq. Horry County shall not provide or cause to be provided HOME funds for activities in or support of any cooperating jurisdiction that does not affirmatively further fair housing within its own jurisdiction or activities that impede Horry County's actions to comply with affirmatively further fair housing activities.

Each member, as required by the Consolidated Plan final rule at 24 CFR 91.402(a), must be on the same program year for the CDBG, HOME, ESG, and HOPWA programs. The HCHC program year begins July 1st and ends June 30th, annually.

c. Effective Date, Term, Renewal, and Termination

The initial HOME Agreement term is for Federal fiscal years 2018, 2019, and 2020, and shall remain in effect at least until the HOME funds from Federal fiscal years 2018, 2019, and 2020 are expended on eligible activities.

The HOME Agreement is automatically renewed for the Consortium's participation in successive qualification periods of three (3) federal fiscal years each. No later than the date specified by HUD's consortia designation notices or HOME's Consortia web page, the Lead Entity shall notify each Consortium Member in writing of its right to decide not to participate in the Consortium for the next qualification period and the Lead Entity shall send a copy of each notification to the HUD Field Office.

If a Consortium Member decides not to participate in the Consortium for the next qualification period, the Consortium Member shall notify the Lead Entity, and the Lead Entity shall notify the HUD Field Office, before the beginning of the new qualification period. Before the beginning of each new qualification period, the Lead Entity shall submit to the HUD Field Office a statement of whether or not any amendments have been made to this agreement, a copy of each amendment to this agreement, and, if the Consortium's Membership has changed, the state certification required under 24 CFR 92.101(a)(2)(i). The Consortium shall adopt any amendments to this agreement that are necessary to meet HUD requirements for Consortium agreements in successive qualification periods.

The automatic renewal of the agreement will be void if: the Lead Entity fails to notify a Consortium member or the HUD field office as required under this automatic renewal provision or the Lead Entity fails to submit a copy of each amendment to this agreement as required under this automatic renewal provision.

Though this Agreement may be amended, no member may withdraw from the Agreement while the Agreement remains in effect. A member desiring to terminate the Agreement and its participation in the HCHC may do so by giving no less than six (6) months prior written notice. The notice must be sent to the other Members at the addresses appearing on the signature page and the notice must specify the effective date of intended termination. Each member agrees that in order to be relieved from the terms of this Agreement, it must notify Horry County in writing of its intent not to participate in a renewal period on or before the date specified by HUD.

IV. Disclaimers

The Horry County HOME Consortium reserves the right to fund projects at a lower amount than requested, and the right to deny applications that are not consistent with the Consolidated Plan goals and policy direction. The Consortium is under no obligation to consider or fund any proposed project that does not demonstrate compliance with HOME regulatory requirements or local program requirements and does not assist in meeting the Consortium's Affordable Housing policy goals and/or objectives.

The Consortium reserves the right to determine project eligibility and select the funding source to be used for any proposed project. Funding decisions will be based on a variety of factors, not just application scores. Other factors considered are:

- Project alignment with the Consortium's priorities;
- Operational and management capacity of the Applicant;
- Financial capacity of the Applicant; and
- Leveraging of additional public and private investments.

The *Horry County HOME Consortium Policies and Procedures* are not intended to address every circumstance that may be encountered in the development process, nor are they a verbatim restatement of all regulatory requirements. Omission of any federal or local regulatory requirements does not relieve the Consortium or the Applicant from their respective obligations that may be required by the funding source.

Once an agreement has been executed between the Consortium and Applicant for the purpose of developing affordable housing according to these guidelines, in case of any conflict between the program guidelines and the Development Agreement, the terms of the Development Agreement shall prevail.

HCHC policy and procedure changes necessary to facilitate compliance with federal, state or local regulatory or legal requirements may be implemented immediately by the Consortium. Revision of the program policies usually occurs annually; however, additional revisions can be initiated by Horry County to ensure compliance. Such revisions may occur without notice and are applicable to all pending and future application submissions. Applicants are responsible for complying with any changes.

V. Distribution of HOME Funds

HOME funds are provided to the HCHC by HUD annually using a formula allocation. The HCHC's distribution plan for HOME funds provides:

- **Administration (10%)** Funds are used by the HCHC for planning, administration, allocation of indirect costs and monitoring of the program. Funds are also used to conduct training and technical assistance to entities interested in applying for and implementing HOME funded projects. All administrative funds are retained by Horry County for use in administering the HOME Program on behalf of the Consortium.

- **Programmatic HOME Funds (75%):** The HCHC distributes the programmatic HOME funds to projects within Horry, Georgetown and Williamsburg counties based on a HUD formulary process that calculates the percentage of low to moderate-income (LMI) persons residing within each of the above named jurisdictions.

- **CHDO Set Aside (15%)** In accordance with HOME regulations, a minimum of 15 percent of annual HCHC HOME funds are set-aside for use exclusively by HOME designated community housing development organizations (CHDOs) for specific allowable activities (housing owned, developed and/or sponsored by the CHDO). These funds are awarded to CHDOs by HCHC via a competitive proposal process.

HUD determines annually an allocation for HCHC, utilizing U.S. Census and HOME data in conjunction with a HOME formula to calculate the entitlement award. The formula allocation is based on the proposed membership of the consortium and their geography as well as the weighted formula factors of the HOME regulations. The actual amount that a consortium will qualify for under the formula will also be determined by the level of the HOME appropriation, the amount of set-asides in the appropriation for other purposes, the qualification of new HOME entitlement communities and urban counties, and the formation of other consortia.

VI. Application Process

a. Timeline

Applications for rental projects will be accepted on a rolling basis subject to funding availability. The rental project application process will consist of two approval tiers, as described below. Applications for homeowner and tenant-based rental assistance projects will be solicited on a semiannual basis subject to funding availability.

b. Funding Limits

Project funding assistance will be limited to the applicable funding subsidization levels based upon the Section 234 - Condominium Housing basic mortgage limits, for elevator-type projects. The funding limitations are updated annually and are provided on the Horry County HOME Consortium website.

c. Eligible Project Costs

HCHC HOME funds can be used to pay the following eligible costs:

- Acquisition Costs: Costs of acquiring improved or unimproved real property, including acquisition by homebuyers.

- Development Hard Costs: The actual cost of constructing or rehabilitating housing. These costs include:

- For new construction projects, costs to meet the most recent International Building Code (IBC) Series with South Carolina Amendments, along with local building codes within the jurisdiction where the project is located.

- For rehabilitation, costs to meet the most recent International Building Code (IBC) Series with South Carolina Amendments, along with local building codes within the jurisdiction where the project is located.

- For both new construction and rehabilitation projects, costs to:

  - demolish existing structures;

  - make utility connections including off-site connections from the property line to the adjacent street;

  - make improvements to the project site (only property owned by the project owner where the project is located) that are keeping with improvements on the surrounding projects including onsite roads, sewer lines, water lines, and drainage improvements. Costs must be necessary to the development of the project.

- Costs to make utility connections or to make improvements to the project site, in accordance with the provisions of §92.206(a)(3)(ii) and (iii) are also eligible in connection with acquisition of standard housing.

- For both new construction and rehabilitation of multifamily rental housing projects, costs to construct or rehabilitate laundry and community facilities that are located within the same building as the housing and which are for the use of the project residents and their guests.

- Related Soft Costs: Other reasonable and necessary costs incurred by the owner or the HCHC and associated with the financing, or development (or both) of new construction, rehabilitation or acquisition of housing assisted with HOME funds. These costs include, but are not limited to:

  - Architectural, engineering, or related professional services required to prepare plans, drawings, specifications, or work write-ups. These costs may be paid only if incurred not more than 24 months before the date that HOME funds are committed to the project and if HCHC expressly permits HOME funds to be used to pay such costs in the written agreement committing funds to the project.

  - Costs to process and settle the financing for a project, such as private lender origination fees, credit reports, fees for title evidence, fees for recording and filing of legal documents, building permits, attorney's fees, private appraisal fees and fees for an independent cost estimate, builders or developers fees.

- Costs of a project audit, including certification of costs performed by a certified public accountant. The HCHC has the option to require this with respect to the development of the project.

- Costs to provide information services such as affirmative marketing and fair housing information to prospective homeowners and tenants.

- Staff and Overhead Costs: Costs for staff and overhead that are directly related to carrying out the project, such as work specifications preparation, loan processing, inspections, and other services related to assisting potential owners, tenants, and homebuyers, e.g., housing counseling, may be charged to project costs only if the project is funded and the individual becomes the owner or tenant of the HOME-assisted project. For multi-family projects, such costs must be allocated among HOME-assisted units in a reasonable manner and documented. Although these costs may be charged as project related costs, these costs (except housing counseling) cannot be charged to or paid by low-income families.

- Environmental Review: Costs and release of funds in accordance with 24 CFR Part 58 which are directly related to the project.

- Community Housing Development Organization (CHDO) Costs:

  - A CHDO is defined as a private, nonprofit organization that meets a series of qualifications prescribed in the HOME regulations at 24 CFR 92.2.

  - The HOME Final Rule requires that CHDOs have paid staff with demonstrated capacity appropriate to the CHDO's role (this requirement cannot be met through volunteer, donated staff, shared staff, or board members).

  - CHDO status must be recertified by Horry County with every project application submission for CHDO reserve funding.

  - In an owner or developer role, the CHDO must own the HOME-assisted housing in fee simple absolute or have a long term ground lease.

  - Costs include operating expenses and capacity building costs for an eligible CHDO.

  - Operating expenses mean reasonable and necessary costs for the operation of the CHDO. Such costs include:

  - Salary, wages, and other employee compensation and benefits
  - Employee education
  - Training and travel
  - Rent
  - Utilities
  - Communication costs
  - Taxes and insurance
  - Equipment, materials, and supplies.

  - Costs do not include operating expenses incurred by a CHDO acting as a subrecipient or contractor under the HOME program.

- Relocation Costs: The cost of relocation payments and other relocation assistance to persons displaced by the project are eligible costs. Projects that include relocation are subject to the requirements of the Uniform Relocation Act at 49 CFR 24. Relocation assistance is calculated based upon the relocation assistance formula provided therein.

d. Consistency With Consolidated Plan

HOME program applicants must submit proposals that are consistent with the Consortium's current Consolidated Plan (ConPlan). Before submitting an application, the applicant must review the ConPlan (found on the Consortium website, https://www.horrycounty.org/Departments/CDBG) to ensure that the activities are in conformance with the plan.

e. Homeowner/TBRA Application Process

Applications for Homeowner & TBRA projects will be requested on a semiannual basis. County staff will review Homeowner & TBRA project applications received in response to a solicitation for completeness, responsiveness, conformance to the solicitation requirements, and compliance. If applications are incomplete the applicant may receive written notification of any deficiencies (missing or incomplete information) of their applications. Applicants may be given five (5) business days from the date of notification to provide the information to the County. Failure to provide the information to the County within the timeframe will result in an automatic disqualification of the application. Homeownership projects will also be reviewed by the Underwriting Committee to make a determination of financial feasibility. Staff will provide a technical review of projects to the Administrators' Committee so that a recommendation for HOME funding may be developed.

f. Rental Tier 1 Application Process

Rental projects must complete two tiers of the application process. The first application tier consists of submission of basic project information, a budget, funding commitments, and approximate timeframes and thresholds for construction. Tier 1 applications are reviewed by staff to identify compliance and feasibility issues. Identified issues must be addressed to complete the tier 1 process. Compliant tier 1 project proposals will be referred to the Underwriting Committee for review. Upon successful completion of the tier 1 process and approval from the Underwriting Committee, the applicant may proceed to the tier 2 application process.

g. Underwriting Committee

The underwriting committee, appointed by the County Administrator, consists of five professionals from financial and other related sectors. The committee will assist staff in evaluating the financial feasibility of HOME project proposals. The committee will review and evaluate HOME project submissions against Consortium underwriting standards in order to provide a determination of financial feasibility. Project approval by the Underwriting Committee is a requirement for completion of the rental tier 1 application process and for homeownership projects.

h. Rental Tier 2 Application Process

Applicants submitting a rental tier 2 application must have first completed the rental tier 1 application process with a successful determination of financial feasibility from the Underwriting Committee. Applicants will have secured commitments from all other funding sources, completed and executed an environmental review, have completed procurement of a contractor, and be ready to proceed to construction. If all thresholds have been achieved, the project will be presented to the Administrators' Committee to determine a recommendation for HOME funding.

i. Administrators' Committee

The HCHC Administrators' Committee, consisting of representatives from Horry, Georgetown, Williamsburg Counties and the Cities of Myrtle Beach and Conway will meet quarterly to review the technical review of applications provided by staff. The Administrators' Committee develops the HCHC recommendation for funding priorities for approval by Horry County Council.

j. County Council

HCHC recommendations for funding priorities will be provided to Horry County Council for review and approval. Horry County Council, as the authorizing body for the Consortium, will make a determination of approval or rejection based upon the proposed funding recommendation. If approved, HOME funding award notices will be issued to
0approve recipients of HOME funding.

k. Award Letters

Once project proposals receiving HOME funding are approved by Horry County Council, notifications of HOME funding awards will be issued to recipient organizations. Participants awarded HOME funds will be required to meet with Horry County Community Development staff, who will review Federal, State, and County requirements, procedures, and processes. Topics to be discussed include: the project schedule, process for requesting HOME funds, the construction inspection process, reporting requirements, applicable governmental requirements, and project close-out.

1. Agreements

The HCHC requires execution of a written agreement **before any HOME funds are committed or disbursed to any entity**. As appropriate, HCHC will work with legal counsel to draft all contracts, agreements, and other legal documents. In addition, staff will provide legal counsel with information to assist them in understanding HOME program rules and their intent.

Written agreements shall contain the following provisions:

- **Use of Funds:** Description of the HOME funded activities, tasks to be performed, schedule for completing tasks, a budget in sufficient detail to effectively monitor performance and the period of the agreement.

- **Reversion of Assets/Program Income Requirements:** Statement that program income proceeds, unexpended funds, or other assets will be retained by the recipient for other eligible activities, or will be returned to the HCHC, as applicable.

- **Uniform Administrative Requirements:** Compliance with applicable Federal administrative requirements (2 CFR 200 and applicable provisions of 24 CFR 85 for governmental entities and 24 CFR 84 for non-profits.)

- **Other Program Requirements:** Requirements regarding: non-discrimination and equal opportunity; affirmative marketing and minority outreach; environmental review; displacement, relocation and acquisition; labor standards; lead-based paint; and conflicts of interest.

- **Affirmative Marketing:** Requirements for affirmative marketing in projects containing five (5) or more HOME-assisted units.

- **Requests for Disbursement of Funds:** Requirement that HOME funds may not be requested until funds are needed for payment of eligible costs. The amount of each request must be limited to the amount needed. Program income must be disbursed before requesting HOME funds, if applicable. For HCHC, Requests for Payment are issued on a reimbursable basis.

- **Records and Reports:** Lists records that must be maintained and information as well as reports that must be submitted.

- **Enforcement of the Agreement:** Means of enforcing the provisions of the written agreement. This provision is in the agreement with all parties, including owners.

- **Duration of Agreements:** The agreement must specify the duration of the agreement period. If the housing assisted under the agreement is rental housing, the agreement must be in effect throughout the affordability period required by the PJ. If the housing assisted under this agreement is homeownership, the agreement must be in effect until at least the completion of the project by the low-income family.

- **Amending the Documents:** Written Agreements may be amended by mutual agreement of the parties when regulations and requirements change, or when adjustment to funding levels or other condition related to a specific project are needed.

- **Fixed or Floating Units:** Fixed and Floating HOME Units: In a project containing HOME-assisted and other units, the PJ may designate fixed or floating HOME units. This designation must be made at the time of project commitment in the written agreement between the PJ and the owner, and the HOME units must be identified not later than the time of initial unit occupancy.

  - Fixed units remain the same throughout the period of affordability.

  - Floating units are changed to maintain conformity with the requirements of this section during the period of affordability so that the total number of housing units meeting the requirements of this section remains the same, and each substituted unit is comparable in terms of size, features, and number of bedrooms to the originally designated HOME-assisted unit.

VII. Project Criteria

a. Eligible Activities

HCHC HOME funds may be used to provide incentives to develop and support affordable rental housing and homeownership affordability through the acquisition (including assistance to homebuyers), new construction, reconstruction, or rehabilitation of housing with suitable amenities, including real property acquisition, site improvements, conversion, demolition, and other expenses. Manufactured housing is also eligible for rehabilitation assistance. Additional eligible expenses may include: financing costs, relocation expenses of any displaced persons, families, businesses, or organizations; to provide payment of reasonable administrative and planning costs. The specific eligible costs for these activities are set forth in 24 CFR 92.206 through 24 CFR 92.209. The activities and costs are eligible only if the housing meets the property standards in 24 CFR 92.251 upon project completion.

Demolition must be undertaken only when related to a particular housing project intended to provide affordable housing within specific time frame.
Conversion of an existing structure to affordable housing is rehabilitation, unless the conversion entails adding one or more units beyond the existing floor plan, in which case, the project is considered new construction.

b. Eligible Applicants

Organizations eligible for funding through the HOME Program include: non-profit affordable housing developers, for-profit affordable housing developers, Community Housing Development Organizations (CHDOs), and public agencies.

c. Site Control

Applicants for HOME funding must have site control for their project at the time of application. Documentation of site control may be satisfied through a deed or other proof of ownership, an executed 99-year lease agreement, an executed contract of sale, or an executed option to purchase or lease.

d. Types of Ownership Interest

- Deed: Ownership in fee simple title to a property.
- Long Term Lease: A lessee must hold a 99-year lease to a property.
- Inherited Property: Inherited property with multiple owners is defined as: housing for which title has been passed to several individuals by inheritance, but not all heirs reside in the housing, sharing ownership with other nonresident heirs. (The occupant of the housing has a divided ownership interest.) The owner-occupant may be assisted if the occupant is low-income, occupies the housing as his or her principal residence, and pays all the costs associated with ownership and maintenance of the housing (e.g., mortgage, taxes, insurance, utilities).
- Life Estate: The person who holds the life estate has the right to live in the housing for the remainder of his or her life and does not pay rent. The person holding the life estate may be assisted if the person is low-income and occupies the housing as his or her principal residence.
- Living Trust: A living trust is created during the lifetime of a person. A living trust is created when the owner of property conveys his or her property to a trust for his or her own benefit or for that of a third party (the beneficiaries). The trust must be valid and enforceable and ensure that each beneficiary has the legal right to occupy the property for the remainder of his or her life. The person holding the living trust may be assisted if the person is low-income and occupies the housing as his or her principal residence.

e. Project Timeframes

Projects must be able to begin construction within six (6) months of execution of an agreement. Agreements are typically executed for a period of twenty-four (24) months. An extension to the agreement of up to twenty-four (24) months may be granted, subject to the approval of Horry County as the Participating Jurisdiction. An extension must be approved by the Horry County Administrator or an approved designee through execution of an amendment to the project agreement. All projects must be completed within four (4) years of the execution of the original agreement. If the project is not complete within four (4) years, the subrecipient, developer, or CHDO will be required to repay all HOME funds invested in the project.

f. Match Requirements

For each dollar of HOME Program funds expended, the Consortium must generate $.25 in non-federal match in the form of cash, assets, services, labor, or other resources valuable to the HOME Program (See 24 CFR 92.218). Each developer, subrecipient, or CHDO will be required to provide evidence at the time of project application submission demonstrating commitment of match from eligible sources. Funding award or commitment letters may satisfy this requirement. Recipients are required to submit a match report at the 50% completion point, as well as at project close out for each project.

The match obligation may be met with any of the following specific sources.

- Cash or cash equivalents from a non-federal source;
- Value of waived taxes, fees or charges associated with HOME projects;
- Value of donated land or real property;
- Cost of infrastructure improvements associated with HOME projects;
- A percentage of the proceeds of single or multi-family housing bonds issued by state, state instrumentality, or local government;
- Value of donated materials, equipment, labor, professional services; or sweat equity;
- Direct costs of supportive services to residents of HOME projects; and
- Direct cost of homebuyer counseling to families purchasing homes with HOME assistance

Match counted for other Federal programs may not be used to satisfy HOME match requirements. HOME can be counted as match for McKinney-Vento Act Programs.

Ineligible Match Contributions:

The following do ***not*** meet the requirements for eligible sources of match and do not count toward meeting a PJ's matching contribution requirement:

- Contributions made with or derived from federal resources or funds (including CDBG), regardless of when the funds were received or expended;
- The interest rate subsidy attributable to the federal tax exemption on financing (such as bonds issued by the state) or the value attributable to federal tax credits (such as the Low Income Housing Tax Credit Program);
- Owner equity or investment in a project (except for sweat equity);
- Cash or other forms of contributions from applicants for or recipients of HOME assistance or contracts, or investors who own, are working on, or are proposing to apply for assistance for a HOME-assisted project (except for sweat equity or professional services donated by contractors who do not own any HOME projects);

- A PJ's cost of administering HOME-assisted or HOME eligible housing projects or rental assistance;
- Contributions counted as match toward any other federally funded program.
- Other forms of contributions not meeting the HOME requirements (at 24 CFR 92.220) are also ineligible.

Match obligations will be incorporated into the Subrecipient Agreement, CHDO Agreement, or Development Agreement.

Excess match: Contributions made in a fiscal year that exceed the HCHC's match liability for the fiscal year in which they were made will be carried over and applied to future fiscal years match liability.

g. Development Capacity

Applicants for HOME funding should have a track record of successful project development, timely completion and projects-in-service or, in the case of a new or emerging developer, evidence of real estate development and project management expertise. A submitted application should indicate what skills and roles the non-profit staff will be assuming and any other members of the project development team.

The Consortium is interested in investing HOME funding only in viable projects that will provide quality affordable housing in an efficient, and timely manner. Housing developers with minimal development experience are encouraged to partner with experienced developers to enhance their ability to produce and deliver housing efficiently. All applications for HOME funding will be reviewed for tangible evidence that the capacity of the development and construction team is solid. Projects with strong development capability may receive higher consideration for HOME funding. Applicants seeking HOME assistance for more than three (3) units must have a minimum of three (3) years of experience developing affordable housing.

h. Income Eligibility

When determining the income eligibility of a household, HCHC uses the definition of "Annual Income" found at 24 CFR 5.609. When determining the income of a homeowner for an owner-occupied rehabilitation project, the value of the homeowner's principal residence will be included in the income from assets calculation.

Family sizes in excess of eight (8) persons are calculated by adding 8% of the four (4) person income limit for each additional family member. That is, a nine (9) person limit should be 140% of the four (4) person limit, the ten (10) person limit should be 148%. The HOME income limit values for large households (9-12 persons) must be rounded to the nearest $50. Therefore, all values from 1 to 24 are rounded down to 0, and all values from 25 to 49 are rounded up to 50.

i. Ineligible Costs

HOME funds shall not be used to:

- Provide project reserve accounts, except as provided in 24 CFR 92.206(d)(5), or operating subsidies;

- Provide tenant-based rental assistance for the special purposes of the existing section 8 program, in accordance with section 212(d) of the Act;

- Provide non-federal matching contributions required under any other Federal program;

- Provide assistance authorized under Section 9 of the 1937 Act (Public Housing Capital and Operating Funds);

- Provide assistance to eligible low-income housing under 24 CFR 248 (Prepayment of Low Income Housing Mortgages), except that assistance may be provided to priority purchasers as defined in 24 CFR 248.101;

- Provide assistance (other than tenant-based rental assistance or assistance to a homebuyer to acquire housing previously assisted with HOME funds) to a project previously assisted with HOME funds during the period of affordability established by the participating jurisdiction in the written agreement under 24 CFR 92.504. However, additional HOME funds may be committed to a project up to one year after project completion (see 24 CFR 92.502), but the amount of HOME funds in the project may not exceed the maximum per-unit subsidy amount established under 24 CFR 92.250.

- Pay for the acquisition of property owned by the Horry County HOME Consortium, except for property acquired by the participating jurisdiction with HOME funds, or property acquired in anticipation of carrying out a HOME project; or pay delinquent taxes, fees or charges on properties to be assisted with HOME funds.

- Pay for any cost that is not eligible under 24 CFR 92.206 through 24 CFR 92.209.

- Support activities in connection with litigation involving discrimination or fair housing are set forth in Section 224 of the Act.

j. Recapture Provisions

All properties receiving financial assistance from the Consortium for homeownership and homebuyer activities must ensure that the housing remains affordable to families with incomes of 80 percent or less of the area median for at least the minimum affordability period based on the initial amount of assistance provided. The Consortium may fund new construction homebuyer projects where the HOME funds will be provided as a direct subsidy to the homebuyer and will therefore utilize the recapture provision to ensure compliance with the HOME affordability period requirements. Homeownership projects may have affordability periods between five (5) and fifteen (15) years based on the amount of the direct subsidy provided to the homeowner. The affordability requirements will be enforced with restrictive covenants (or liens) and a promissory note that will be recorded with appropriate County Register of Deeds for either Horry County, Georgetown County, or Williamsburg County - based on the location of the property.

In the event of a voluntary or involuntary sale, the Consortium will recapture the HOME investment before the homebuyer receives a return. The recapture amount is limited to the net proceeds available from the sale. The Consortium shall reduce the HOME investment amount to be recaptured on a pro rata basis for the time the homeowner has owned and occupied the housing measured against the required affordability period. For example, a property with a 15-year affordability period will require that the pro-rata share, subject to recapture, will reduce by 1/15th annually on the anniversary date of the initial purchase closing.

All properties receiving financial assistance from the Consortium for rental housing units must ensure that the housing remains affordable to families with incomes of 80 percent or less of the area median for at least the minimum affordability period based on the initial amount of assistance provided. Additionally, assisted developments of five (5) or more HOME-assisted units must ensure that 20% of the units are reserved for households earning 50 percent AMI or less. The Consortium may fund activities that will acquire existing housing units or construct new housing units for affordable rental housing opportunities, and will utilize the recapture provision to ensure compliance with the HOME affordability period requirements. Rental housing projects may have affordability periods between five (5) and twenty (20) years based on the amount of the subsidy provided to the developer/owner. The affordability requirements will be enforced with restrictive covenants (or liens) and a promissory note that will be recorded with appropriate County Register of Deeds for either Horry County, Georgetown County, or Williamsburg County - based on the location of the property.

In the event of a voluntary or involuntary sale, the Consortium will recapture the HOME investment before the owner receives a return. The recapture amount is limited to the net proceeds available from the sale. The Consortium shall reduce the HOME investment amount to be recaptured on a pro rata basis for the time the owner has owned the property and made it available for affordable rental housing to an income eligible tenant. For example, a property with a 15-year affordability period will require that the pro-rata share, subject to recapture, will reduce by 1/15th annually on the anniversary date of the initial purchase closing.

k. Affordability Periods

Rental Activities (24 CFR 92.252)

Activity	Affordability Period Years
Rehabilitation or acquisition of existing housing per unit amount of HOME funds: Under $10,000	5
$10,000 to $40,000	10

Over $40,000 or rehabilitation involving refinancing	15
New construction or acquisition of newly constructed rental housing	20

Homeownership Activities (24 CFR 92.254)

Activity	Affordability Period Years
Rehabilitation, new construction, or acquisition of existing housing per unit amount of HOME funds: Under $10,000	5
$10,000 to $40,000	10
Over $40,000 or rehabilitation involving refinancing	15

Owner-Occupied Rehabilitation (Local Affordability Period)

Activity	Affordability Period Years
Owner-Occupied Rehabilitation: Under $50,000	10
$50,000 to $100,000	15
$100,000 and above	20

Affordability Periods: HOME-assisted units must meet the affordability requirements for not less than the applicable period specified in the table above, beginning after project completion.

- Affordability requirements will apply without regard to the term of any loan or mortgage, repayment of the HOME investment, or the transfer of ownership.
- HCHC will impose affordability requirements through a deed restriction, a covenant running with the land, an agreement restricting the use of the property, or other mechanisms approved by HUD.
- Purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure or deed in lieu of foreclosure can be used to preserve affordability.

VIII. Rental Projects

a. General Requirements

HOME funds may be used for acquisition, new construction, or rehabilitation of affordable rental housing. Owners of the rental housing may be small property owners, for-profit developers, non-profit housing providers, CHDOs, or government agencies. Owners will be "desk monitored" on an annual basis by the Consortium to ensure compliance in occupancy, rent restrictions, affordability requirements, and property standards. Additionally, an on-site inspection will be required to be conducted a minimum of once every three (3) years.

b. Funding Levels

The minimum amount of funding that can be applied to a HOME assisted unit is $1,000.

The maximum amount of funding that can be applied to a HOME assisted unit is based upon the Section 234 - Condominium Housing basic mortgage limits, for elevator-type projects, as published each year and provided to the Consortium by HUD. The current limit is updated annually on the Consortium website.

c. Property Standards

All new construction projects within the HCHC service area will meet local codes, ordinances and zoning requirements for the municipality or county in which the project is located. Projects must comply with the *2018 International Building Code (IBC) Series with South Carolina Amendments*, which Horry County HOME Consortium has adopted as its construction performance standards. Housing must meet all applicable requirements upon project completion.

All new construction HOME-assisted projects will also meet the requirements described below:

- *Accessibility:* All housing will meet the accessibility requirements of 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131-12189) implemented at 28 CFR Parts 35 and 36, as applicable. Covered multi-family dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implements the Fair Housing Act (42 U.S.C. 3601-3619).

- *Disaster mitigation:* Where relevant, housing must be constructed to mitigate the impact of potential disasters (e.g., earthquakes, hurricanes, flooding, and wildfires), in accordance with municipal, county, State ICC or IFC codes, or such other requirements as HUD may establish.

- Written cost estimates, construction contracts, and construction documents. HCHC will ensure that construction contract(s) and construction documents describe the work to be undertaken in adequate detail so that inspections can be conducted. HCHC must review and approve written cost estimates for construction and determine that costs are reasonable.

- *Construction progress inspections.* HCHC conducts progress and final inspections of construction to ensure that work is done in accordance with the applicable codes, the construction contract, and construction documents (draw requests).

d. Qualification as Affordable Housing

All HOME-assisted rental units must be occupied by households that are low-income eligible with rents conforming to high and low HOME rents for the area median income and adjusted for household size.

- Rental units must have initial occupancy within 18 months of completion.
- If at six (6) months a unit is still vacant, HCHC will require changes to the marketing efforts to ensure full lease-up.
- If the unit is still vacant at eighteen (18) months, repayment of HOME funds invested must be made to the Consortium.

e. Tenant Selection

Project owners must adopt written tenant selection policies and criteria. These policies and criteria must be based on local housing needs and priorities consistent with HCHC's Consolidated Plan. Selection policies must:

- Comply with HCHC's affirmative marketing requirements
- Limit housing to very low and low income persons
- Not limit eligibility or give preference to a particular segment of the population unless specifically authorized in the written agreement
- Not exclude applicants with vouchers or tenant based rental assistance (TBRA)
- HOME-assisted units in a rental housing project must be occupied by households that are eligible as low-income families and must meet the requirements of 24 CFR 92.252 to qualify as affordable housing.
- Applicants for rental housing must submit, along with their application, the following documentation:
    - Picture ID, such as driver's license, state picture ID or passport
    - Social Security Card
    - Most recent year's state and federal income tax returns (additional years may be required if a potential tenant is self-employed or had 1099 income)
    - Most recent year's W-2 statement
    - Two (2) months of pay stubs
    - Last six (6) months of bank statements for all accounts
    - Proof of any additional household income that may include, but is not limited to: social security disability (for children as well as adults), veteran's pension

or disability, social security retirement, child support payments or alimony, or TANF
  - Affidavit of current debts.

- There must be a written lease for all HOME assisted rental units, and the statutory tenant protections must be integrated into the lease.

- Mandatory supportive services: Lease terms that make tenant acceptance of supportive services mandatory are prohibited.

  - Tenants in transitional housing may be required to accept supportive services as part of an overall program.

  - Tenants must receive a 30-day written notice prior to evictions.

  - Tenants must also receive a 30-day written notice prior to rent increases.

  - Rental assistance subsidy holders cannot be turned down for HOME assisted housing because of the status of the prospective tenant as a holder of such a certificate, voucher, or comparable HOME tenant-based assistance document.

f. Fixed and Floating Units

In a project containing HOME-assisted and other units, the PJ may designate fixed or floating HOME units. This designation must be made at the time of project commitment in the written agreement between the PJ and the owner, and the HOME units must be identified no later than the time of initial unit occupancy.

- Fixed units remain the same throughout the period of affordability.

- Floating units are changed to maintain conformity with the requirements of this section during the period of affordability so that the total number of housing units meeting the requirements of this section remains the same, and each substituted unit is comparable in terms of size, features, and number of bedrooms to the originally designated HOME-assisted unit.

g. Fixed Units

If a tenant's household income increases over 80 percent (80%) of AMI at recertification, the project owner should take the following steps to maintain the correct numbers of High and Low HOME rent fixed units:

- If the income of a tenant occupying a Low HOME rent unit increases above 50 percent (50%) of median, but does not exceed 80 percent (80%) of AMI, that unit remains a Low HOME rent unit until a HOME-assisted unit can be substituted.

- The owner may not increase the tenant's rent above the Low HOME rent limit for as long as the unit retains the Low HOME unit designation and is occupied by the low-income household whose income increased above 50 percent (50%) of median but does not exceed 80 percent (80%) of median.

- When a High HOME rent unit in the property vacates, that unit must be re-designated as a Low HOME rent unit. This unit must be rented to a very low-income tenant, at no more than the Low HOME rent.

- Once the new Low HOME rent unit has been designated, the previous Low HOME rent unit that is occupied by the tenant at between 50% and 80% of median must be re-designated as a High HOME rent unit. At this time, the owner can increase the tenant's rent up to the High HOME rent, subject to the terms of the lease.

If a tenant's income increases above 80 percent (80%) of the area median income, the unit this tenant occupies is still considered to be a HOME-assisted unit, but the tenant's rent must be adjusted as described below:

- Over-income tenants with incomes over 80 percent (80%) of the area median in HOME assisted "fixed" units must pay 30 percent (30%) of their adjusted income for rent and utilities. There is no rent cap for "fixed" units.

- If the person whose income went over 80 percent (80%) of median was in a Low HOME unit and they elect to vacate the property, the new tenant must be at or below 50 percent (50%) of median income and rented at a Low HOME rent.

- If the person whose income went over 80 percent (80%) of median was in a High HOME unit and they elect to vacate the property, the new tenant must be at or below 80 percent (80%) of median income and rented at a High HOME rent.

h. Floating Units

The owner must use the following procedures to maintain the correct numbers of High and Low HOME rent floating units:

- The owner can draw on all the units in the property to designate High and Low HOME rent units. This means that the owner is not restricted to those units initially designated as HOME-assisted units when looking to re-designate a comparable unit as the new Low or High HOME unit.
    - At no point is the owner required to designate more HOME-assisted units than was agreed upon in the written agreement with the PJ.

- When the income of a tenant occupying a Low HOME rent unit increases over 50 percent (50%) of the median, but does not exceed 80 percent (80%) of the area median income, the unit that is occupied by the over-income tenant is considered a Low HOME rent unit until a comparable unit can be substituted.

- The rent of the tenant whose income has gone above 50 percent (50%) of median must not exceed the Low HOME rent limit while the unit has a Low HOME rent unit designation.

- To replace the Low HOME rent unit, the project owner must rent the next available High HOME-assisted unit to a very low-income tenant. The newly designated Low HOME rent unit must be rented to a tenant whose income does not exceed the very low-income limit (50% of median), at a rent that does not exceed the Low HOME rent limit.

- Once a new Low HOME rent unit has been designated, subject to the terms of the lease, the rent of the initial tenant whose income has increased may be increased to the High HOME rent for the unit. This process should not increase the number of assisted units.

i. Rent Restrictions

Owners of HOME projects must keep units affordable to low-income tenants throughout the entire affordability period. Maximum rent limits are published by HUD annually and are distributed to recipients of HOME funding. Current applicable rent limits are available on the Consortium website. In the event that limits decrease below the rate published at the time of agreement execution, owners will not be required to lower rents and may retain their current rates. Owners may request an increase in rent as rent limits change. However, the owners may not change a tenant's rent prior to the expiration date on the lease agreement. Owners must provide tenants at least thirty (30) days notification of rent increases. The Consortium shall review and approve all proposed rent increases.

j. HOME Rents

Rent charged in a HOME-assisted project may not exceed the High HOME Rents. Projects of five (5) or more units must reserve 20% of the project's units to be capped at the Low HOME Rents. In all cases, rent may not exceed 30% of an assisted household's annual income. HUD publishes the HOME Rents annually, which are made available on the Consortium's website.

k. Additional Rent Limitations for SRO Projects

For Single Room Occupancy (SRO) units that have both sanitary and food preparation facilities, the maximum HOME rent is based on the zero-bedroom fair market rent. For SRO units that have no sanitary or food preparation facilities or only one of the two, the maximum

HOME rent is based on 75 percent (75%) of the zero-bedroom fair market rent. The project is not required to have low HOME rents, but must meet occupancy requirements.

l. Initial Rent Schedule and Utility Allowances

HCHC will establish maximum monthly allowances for utilities and services (excluding telephone) and update the allowances annually. The HUD Utility Schedule Model http://huduser.org/portal/resources/utilmodel.html will be used to determine the utility allowance for the project based on the type of utilities used at the project.

HCHC will review and approve rents proposed by the owner for units designated as high or low HOME rents. For all units subject to the maximum rent for which the tenant is paying utilities and services, HCHC will ensure that the rents do not exceed the maximum rents minus the monthly allowances for utilities and services.

m. Site and Neighborhood Standards

A site for newly constructed housing must meet the following site and neighborhood standards:

- The site must be adequate in size, exposure, and contour to accommodate the number and type of units proposed, and adequate utilities (water, sewer, gas, and electricity) and streets must be available to service the site.
- Applicants are discouraged from locating a project site in an area of minority concentrationorin a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.
- The site must promote greater choice of housing opportunities.
- Preference will be given to housing that is accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted, standard housing of similar market rents.

n. Capital Needs Assessment

For multifamily rental housing projects of 26 or more total units, HCHC will determine all work to be performed on the rehabilitation of the housing and the long-term physical needs of the project through a Capital Needs Assessment. A Capital Needs Assessment is a plan that evaluates the maintenance and rehabilitation needs of a rental property and establishes timeframes and thresholds for replacement of major construction components. This assessment ensures that the property will continue to serve LMI households throughout the duration of the affordability period.

o. Troubled HOME-Assisted Rental Housing Projects

If rental housing is not fully leased by eligible tenants within six (6) months following the date of project completion, the grantee must submit marketing materials and a marketing plan to fully lease the units to HCHC.

- If HOME assisted rental units are not rented to eligible tenants twelve (12) months after the date of project completion, the grantee will be required to provide a compliance plan assessing why units have not been leased and steps for achieving lease-up compliance. The grantee must achieve compliance prior to eighteen (18) months after project completion.

- If HOME assisted rental units are not rented to eligible tenants eighteen (18) months after the date of project completion, the HCHC will be required to repay the HOME funds invested in any housing unit to HUD.

- The HCHC will implement the recapture of HOME funds from the grantee for any rental units that are not rented by eighteen (18) months after the date of project completion.

- The affordability requirements also apply to the HOME-assisted non-owner-occupied units in single family housing purchased with HOME funds in accordance with 24 CFR 92.254. The tenant must have a written lease that complies with 24 CFR 92.253.

- 24 CFR 92.210 provides participating jurisdictions with flexibility to assist in averting foreclosures and would enable HUD to approve these actions without the process required to grant waivers, which can be time-consuming. However, 24 CFR 92.210 limits total investment in the project to the maximum per-unit subsidy in 24 CFR 92.250(a), and provides HUD with the option of requiring an extension of the period of affordability as a condition of permitting the investment of additional HOME funds in the project. 24 CFR 92.210 also permits a reduction in the number of HOME-assisted units, but only if the project contains more than the minimum number of units required to be designated as HOME assisted units under 24 CFR 92.205(d).

p. Conversion of Rental Units to Homeownership Units for Existing Tenants

- HCHC can allow the owner of HOME assisted rental units to convert the units to homeownership units by selling, donating, or otherwise conveying the units to the existing tenants to become homeowners. Refusal by the tenant to purchase the housing does not constitute grounds for eviction or for failure to renew the lease.

- If there are no additional HOME funds that can be used to assist tenants in becoming homeowners, the units are subject to a minimum period of affordability equal to the remaining affordable period if the units continued as rental units.

- If additional HOME funds are used to assist tenants to become homeowners, the minimum period of affordability will be based on the amount of direct homeownership assistance provided.

IX. Homebuyer Projects

a. General Requirements

HOME funds may be used for acquisition, new construction, or rehabilitation of affordable single family housing for homeownership. HCHC will work to preserve and expand the area's affordable housing stock by providing grants, deferred loans and/or low-interest loans to housing partners including Community Housing Development Organizations (CHDOs) for the production of affordable housing units. HCHC HOME funds will be leveraged with other, non-HCHC funding in order to maximize the numbers of units produced while minimizing cost burden to new homeowners.

The maximum price of the purchased home cannot exceed those limits published by HUD. The prospective homeowner's housing costs cannot exceed 33 percent (33%) of their gross income. Additionally, the debt to income ratio can not exceed 45%.

b. Funding Levels

The minimum amount of funding that can be applied to a HOME assisted unit is $1,000.

The maximum amount of funding that can be applied to a HOME assisted unit is based upon the Section 234 - Condominium Housing basic mortgage limits, for elevator-type projects, as published each year and provided to the Consortium by HUD. The current assistance limits are posted on the Consortium website and are updated annually.

c. Property Standards

All units constructed for homeownership must meet the current International Building Code with South Carolina Amendments as well as local building codes upon project completion.

d. Qualification as Affordable Housing

Sale of homebuyer units must occur within nine (9) months of completion. Unsold units will need to convert to rental and follow all rental requirements.

- A ratified sales contract within nine (9) months of completion will count as sold.

- If for any reason the unit is not able to be converted to rental, the HOME funds invested must be repaid to HCHC.

- Housing must be purchased by a homebuyer whose household qualifies as low-income, and the housing must be the principal residence of the family throughout the period of affordability.

- All potential homebuyers must receive housing counseling to be provided by the HOME project funding recipient.

- Income targeting: As expressed in its current Five-Year Consolidated Plan and Annual Action Plan, HCHC may make HOME funds available each fiscal year for homeownership assistance; with 100 percent (100%) of these designated homeownership funds targeting dwelling units that are occupied by households that qualify as low-income families.

- Purchase Price: Eligible housing must have a purchase price that does not exceed 95 percent (95%) of the median purchase price for the area.

- For acquisition with rehabilitation, the housing must have an estimated value after rehabilitation that does not exceed 95 percent (95%) of the median purchase price for the area.

- HCHC will use HOME affordable homeownership limits provided by HUD when funds are used for homebuyer assistance or rehabilitation of owner-occupied single family homes.

- For new construction, the HCHC will use HUD limits based on 95 percent (95%) of the median purchase price for the area.

e. Construction Value Limit

HUD establishes, and updates periodically, the maximum allowable value for homeownership housing units. This is called the Homeownership Value Limit or the 95% limit. Section 92.254(a)(2)(iii) states that two (2) values will be established for the median purchase price after rehabilitation value. One is for newly constructed housing and one for existing housing. HOME funds may not be utilized on any property that exceeds these values. The limits are posted on the Consortium website and are updated annually.

X. Homeowner Rehabilitation Projects

a. General Requirements

HOME funds may be used for rehabilitation of owner-occupied single family housing. Funds may be used to provide repairs to existing housing and must meet all applicable State and Local residential and building codes upon project completion. Assisted units must be occupied by an income-eligible household.

b. Funding Levels

The minimum amount of funding that can be applied to a HOME assisted unit is $1,000.

The maximum amount of funding that can be applied to a HOME assisted unit is based upon the Section 234 - Condominium Housing basic mortgage limits, for elevator-type projects, as published each year and provided to the Consortium by HUD. The current applicable limits are posted on the Consortium website and are updated annually.

c. Property Standards

For existing single-family owner-occupied properties assisted with HCHC HOME funds, the unit must comply with the current *International Building Code (IBC) Series with South Carolina Amendments*. Units must also meet local codes, ordinances, and zoning requirements for the municipality or county in which the project is located.

d. Qualification as Affordable Housing

Housing that is currently owned by a household qualifies as affordable housing only if:

- The estimated value of the property, after rehabilitation, does not exceed 95 percent (95%) of the median purchase price for the area; and

- The housing is the principal residence of an owner whose household qualifies as a low-income family at the time HOME funds are committed to the housing. The income of all persons living in the housing must be used to determine income eligibility.

e. After Rehabilitation Value

HUD establishes, and updates periodically, the maximum allowable value for homeownership housing units. This is the after-rehab value for units that are either acquired or rehabilitated utilizing HOME funding. This is called the Homeownership Value Limit or the 95% limit. 24 CFR 92.254(a)(2)(iii) states that two (2) values will be established for the median purchase price/after rehab value. One is for newly constructed housing and one is for existing housing. HOME funds may not be utilized on any property that exceeds these values. The current applicable limits are posted on the Consortium website and are updated annually.

XI. Tenant Based Rental Assistance

a. General Requirements

HOME funds may be used for provision of rental assistance, utility deposit assistance, and/or security deposit assistance. All subrecipients must develop written policies and procedures describing how they will administer their HOME TBRA program, which must be approved by Horry County. TBRA Policies and Procedures must be in accordance with the policies included herein, 24 CFR 92, and all other policies and regulations relevant to the administration of the HOME TBRA program.

b. Eligible Costs

TBRA program funds may be used:

- To provide rental assistance to help pay the cost of monthly rent and utility costs for up to 24 months. An extension of assistance for an additional period of up to 24 months may be allowed. Rental assistance payments must be made directly to a landlord.

- To pay security and/or utility deposits.

    - Security deposit assistance may be provided as long as the procedures in 24 CFR 92.209(j) are followed. Security deposit assistance may be provided regardless of whether the tenant is receiving on-going tenant-based rental assistance.

    - The amount of a security deposit may not exceed the equivalent of two month's rent for the unit. Security deposit assistance must be paid directly to the landlord.

    - Utility deposit assistance may be provided only in conjunction with either rental assistance or a security deposit program. Utility deposit assistance must be paid directly to a utility provider.

- To cover related soft costs for a TBRA project which includes unit inspections and income determinations.

c. Ineligible Costs

HOME TBRA funds may not be used for the following activities:

- Application fees for housing units.

- Applicant background checks.

- Telephone and cable deposits.

- Landlord vacancy and/or damage claims.

- Down payment and/or closing costs in conjunction with a lease-purchase program.

- To make commitments to specific owners for specific projects. Tenants must be free to use the assistance in any eligible unit.

- To assist resident owners of cooperative housing that qualifies as homeownership housing. Cooperative and mutual housing may qualify as either rental or owner-occupied housing, depending on the provisions of the agreement applying to the unit.

- To prevent displacement of or provide relocation assistance to tenants as a result of activities other than the HOME Program.

- To provide TBRA to homeless persons for overnight or temporary shelter. HOME TBRA assistance must be of a sufficient level to enable a homeless person to rent a transitional or permanent housing unit that meets Housing Quality Standards (HQS).

- To provide assistance for more than 24 months. The term of the rental assistance contract providing assistance with HOME funds may not exceed 24 month, but may be renewed, subject to the availability of HOME funds.

- To duplicate existing rental assistance programs that already reduce the tenant's rent payment to 30 percent of income. For example, if the household is already receiving assistance under the Section 8 Housing Choice Voucher Program (Section 8), the household may not also receive assistance under a HOME TBRA program.

- To provide assistance outside of the Consortium's service area.

d. Income Eligibility

There are two key rules regarding the income eligibility of households under a HOME TBRA program: initial income and income at annual recertification:

- Initial Income Eligibility: Income of participating households must be verified before assistance is provided. Income limits are established by household size and revised annually by HUD. For initial income eligibility, a household qualifies for TBRA assistance if its **annual gross income does not exceed 60 percent of Area Median Income (AMI)** indicated on the HOME Income Limits. Programs must ensure that 20 percent of all households served have an income that does not exceed 50 percent AMI.
- Annual Recertification Income Eligibility: The subrecipient must recertify household income, size, and composition at least annually. Income limits are established by household size and revised annually by HUD. A household may still be served with HOME TBRA so long as its income does not exceed 80 percent AMI after project entry. If at annual recertification a household's income exceeds 80 percent AMI, the household is no longer eligible for HOME TBRA and assistance can no longer be provided. The subrecipient must give reasonable (minimum of 30 days) notice to the tenant and the owner.

e. Calculating Household Income

Household income: Household income under HOME-funded TBRA program must be calculated using the definition of annual income at 24 CFR Part 5 (Section 8).

The subrecipient must determine annual income by reviewing source documents for at least two months that provide evidence of the household's annual income (ex: wage statements, interest statements, unemployment compensation, etc.) for the TBRA-assisted household.

- Income and asset source documentation for new TBRA recipients is good for a six month period. If TBRA assistance is not provided before the six months has expired, the household's income eligibility must be reevaluated before assistance may be provided.

- Income eligibility criteria must be met for all forms of TBRA assistance provided by the subrecipient (e.g., rental assistance, utility deposits, security deposits, etc.).

f. Tenant Selection Requirements

Subrecipients administering HOME-funded TBRA programs must have a written tenant selection policy that clearly specifies how households will be selected for participation in its TBRA program. There are two major components of tenant selection: income eligibility (as referenced above) and preferences established by the subrecipient.

Preferences: Subrecipients can use HOME-funded TBRA programs to support a variety of local goals and initiatives, including the establishment of preferences.

- Residency preference: The subrecipient may opt to establish a residency preference as part of its community-wide program. A residency preference requires TBRA participants to be residents of the subrecipient service area, but must adhere to the following:

  - Subrecipients may establish a residency preference as long as the application of the preference does not have the effect of discriminating on the basis of race, color, religion, sex, nation origin, disability, familial status, age, sexual orientation, gender identity, or marital status.

  - The subrecipient's definition of "resident" must include persons who currently reside in the service area, and those who are currently working or have a verified job offer in the service area.

  - Subrecipients may not establish a requirement for minimum length of residency.

- Preferences for targeted populations: Subrecipients are permitted to design local selection criteria that meet the housing needs of specific populations.

- Preferences for persons with disabilities: Subrecipients may establish a preference for individuals with mental or physical disabilities.

  - TBRA and related services may be made available to all persons with disabilities that can benefit from such services.

  - Subrecipients may also provide a preference for a specific category of individuals with disabilities (e.g., persons with AIDS or severe mental illness) if the specific category is identified in the Consolidated Plan as having unmet needs and the preference is needed to narrow the gap in benefits and services available to such persons. In addition, the provision of assistance must be necessary to provide housing, aid, benefit, or services that are as effective as those provided to others.

- Preferences for persons with other special needs: Subrecipients may establish a preference for individuals with special needs (seniors, homeless persons, etc.).

  - TBRA may be provided exclusively to persons with a particular type of special need, if the specific category of need is identified in the Consolidated Plan as having unmet need and the preference is necessary to bridge the gap in benefits and services received by such persons.

  - Appropriate non-mandatory social services may be provided in conjunction with the TBRA.

- Section 8 waiting lists: HOME TBRA Program Participants do not jeopardize their position on a local Section 8 waiting list by receiving HOME TBRA assistance. If Section 8 assistance becomes available, recipients of TBRA will qualify for tenant selection preferences to the same extent as when they received HOME TBRA under this subsection.

- Eligibility may NOT be contingent upon participation in medical or disability related services, and cannot be administered in a manner that limits opportunities for persons with disabilities.

g. Unit Eligibility & Rent Reasonableness

HOME TBRA offers households great flexibility in selecting a housing unit. Households must be free to select the unit of their choice.

- Public or private: Units under the TBRA program may be publicly or privately owned. Publicly owned units may include public housing, Section 811, Section 202, HOPE, Continuum of Care, and HOPWA.

- Combining rental assistance with another rental assistance program: HOME TBRA rental assistance cannot be provided to a program participant who is receiving tenant-based rental assistance (e.g. Section 8 or Continuum of Care rental assistance) or living in a housing unit receiving project-based rental assistance or operating assistance through other public sources.

- Combining security and utility deposit assistance with another security or utility deposit program: HOME TBRA security and utility deposit assistance cannot be provided to a program participant who is receiving security deposit or utility deposit assistance through other public sources.

- Rents must be reasonable: Subrecipients must disapprove a lease if the subrecipient determines the rent is not reasonable, based on rents that are charged for comparable unassisted rental units.

- HOME-funded units are OK: Households may select units developed or rehabilitated with HOME assistance. However, the subrecipient may not require the household to select a HOME unit as a condition of receiving TBRA. Households must be permitted to move out at the end of the HOME lease term, taking their TBRA assistance with them.

- Portability is an option: Subrecipients may allow eligible TBRA participants to use their TBRA assistance in other units within their service area. Horry County HOME Consortium does not allow TBRA assistance to be used outside of the Consortium's service area.

h. Occupancy Standards

The Section 8 Housing Quality Standards (HQS) must be used for HOME TBRA activities. Inspections to verify compliance with HQS and occupancy standards are made both at initial move-in and annually during the term of the TBRA assistance. If security deposit assistance alone is provided, an inspection is required only at the time the PJ provides the security deposit assistance.

i. Lease Requirements

- TBRA may be provided through an assistance contract with an owner that leases a unit to an assisted household. The Consortium requires the subrecipient to approve the lease between the household and the owner. Rental assistance payments must be issued directly to the landlord.

- The tenant's lease must comply with the requirements in 24 CFR 92.253(a) and (b).

- Written lease: The lease between the owner and the TBRA recipient must be in writing and signed by both parties. A written lease is required regardless of what the State of South Carolina considers as a legal lease. The subrecipient must review the lease.

- Term: The term of the lease between the tenant and the owner must be a minimum of one year, unless both agree otherwise.

- The lease may not contain the following provisions:

  - Agreement by the tenant to be sued or to admit guilt, or a judgment in favor of the owner in a law suit brought in connection with the lease;

  - Agreement by the tenant that the owner may take, hold, or sell the personal property of household members without notice to the tenant and a court decision on the rights of the parties (this does not apply to personal property left by the tenant after move-out);

  - Agreement by the tenant not to hold the owner or its agents legally responsible for any action or failure to act, whether intentional or negligent;

  - Agreement by the tenant that the owner may institute a lawsuit without notice to the tenant;

  - Agreement that the owner may evict the tenant (or other household members) without a civil court proceeding where the tenant has the right to present a defense, or before a court decision on the rights of the tenant and the owner;

  - Agreement by the tenant to waive a trial by jury;

  - Agreement by the tenant to waive the tenant's right to appeal or otherwise challenge a court decision;

  - Agreement by the tenant to pay attorney fees or other legal costs, even if the tenant wins in court; or

  - Agreement by the tenant to participate in any specific supportive services as a term or condition of the lease. Services may not be mandatory.

- Termination: The subrecipient must establish standards it will use to approve or reject a lease relating to when a landlord may elect to terminate or refuse to renew the lease of a TBRA household. These standards must be in writing and must be included within the lease and/or in the contract between the subrecipient and the tenant.

- Rent increases: The subrecipient must review and approve rent increases by the landlord renting to tenants participating in the TBRA program. Owners may adjust rents as leases are renewed (generally annually). The subrecipient must disapprove a lease if the rent is not reasonable.

j. Rental Subsidy Requirements

Horry County HOME Consortium utilizes the Section 8 Housing Choice Voucher method (24 CFR 982) to calculate subsidy amounts.

Maximum TBRA payment (subsidy): The maximum amount that the HOME TBRA program may pay to assist any given household is the difference between 30 percent of the household's adjusted monthly income using the requirements in 24 CFR 5.611 and the rent limit established by the subrecipient, known as the payment (rent) standard. This gap is then the constant amount of the monthly TBRA assistance. The household is free to select an actual unit that costs more or less than the subrecipient's payment (rent) standard. Typically, the rent limit is the payment standard. However, the term payment standard means the same thing as the term rent standard, which is used in 24 CFR 92.

Regardless of whether the unit cost of the actual unit selected is more or less than the payment (rent) standard, the monthly TBRA to the household remains fixed at the gap between what the household can afford and the subrecipient's payment (rent) standard.

- Unit costing more: If the household selects a unit costing more than the payment (rent) standard, the household's monthly payment will exceed 30 percent of its monthly adjusted income. Should a household elect a unit that exceeds the subrecipient's payment (rent) standard, the subrecipient should obtain documentation signed by the household that it understands the unit is considered unaffordable to their income level.

- Unit costing less: If the household selects a unit costing less than the payment (rent) standard, the household's monthly payment will be less than 30 percent of its monthly adjusted income.

k. Minimum Tenant Payment

The HOME Program rules require the subrecipient to establish a minimum tenant payment. The subrecipient may use its discretion in setting this minimum payment level. The minimum payment may be established at a dollar figure (such as $50) or as a percentage of income (such as 10 percent of monthly income). Horry County HOME Consortium allows the minimum tenant payment to be as low as $0.

l. Length of Assistance

- HOME TBRA rental assistance contracts for individual households may not exceed 24 months. However, contracts can be renewed for up to an additional 24 months and every 24 months thereafter, subject to availability of HOME funds.

- The 24 month assistance period begins on the first day of the lease and ends upon termination of the lease.

m. Deposit Assistance

Security deposit payments must be made to the owner and the utility deposit payments must be made to the appropriate utility company. The amount of security deposit paid should be based upon local market practice. However, the maximum amount of HOME funds that may be provided for a security deposit is the equivalent of two months' rent for the unit. Only the prospective tenant, not the owner or landlord, may apply for HOME security deposit assistance. Utility deposits may be made only in conjunction with the provision of rental assistance or security deposit programs, and cannot be operated separately as a "stand alone" program. Utility deposits may be paid for any of the tenant-paid utility services included on the utility allowance chart provided by the local public housing authority. Telephone and cable deposits are ineligible. *Note: Funds for assistance for security deposits or utilities must be in the form of a grant on behalf of the tenant.*

XII. General Policies

a. Affirmative Marketing

HCHC has adopted the following procedures consistent with requirements of affirmative marketing under 24 CFR 92.351(a) and (b). HOME Program recipients and subrecipients must certify that they have developed and adopted affirmative marketing procedures for HOME assisted housing with five (5) or more units of rental or homeownership projects.

Affirmative marketing steps consist of actions to provide information and otherwise attract eligible participants without regard to race, color, national origin, sex, religion, familial status, or disability.

HCHC reviews marketing plans as part of its application review and monitoring process. Affirmative marketing requirements and procedures include:

- Methods for informing the public, owners and potential tenants about fair housing laws and the policies of the local program;
- A description of actions that owners and/or the program administrator will take to affirmatively market housing assisted with HOME program funds;
- A description of actions that owners and/or the program administrator will take to inform persons not likely to apply for housing without special outreach;
- Maintenance of records to document actions taken to affirmatively market HOME assisted units and to assess marketing effectiveness;
- A description of how efforts will be assessed and what corrective actions will be taken when requirements are not met; and

- For projects that will include five (5) or more units, a project-specific marketing plan must be developed.

b. Conflicts of Interest

No person who exercises or has exercised any functions or responsibilities with respect to HOME activities, or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a HOME-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a HOME-assisted activity or with respect to the proceeds of the HOME-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

i. Staff Conflicts of Interest

No employee of Horry County who works with the HOME program may knowingly use his or her official position or employment to obtain an economic interest for themselves, or a family member, an individual with whom he or she is associated, or a business with which he or she is associated.

No employee of Horry County who works with the HOME program may knowingly use his or her official position or employment to influence a HCHC decision in which he or she, a family member, an individual with whom he or she is associated, or a business with which he or she is associated has an economic interest.

Should a potential conflict occur, the individual involved will prepare a written statement describing the matter requiring action or decisions and the nature of the potential conflict of interest with respect to the action or decision, and submit the statement to the County Administrator. If the County Administrator has a potential conflict, the written statement shall be delivered to the Horry County Council Chairman.

ii. Conflicts of Interest for Nonprofit and For-Profit Owners Developers and Sponsors

No owner, developer, or sponsor of HOME assisted housing, including their officers, employees, agents, consultants or elected or appointed officials, may occupy a HOME assisted unit. This provision does not apply to an individual living in a HOME assisted rental housing development where he/she is a project manager or a maintenance worker in that development.

iii. Conflicts of Interest Exceptions

With HUD concurrence, exceptions may be granted by HCHC on a case by case basis based on a careful review of the facts and in accordance with the following factors:

- Whether the person receiving the benefit is a member of a group or class of low-income persons intended to be the beneficiaries of assisted housing, and the exception will permit him/her to receive generally the same interests or benefits as available or provided to the group as a whole;

- Whether the person has withdrawn from his/her functions or responsibilities, or the decision making process with respect to the specific assisted housing in questions;

- Whether the tenant protections requirements of CFR 92.253 (prohibited lease terms, termination of tenancy, and tenant selection) are being observed;

- Whether the affirmative marketing requirements are being observed and followed; and

- Any other factor relevant to HCHC's determination, including the timing of the requested exception.

c. Terminated Projects

A HOME assisted project that is terminated before completion, but within the expenditure deadline, either voluntarily or involuntarily, constitutes an ineligible activity. In accordance with HUD regulations, HCHC will repay any HOME funds invested in a terminated project to its HOME Investment Trust Fund in accordance with 24 CFR 92.503(b) (except for project-specific assistance to CHDOs, as provided in 24 CFR 92.301(a)(3) and (b)(3)).

- §92.301(a)(3) Repayment (project-specific technical assistance and site control loans). The community housing development organization must repay the loan to the participating jurisdiction from construction loan proceeds or other project income. The participating jurisdiction may waive repayment of the loan, in part or in whole, if there are impediments to project development that the participating jurisdiction determines are reasonably beyond the control of the borrower.

- §92.301(b)(3) Repayment (project-specific seed money loans). The community housing development organization must repay the loan to the participating jurisdiction from construction loan proceeds or other project income. The participating jurisdiction may waive repayment of the loan, in whole or in part, if there are impediments to project development that the participating jurisdiction determines are reasonably beyond the control of the community housing development organization.

A HOME assisted project that does not meet the requirements for affordable housing will be terminated and HCHC will repay all HOME funds invested in the terminated project to its HOME Investment Trust Fund in accordance with 24 CFR 92.503(b).

If a HOME assisted project is not completed within four (4) years of the date of commitment of funds, the project is considered terminated and HCHC will repay all funds invested in the project to its HOME Investment Trust Fund. HCHC may request a one (1) year extension of this deadline in writing by submitting information about the status of the project, steps being taken to overcome any obstacles to completion, proof of adequate funding to complete the project, and a schedule with milestones for completion of the project for HUD's review and approval.

d. Participation by Religious Organizations

HOME funds may be provided to primarily religious organizations for any activity, excluding inherently religious activities. 24 CFR 92 eliminates barriers to participation by religious organizations and ensures that the HOME Program is open to all qualified organizations regardless of their religious character.

XIII. Underwriting

a. Underwriting Guidelines

Underwriting is the performance of due diligence by the Consortium to evaluate the critical elements of a development or rehabilitation proposal and assess any risk factors. The evaluation entails a multi-level review of key aspects of the decision making process to determine the eligibility and viability of the proposed project to ensure that:

- The development proposal meets all submission requirements.
- The submitted project is consistent with Consolidated Plan Strategic Plan goals.
- The funding request is feasible.
- There is market demand for the proposed development.
- The application meets Site and Neighborhood Standards requirements.
- The developer has the experience and capacity to complete the proposed development.
- The proposal conforms to the HOME requirements.
- The costs associated with the development portion of the project are necessary, reasonable, and financially feasible.
- The projected operational costs are necessary and reasonable, and that the proposed development is sustainable for the duration of the affordability period.

- A sales plan is provided for homebuyer projects.

- The sources and uses of funds statement and lender commitments reflect sufficient resources to complete the proposed development.

- The total amount of public assistance is not more than is necessary to produce the project.

The Consortium will perform its underwriting review responsibilities and document its actions in the project file through memos to file, checklists and templates, and determination summaries.

b. Rental Underwriting Standards

The following standards provide threshold criteria for project financial feasibility:

i. Developer Fee

A developer fee is compensation to the developer for the time and risk involved to develop the project. The fee is based on the type of project, the total development cost, and the risk associated with the project. Developer fees include all amounts received by the applicant whether characterized as project management, overhead, or developer fee. The maximum aggregate allowable developer fees are calculated as a percentage of Total Project Costs, less land, project reserves, and other cost category adjustments, as follows:

Acquisition:	5%
Rehabilitation:	10%
New Construction:	15%

ii. Reserves

Sufficient replacement reserves must be maintained for rental developments to ensure compliance with the property standards of 24 CFR 92.251 for the duration of the affordability period. For new construction, a minimum of $400 per year per unit must be contributed to replacement reserves. For rehabilitation, a minimum of $425 per year per unit must be contributed to replacement reserves.

Sufficient operating deficit reserves should be budgeted in an amount necessary to maintain a debt service coverage ratio of 1.15 throughout the affordability period, or in an amount and term determined by the Consortium.

iii. Loan Position

The Consortium's loan may be subordinated to another lender's mortgage lien if subordination is required as a condition of that lender's loan approval; however all debt on the property must be subordinate to a Restrictive Covenant. Terms, conditions, and covenants of all debt instruments recorded against the subject property must be reviewed and approved by the Consortium prior to disbursement of an award.

iv. Loan to Value Limits

For acquisition requests, the amount awarded by the Consortium, plus the principal amount of all loans with a senior claim to the subject property shall not exceed 100% of the acquisition cost or appraised value, whichever is lower.

For new construction and rehabilitation requests, the amount awarded by the Consortium, plus the principal amount of all loans with a senior claim to the subject property shall not exceed 100% of the "as-proposed" value.

v. Debt Service Coverage Ratio

The minimum debt service coverage ratio shall not be less than 1.15:1, including all amortized project debt, throughout the pro forma period.

vi. Vacancy Rate

The projected stabilized vacancy rate for all assisted standard housing developments should not exceed 5% per year.

vii. Rent Escalation

Projected annual rent increases for HOME-assisted units should not exceed 2% per year. Projected annual rent increases for market rate units should not exceed 6% per year.

viii. Operating Expense Escalation

Projected annual operating expense increases for HOME-assisted units shall be calculated to increase at least 3% per year.

c. Subsidy Layering

HUD established limits on the amount of HOME funds that may be invested in affordable housing on a per unit basis. Before committing funds to a project that combines the use of any other local, state, or Federal assistance, HCHC will evaluate the project to ensure that costs are reasonable, there is adequate neighborhood market demand, the developer has sufficient experience and financial capacity, and other financial commitments are accounted for to ensure that HCHC does not invest any more HOME funds than are necessary to provide affordable housing. The project file should contain the subsidy layering evaluation for all HOME applicants. (24 CFR 92.250)

The following additional guidelines are applicable for rental projects:

- **Pro forma:** HCHC will determine the reasonableness of the rate of return on equity investment by looking at the applicant's pro forma (project income and expense statement).
    - The pro forma should include achievable rent levels, market vacancies, and operating expenses.
    - The pro forma should also specify the consequences of tax benefits, if any, and any other assumptions used in calculating the project cash flow.
    - The pro forma should represent, at a minimum, the term of the HOME affordability requirements, or longer if other funding sources require longer affordability terms.

HCHC will analyze each application to ensure that only the minimum amount of assistance is allocated to the development. In no case may the amount of HOME Program funds allocated exceed the maximum allocation limit as established under Section 234 of the National Housing Act. Before committing funds to a project the HCHC will evaluate each project in accordance with 24 CFR 92.250. The evaluation points will include:

- **Sources and Uses of Funds Statement:** The HCHC will review all other funding commitments for the proposed project. Applicants must provide evidence of all funding commitments and awards at the time of project application submission.

- **Project Development Budget:** The HCHC will review the budget to determine that all costs are necessary, reasonable and eligible, and ensure that HOME funds per unit do not exceed the maximum per-unit subsidy limits.

d. Market Assessment

The HCHC will evaluate the feasibility of all rental or homebuyer development projects (acquisition only, acquisition and rehabilitation, rehabilitation, or new construction), regardless of size (number of units) or activity type, regardless of project size. The purpose of this requirement is to ensure that every unit in which HOME funds are invested results in housing that will be rented or sold as quickly as possible. The market assessment will be conducted prior to entering into a project's legally binding written agreement.

There are two exceptions to this requirement: 1) homebuyer down payment assistance only projects (i.e., homebuyer projects that do not also include rehabilitation or new construction), and 2) owner-occupied rehabilitation projects.

The HCHC, in coordination with the HOME applicant, will conduct a market assessment to determine if there is adequate need or demand for the type of project being proposed. By determining that there is a market demand for the proposed housing, the assessment will ensure that units will be rented or purchased within a short amount of time. The assessment will:

- Define the proposed market area.
- **For rental projects**, provide information on existing rent levels for three (3) comparable properties.
- Determine average occupancy rates and waiting lists for the comparable properties.
- **For homeownership units,** determine if there are comparable homes for sale to the proposed project in terms of location, size, and home sale price.
- Determine length of time on the market for each unsold comparable property.
- Determine length of time on the market for comparable homes that have sold over the past three (3) months.

e. Developer Capacity

Developers must have the organizational capacity to implement their projects. Developer capacity will be evaluated based upon information demonstrating experience and skills as provided in the application for HOME funding.

- Experience: Considerations include, but may not be limited to, the following skills of the developer and development team.
  - Recent, similar, successful experience
  - Similar project location, size, and scope
  - Years of experience developing affordable housing
  - Years of experience managing affordable rental projects
  - Utilization of multiple funding sources
  - Staffing
  - Previous working history with the Consortium

Organizations requesting HOME funding for more than three (3) units must have a minimum of three (3) years of successful experience developing affordable housing. Organizations must have personnel on staff with the capacity to develop affordable housing units, as demonstrated through the submission of resumes demonstrating relevant experience.

- Skills: Considerations include, but may not be limited to, the following skills of a developer and the development team:

  - Project management
  - Market analysis
  - Site selection and control
  - Property management
  - Planning and construction
  - Design, architecture, & engineering
  - Legal and accounting
  - Compliance with Federal funding rules

  Applicants for HOME funding must be able to demonstrate the essential skills necessary to successfully develop affordable housing.

- Fiscal Soundness: Applicants will be asked to provide evidence of financial ability to implement their projects. Applicants will be required to provide proof of commitments from other funding sources, current financial statements and proof of sufficient reserves or a line of credit available, if necessary, to complete the project.

XIV. Applicable Regulations and Authorities

a. Environmental Review

Each HOME-funded project must undergo an Environmental Review process, in accordance with the requirements of 24 CFR 58. The Environmental Review is completed by the subrecipient, developer, or CHDO; however, an environmental consultant may be utilized to complete the review on their behalf. All Environmental Reviews must be certified by the Responsible Entity, the Horry County Administrator. No choice limiting actions may be undertaken on a project prior to certification of the Environmental Review, subject to the requirements of 24 CFR 58.22.

b. Lead Based Paint

The Lead-Based Paint Regulations described in 24 CFR Part 35 require that lead hazard evaluation and reduction activities be carried out for all single and multi-family residences constructed prior to 1978 that receive HOME Program assistance. Applications for rehabilitation funds for existing buildings constructed prior to 1978 must include a lead hazard evaluation by appropriate lead-certified personnel.

If lead-based paint is present in the unit, the application must also include a detailed lead hazard reduction plan, in accordance with the regulations, and separately identify within the rehabilitation budget, the costs associated with reduction of lead hazards in accordance with the regulation and guidelines.

All HOME program fund allocations are contingent upon the applicant agreeing to complete lead hazard reduction, evidenced by a clearance report performed by appropriate lead-certified personnel. HCHC permits use of HOME funds for lead-based paint testing, assessment, abatement and clearance report. In a multi-family project where HOME Program funds will be used for only a portion of the units, lead-based paint requirements apply to all units and common areas in the project.

c. Davis Bacon & Related Acts

Any contract for the construction of affordable housing with 12 or more units will require that all laborers and mechanics who are employed to perform work on any project, or any contractor or construction work which is financed, in whole or in part, with assistance which is received under the Housing and Community Development Act of 1974 shall be paid wages at rates which are not less than those that prevail in the locality for similar construction and shall receive overtime compensation in accordance with the Contract Work Hours and Safety Standards Act. The contractor and its subcontractors shall also comply with all applicable Federal laws and regulations, which pertain to labor standards, including the minimum wage law.

d. Section 3

Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701), requires that to the greatest extent feasible, opportunities for training and employment be given to low and very-low income residents of the project area, and that contracts for work in connection with the project be awarded to business concerns that provide economic opportunities for low and very–low income persons residing in the metropolitan area in which the project is located. A Section 3 covered project involves the construction or rehabilitation of housing (including reduction of lead-based paint hazards), or other public construction such as street repair, sewage line repair or installation, updates to building facades, etc. Section 3 applies to recipients of more than $200,000 from housing and community development programs. All contractors or subcontractors that receive covered contracts in excess of $100,000 for housing construction, rehabilitation, or other public construction are required to comply with the requirements of Section 3.

e. Uniform Relocation Act

All owners/developers shall be in compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601 et seq.), in accordance with the following objectives:

- To ensure that owners of real property to be acquired for Federal and federally-assisted projects are treated fairly and consistently, to encourage and expedite acquisition by agreements with such owners, to minimize litigation and relieve congestion in the courts, and to promote public confidence in Federal and federally-assisted land acquisition programs;
- To ensure that persons displaced as a direct result of Federal or federally assisted projects are treated fairly, consistently, and equitably so that such persons will not suffer disproportionate injuries as a result of projects designed for the benefit of the public as a whole; and
- To ensure that Agencies implement these regulations in a manner that is efficient and cost effective.

f. Section 504

All housing must meet the accessibility requirements in 24 CFR 8, which implement Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131-12189) implemented at 28 CFR 35 and 36, as applicable. Covered multifamily dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implements the Fair Housing Act (42 U.S.C. 3601-3619). Rehabilitation may include improvements that are not required by regulation or statute that permit use by a person with disabilities.

g. Fair Housing

Recipients of HOME funds must comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4), the Fair Housing Act (42 U.S.C. 3601 et seq.), E.O. 11063 20 Title VI of the Civil Rights Act of 1964, P. L. 88-352 and the regulations of HUD with respect thereto, including 24 CFR, Parts 1. Recipients of HOME funding are prohibited from discriminating on the basis of race, color, religion, national origin, disability status, familial status, ethnicity, gender, gender identity, language(s) spoken, literacy, sexual orientation, and veteran status.

Discrimination is prohibited in the assistance, tenant selection, sale, rental, and financing of dwellings. It is also prohibited in program administration and any enforcement mechanisms. No person in the United States shall on the ground of race, color, national origin (or any of the other items listed above) be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal funding and/or assistance. Assistance includes:

- Grants and loans of Federal funds
- The grant or donation of Federal property and interests in property
- The sale and lease of, and the permission to use (on other than a casual or transient basis), Federal property or any interest in such property without consideration or at a

nominal consideration, or at a consideration which is reduced for the purpose of assisting the recipient, or in recognition of the public interest to be served by such sale or lease to the recipient, and

- Any Federal agreement, arrangement, or other contract which has as one of its purposes the provision of assistance.

XV. Financial Management

a. Procurement

HCHC subrecipients are subject to the procurement requirements of 2 CFR 200 as well as state and local laws and regulations. Subrecipients must conduct procurement in conformance with Horry County's procurement requirements, including bonding where applicable. Subrecipients will be monitored to ensure compliance with these regulations. Owners and developers, including CHDOs, are not subject to Federal procurement requirements.

b. Disbursement of HOME Funds

Funds allocated to HOME subrecipients or engaged contractors are to be used as quickly and efficiently as possible. HCHC will recapture allocated funds that have not been used in accordance with applicable performance standards. These funds will then be placed back into the pool of funds that are available to fund other developments.

HCHC will only authorize payments on work that has been completed and inspected by an HCHC inspector. HCHC provides reimbursement payments to grantees or contractors based on verification of eligible expenditures on the request for payment form along with all required back-up documentation, as specified in the project's written agreement.

The following inspections may be provided below:

Stage 1 Excavation Termite treatment Earth work	**Stage 2** Rough-in plumbing Water proofing (vapor barrier)
Stage 3 Footing Slab	**Stage 4** Plumbing top-out Electrical rough-in Framing Roof Exterior wall systems Ventilation

Stage 5	Stage 6
Insulation Interior wall systems	Flooring systems Painting Doors Cabinets HVAC Electrical top-out Special construction (elevators, etc.) Appliances Final Inspection

- Each payment request must have adequate documentation for the costs incurred such as payroll records, purchase orders, and copies of canceled checks.

- Requests must be only for costs directly related to the approved activity and included in the approved budget attached to the written agreement.

- In the case of subrecipient projects, HCHC will not make direct payments to contractors or vendors. Invoices and documentation of payment must be submitted to the HCHC by the subrecipient for approval. The subrecipient will be responsible for making payment to the contractor or vendor. Payment will be made to the subrecipient's financial account system.

- Subrecipients are required to submit requests for reimbursement in a timely manner as related to the progress of the project in order that the HCHC may demonstrate its timely use of HOME funds to HUD. Specific timing of reimbursement requests and remedies for non-compliance will be addressed in each project agreement for HOME funding.

- Final payments will be made only upon submission of final program reports that adequately document achievement of program goals and constitute satisfactory completion of the HOME funded activity. Additionally, final payments will not be issued until receipt of a release of liens.

c. IDIS Drawdowns

A separation of duties has been established by Horry County's IDIS Administrator, Community Development Director, Program Administrator, and the Finance Department. As the designated lead agency for the Consortium, in order to provide proper checks and balances from grant set-up, project and activity set-up, sub-funding, sub-granting, and the drawdown process will be conducted in the following manner:

- IDIS Administrator Procedures

- Submits completed IDIS Access Request Forms to gain approval for access by function performed for all HCHC staff performing functions in the IDIS system

- Maintains drawdown requests vouchers with copies of deposit transactions and payment disbursement documentation

- Program Manager Procedures

  - Creates new grant year projects and activities, only setting up the activities and committing funding after HCHC and the recipient have entered into a legally-binding agreement for HOME funding.

  - Enters accomplishment data, both beneficiary and financial

  - Maintains an activity summary of all HOME activities including expenditure timeliness

  - Upon approval of request for reimbursement, the Program Manager creates and generates an IDIS system drawdown request voucher that is provided to the Horry County Community Development Director for approval. Once approved, the Community Development Director returns the approved drawdown voucher to the Program Manager. The Program Manager forwards a copy of the voucher to the County Finance Department.

  - Upon review of the request, the Finance Department Accounts Payable pays the subrecipient or vendor. All related documentation and actions are accounted for in the MUNIS system.

  - The normal waiting period for receipt of funds is three (3) business days from the time of approval of drawdown voucher and electronic deposit of requested funds to local accounts.

d. Eligible Administrative and Planning Costs

Funds are provided for the administration of the HOME program. HCHC staff is responsible for administering all aspects of the HOME program; coordinating activities for the HOME program, monitoring compliance with written funding agreements and federal regulations, administering grants provided by HCHC, and coordinating with HUD to ensure compliance with federal regulations. The HCHC uses funds for a pro-rata share of the salaries, fringe, and overhead that can be directly attributable to the HOME Program. Adequate records are maintained to justify the allocation of HOME administration funds for these purposes.

Eligible costs include HCHC staff and overhead costs directly related to carrying out projects, such as work specifications preparation, inspections, lead-based paint evaluations (visual assessments, inspections, and risk assessments) and other services related to assisting potential owners, tenants and homebuyers.

Staff and overhead costs directly related to providing advisory and other relocation services to persons displaced by the project, including timely written notices to occupants, referrals to comparable and suitable replacement property, property inspections, counseling and other assistance necessary to minimize hardship.

Costs may be charged as administrative costs or as project costs, at the discretion of the HCHC; however, these costs (except housing counseling) cannot be charged to or paid by the low-income families.

XVI. Procurement

HCHC requires all subrecipients to obtain a minimum of three (3) bids on planned repairs, based on approved work write-up prepared. Bids are to be returned on the specific due date. Subrecipient staff will record the total amount of the bid and the date and time the bid was received. The subrecipient will evaluate the bid documents to determine which bids are eligible. Bids are considered eligible when the following conditions are met:

- The submitting contractor currently meets all program requirements and is not debarred or suspended from participating in a Horry County or Horry County HOME Consortium funded program.
- The contractor is not currently on probation, suspended, or debarred by the state licensure board.
- The total dollar amount of the bid is within 10% of the total cost listed on the initial work write-up prepared by the subrecipient.

Subrecipients must conduct procurements in conformance with Horry County's procurement policy and 2 CFR 200, including bonding requirements when applicable. Developers are not subject to the procurement requirements of 2 CFR 200.

XVII. Monitoring

Horry County is responsible for managing the day-to-day operations of the HOME Investment Partnerships Programs (HOME) and ensuring that HOME funds are used in keeping with program requirements. The regulations require that the performance of each subrecipient and contractor receiving HOME funds must be reviewed by the PJ as least annually. PJs must also monitor projects throughout the applicable affordability period.

Three primary goals of monitoring are to:

- Ensure production and accountability
- Ensure compliance with HOME and other Federal requirement

- Evaluate organizational and project performance as well as project viability (financial health, development capacity, management capability, etc.)

Effective monitoring is not a one-time event, but an ongoing process of planning, implementation, communication, and follow-up. During the course of a project, monitoring shall be implemented through periodic on-site visits so that any problems that may occur will be resolved as soon as possible. The monitoring team will consist of Horry County Community Development staff and/or any consultants they choose to employ. The goal of monitoring is to assist and support recipients in complying with applicable State, Federal, and Local requirements and in implementing their project activities in a timely manner.

Recipients are required to maintain complete financial and program files and to comply with program reporting requirements. Recipients must also provide citizens with reasonable access to records pertaining to the use of funds.

Monitoring and oversight rely on HUD tools in order to successfully evaluate performance. This includes, the HOME final rules, as amended; applicable cross-cutting regulations; CPD notices; and the HOME Monitoring Guidebook and any subsequent monitoring tools provided by HUD. Recipients will be provided a copy of the applicable HUD checklists as a part of project start up. HUD required checklists may be found at https://www.hud.gov/program_offices/administration/hudclips/handbooks/cpd/6509.2

a. Technical Assistance Visit

A technical assistance visit is an informal visit. The intent of this meeting is to share information that will enable the recipient to meet the various State and Federal requirements for their grant. A technical assistance visit could consist of explanations of project start-up requirements and the establishment of program files. The recipient must demonstrate compliance with applicable regulations and document this by maintaining accurate and complete records and files. The filing system must provide a historical account of the recipient's activities, be easy to use, and centrally located.

b. Monitoring Visit

A monitoring visit is more formal than a technical assistance visit. The monitoring visit is utilized to determine if the project is being conducted in compliance with applicable Federal and State laws and requirements. The review also determines the recipients' ability to implement the program in a timely manner.

The monitoring visit consists of a review of project files, records and documentation, and may include a visit to the project site. The recipient should have all records, files, and documentation available for review at the monitoring visit. Where other public agencies, attorneys, or consultants have assisted in program implementations, these records must be available for review at the locality for the monitoring visit. Failure to produce such records upon request will result in issuance of either a program “concern” or “finding” of non-compliance, and will jeopardize the organization’s eligibility for future HOME project funding. Issuance of a program "concern" or "finding" may, at the discretion of the Horry County Council Administration Committee, result in recapture of funds provided by HCHC.

c. Entrance Conference

The monitoring visit begins with an entrance conference involving the project administrator and others the recipient feels should attend. The monitoring staff will briefly outline the purpose of the monitoring visit and the areas to be monitored, which are the items highlighted in the Monitoring Summary.

To ensure the success of HOME subrecipients, HCHC offers training and ongoing technical assistance for all HOME subrecipients. Training provides information and updates on all policies and procedures related to the initial compliance of HOME assisted projects, reporting and subsequent monitoring throughout the affordability period of the project.

HCHC will take action to correct slow progress for grantees who are not meeting the time frame outlined in the written agreement. All HCHC written agreements contain provisions that grant HCHC open access to records for review throughout the affordability period.

HCHC uses its regular monitoring and evaluation process to ensure that programs are carried out in accordance with the Consolidated Plan, written funding agreements, and HOME Program regulations. HCHC implements its monitoring program in accordance with requirements set forth by HUD. Monitoring of the implementation of the Consolidated Plan includes periodic telephone contacts, written communications (including email correspondence), data collection, submission of reports, analysis of report findings, periodic meetings and workshops, and evaluation sessions. General procedures used when monitoring sub-recipient and sub-grantee organizations include:

- Meetings with appropriate officials including an explanation of the purpose of the monitoring process.
- Review of appropriate materials such as reports and documents that provide more detailed information on the programs and their status.
- Interviews with members of staff and the community to discuss performance.
- Visits to project sites.
- If appropriate and necessary, a closed conference with program officials. Provision of comments and recommendations as needed.
- In case of project delays, an assessment will be made of the reasons for the delay, the extent to which the factors that caused or continue to cause the delay are beyond the organization's control, or the extent to which the original priorities, objectives, and schedules may have been unrealistic.

HOME rental projects receive an initial monitoring review during the lease-up period which serves not only as a monitoring review but provides the HOME participant/owner with technical assistance and guidance to ensure that the affordability requirements are adhered to for future monitoring visits. HOME participants/owners are required to annually review rent, utility allowances and tenant incomes. Ongoing project monitoring will be managed by the HCHC's program staff.

- HCHC will provide financial oversight of rental projects with more than ten (10) units.

- During the period of affordability, HCHC will examine at least annually the financial condition of HOME assisted rental projects with ten (10) or more units to determine the continued financial viability of the housing and take actions to correct problems, "to the extent feasible".

- All HOME subrecipients will be monitored to ensure program compliance throughout the affordability period.

- Staff will utilize both "Desk Monitoring" and "Internal/On-site" monitoring to assess the quality of program performance over the duration of the affordability period.

- HCHC staff shall develop and implement a monitoring schedule to visit all new subrecipients.

- Monitoring visits include review of compliance by funded agencies and organizations of federal EEO and Section 504 ADA requirements.

- A record of monitoring visits and any subsequent action shall be maintained in the files of each HOME subrecipient.

d. Inspections

- On-site inspections will be performed during the affordability period as follows:
  - Rental projects of 1-4 units: every 3 years
  - Rental projects of 5-25 units: every 2 years
  - Rental projects of 26+ units: annually
  - TBRA: annually
  - Homeowner projects: none

- Property owners must annually certify to HCHC that each building and all HOME assisted units in the project are suitable for occupancy.

- For projects with one (1) to four (4) HOME assisted units, 100% of the HOME assisted units will be inspected for site, building exterior, building systems, and common areas for each building that houses HOME assisted units.

- For projects with five (5) or more HOME assisted units, at least one (1) HOME-assisted unit must be inspected in each building of the project.

e. Corrective and Remedial Actions

A subrecipient's failure to perform under the terms of the contract and/or maintain records in the prescribed manner may result in a finding that the subrecipient has failed to meet the applicable requirement of the contract. Remedial actions may include technical assistance to bring the project into compliance, or recapture of HOME funds.

Appendix I: Acronyms

AAP – Annual Action Plan
ADA – Americans with Disabilities Act
AGI – Adjusted Gross Income
AMI – Area Median Income
CFR – Code of Federal Regulations
CDBG – Community Development Block Grant
CDC – Community Development Corporation
CHDO – Community Housing Development Organization
CPD – Community Programs Division (HUD)
EEO – Equal Employment Opportunity
FHA – Fair Housing Act
FMR – Fair Market Rent
HIV/AIDS – Human Immunodeficiency Virus infection and Acquired Immune Deficiency Syndrome
HOEPA - Home Ownership and Equity Protection Act of 1994
HOME – Home Investment Partnerships Program
HOPWA – Housing Opportunity for Persons with AIDS
HUD – U.S. Department of Housing and Urban Development
IBC – International Building Code
IDIS – Integrated Disbursement and Information System
LMI – Low to Moderate Income
OMB – U.S. Office of Management and Budget
PJ – Participating Jurisdiction
RESPA – Real Estate Settlement Protection Act
HCHC – Horry County HOME Consortium
SRO – Single Room Occupancy
SSI – Supplemental Security Income
TANF - Temporary Assistance for Needy Families
TBRA – Tenant-Based Rental Assistance
URA – Uniform Relocation Act
USDA – U.S. Department of Agriculture
VA – U.S. Department of Veterans Affairs

Appendix II: Definitions

Action Plan: The one-year portion of the Consolidated Plan that serves as the annual strategic document for HOME funds.

Adjusted Income: Adjusted Income is annual (gross) income reduced by deductions for dependents, elderly households, medical expenses, handicap assistance expenses, and child care (these are the same adjustment factors used by the Section 8 programs. Adjusted Income is used in HOME to compute the actual tenant payment in TBRA programs and low HOME rent in rental projects in which rents are based on 30% of a household's adjusted gross income.

Affordability: The requirement of the HOME Program that relates to the cost of housing both at initial occupancy and over established timeframes, as prescribed in the HOME Final Rule. Affordability requirements vary depending upon the nature of the HOME assisted activity (i.e., homeownership and rental housing).

Annual Income: Annual income as defined in 24 CFR 5.609, referred to as "Part 5 annual income", also known as the rules for determining income under the Section 8 voucher program.

Affirmative Marketing: Affirmative marketing specifically targets potential tenants and homebuyers who are least likely to apply for the housing, in order to make them aware of available affordable housing opportunities.

Commitment: This term is defined to mean, generally that a PJ has executed a legally binding written agreement (that includes the date of the signature of each person signing the agreement) with a subrecipient, or a contractor to use a specific amount of HOME funds to produce affordable housing, provide down-payment assistance, or provide tenant-based rental assistance. See section 92.504 for the minimum requirements of written agreements. Commitments must be made within 24 months of the HUD funding allocation. CHDOs and Non-profits must also have all financing in place at the time of a HOME commitment.

Community Housing Development Organization (CHDO): A CHDO is a private 501(c)3 or 501(c)4 organization that meets a series of qualifications prescribed in the HOME regulation at 24 CFR Part 92.2. This includes organizations with a mission that includes the construction, rehabilitation, or management of affordable housing for very-low to low-income populations. The HOME final rule requires that CHDOs have paid staff with demonstrated capacity appropriate to the CHDO's role (this requirement cannot be met through volunteers, donated staff, shared staff, or board members). A participating jurisdiction must award at least 15 percent of its annual HOME allocation to CHDOs. CHDOs may also be involved in the program as subrecipients, but this use of HOME funds is not counted toward the 15% set aside.

Consolidated Plan: A plan prepared in accordance with the requirements set forth in 24 CFR Part 91 which describes community needs, resources, priorities and proposed activities to be undertaken under certain HUD programs, including HOME.

Consortium: Geographically contiguous units of local government consolidated to act as a single unit of general local government for HOME program purposes when certain requirements are met.

Local governments form a consortium for the purpose of qualifying for a direct allocation of HOME funds.

Corrective and Remedial Actions: Corrective or remedial actions for a performance deficiency (failure to meet a provision of § 92.551) will be designed to prevent a continuation of the deficiency; mitigate, to the extent possible, its adverse effects or consequences; and prevent its recurrence.

Developer: Any individual, association, corporation, joint venture, or partnership, which possesses the capacity to successfully produce affordable multifamily and/or single-family housing.

Drawdown: The process of requesting and receiving HOME funds drawn down from a line of credit established by HUD.

Environmental Review: An environmental review is the process of reviewing a project and its potential environmental impacts to determine whether it meets federal, state, and local environmental standards. (24 CFR 58)

Final Rule: The HOME Final Rule was published at 24 CFR Part 92 on July 24, 2013 and became effective August 24, 2013.

Fair Market Rent (FMR): Published by HUD, the FMR for an area is the amount that would be needed to pay the gross rent (shelter rent plus utilities) of privately owned, decent, safe, and sanitary rental housing of a modest (non-luxury) nature with suitable amenities.

First Time Homebuyer: An individual who has not owned a home during the three-year period prior to purchase of a home with HOME funds. This definition also includes an individual who is a displaced homemaker or single parent, as defined by HUD.

Fixed HOME Unit: When HOME-assisted units are "fixed" in a rental project, the specific units that are HOME-assisted (and therefore subject to HOME rent and occupancy requirements) are designated and never change.

Floating HOME Unit: When HOME-assisted units are "floating" in a rental project, the units that are designated as HOME-assisted may change over time as long as the total number of HOME-assisted units in the project remains constant.

Group Home: Housing occupied by two or more single persons or families consisting of common space and/or facilities for group use by the occupants of the unit, and (except in the case of shared one bedroom units) separate private space for each family.

Homeownership: This means ownership in a fee simple title in a 1–4 unit dwelling or condominium unit, or equivalent form of ownership approved by HUD.

HOME Assisted Units: Refers to the units within a HOME project for which rent, occupancy, and/or resale restrictions apply. The number of units designated as HOME-assisted affects the maximum HOME subsidy that may be provided to a project.

HOME Investment Trust Fund: The term given to two accounts – one at the federal level and one at the local level – that "hold" the Participating Jurisdiction's HOME funds. The federal HOME Investment Trust Account is the U.S. Treasury account for each Participating Jurisdiction. The local HOME Investment Trust Account includes repayments of HOME funds, matching contributions and payment of interest or other returns on investment.

HOME Rent Rates: The HOME program restricts the rent rates of HOME-assisted units. Rent rates for HOME-assisted units cannot exceed the high and low HOME rent levels that have been established by HUD.

Housing: Includes manufactured housing and manufactured housing lots, permanent housing for disabled homeless persons, transitional housing, single room occupancy (SRO) housing, and group homes.

Household: One or more persons occupying a housing unit.

Integrated Disbursement and Information System (IDIS): Electronic HUD financial and programmatic accounting system.

Jurisdiction: A state or unit of local government.

Low-income Households: Households whose combined annual incomes do not exceed 80% of the area's median income (AMI) as determined by HUD, with adjustments for smaller and larger households HUD may establish income ceilings higher or lower than 80% of AMI on the basis of HUD findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low household incomes. An individual does not qualify as a low-income household if the individual is a student who is not eligible to receive Section 8 assistance under 24 CFR 5.612.

Market Area: The geographical area that is relatively self-contained in terms of reflecting people's choice of location for a new home. The market area may be as small as a single neighborhood or as large as a city.

Match: The non-federal contribution to HOME program activities. The match contribution must equal not less than 25% of the HOME funds drawn down in the fiscal year, unless a HUD-issued waiver is obtained.

Match Credit: Match credit is for the development of affordable homeownership housing for sale to homebuyers. Contributions to the development of homeownership housing may be credited as a match only to the extent that the sales price of the housing is reduced by the amount of the contribution or, if the development costs exceed the fair market value of the housing the contribution may be credited to the extent that the contributions enable the housing to be sold for less than the cost of development.

Maximum Per-Unit Subsidy Amount: The total amount of HOME funds that may be invested on a per unit basis in affordable housing. Amounts may not exceed the per-unit dollar limitations identified by HUD.

Minority Outreach: To ensure the inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women.

New Construction: In the creation of new housing units, any project that includes the creation of new or additional housing units in an existing structure is considered new construction.

Participating Jurisdiction (PJ): State government or units of local government designated by HUD to administer a HOME Program grant.

Permitted Fees: Fees that PJs are permitted to charge for applications, homebuyer counseling, and ongoing monitoring of projects supported with HOME funds. (92.214 (b) (1) and 92.209 (a))

Private Lenders: One of the goals of the HOME program is to establish strong public/private partnerships. HUD requires HCHC make all reasonable efforts to maximize participation by private lenders and other members of the private sector. The Community Reinvestment Act (CRA) requirements provide an incentive for private institutions to become involved in HOME program activities.

Prohibited Activities and Fees: PJs are prohibited from charging fees for loan servicing, origination, or other fees for the purpose of covering costs of administering the HOME program and activities such as construction management or inspections for compliance and property

Program Income: Gross income from the use or rental of real property, owned by the PJ, State recipient, or a subrecipient, that was acquired, rehabilitated, or constructed with HOME funds or matching contributions, less costs incidental to generation of the income. *Program income does not include* gross income from the use, rental or sale of real property received by the project owner, developer, or sponsor, unless the funds are paid by the project owner, developer or sponsor to the PJ, subrecipient or State recipient.

Project: A site, entire building, or two or more buildings, together with the site or sites on which the building(s) are located, that are under common ownership, management, and financing, and are to be assisted with HOME funds, under a commitment by the owner, as a single undertaking. The HOME Final Rule eliminated the requirement that all buildings fall within a four block radius.

Project Completion: The point at which all necessary title transfer requirements and new construction or rehabilitation activities have been completed, inspected, certificates of occupancy have been issued and the final drawdown of HOME funds has been disbursed for the project and project completion data has been entered in the disbursement and information system established by HUD (IDIS). For rental projects, completion occurs when construction is completed and before tenant occupancy.

Reconstruction: The rebuilding of housing, on the same lot, that existed at the time of project commitment, but is destroyed by some type of disaster. The housing may be rebuilt on the same lot if HOME funds are committed within 12 months of the date of destruction. The number of housing units on the lot may not change as part of the reconstruction project, but the number of rooms per unit can increase or decrease. Reconstruction also includes replacing an existing substandard unit of manufactured housing with a new or standard unit of manufactured housing. Reconstruction is rehabilitation for purposes of this part.

Single Room Occupancy (SRO): For new construction, conversion of nonresidential space, or reconstruction, the housing units must consist of a single room that is the primary residence of its occupant or occupants. The unit must contain a bathroom or a kitchen, but can contain both. For acquisition or rehab of an existing residential structure or hotel, a kitchen or a bathroom are not required to be in the unit. If the unit does not have a bathroom, there must be one in the building for tenants to use. SRO housing must meet local zoning and building codes.

Subrecipient: A public agency or nonprofit organization selected by a HCHC to administer all or some of the HCHC's HOME programs to produce affordable housing, provide down payment assistance, or provide tenant based rental assistance. A public agency or nonprofit organization that receives HOME funds solely as a developer or owner of a housing project is not considered a subrecipient. HCHC's selection of subrecipients is not subject to the procurement procedures and requirements.

Tenant Based Rental Assistance (TBRA): A form of direct rental assistance in which the recipient tenant may move from a dwelling unit with a right to continued assistance. It includes (1) security deposit assistance when provided alone or with rental assistance, and (2) utility deposit assistance only when it is associated with the rental or security deposit assistance.

Transitional Housing: SRO units with a maximum lease of two years.

Underwriting: Prior to commitment of funds, the process through which HCHC evaluates proposed projects to determine whether they meet the guidelines regarding an owner or developer's reasonable level of profit or return on investment based on the size, type and complexity of the project.

Uniform Administrative Requirements: Compliance with applicable federal administrative requirements (OMB Super circular 2 CFR 200 and applicable provisions of 24 CFR Part 85 for governmental entities, and applicable provisions of 24 CFR Part 84 for non-profits.)

Very Low-income Households: Households whose combined annual incomes do not exceed 50% of the median income for the area (adjusted for family size).

Appendix III: CHDO Policies and Procedures

HORRY COUNTY HOME CONSORTIUM

Horry County
SOUTH CAROLINA
Committed to Excellence

COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO)

POLICIES & PROCEDURES

Updated: February 13, 2020

EQUAL HOUSING OPPORTUNITY

A CHDO is a private non-profit, community-based organization with the mission, experience and capacity to develop affordable housing. Certified CHDOs must own, develop and/or sponsor affordable housing. Certification criteria include legal status of the organization, its capacity and experience, organizational structure and geographic service area.

- An organization cannot be certified as a CHDO unless an application for a CHDO set-aside project is received by the Consortium.

- A CHDO is expected to maintain CHDO status for the duration of the project, which includes the period of affordability.

Organizational Requirements

Legal Status

- CHDO must be organized under state law.

- CHDO has no part of its net earnings inuring to the benefit of any member, founder, contributor or individual.

- CHDO must have non-profit status under 501(c)(3) or (4) of the IRS, be a subordinate of a central nonprofit under IRC Section 905, or wholly owned subsidiary of an organization that has 501(c)(3) or (4) status and meets the CHDO definition.

- One of the purposes of the organization must be the provision of decent housing that is affordable to low- and moderate-income persons.

- CHDO is not a governmental agency.

Capacity and Experience

- CHDO must have financial management systems that meet the criteria outlined in 24 CFR 84.21. The most recent version of required financial management systems are located in 2 CFR 200.

- CHDO must have at least one (1) year of experience serving the community or if newly formed, its parent organization must meet this requirement.

- CHDO must show that its key staff members have the demonstrated experience relevant to the CHDO's role in undertaking the HOME activity to be funded. This does not include volunteers, board members, donated or shared staff, or consultants. Exception: During the first year of an organization's participation as a CHDO only, capacity can be demonstrated through a contract with a consultant who has housing development experience to train appropriate key staff of the organization.

- CHDO must have completed at least one (1) CHDO-eligible development in the past two (2) years. Eligible developments include acquisition and/or rehabilitation of rental housing; construction of new rental housing; acquisition and/or rehabilitation of property for home ownership; and new construction for homeownership.

Organization and Structure

- At least one-third of the CHDO's board consists of representatives of the low-income community within the applicant's service area. These members can be:

    - Low-income
    - Residents of a low-income neighborhood as defined by the County (resident does not have to be low-income)
    - Elected representatives of a low-income neighborhood

  **These board members must self-certify annually.

- CHDO must also involve low and moderate-income program beneficiaries in affordable housing project design, siting, development and management of housing. This is in addition to serving on the board of directors. The involvement can include neighborhood meetings, design charrettes, surveys, etc.

- If the organization was created by a governmental entity, then:

    - No more than one-third can be representatives of the public sector and public-appointed members may not appoint the remaining 2/3; and
    - Officers and employees of a governmental entity cannot be officers or employees of a CHDO.

- If the organization was created by a for-profit entity, then:

    - The for-profit entity that created the organization may not be a housing builder, developer or manager;
    - The for-profit entity that created the organization may not appoint more than 1/3 of the board members and for-profit-appointed members may not appoint the remaining 2/3 of the board;

  - Officers and employees of the for-profit entity that created the organization cannot be officers or employees of the CHDO; and

  - The organization must be free to contract for goods and services with others.

- Geographic Service Area: CHDOs must have a clearly defined service area that includes Horry, Georgetown, and/or Williamsburg counties.

CHDO Roles

<u>CHDO as a Developer</u>

A CHDO is a developer when it either owns a property and develops a project or has a contract with a property owner to develop a project. The CHDO must perform all the functions usually expected of for-profit developers.

- Rental Housing: The organization is or will be the owner in fee simple absolute (or will hold a ground lease) for at least the affordability period and will solely be in charge of all aspects of the development process.

- Homeownership: The organization is or will be the owner in fee simple absolute and developer of new housing that will be constructed or existing substandard housing that will be rehabilitated for sale to low-income buyers.

<u>CHDO as an Owner</u>

- Rental Housing: A CHDO is an owner when it has valid title or a long term leasehold interest (for at least the compliance period). If the project involves rehabilitation or construction, the organization will oversee all aspects of development. A CHDO can own a rental property with other legal entities (including, but not limited to, individuals, corporations and partnerships). If it owns the project in partnership, the CHDO or its wholly owned nonprofit or for-profit subsidiary must be the managing general partner with effective control (i.e., decision making authority) of the project. The CHDO may be both owner and developer or may have another entity as the developer.

<u>CHDO as a Sponsor</u>

A CHDO may be a sponsor for a rental project. When a CHDO is a sponsor it must always own the property prior to the development phase of the project.

- Rental Housing

  - The organization develops a project that the CHDO solely or partially owns and agrees to convey ownership to a designated nonprofit (that was not created by a governmental entity) at a predetermined time prior to or during development or upon completion of the development of the project; or

- The project will be owned and/or developed by an eligible CHDO affiliate, including:
  - A wholly owned subsidiary of the CHDO; or
  - A limited partnership of which the CHDO or its wholly owned subsidiary is the sole general partner; or
  - A limited liability company of which the CHDO or its wholly owned subsidiary is the sole managing member

CHDO Set-Aside

HOME requires that participating jurisdictions set aside at least 15% of their annual HOME allocation of funds for housing that is developed, owned or sponsored by CHDOs. Nonprofits that do not meet CHDO criteria can receive HOME funding for projects they develop, own or sponsor that do not count towards the CHDO set-aside.

Eligible CHDO Set-Aside Activities

- Acquisition and/or rehabilitation of rental housing
- New construction of rental housing
- Acquisition and/or rehabilitation of properties for homeownership
- New construction for homeownership

Ineligible CHDO Set-Aside Activities

- Tenant based rental assistance
- Rehabilitation of owner-occupied properties
- Direct homebuyer assistance for existing housing (not developed, owned, or sponsored by the CHDO)

Process for CHDO Certification

The following is the process to obtain CHDO certification:

- Complete the CHDO pre-application and provide the required supporting materials.
- Submit the completed application and materials to the Horry County Community Development Office consistent to the instructions on the application below.
- The Consortium will notify the organization in writing if it has been certified as a CHDO.
- If all requirements are met, the applicant will be certified as a CHDO upon the notice of award of CHDO set-aside funds.
- If the organization does not complete or does not meet the requirements for CHDO certification, a letter will be sent to the organization which describes what it must do to meet the certification criteria.

County Council Decision Memorandum
Horry County, South Carolina

Date:	February 25, 2020
From:	Courtney Frappaolo, Community Development Director
Division:	Administration
Cleared By:	Barry Spivey, Assistant County Administrator
RE:	2020-2021 Annual Action Plan Budget Process

ISSUE

The Horry County HOME Consortium is required to submit to the US Department of Housing and Urban Development (HUD) an Annual Action Plan in order to receive formula funds for the following programs: HOME Investment Partnerships Program (HOME), Community Development Block Grant (CDBG), and the Emergency Solutions Grant (ESG).

County Council is the governing body for the Horry County HOME Consortium and is responsible for authorizing grant related actions. The goal is to provide an overview of the funding framework prior to the upcoming solicitation and public comment period.

BACKGROUND

The HUD Annual Action Plan provides a framework for the use of an annual allocation for the four CPD formula block grant programs: the Community Development Block Grant (CDBG), the HOME Investment Partnership (HOME), the Emergency Solutions Grant (ESG) program, and the Housing Opportunities for Persons with AIDS (HOPWA) program. Currently, Horry County only receives and administers HOME, CDBG, and ESG funding.

Horry County serves as the Participating Jurisdiction for the Horry County HOME Consortium. The Horry County HOME Consortium is an intergovernmental entity representing jurisdictions within Horry, Georgetown, and Williamsburg counties, excluding the local jurisdictions of Briarcliffe Acres, North Myrtle Beach, Surfside Beach, and Pawleys Island. The HOME Investment Partnerships Program is governed by its implementing regulations at 24 CFR 92.

The CDBG allocation is based on an Intergovernmental Agreement (IGA) between Horry County and the City of Myrtle Beach. The County receives 20% of the grant award for administration. The IGA divides the remaining 80% of the allocation between the two partners: 25% to the City of Myrtle Beach and 75% to Horry County. The County anticipates submitting a plan to HUD by May 15, 2020. This timeline will require review of the Annual Action Plan at the April 28 Administration Committee meeting, with Council review targeted for the May 5, 2020 County Council meeting.

The public will have 15 days to provide written comments or participate in a public meeting to comment on the plan (anticipated March 27 – April 10). Written comments are accepted via mail or email. Three public meetings will also be held during the public comment period at locations throughout the Consortium.

COMMUNITY DEVELOPMENT BLOCK GRANT

CDBG funds can be utilized for a number of eligible activities. Below is a brief narrative of project types that staff is looking to develop as well as areas that the County will seek solicitation from non-profit agencies to provide services.

Infrastructure: Phase II infrastructure on Racepath Street; Design of Phase III infrastructure on Racepath Street; and resurfacing, drainage, and other health and safety improvements in low income neighborhoods.

Homeowner Rehabilitation: The County will assist low to moderate-income homeowners with financing home improvements that directly affect the safety, habitability, energy efficiency, and accessibility of their homes. In addition, the County will develop a program that assists low income residents to become more resilient.

Public Facilities: Under the CDBG program, the County may elect to undertake the funding of a variety of public facilities. These are facilities that are publicly owned or that are owned by a nonprofit and are open to the general public. The County will solicit for eligible projects.

Public Services: CDBG allows for a wide range of public services. Service activities may include employment services, crime prevention, child care, health services, substance abuse services, fair housing counseling education programs, senior services, services for homeless persons, down payment assistance, and recreational services. To be eligible, a proposed activity must be a new or expanded service. In total, public service activities can comprise of a maximum of 15% of the total CDBG allocation. The County will solicit projects through a competitive process.

Myrtle Beach: The City of Myrtle Beach will focus efforts on the improvement of community facilities (Charlie's Place) and infrastructure projects. The City will be provide an annual allocation budget for a review at the April Administration Committee meeting.

CDBG Budget	Project Description	AMOUNT
HORRY COUNTY:		
Public Services:	Solicit requests for funding	$125,000
Housing Programs:	Homeowner/Resiliency Rehabilitation Projects	$382,225
Public Facility Improvements:	Improvements to facilities open to serving the public	$100,000
Infrastructure:	Racepath Infrastructure Phase II, Racepath Infrastructure Phase III, and LMI Area Infrastructure Projects	$575,000

Administration:	Administration	$394,075
Horry County CDBG Program	**TOTAL**	**$1,576,300**
MYRTLE BEACH:		$394,075
TOTAL - ALL PROJECTS		**$1,970,375**

EMERGENCY SOLUTIONS GRANT:

Funds will be utilized for rapidly rehousing homeless individuals as well as providing homelessness prevention assistance. The County solicits for the program administrator annually via a formal competitive process.

EMERGENCY SOLUTIONS GRANT		**$180,444**
	Rapid Rehousing	
	Homelessness Prevention	
	Administration/HMIS	**$175,444**
	Administration – Horry County	**$5,000**

HOME INVESTMENT PARTNERSHIPS PROGRAM

HOME program solicitations will include be conducted on a rolling basis and budget allocations to direct projects will be made semiannually, at a minimum. The table below details project types allowed through the HOME program. Solicitations for projects will begin in May 2020.

Administration	$104,245
New Construction - Homeowner	$250,000
New Construction - Rental	$248,213
Rental Rehabilitation	$100,000
Homeowner Rehabilitation	$250,000
TBRA	$50,000
CHDO Operating	$40,000
TOTAL - HOME	**$1,042,458**

RECOMMENDATION

No action required at this time. Staff will request that Council approve the finalized budget at the Administration Committee meeting in April.

HORRY COUNTY, SC

INTERIM FINANCIAL STATEMENTS

GENERAL AND SELECTED SPECIAL REVENUE FUNDS

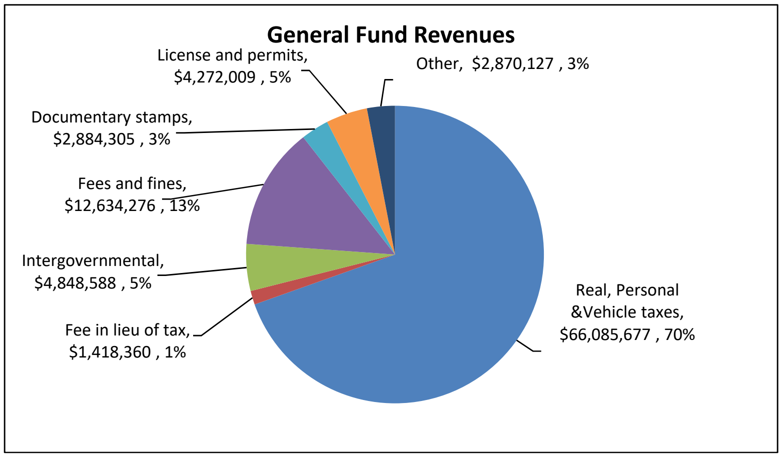
December 31, 2019

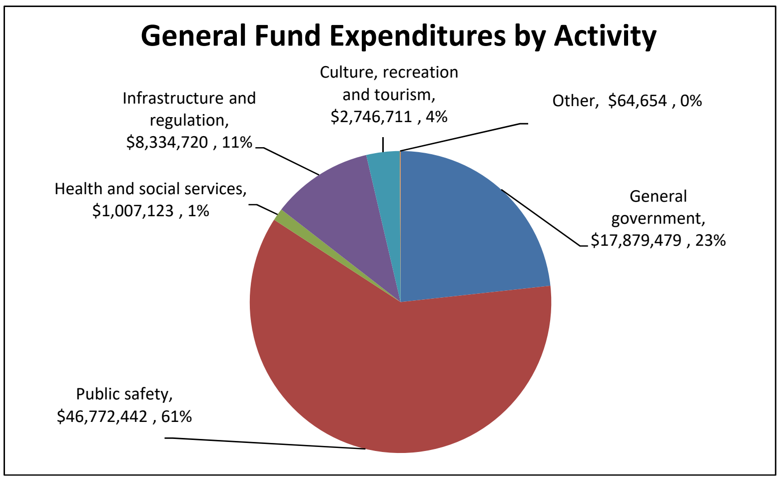
UNAUDITED

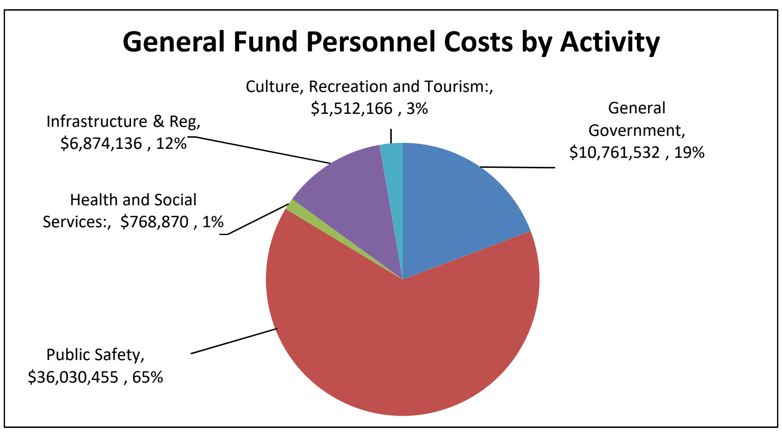
Prepared By the Horry County Finance Department

Interim financial statement reports are presented as a financial snapshot of operations with analysis.

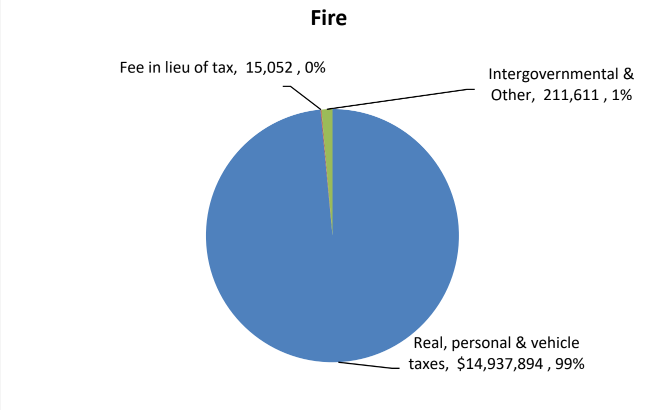
GENERAL FUND HIGHLIGHTS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2019

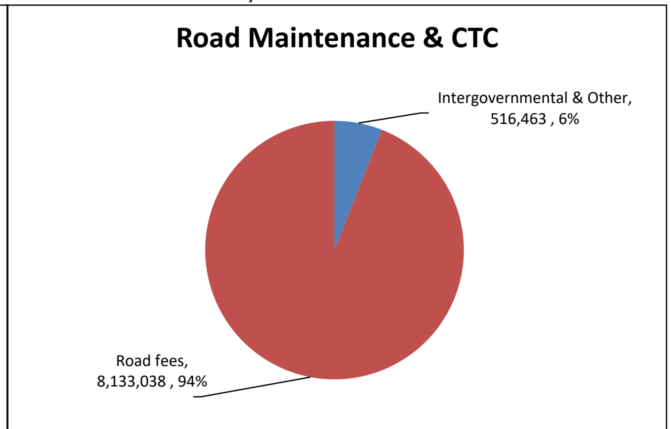


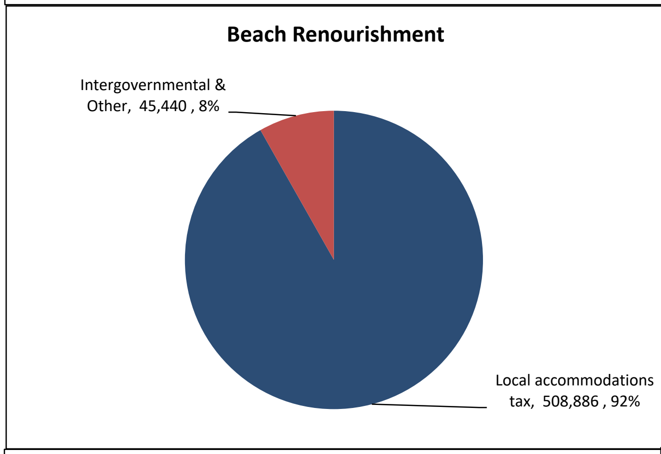


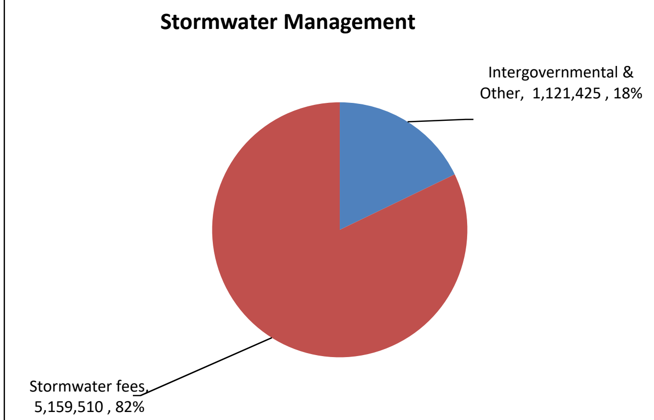


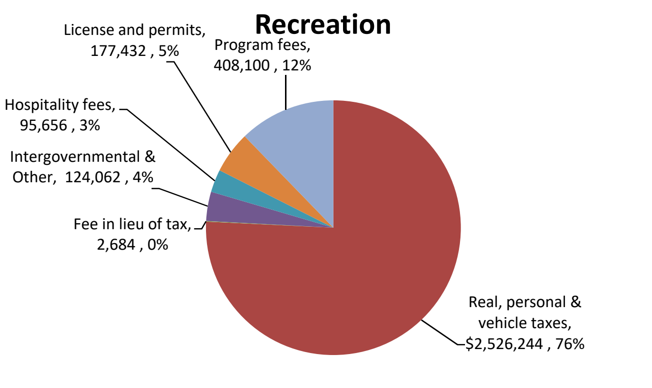
REVENUE SOURCES FOR SELECTED SPECIAL REVENUE FUNDS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2019

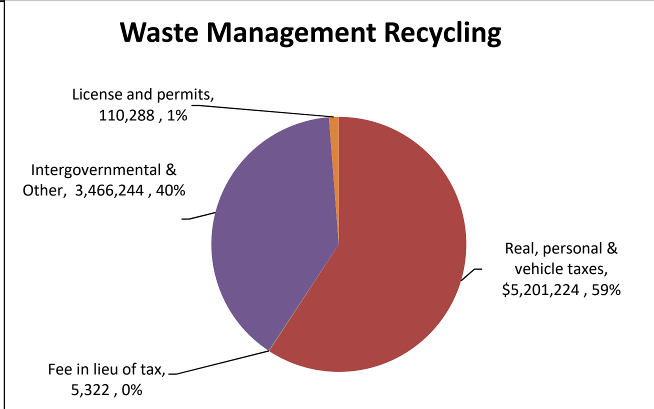


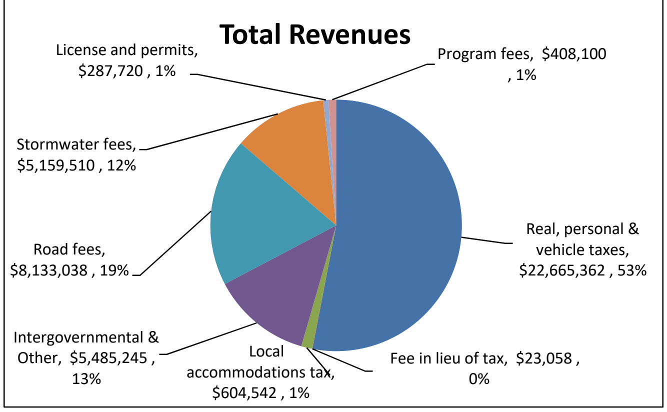












HORRY COUNTY, SOUTH CAROLINA

EXECUTIVE OVERVIEW
FOR THE SIX MONTHS ENDED DECEMBER 31, 2019
(with comparative actual amounts for the period end December 31, 2018)
UNAUDITED

General Fund - Budgetary Basis

	FY 2020				FY 2019	
	A	C	D	E	F	G
	Annual Budget	Actual	Variance Annual Budget / Actual	% Actual to Annual Budget	Actual	Variance Actual / Actual
Total revenues	$ 175,823,842	$ 95,013,342	$ (80,810,500)	54.04%	$ 83,073,346	$ 11,939,996
Total expenditures	173,309,422	76,805,129	96,504,293	44.32%	73,546,717	(3,258,412)
Excess of revenues over expenditures	2,514,420	18,208,213	15,693,793	724.15%	9,526,629	8,681,584
Other Financing Sources (Uses)	(16,493,718)	(9,105,491)	7,388,227	55.21%	(9,205,835)	100,344
Net Change in Fund Balance	$ (13,979,298)	$ 9,102,722	$ 23,082,020		$ 320,794	$ 8,781,928
Total expenditures	$ 173,309,422	$ 76,805,129	$ 96,504,293	44.32%	$ 73,546,717	$ (3,258,412)
Total encumbrances	-	4,244,948	(4,244,948)		4,734,427	489,479
Total expenditures & encumbrances	$ 173,309,422	$ 81,050,077	$ 92,259,345	46.77%	$ 78,281,144	$ (2,768,933)

Highlights relating to Revenues and Expenditures

INTRODUCTION

Total actual revenues of $95M was offset by expenditures of $76.8M and other financing uses of $9.1M to produce a increase in fund balance of $9.10M.

REVENUES

Total general fund actual revenues increased by $11.9M over prior year. Below lists each revenue category with year to date total and comparison to prior year to date total and the explanation of the change.

Significant Revenue Variances from Prior Year - Six Months Ended

	December 31, 2019		December 31, 2018		Comments
	Annual Budget	Year-to-date Actual	Year-to-date Actual	Variance Actual/Actual	
Real and Personal property taxes	$ 97,731,272	$ 63,032,234	$ 53,619,695	▲ 9,412,539	County rec'd significant larger deposits during the final three days of December over prior year.
Intergovernmental	12,950,019	4,848,588	4,334,034	▲ 514,554	Primarily due to increase in FEMA revenues (federal and state) $476k.
Register of Deeds fees	8,499,363	4,505,706	3,777,226	▲ 728,480	Certain rates added/increased effective 8/1/2019. Documentary stamps up $279k, recording fees up $374k.
EMS fees	9,700,000	3,742,512	3,302,608	▲ 439,904	Increase primarily due to 2.3% rate increase for medicare and medicaid services.
Building permits	6,020,537	3,533,040	2,686,815	▲ 846,225	Rates increased for FY 2020. Overall number of permits issued up 11% from prior year; construction value up 16%. Residential revenue is up 34% or $558k.
Other	40,922,651	15,351,262	15,352,968	▼ (1,706)	
	$ 175,823,842	$ 95,013,342	$ 83,073,346	$ 11,939,996	

HORRY COUNTY, SOUTH CAROLINA

EXECUTIVE OVERVIEW
FOR THE SIX MONTHS ENDED DECEMBER 31, 2019
(with comparative actual amounts for the period end December 31, 2018)
UNAUDITED

EXPENDITURES

General Fund - Budgetary Basis

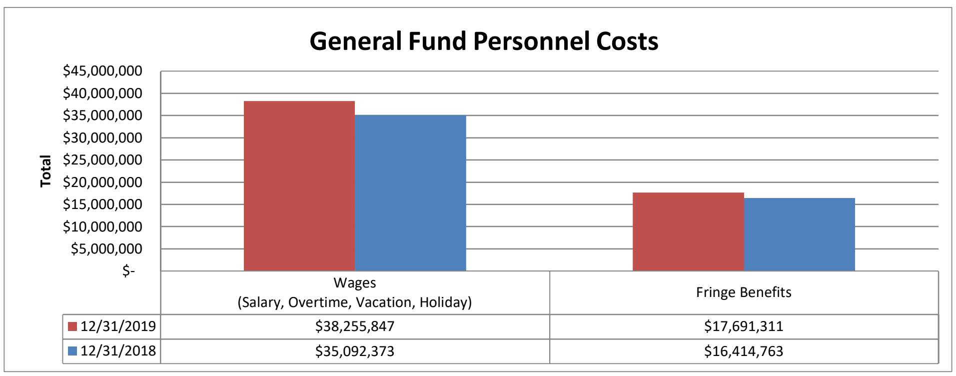
	FY 2020				FY 2019	
	A	**C**	**D**	**E**	**F**	**G**
	Annual Budget	**Actual & Encumbrances**	**Variance Annual Budget / Actual**	**% Actual to Annual Budget**	Actual & Encumbrances	Variance Actual / Actual
Personnel costs	**$ 121,813,482**	**$ 55,947,158**	**$ 65,866,324**	**45.93%**	$ 51,507,136	$ (4,440,022)
Other operating expenditures	**51,495,940**	**20,857,971**	**30,637,969**	**40.50%**	22,039,581	1,181,610
Subtotal expenditures	**173,309,422**	**76,805,129**	**96,504,293**		73,546,717	(3,258,412)
Encumbrances	**-**	**4,244,948**	**(4,244,948)**		4,734,427	489,479
Total Expenditures & Encumbrances	**$ 173,309,422**	**$ 81,050,077**	**$ 92,259,345**	**46.77%**	$ 78,281,144	$ (2,768,933)

Highlights

EXPENDITURES

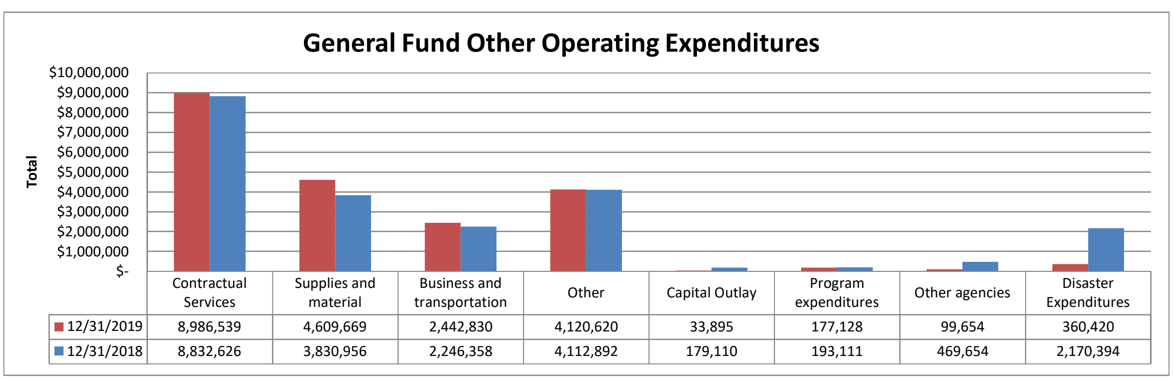
Total general fund actual expenditures are ($3.3M) higher than prior year. The general fund expenditures annual budget of $173,309,422 includes personnel costs (salaries and fringe benefits) of $121,813,482 which is 70.29% of the total expenditure budget.

Actual personnel costs are ($4.4M) higher than last year. The change in personnel costs is illustrated below:



•Total general fund actual salaries have increased ($3.2M) and fringe benefits have increased ($1.2M).

Total general fund actual other operating expenditures for FY20 are $1.2k lower than FY19. The change in other operating expenditures is illustrated below:



Contractual services are up ($149k), due to timing differences of service contracts and increased legal costs and professional services. Supplies and materials have increased by ($779k) due to increases in printing ($79k), asphalt supplies ($125k), repairs & maintenance ($342k) and postage ($96k). Other agencies have decreased $370k due to decrease in funding to CRTA.

HORRY COUNTY, SOUTH CAROLINA

GENERAL FUND
BALANCE SHEETS

As of December 31, 2019
(with comparative amounts as of December 31, 2018)

	2020	2019
Assets		
Cash and cash equivalants	**$ 1,840,045**	$ 2,845,528
Pooled cash and investments	**118,996,208**	103,637,746
Receivables, net:		
Property taxes and other taxes	**40,475,530**	39,000,300
Accounts and other	**5,153,831**	5,782,468
Fees	**2,119,756**	2,605,397
Due from other funds	**156,300**	517,970
Due from other governments	**5,327,760**	2,525,971
Inventories	**135,674**	69,861
Prepaid items	**3,658,064**	3,292,074
Total Assets	**$ 177,863,168**	$ 160,277,315
Liabilities		
Accounts payable - trade	**4,590,592**	3,299,765
Accrued salaries & wages	**2,375,581**	1,976,055
Due to other governments	**1,742,707**	1,401,299
Due to taxpayers for overpayment	**244,312**	244,312
Funds held in trust - proceeds from sale of properties due to delinquent taxes	**21,579,727**	20,797,566
Other accrued liabilities	**4,621,146**	4,021,779
Total Liabilities	**35,154,065**	31,740,776
Deferred inflows of resources		
Unavailable revenues - fees and other	**11,002,244**	8,480,763
Unavailable revenues - property taxes	**42,594,520**	41,604,932
Total deferred inflows of resources	**53,596,764**	50,085,695
Fund balances		
Nonspendable	**3,793,738**	3,361,935
Committed to public safety	**2,616,652**	2,001,085
Committed to culture, recreation & tourism	**290,061**	327,045
Committed to infrastructure & regulation	**1,813,772**	1,412,475
Committed to reserves	**43,966,260**	40,750,230
Committed to other purposes	**2,416,928**	2,007,677
Committed to mosquito abatement	**-**	3,000,000
Committed to early lease payoff	**-**	6,918,492
Committed to capital projects	**10,935,000**	6,200,000
Committed to OPEB	**3,979,248**	2,425,323
Committed to abatement/demolition	**911,362**	961,420
Unassigned	**18,389,318**	9,085,162
Total fund balances	**89,112,339**	78,450,844
Total liabilities, deferred inflows of resources and fund balances	**$ 177,863,168**	$ 160,277,315

HORRY COUNTY, SOUTH CAROLINA

GENERAL FUND

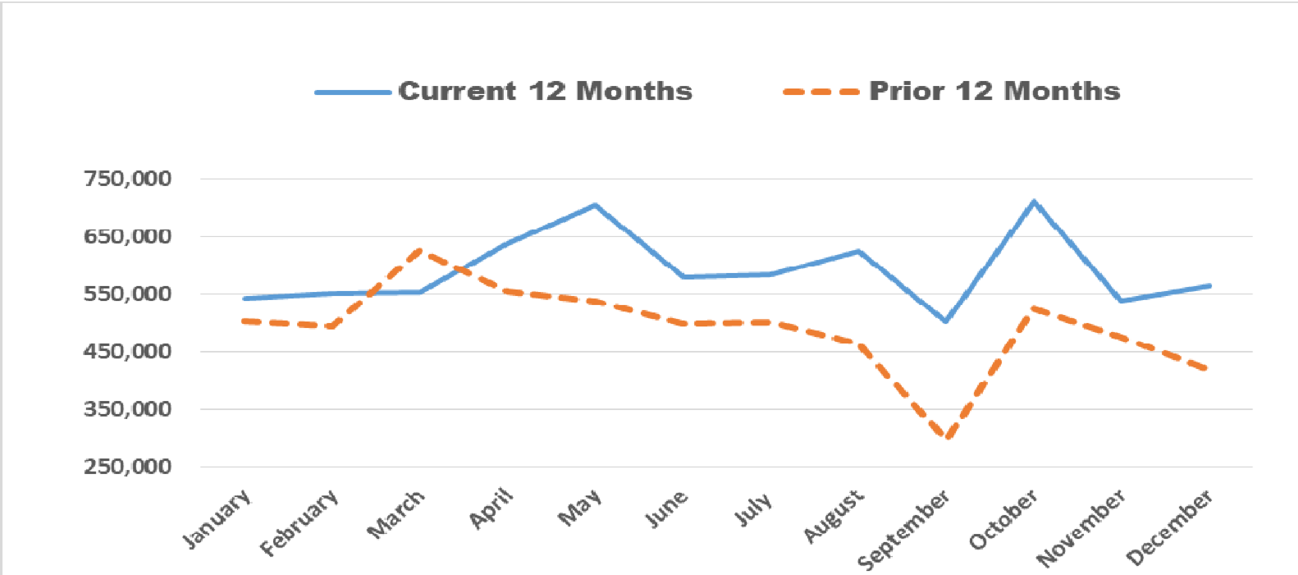
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE SIX MONTHS ENDED DECEMBER 31, 2019

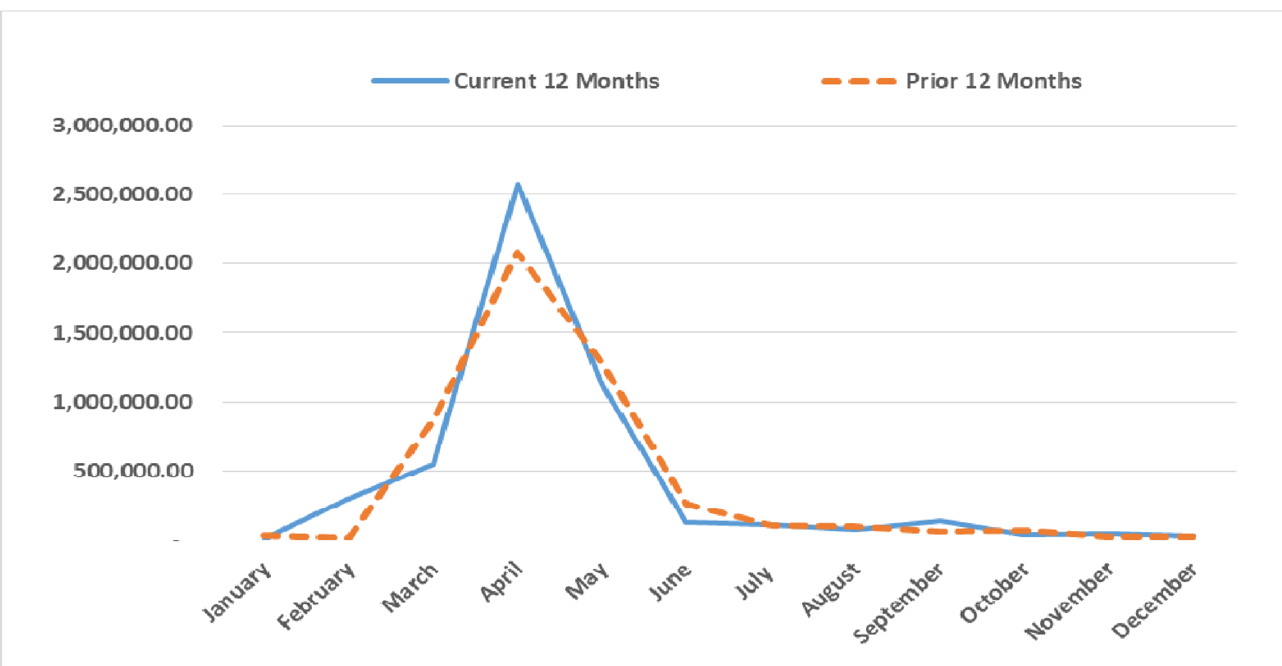
(with comparative actual amounts for the period end December 31, 2018)

	FY 2020			FY 2019	
	A	B	C	D	E
Revenues	**Annual Budget**	**Actual**	**Variance Annual Budget / Actual**	Prior Year Actual	Variance Actual / Actual
Real and personal property taxes	**$ 94,055,272**	**$ 61,613,874**	**$ (32,441,398)**	$ 52,427,925	$ 9,185,949
Vehicle taxes	**8,475,230**	**4,471,803**	**(4,003,427)**	4,313,579	158,224
Fee in lieu of tax	**3,676,000**	**1,418,360**	**(2,257,640)**	1,191,769	226,591
Intergovernmental	**12,950,019**	**4,848,588**	**(8,101,431)**	4,334,034	514,554
Fees and fines	**29,942,302**	**12,634,276**	**(17,308,026)**	11,573,138	1,061,138
Documentary stamps	**5,437,163**	**2,884,305**	**(2,552,858)**	2,604,533	279,772
License and permits	**12,087,469**	**4,272,009**	**(7,815,460)**	3,326,106	945,903
Cost allocation	**4,219,450**	**-**	**(4,219,450)**	-	-
Other	**4,980,937**	**2,870,127**	**(2,110,810)**	3,302,262	(432,135)
Total revenues	**175,823,842**	**95,013,342**	**(80,810,500)**	83,073,346	11,939,996
Expenditures					
Current:					
General government	**42,136,407**	**17,879,479**	**24,256,928**	17,447,085	(432,394)
Public safety	**102,124,803**	**46,772,442**	**55,352,361**	44,410,248	(2,362,194)
Health and social services	**1,699,121**	**1,007,123**	**691,998**	992,186	(14,937)
Infrastructure and regulation	**20,956,848**	**8,334,720**	**12,622,128**	7,693,193	(641,527)
Culture, recreation and tourism	**6,138,071**	**2,746,711**	**3,391,360**	2,569,351	(177,360)
Other	**254,172**	**64,654**	**189,518**	434,654	370,000
Total expenditures	**173,309,422**	**76,805,129**	**96,504,293**	73,546,717	(3,258,412)
Excess (deficiency) of revenues over (under) expenditures	**2,514,420**	**18,208,213**	**15,693,793**	9,526,629	8,681,584
Other Financing Sources (Uses)					
Sales of assets	**50,000**	**126,912**	**76,912**	204,641	(77,729)
Transfers in	**773,914**	**257,943**	**(515,971)**	325,650	(67,707)
Transfers out	**(17,317,632)**	**(9,490,346)**	**7,827,286**	(9,736,126)	245,780
Total other financing sources (uses)	**(16,493,718)**	**(9,105,491)**	**7,388,227**	(9,205,835)	100,344
Net change in fund balance	**(13,979,298)**	**9,102,722**	**23,082,020**	320,794	8,781,928
Fund balance at beginning of year	**80,009,617**	**80,009,617**	**-**	78,130,050	1,879,567
Fund balance at of end of period	**$ 66,030,319**	**$ 89,112,339**	**$ 23,082,020**	$ 78,450,844	$ 10,661,495

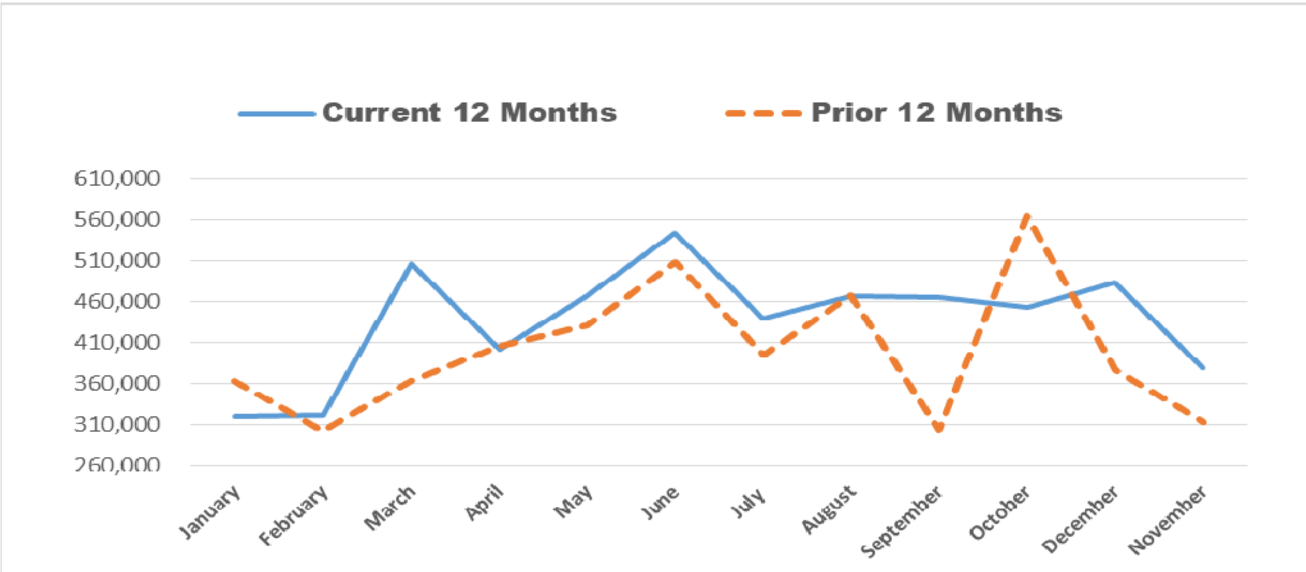
Horry County, South Carolina
General Fund Revenue - Building Permits
For the Twelve Month Period ended December 31, 2019 and 2018



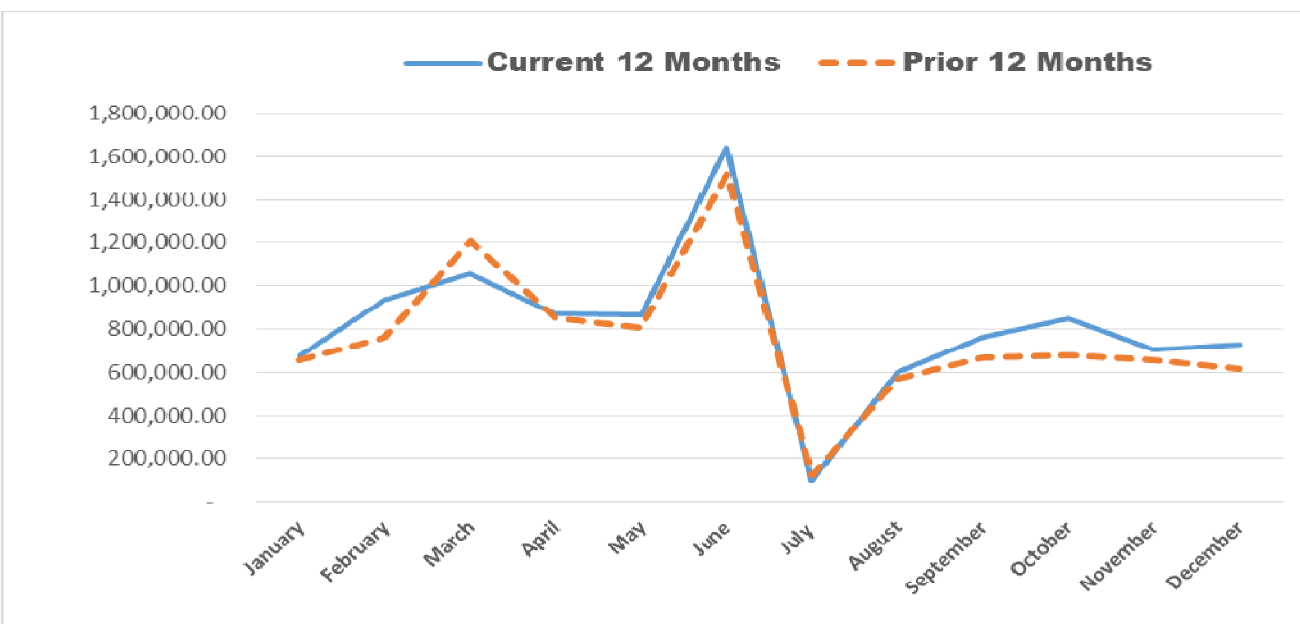
Horry County, South Carolina
General Fund Revenue - Business License
For the Twelve Month Period ended December 31, 2019 and 2018



Horry County, South Carolina
General Fund Revenue - Documentary Stamps
For the Twelve Month Period ended December 31, 2019 and 2018



Horry County, South Carolina
General Fund Revenue - EMS Fees
For the Twelve Month Period ended December 31, 2019 and 2018



HORRY COUNTY, SOUTH CAROLINA

EXECUTIVE OVERVIEW
FOR THE SIX MONTHS ENDED DECEMBER 31, 2019
(with comparative amounts as of December 31, 2018)

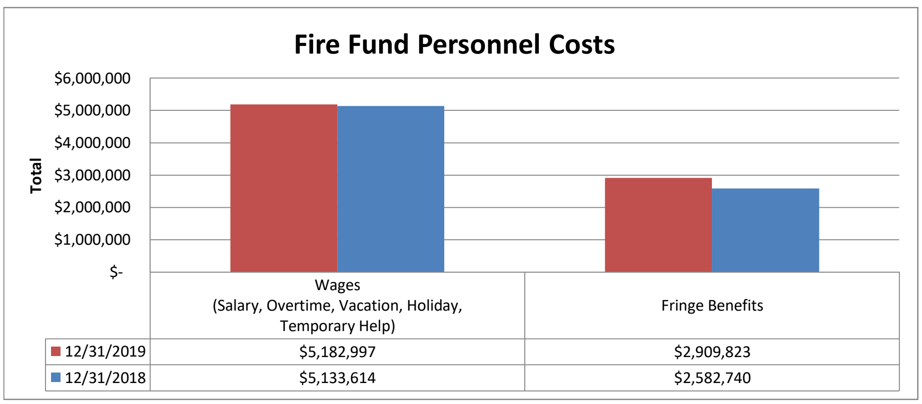
Fire Fund - Budgetary Basis

	FY 2020				FY 2019	
	A	**C**	**D**	**E**	F	G
	Annual Budget	**Actual**	**Variance Annual Budget / Actual**	**% Actual to Annual Budget**	Prior Year Actual	Variance Actual / Actual
Total revenues	**$ 23,412,644**	**$ 15,164,557**	**$ (8,248,087)**	**64.77%**	$ 13,123,748	$ 2,040,809
Total expenditures	**21,777,124**	**9,541,373**	**12,235,751**	**43.81%**	9,250,712	(290,661)
Excess of revenues over expenditures	**1,635,520**	**5,623,184**	**3,987,664**	**343.82%**	3,873,036	1,750,148
Other Financing Sources (Uses)	**(2,780,730)**	**(1,491,930)**	**1,288,800**	**53.65%**	(2,063,355)	571,425
Net Change in Fund Balance	**$ (1,145,210)**	**$ 4,131,254**	**$ 5,276,464**		$ 1,809,681	$ 2,321,573
Total expenditures	**$ 21,777,124**	**$ 9,541,373**	**12,235,751**	**43.81%**	$ 9,250,712	$ (290,661)
Total encumbrances	**-**	**580,062**	**(580,062)**		354,896	(225,166)
Total expenditures & encumbrances	**$ 21,777,124**	**$ 10,121,435**	**$ 11,655,689**	**46.48%**	$ 9,605,608	$ (515,827)

Highlights relating to Revenues and Expenditures

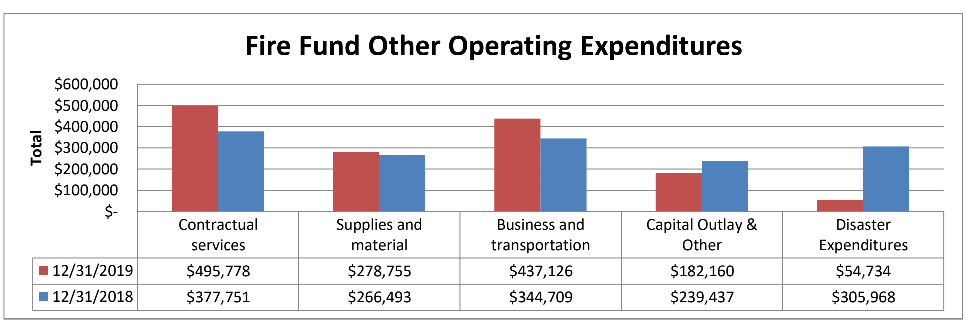
Total actual revenues through December 31, 2019 were up $2M from with prior year.

Total actual expenditures increased ($291k). The change in personnel costs is illustrated below:



•Salaries increased by ($49k) and benefits increased by ($327k).

The change in other operating expenditures is illustrated below:



Contractual Services has increase by ($118k) primarily due to an increase in Service Contracts ($92k). Business and Transportation increased by $(92k) due to a ($61k) increase in maintenance costs. Disaster expenditures have decreased by $251k.

HORRY COUNTY, SOUTH CAROLINA

EXECUTIVE OVERVIEW
FOR THE SIX MONTHS ENDED DECEMBER 31, 2019
(with comparative amounts as of December 31, 2018)

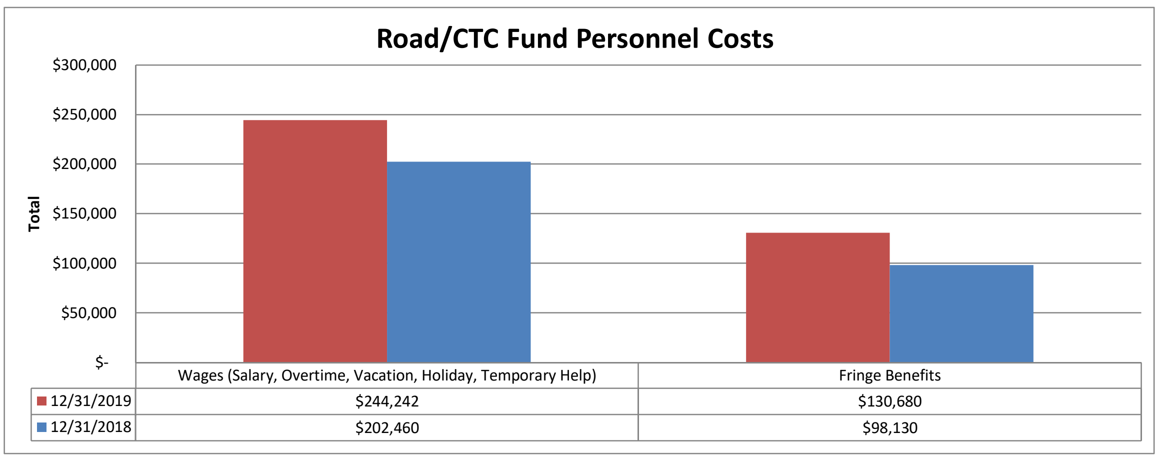
Road Maintenance & CTC Fund - Budgetary Basis

	FY 2020				FY 2019	
	A	**C**	**D**	E	F	G
	Annual Budget	**Actual**	**Variance Annual Budget / Actual**	**% Actual to Annual Budget**	Prior Year Actual	Variance Actual / Actual
Total revenues	**$ 18,777,298**	**$ 8,649,501**	**$ (10,127,797)**	**46.06%**	$ 8,491,300	$ 158,201
Total expenditures	**49,996,513**	**8,597,352**	**41,399,161**	**17.20%**	5,528,573	(3,068,779)
Excess of revenues over expenditures	**(31,219,215)**	**52,149**	**31,271,364**	**-0.17%**	2,962,727	(2,910,578)
Net Change in Fund Balance	**$ (31,219,215)**	**$ 52,149**	**$ 31,271,364**		$ 3,417,261	$ (3,365,112)
Total expenditures	**$ 49,996,513**	**$ 8,597,352**	**$ 41,399,161**	**17.20%**	$ 5,528,573	$ (3,068,779)
Total encumbrances	**-**	**5,787,126**	**(5,787,126)**		4,152,238	(1,634,888)
Total expenditures & encumbrances	**$ 49,996,513**	**$ 14,384,478**	**$ 35,612,035**	**28.77%**	$ 9,680,811	$ (4,703,667)

Highlights relating to Revenues and Expenditures

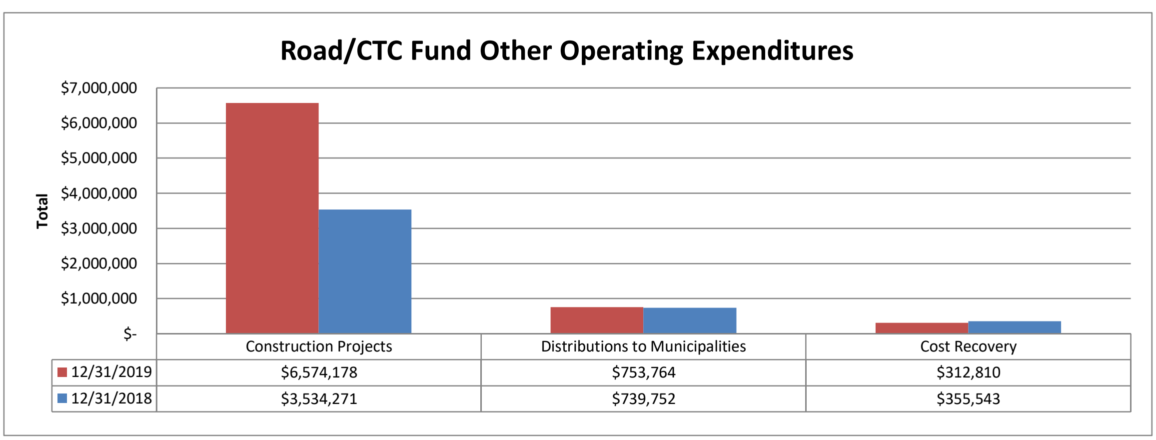
Total actual revenues through December 31, 2019 increased by $158k, due to increases in road maintenance fees $224k and interest income $91k. There was a decrease in State-CTC of ($218k) due to the timing of expenditures being reimbursed.

Total actual expenditures increased ($3.1M). The change in personnel costs is illustrated below:



•Salaries increased by ($42k) and benefits increased by ($32k).

The change in other operating expenditures is illustrated below:



Construction projects increased by ($3M), Certain other expenditure categories were insignificant to include in this graph.

HORRY COUNTY, SOUTH CAROLINA

EXECUTIVE OVERVIEW
FOR THE SIX MONTHS ENDED DECEMBER 31, 2019
(with comparative amounts as of December 31, 2018)

Beach Renourishment Fund - Budgetary Basis

	FY 2020				FY 2019	
	A	**C**	**D**	E	F	G
	Annual Budget	**Actual**	**Variance Annual Budget / Actual**	**% Actual to Annual Budget**	Prior Year Actual	Variance Actual / Actual
Total revenues	**$ 1,040,000**	**$ 554,326**	**$ (485,674)**	**53.30%**	$ 4,884,281	$ (4,329,955)
Total expenditures	**2,860,799**	**27,880**	**2,832,919**	**0.97%**	114,044	86,164
Excess of revenues over expenditures	**(1,820,799)**	**526,446**	**2,347,245**	**-28.91%**	4,770,237	(4,243,791)
Net Change in Fund Balance	**$ (1,820,799)**	**$ 526,446**	**$ 2,347,245**		$ 4,770,237	$ (4,243,791)
Total expenditures	**$ 2,860,799**	**$ 27,880**	**$ 2,832,919**	**0.97%**	$ 114,044	$ 86,164
Total encumbrances	**-**	**423,313**	**(423,313)**		8,938,358	8,515,045
Total expenditures & encumbrances	**$ 2,860,799**	**$ 451,193**	**$ 2,409,606**	**15.77%**	$ 9,052,402	$ 8,601,209

Both revenues and expenditures have significantly decreased due to the completion of the Arcadian Shores project.

HORRY COUNTY, SOUTH CAROLINA

EXECUTIVE OVERVIEW
FOR THE SIX MONTHS ENDED DECEMBER 31, 2019
(with comparative amounts as of December 31, 2018)

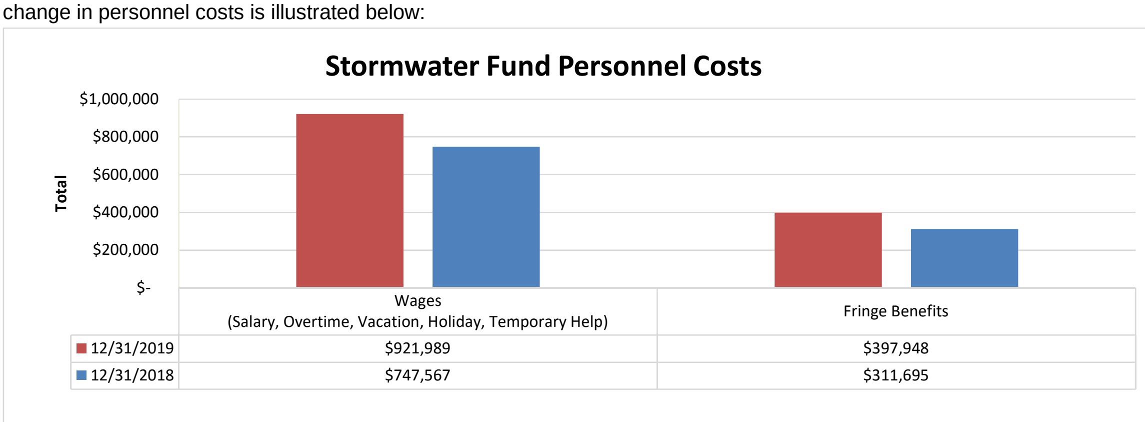
Stormwater Fund - Budgetary Basis

	FY 2020				FY 2019	
	A	**C**	**D**	E	F	G
	Annual Budget	**Actual**	**Variance Annual Budget / Actual**	**% Actual to Annual Budget**	Prior Year Actual	Variance Actual / Actual
Total revenues	**$ 7,455,966**	**$ 6,280,935**	**$ (1,175,031)**	**84.24%**	$ 4,704,724	$ 1,576,211
Total expenditures	**7,995,414**	**3,062,667**	**4,932,747**	**38.31%**	3,852,634	789,967
Excess of revenues over expenditures	**(539,448)**	**3,218,268**	**3,757,716**	**-596.59%**	852,090	2,366,178
Other Financing Sources (Uses)	**(124,500)**	**(85,750)**	**38,750**	**68.88%**	(466,891)	381,141
Net Change in Fund Balance	**$ (663,948)**	**$ 3,132,518**	**$ 3,796,466**		$ 385,199	$ 2,747,319
Total expenditures	**$ 7,995,414**	**$ 3,062,667**	**$ 4,932,747**	**38.31%**	$ 3,852,634	$ 789,967
Total encumbrances	**-**	**634,575**	**(634,575)**		537,305	(97,270)
Total expenditures & encumbrances	**$ 7,995,414**	**$ 3,697,242**	**$ 4,298,172**	**46.24%**	$ 4,389,939	$ 692,697

Highlights relating to Revenues and Expenditures

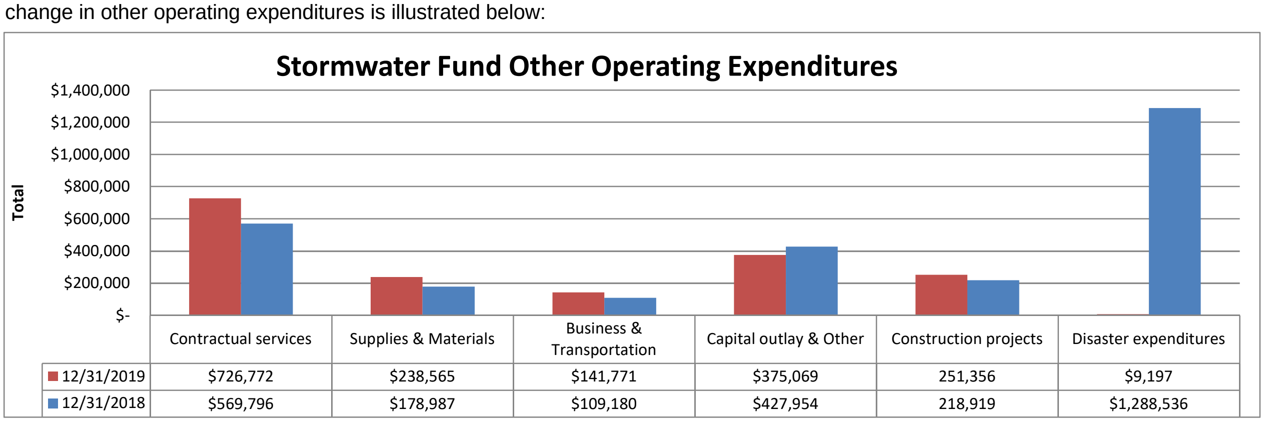
Total actual revenues through December 31, 2019 increased by $1.6M over prior year, largely due to increases in federal and state FEMA grants. Total actual expenditures decreased by $790k.

The change in personnel costs is illustrated below:



Salaries increased by ($174k) and related benefits increased by ($86k).

The change in other operating expenditures is illustrated below:



Contractual services increased by ($157k) and supplies & materials increased by ($60k). Disaster expenditures decreased $1.3M and capital outlay/construction projects decreased by $21k.

HORRY COUNTY, SOUTH CAROLINA

EXECUTIVE OVERVIEW
FOR THE SIX MONTHS ENDED DECEMBER 31, 2019
(with comparative amounts as of December 31, 2018)

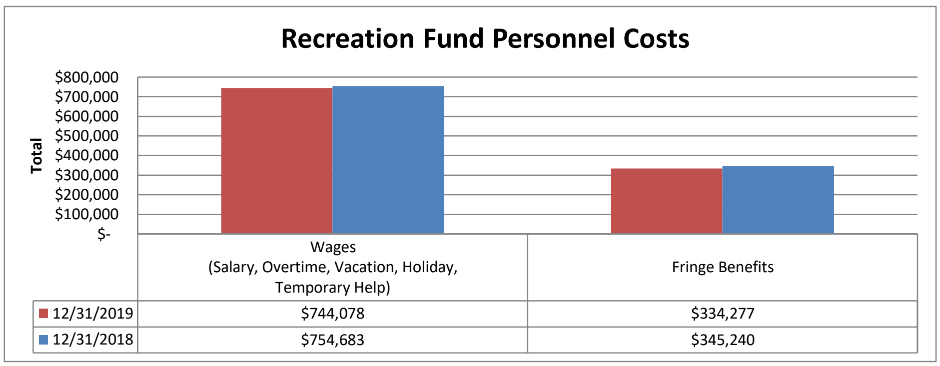
Recreation Fund - Budgetary Basis

	FY 2020				FY 2019	
	A	C	D	E	F	G
	Annual Budget	**Actual**	**Variance Annual Budget / Actual**	**% Actual to Annual Budget**	Prior Year Actual	Variance Actual / Actual
Total revenues	**$ 7,478,332**	**$ 3,334,178**	**$ (4,144,154)**	**44.58%**	$ 2,695,612	$ 638,566
Total expenditures	**6,724,554**	**1,997,359**	**4,727,195**	**29.70%**	1,898,578	(98,781)
Excess of revenues over expenditures	**753,778**	**1,336,819**	**583,041**	**177.35%**	797,034	539,785
Other Financing Sources (Uses)	**(781,784)**	**(744,400)**	**37,384**		62,337	(806,737)
Net Change in Fund Balance	**$ (28,006)**	**$ 592,419**	**$ 620,425**		$ 859,371	$ (266,952)
Total expenditures	**$ 6,724,554**	**$ 1,997,359**	**$ 4,727,195**	**29.70%**	$ 1,898,578	$ (98,781)
Total encumbrances	**-**	**212,481**	**(212,481)**		103,306	(109,175)
Total expenditures & encumbrances	**$ 6,724,554**	**$ 2,209,840**	**$ 4,514,714**	**32.86%**	$ 2,001,884	$ (207,956)

Highlights relating to Revenues and Expenditures

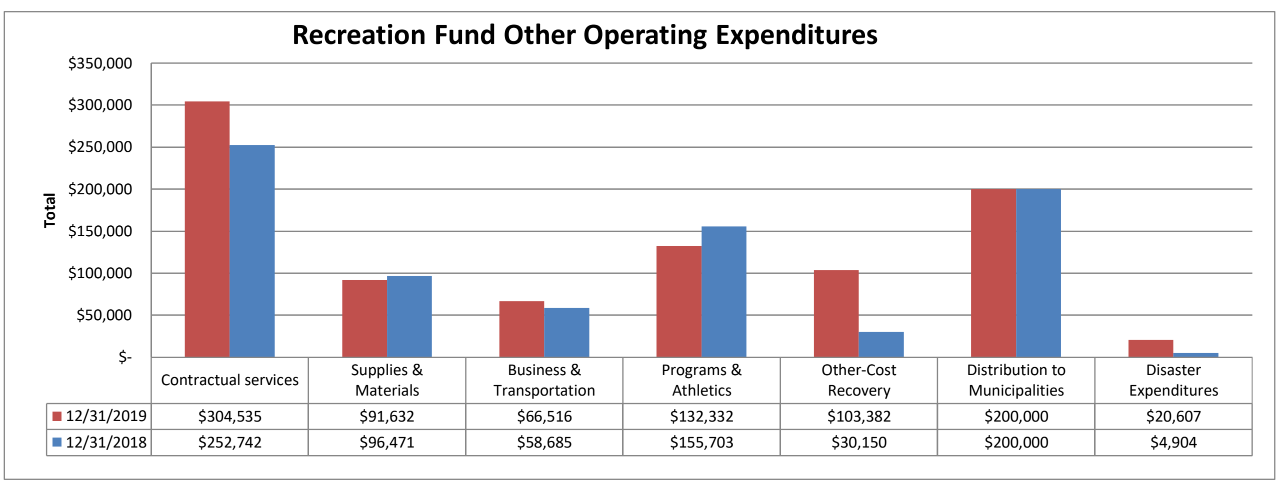
Total actual revenues through December 31, 2019 increased by $639k, primarily due to increase in property taxes and new revenue sources in FY 2020.

Total actual expenditures increased by ($99k) over last year. The change in personnel costs is illustrated below:



Salaries have decreased by $11k and related benefits have decreased by $11k.

The change in other operating expenditures is illustrated below:



Contractual services increased by ($52k) and other-cost recovery increased by ($73k).

HORRY COUNTY, SOUTH CAROLINA

EXECUTIVE OVERVIEW
FOR THE SIX MONTHS ENDED DECEMBER 31, 2019
(with comparative amounts as of December 31, 2018)

Waste Management Recycling Fund - Budgetary Basis

	FY 2020				FY 2019	
	A	**C**	**D**	E	F	G
	Annual Budget	**Actual**	**Variance Annual Budget / Actual**	**% Actual to Annual Budget**	Prior Year Actual	Variance Actual / Actual
Total revenues	**$ 9,253,668**	**$ 8,783,078**	**$ (470,590)**	**94.91%**	$ 4,660,950	$ 4,122,128
Total expenditures	**9,253,668**	**3,874,982**	**5,378,686**	**41.88%**	4,206,166	331,184
Net Change in Fund Balance	**$ -**	**$ 4,908,096**	**$ 4,908,096**		$ 454,784	$ 4,453,312
Total expenditures	**$ 9,253,668**	**$ 3,874,982**	**$ 5,378,686**	**41.88%**	$ 4,206,166	$ 331,184
Total encumbrances	**-**	**1,477,982**	**(1,477,982)**		3,536,473	2,058,491
Total expenditures & encumbrances	**$ 9,253,668**	**$ 5,352,964**	**$ 3,900,704**	**57.85%**	$ 7,742,639	$ 2,389,675

Total actual revenues through December 31, 2019 increased by $4.1M, primarily due to federal and state FEMA grants $3.4M, increase in property taxes $590k and a new revenue source for FY 2020.

Total actual expenditures decreased by $331k over last year.

HORRY COUNTY, SOUTH CAROLINA

SELECTED SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

As of December 31, 2019
UNAUDITED

	Fire	Road Maintenance & CTC	Beach Renourishment	Stormwater Management	Recreation	Waste Management Recycling	Total
Assets							
Cash and cash equivalents	$ 12,254,891	$ 35,225,029	$ 3,933,807	$ 5,158,558	$ 3,747,065	$ 6,365,253	$ 66,684,603
Receivables, net:							
Property taxes	9,252,943	-	-	-	1,538,916	3,079,695	13,871,554
Fees	7,853	219,018	-	2,896,173	784	2,369	3,126,197
Due from other governments	1,133,592	976,221	-	516,210	194,128	1,601,290	4,421,441
Prepaid items	41,425	-	-	-	5,195	-	46,620
Total assets	$ 22,690,704	$ 36,420,268	$ 3,933,807	$ 8,570,941	$ 5,486,088	$ 11,048,607	$ 88,150,415
Liabilities							
Liabilities							
Accounts payable-trade	$ 17,627	$ 186,322	$ -	$ 6,068	$ 20,833	$ -	$ 230,850
Total Liabilities	17,627	186,322	-	6,068	20,833	-	230,850
Deferred Inflows of Resources							
Unavailable revenue-property taxes and other fees	10,394,390	1,344,446	-	3,412,384	1,748,092	4,683,354	21,582,666
Total deferred inflows of resources	10,394,390	1,344,446	-	3,412,384	1,748,092	4,683,354	21,582,666
Fund balances (deficit):							
Nonspendable	41,425	-	-	-	5,195	-	46,620
Restricted for public safety	12,237,262	-	-	-	-	-	12,237,262
Restricted for culture, recreation and tourism	-	-	32,417	-	3,711,968	-	3,744,385
Restricted for infrastructure and regulation	-	-	-	5,152,489	-	6,365,253	11,517,742
Restricted for capital projects	-	16,437,204	-	-	-	-	16,437,204
Committed to culture, recreation and tourism	-	-	3,901,390	-	-	-	3,901,390
Committed to infrastructure and regulation	-	18,452,296	-	-	-	-	18,452,296
Total fund balances	12,278,687	34,889,500	3,933,807	5,152,489	3,717,163	6,365,253	66,336,899
Total liabilities, deferred inflows of resources and fund balances	$ 22,690,704	$ 36,420,268	$ 3,933,807	$ 8,570,941	$ 5,486,088	$ 11,048,607	$ 88,150,415

HORRY COUNTY, SOUTH CAROLINA

FIRE SPECIAL REVENUE FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL

FOR THE SIX MONTHS ENDED DECEMBER 31, 2019
(with comparative actual amounts for the period end December 31, 2018)

	FY 2020			FY 2019	
	Annual Budget	**Actual**	**Variance Annual Budget / Actual**	Prior Year Actual	Variance Actual / Actual
Revenues					
Real, personal & vehicle taxes	**$ 23,020,000**	**$ 14,937,894**	**$ (8,082,106)**	$ 12,944,274	$ 1,993,620
Fee in lieu of tax	**116,000**	**15,052**	**(100,948)**	46,830	(31,778)
Intergovernmental	**26,594**	**178,291**	**151,697**	70,020	108,271
Interest	**200,000**	**26,824**	**(173,176)**	57,794	(30,970)
Other	**50,050**	**6,496**	**(43,554)**	4,830	1,666
Total revenues	**23,412,644**	**15,164,557**	**(8,248,087)**	13,123,748	2,040,809
Expenditures					
Current:					
Public safety:					
Personnel costs	**16,135,381**	**8,092,820**	**8,042,561**	7,716,354	(376,466)
Contractual services	**1,300,499**	**495,778**	**804,721**	377,751	(118,027)
Supplies and material	**1,435,062**	**278,755**	**1,156,307**	266,493	(12,262)
Business and transportation	**1,079,990**	**437,126**	**642,864**	344,709	(92,417)
Capital outlay	**86,600**	**-**	**86,600**	100,382	100,382
Other	**488,069**	**182,160**	**305,909**	139,055	(43,105)
Disaster expenditure	**-**	**54,734**	**(54,734)**	305,968	251,234
Cost allocation	**1,251,523**	**-**	**1,251,523**	-	-
Total expenditures	**21,777,124**	**9,541,373**	**12,235,751**	9,250,712	(290,661)
Excess (deficiency) of revenues over (under) expenditures	**1,635,520**	**5,623,184**	**3,987,664**	3,873,036	1,750,148
Other Financing Sources (Uses)					
Other financing sources	**-**	**-**	**-**	4,162	(4,162)
Transfer out	**(2,780,730)**	**(1,491,930)**	**1,288,800**	(2,067,517)	575,587
Total other financing sources (uses)	**(2,780,730)**	**(1,491,930)**	**1,288,800**	(2,063,355)	571,425
Net change in fund balance	**(1,145,210)**	**4,131,254**	**5,276,464**	1,809,681	2,321,573
Fund balance at beginning of year	**8,147,433**	**8,147,433**	**-**	10,121,476	(1,974,043)
Fund balance at end of period	**$ 7,002,223**	**$ 12,278,687**	**$ 5,276,464**	$ 11,931,157	$ 347,530

HORRY COUNTY, SOUTH CAROLINA

ROAD MAINTENANCE & CTC SPECIAL REVENUE FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL

FOR THE SIX MONTHS ENDED DECEMBER 31, 2019
(with comparative actual amounts for the period end December 31, 2018)

	FY 2020			FY 2019	
Revenues	**Annual Budget**	**Actual**	**Variance Annual Budget / Actual**	Prior Year Actual	Variance Actual / Actual
Intergovernmental	**$ 2,194,673**	**$ 42,886**	**$ (2,151,787)**	$ 229,363	$ (186,477)
Fees	**15,832,625**	**8,133,038**	**(7,699,587)**	7,908,867	224,171
Interest	**750,000**	**444,554**	**(305,446)**	353,070	91,484
Other	**-**	**29,023**	**29,023**	-	29,023
Total revenues	**18,777,298**	**8,649,501**	**(10,127,797)**	8,491,300	158,201
Expenditures					
Current:					
Engineer:					
Construction Projects - CTC	**2,194,673**	**288,110**	**1,906,563**	404,971	116,861
Capital Outlay - Infrastructure	**30,972,506**	**6,053,909**	**24,918,597**	2,327,675	(3,726,234)
Cost allocation	**515,000**	**-**	**515,000**	-	-
Total engineer	**33,682,179**	**6,342,019**	**27,340,160**	2,732,646	(3,609,373)
Operations:					
Personnel costs	**838,888**	**374,923**	**463,965**	300,589	(74,334)
Contractual services	**16,802**	**4,843**	**11,959**	7,791	2,948
Supplies and Material	**16,266**	**5,030**	**11,236**	5,165	135
Business and Transportation	**138,769**	**9,614**	**129,155**	45,936	36,322
Construction Projects	**9,713,711**	**232,159**	**9,481,552**	801,625	569,466
Distributions to Municipalities	**2,749,657**	**753,764**	**1,995,893**	739,752	(14,012)
Contributions to Agencies	**2,079,626**	**560,274**	**1,519,352**	539,526	(20,748)
Other-cost recovery	**625,615**	**312,810**	**312,805**	355,543	42,733
Cost allocation	**135,000**	**-**	**135,000**	-	-
Total operations	**16,314,334**	**2,255,333**	**14,059,001**	2,795,927	540,594
Total expenditures	**49,996,513**	**8,597,352**	**41,399,161**	5,528,573	(3,068,779)
Excess of revenues over (under) expenditures	**(31,219,215)**	**52,149**	**31,271,364**	2,962,727	(2,910,578)
Other Financing Sources (Uses)					
Transfers in	**-**	**-**	**-**	454,534	(454,534)
Total other financing sources (uses)	**-**	**-**	**-**	454,534	(454,534)
Net change in fund balance	**(31,219,215)**	**52,149**	**31,271,364**	3,417,261	(3,365,112)
Fund balance at beginning of year	**34,837,351**	**34,837,351**	**-**	35,234,024	(396,673)
Fund balance at end of period	**$ 3,618,136**	**$ 34,889,500**	**$ 31,271,364**	$ 38,651,285	$ (3,761,785)

HORRY COUNTY, SOUTH CAROLINA

BEACH RENOURISHMENT SPECIAL REVENUE FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL

FOR THE SIX MONTHS ENDED DECEMBER 31, 2019
(with comparative actual amounts for the period end December 31, 2018)

	FY 2020			FY 2019	
	Annual Budget	**Actual**	**Variance Annual Budget / Actual**	Prior Year Actual	Variance Actual / Actual
Revenues					
Local accommodations tax	**$ 1,000,000**	**$ 508,886**	**$ (491,114)**	$ 506,319	$ 2,567
Interest	**40,000**	**45,440**	**5,440**	86,712	(41,272)
Total revenues	**1,040,000**	**554,326**	**(485,674)**	4,884,281	(4,329,955)
Expenditures					
Current:					
Infrastructure & Regulation:					
Contractual services	**1,494,763**	**27,880**	**1,466,883**	114,044	86,164
Business & Transportation	**500**	**-**	**500**	-	-
Capital outlay	**1,339,536**	**-**	**1,339,536**	-	-
Capital outlay	**26,000**	**-**	**26,000**	-	-
Total expenditures	**2,860,799**	**27,880**	**2,832,919**	114,044	86,164
Excess of revenues over (under) expenditures	**(1,820,799)**	**526,446**	**2,347,245**	4,770,237	(4,243,791)
Fund balance at beginning of year	**3,407,361**	**3,407,361**	**-**	6,865,988	(3,458,627)
Fund balance at end of period	**$ 1,586,562**	**$ 3,933,807**	**$ 2,347,245**	$ 11,636,225	$ (7,702,418)

HORRY COUNTY, SOUTH CAROLINA

STORMWATER MANAGEMENT SPECIAL REVENUE FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL

FOR THE SIX MONTHS ENDED DECEMBER 31, 2019
(with comparative actual amounts for the period end December 31, 2018)

	FY 2020			FY 2019	
	Annual Budget	**Actual**	**Variance Annual Budget / Actual**	Prior Year Actual	Variance Actual / Actual
Revenues					
Intergovernmental	**$ -**	**$ 1,103,073**	**$ 1,103,073**	$ 19,211	$ 1,083,862
Fees	**7,437,966**	**5,159,510**	**(2,278,456)**	4,676,509	483,001
Interest	**18,000**	**18,352**	**352**	9,004	9,348
revenues	**7,455,966**	**6,280,935**	**(1,175,031)**	4,704,724	1,576,211
Expenditures					
Current:					
Infrastructure & Regulation:					
Personnel costs	**2,970,355**	**1,319,938**	**1,650,417**	1,059,261	(260,677)
Contractual services	**1,405,304**	**726,772**	**678,532**	569,796	(156,976)
Supplies & Materials	**524,832**	**238,565**	**286,267**	178,987	(59,578)
Business & Transportation	**239,108**	**141,771**	**97,337**	109,181	(32,590)
Construction projects	**1,000,000**	**251,356**	**748,644**	218,919	(32,437)
Capital Outlay - Infrastructure	**594,449**	**24,750**	**569,699**	141,937	117,187
Other - cost recovery	**701,000**	**350,318**	**350,682**	286,017	(64,301)
Cost allocation	**350,000**	**-**	**350,000**	-	-
Total expenditures	**7,995,414**	**3,062,667**	**4,932,747**	3,852,634	789,967
Excess (deficiency) of revenues over (under) expenditures	**(539,448)**	**3,218,268**	**3,757,716**	852,090	2,366,178
Other Financing Sources (Uses)					
Transfers out	**(124,500)**	**(85,750)**	**38,750**	(466,891)	381,141
Total other financing sources (uses)	**(124,500)**	**(85,750)**	**38,750**	(466,891)	381,141
Net change in fund balance	**(663,948)**	**3,132,518**	**3,796,466**	385,199	2,747,319
Fund balance at beginning of year	**2,019,971**	**2,019,971**	**-**	2,036,353	(16,382)
Fund balance at end of period	**$ 1,356,023**	**$ 5,152,489**	**$ 3,796,466**	$ 2,421,552	$ 2,730,937

HORRY COUNTY, SOUTH CAROLINA

RECREATION SPECIAL REVENUE FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL

FOR THE SIX MONTHS ENDED DECEMBER 31, 2019
(with comparative actual amounts for the period end December 31, 2018)

	FY 2020			FY 2019	
	Annual Budget	**Actual**	**Variance Annual Budget / Actual**	Prior Year Actual	Variance Actual / Actual
Revenues					
Real, Personal and Vehicle taxes	**$ 3,925,297**	**$ 2,526,244**	**$ (1,399,053)**	$ 2,228,115	$ 298,129
Fee in lieu of tax	**28,210**	**2,684**	**(25,526)**	8,340	(5,656)
Hospitality fees	**200,000**	**95,656**	**(104,344)**	-	95,656
License and permits	**2,130,000**	**177,432**	**(1,952,568)**	-	177,432
Intergovernmental	**-**	**97,468**	**97,468**	18,622	78,846
Interest	**36,000**	**26,594**	**(9,406)**	18,530	8,064
Program fees	**1,158,825**	**408,100**	**(750,725)**	422,005	(13,905)
Total revenues	**7,478,332**	**3,334,178**	**(4,144,154)**	2,695,612	638,566
Expenditures					
Current:					
Culture, Recreation and Tourism:					
Personnel costs	**3,228,645**	**1,078,354**	**2,150,291**	1,099,921	21,567
Contractual services	**642,439**	**304,535**	**337,904**	252,742	(51,793)
Supplies & Materials	**579,309**	**91,633**	**487,676**	96,472	4,839
Business & Transportation	**154,500**	**66,516**	**87,984**	58,686	(7,830)
Capital outlay	**275,000**	**-**	**275,000**	-	-
Cost allocation	**525,000**	**-**	**525,000**	-	-
Disaster	**-**	**20,607**	**(20,607)**	4,904	(15,703)
Distributions to Municipalities & Agencies	**246,000**	**200,000**	**46,000**	200,000	-
Programs	**416,450**	**92,589**	**323,861**	117,393	24,804
Athletics	**172,650**	**39,743**	**132,907**	38,310	(1,433)
Other-Cost Recovery	**230,716**	**103,382**	**127,334**	30,150	(73,232)
Contingency	**253,845**	**-**	**253,845**	-	-
Total expenditures	**6,724,554**	**1,997,359**	**4,727,195**	1,898,578	(98,781)
Excess (deficiency) of revenues over (under) expenditures	**753,778**	**1,336,819**	**583,041**	797,034	539,785
Other Financing Sources (Uses)					
Transfers in	**5,100**	**5,600**	**500**	78,000	(72,400)
Transfers out	**(786,884)**	**(750,000)**	**36,884**	(15,663)	(734,337)
Total other financing sources (uses)	**(781,784)**	**(744,400)**	**37,384**	62,337	(806,737)
Net change in fund balance	**(28,006)**	**592,419**	**620,425**	859,371	(266,952)
Fund balance at beginning of year	**3,124,744**	**3,124,744**	**-**	2,363,098	2,363,098
Fund balance at end of period	**$ 3,096,738**	**$ 3,717,163**	**$ 620,425**	$ 3,222,469	$ 494,694

HORRY COUNTY, SOUTH CAROLINA

WASTE MANAGEMENT RECYLCLING SPECIAL REVENUE FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL

FOR THE SIX MONTHS ENDED DECEMBER 31, 2019
(with comparative actual amounts for the period end December 31, 2018)

	FY 2020			FY 2019	
	Annual Budget	**Actual**	**Variance Annual Budget / Actual**	Prior Year Actual	Variance Actual / Actual
Revenues					
Real, Personal and Vehicle taxes	**$ 7,852,700**	**$ 5,201,224**	**$ (2,651,476)**	$ 4,598,851	$ 602,373
Fee in lieu of tax	**42,000**	**5,322**	**(36,678)**	16,762	(11,440)
Intergovernmental	**-**	**3,441,154**	**3,441,154**	24,436	3,416,718
License and permits	**1,323,968**	**110,288**	**(1,213,680)**	-	110,288
Interest	**35,000**	**25,090**	**(9,910)**	20,901	4,189
Total revenues	**9,253,668**	**8,783,078**	**(470,590)**	4,660,950	4,122,128
Expenditures					
Current:					
Infrastructure and regulation					
Contractual services	**8,952,668**	**3,874,982**	**5,077,686**	3,697,802	(177,180)
Capital outlay	**286,000**	**-**	**286,000**	-	-
Cost allocation	**15,000**	**-**	**15,000**	-	-
Disaster	**-**	**-**	**-**	508,364	508,364
Total expenditures	**9,253,668**	**3,874,982**	**5,378,686**	4,206,166	331,184
Net change in fund balance	**-**	**4,908,096**	**4,908,096**	454,784	4,453,312
Fund balance at beginning of year	**1,457,157**	**1,457,157**	**-**	3,633,617	2,363,098
Fund balance at end of period	**$ 1,457,157**	**$ 6,365,253**	**$ 4,908,096**	$ 4,088,401	$ 2,276,852

Capital Projects Sales Tax - RIDE 3

(shown by month of sales and net of .7% State administrative fee)

	Year 1 FY 2018	Year 2 FY 2019	Year 3 FY 2020	Year 4 FY 2021	Year 5 FY 2022	Year 6 FY 2023	Year 7 FY 2024	Year 8 FY 2025
May	$ 6,231,423	$ 6,853,549	$ 7,591,972	$ -	$ -	$ -	$ -	$ -
June	$ 7,988,418	$ 8,836,865	$ 9,197,668	$ -	$ -	$ -	$ -	$ -
July	$ 9,085,753	$ 9,048,487	$ 10,135,914	$ -	$ -	$ -	$ -	$ -
Aug	$ 7,512,049	$ 8,106,258	$ 8,471,806	$ -	$ -	$ -	$ -	$ -
Sept	$ 5,965,135	$ 5,304,936	$ 6,614,873	$ -	$ -	$ -	$ -	$ -
Oct	$ 5,902,326	$ 6,019,996	$ 6,234,595	$ -	$ -	$ -	$ -	$ -
Nov	$ 5,130,067	$ 5,455,846	$ 6,056,900	$ -	$ -	$ -	$ -	$ -
Dec	$ 5,718,778	$ 6,071,345	$ -	$ -	$ -	$ -	$ -	$ -
Jan	$ 4,327,222	$ 4,798,261	$ -	$ -	$ -	$ -	$ -	$ -
Feb	$ 4,774,793	$ 5,192,821	$ -	$ -	$ -	$ -	$ -	$ -
Mar	$ 6,178,934	$ 6,612,878	$ -	$ -	$ -	$ -	$ -	$ -
Apr	$ 7,003,940	$ 7,537,495	$ -	$ -	$ -	$ -	$ -	$ -
Actual	$ 75,818,838	$ 79,838,737	$ 54,303,727	$ -	$ -	$ -	$ -	$ -
Budget	$ 69,510,676	$ 70,692,358	$ 71,894,128	$ 73,116,328	$ 74,359,306	$ 75,623,414	$ 76,909,012	$ 79,894,778
Actual Over (Under) Budget	6,308,162	$ 9,146,379	$ (17,590,400)					
Cumulative Variance	6,308,162	$ 15,454,540	$ (2,135,860)					
Cumulative Receipts	$75,818,838	$ 155,657,575	$ 209,961,302	$ 209,961,302	$ 209,961,302	$ 209,961,302	$ 209,961,302	$ 209,961,302
							Estimate Revenue	$ 592,000,000
							Balance to Collect/(Excess)	$ 382,038,698

Highest individual month since inception is highlighted in yellow.

Year To Date By Month

	Year 1 FY 2018	Year 2 FY 2019	Year 3 FY 2020	Year 4 FY 2021	Year 5 FY 2022	Year 6 FY 2023	Year 7 FY 2024	Year 8 FY 2025
May	$ 6,231,423	$ 6,853,549	$ 7,591,972	$ -	$ -	$ -	$ -	$ -
June	$ 14,219,841	$ 15,690,414	$ 16,789,639					
July	$ 23,305,594	$ 24,738,901	$ 26,925,553					
Aug	$ 30,817,643	$ 32,845,159	$ 35,397,359					
Sept	$ 36,782,778	$ 38,150,095	$ 42,012,232					
Oct	$ 42,685,104	$ 44,170,091	$ 48,246,828					
Nov	$ 47,815,171	$ 49,625,937	$ 54,303,727					
Dec	$ 53,533,949	$ 55,697,282						
Jan	$ 57,861,171	$ 60,495,543						
Feb	$ 62,635,964	$ 65,688,363						
Mar	$ 68,814,898	$ 72,301,241						
Apr	$ 75,818,838	$ 79,838,737						

[1] *Preliminary and Unaudited.*

Horry County Capital Project Status - December 2019 Year to Date Budget Report						
ACCOUNT DESCRIPTION	**ORIGINAL APPROP**	**REVISED BUDGET**	**YTD ACTUAL**	**ENCUMBRANCE**	**AVAILABLE BUDGET**	**% USED**
Fund balance	$ (917,361.20)	$ (15,591,406.12)	$ (15,591,406.12)	$ -	$ -	100.00%
State-grant	-	(67,584.94)	(67,584.94)	-	-	100.00%
State-boat landings	-	(215,500.00)	-	-	(215,500.00)	0.00%
Intergovernmental-other	-	(400,000.00)	(400,000.00)	-	-	100.00%
Total 000 Undefined-Department	**(917,361.20)**	**(16,274,491.06)**	**(16,058,991.06)**	**-**	**(215,500.00)**	**98.68%**
Financial System	-	319,975.95	33,640.92	175,089.64	111,245.39	65.23%
Total 103 Finance	**-**	**319,975.95**	**33,640.92**	**175,089.64**	**111,245.39**	**65.23%**
IT Transfer from general	(1,764,875.00)	(1,764,875.00)	(882,437.52)	-	(882,437.48)	50.00%
IT Transfer from stormwater	(77,500.00)	(77,500.00)	(38,749.98)	-	(38,750.02)	50.00%
IT-Federal-FEMA	(1,600,000.00)	(3,080,500.00)	-	-	(3,080,500.00)	0.00%
IT-CJIS security program	100,000.00	106,938.19	74,179.66	2,908.50	29,850.03	72.09%
IT Computer Replacements	30,000.00	121,033.88	31,357.96	10,075.50	79,600.42	34.23%
IT-GIS aerial photography	174,375.00	600,742.75	-		600,742.75	32.32%
IT Servers/Switches/Storage	1,245,000.00	1,032,305.84	300,070.78	-	732,235.06	29.07%
IT Data Backup/Disaster Recove	293,000.00	487,276.65	-	-	487,276.65	0.00%
Total 107 IT/GIS	**(1,600,000.00)**	**(2,574,577.69)**	**(515,579.10)**	**12,984.00**	**(2,071,982.59)**	**19.52%**
ASR-CAMA Software	-	1,081,564.77	9,759.65	928,387.09	143,418.03	86.74%
Total 108 AssessorFinance	**-**	**1,081,564.77**	**9,759.65**	**928,387.09**	**143,418.03**	**86.74%**
ROD SW Replacement	-	344,237.16	85,500.00	198,655.67	60,081.49	82.55%
Total 114 Register Of Deeds	**-**	**344,237.16**	**85,500.00**	**198,655.67**	**60,081.49**	**82.55%**
Transfer from general	(100,000.00)	(100,000.00)	(49,999.98)	-	(50,000.02)	50.00%
Interest income	(300,000.00)	(300,000.00)	(378,040.41)	-	78,040.41	126.01%
Generators	-	155,487.00	-	8,773.65	146,713.35	5.64%
Conway Facilities Study	100,000.00	100,000.00	-	-	100,000.00	0.00%
Land & Building	1,000,000.00	2,600,000.00	734,524.80	1,600,000.00	265,475.20	89.79%
Sanders Building	-	43,900.00	-	-	43,900.00	0.00%
Central Coast Complex	-	337,181.48	2,303.00	29,164.16	305,714.32	9.33%
Contingency	859,019.95	961,773.49	-	-	961,773.49	0.00%
Total 119 Department Overhead	**1,559,019.95**	**3,798,341.97**	**308,787.41**	**1,637,937.81**	**1,851,616.75**	**51.25%**
Loris Library Land/Parking	-	68,715.19	-	-	68,715.19	0.00%
Library RFID	-	140,571.00	-	-	140,571.00	-
Total 126 Library	**-**	**209,286.19**	**-**	**-**	**209,286.19**	**-**
Exhibits	-	385,094.75	393.66	-	384,701.09	0.10%
Total 127 Museum	**-**	**385,094.75**	**393.66**	**-**	**384,701.09**	**0.10%**
Total 10 General Government	**(40,980.05)**	**2,482,358.33**	**(87,257.11)**	**2,024,667.12**	**544,948.32**	**78.05%**
Transfer from general	(300,000.00)	(300,000.00)	(150,000.00)	-	(150,000.00)	50.00%
PS CAD & Records Software	250,000.00	250,000.00	-	-	250,000.00	0.00%
Courthouse Security	-	91,065.23	-	-	91,065.23	0.00%
Total 300 Public Safety Division	**(50,000.00)**	**41,065.23**	**(150,000.00)**	**-**	**191,065.23**	**-365.27%**
Solicitor-Case Mngt Software	50,000.00	100,000.00	-	-	100,000.00	0.00%
Total 301 Solicitor	**50,000.00**	**100,000.00**	**-**	**-**	**100,000.00**	**0.00%**
P25 infrastructure	-	421,679.72	-	-	421,679.72	0.00%
Total 326 Communications	**-**	**421,679.72**	**-**	**-**	**421,679.72**	**0.00%**
Transfer out	-	88,776.39	88,776.39	-	-	100.00%
Total 327 Sheriff	**-**	**88,776.39**	**88,776.39**	**-**	**-**	**100.00%**

Horry County Capital Project Status - December 2019 Year to Date Budget Report						
ACCOUNT DESCRIPTION	**ORIGINAL APPROP**	**REVISED BUDGET**	**YTD ACTUAL**	**ENCUMBRANCE**	**AVAILABLE BUDGET**	**% USED**
Transfer from general	(60,000.00)	(60,000.00)	(30,000.00)	-	(30,000.00)	50.00%
Police Body Cameras	348,341.25	563,115.72	-	-	563,115.72	0.00%
Police Software	-	103,350.00	-	-	103,350.00	0.00%
Transfer out	-	83,227.30	83,227.30	-	-	100.00%
Total 328 Police	**288,341.25**	**689,693.02**	**53,227.30**	**-**	**636,465.72**	**7.72%**
Transfer from general	(5,000,000.00)	(5,000,000.00)	(2,500,000.02)	-	(2,499,999.98)	50.00%
Bond proceeds D19A $17.085M	(17,085,000.00)	(17,085,000.00)	-	-	(17,085,000.00)	0.00%
Bond issuance costs	377,250.00	377,250.00	-	-	377,250.00	0.00%
Enerdgency Operations Cntr(New)	23,600,000.00	25,684,017.00	579,043.17	3,637,791.63	21,467,182.20	16.42%
Total 329 Emergency Management	**1,892,250.00**	**3,976,267.00**	**(1,920,956.85)**	**3,637,791.63**	**2,259,432.22**	**43.18%**
Transfer for E911	(2,250,000.00)	(2,250,000.00)	(1,125,000.00)	-	(1,125,000.00)	50.00%
911 System and Equipment	250,000.00	687,072.51	20,025.04	123,010.96	544,036.51	20.82%
Total 330 E-911	**(2,000,000.00)**	**(1,562,927.49)**	**(1,104,974.96)**	**123,010.96**	**(580,963.49)**	**62.83%**
Transfer from general	(389,326.00)	(389,326.00)	(194,662.98)	-	(194,663.02)	50.00%
Detention life cycle maint	389,326.00	339,413.00	22,661.44	33,268.20	283,483.36	16.48%
Detention cameras/ security	-	400,000.00	-	-	400,000.00	0.00%
TeleStaff Software	-	30,000.00	-	-	30,000.00	0.00%
Transfer out	-	49,913.00	49,913.00	-	-	100.00%
Total 332 Detention Center	**-**	**430,000.00**	**(122,088.54)**	**33,268.20**	**518,820.34**	**-20.66%**
Transfer from general	(304,875.00)	(304,875.00)	(152,437.50)	-	(152,437.50)	50.00%
EMS Body Stretchers & Lifepack	304,875.00	272,612.67	-	-	272,612.67	0.00%
Transfer out	-	32,262.33	32,262.33	-	-	100.00%
Total 333 EMS	**-**	**-**	**(120,175.17)**	**-**	120,175.17	
Quarantine building	-	3,805.00	-	-	3,805.00	0.00%
Total 335 Animal Care Center	**-**	**3,805.00**	**-**	**-**	3,805.00	**0.00%**
Transfer from fire	(1,402,000.00)	(1,402,000.00)	(800,999.96)	-	(601,000.04)	57.13%
Bond proceeds Fire D18	(832,000.00)	(832,000.00)	-	-	(832,000.00)	0.00%
Life cycle maintenance	200,000.00	225,170.00	13,730.01	28,700.00	182,739.99	18.84%
Fire SCBA Breathing Apparatus	265,000.00	265,000.00	-	-	265,000.00	0.00%
Driveways & Life Cycle Maint	250,000.00	252,590.75	-	-	252,590.75	0.00%
Socastee fire renovation	971,750.00	971,750.00	-	-	971,750.00	0.00%
Goretown Fire Station	1,104,000.00	1,104,000.00	-	-	1,104,000.00	0.00%
Bond Issuance Cost	32,000.00	32,000.00	-	-	32,000.00	0.00%
Battalion Station Generators	204,000.00	204,000.00	-	-	204,000.00	0.00%
University Fire Station	-	11,532.28	-	-	11,532.28	0.00%
Longs Fire Station Rebuild	-	2,412,600.00	144,882.00	8,100.00	2,259,618.00	6.34%
Fire Training Center	-	94,616.78	-	-	94,616.78	0.00%
Aynor Fire Rebuild	-	161,808.13	151,808.68	8,443.47	1,555.98	99.04%
Total 338 Fire	**792,750.00**	**3,501,067.94**	**(490,579.27)**	**45,243.47**	**3,946,403.74**	**-12.72%**
Total 11 Public Safety	**973,341.25**	**7,689,426.81**	**(3,766,771.10)**	**3,839,314.26**	**7,616,883.65**	**0.94%**
Transfer from general	(935,000.00)	(935,000.00)	(467,500.02)	-	(467,499.98)	50.00%
Little River projects (Dist 1)	-	110,549.51	-	-	110,549.51	0.00%
Fiber relocation-roadways	935,000.00	1,437,578.54	11,846.42	-	1,425,732.12	0.82%
CF Hwy 31 Interchange	-	140,308.00	2,000.00	-	138,308.00	1.43%
Total 501 Engineering	**-**	**753,436.05**	**(453,653.60)**	**-**	**1,207,089.65**	**-60.21%**
Transfer for general	(460,000.00)	(460,000.00)	(229,999.98)	-	(230,000.02)	50.00%
Equipment non-capital	-	460,000.00	-	-	460,000.00	0.00%
Machinery & equipment	460,000.00	-	-	-	-	
PW-Land & buildings	-	165,000.00	-	-	165,000.00	0.00%
Total 502 Public Works-Maintenance	**-**	**165,000.00**	**(229,999.98)**	**-**	**394,999.98**	**-139.39%**

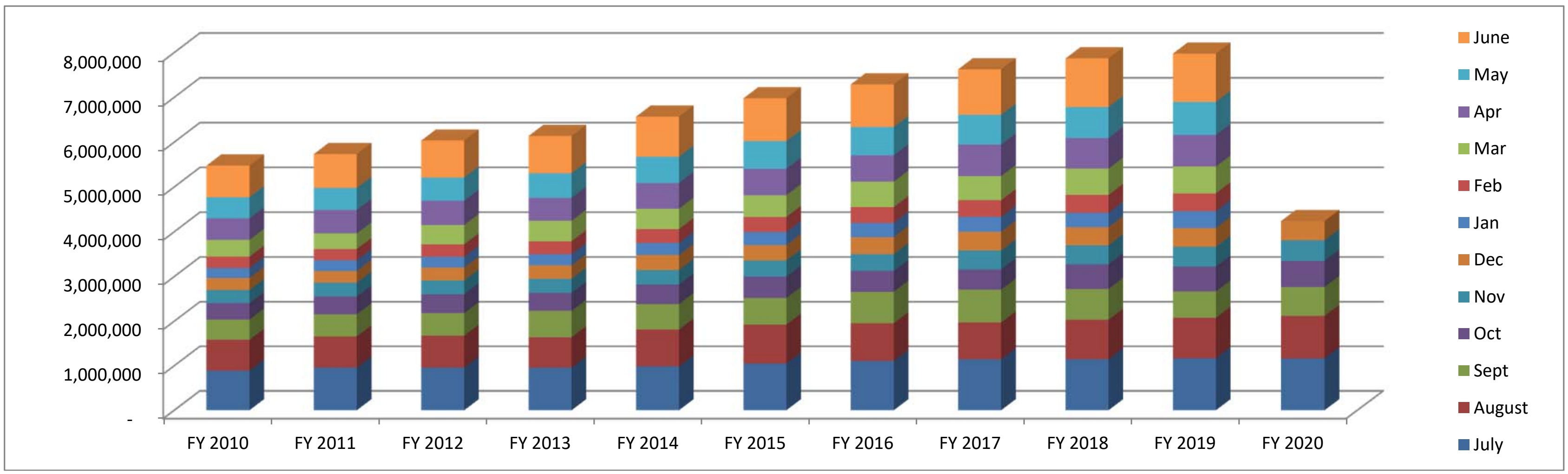
Horry County Capital Project Status - December 2019 Year to Date Budget Report						
ACCOUNT DESCRIPTION	**ORIGINAL APPROP**	**REVISED BUDGET**	**YTD ACTUAL**	**ENCUMBRANCE**	**AVAILABLE BUDGET**	**% USED**
State-Sunday alcohol sales	(535,000.00)	(535,000.00)	(230,011.24)	-	(304,988.76)	42.99%
Transfer for recreation	(350,974.00)	(750,000.00)	(750,000.00)	-	-	100.00%
Life cycle maintenance	350,974.00	720,000.00	-	-	720,000.00	0.00%
Sports Park Lighting (Tourism)	535,000.00	870,840.00	228,831.45	642,008.55	-	100.00%
Equestrian center	-	20,000.00	-	-	20,000.00	0.00%
Loris Recreation Parks	-	95,000.00	-	-	95,000.00	0.00%
Vereen memorial gardens	-	300,000.00	-	-	300,000.00	0.00%
10 Oaks Huger Pk	-	169,249.28	-	-	169,249.28	0.00%
Carolina Forest Recreation	-	757,794.58	286,049.94	226,374.06	245,370.58	67.62%
Socastee Recreation	-	132,996.00	-	-	132,996.00	0.00%
South Strand Recreation Ctr	-	429,431.00	218,776.71	210,654.29	-	100.00%
Hwy 22 Boat Landing	-	114,025.04	-	-	114,025.04	0.00%
New Town Park	-	80,227.00	-	-	80,227.00	0.00%
Green Sea Floyd Park	-	49,552.99	-	24,147.80	25,405.19	48.73%
Cochran-recreation projects	-	100,328.37	-	-	100,328.37	0.00%
Simpson Creek Park	-	14,668.23	-	-	14,668.23	0.00%
Boat landings	-	150,000.00	(65,500.00)	-	215,500.00	-43.67%
Rec Transfer out	-	30,000.00	-	-	30,000.00	0.00%
Total 505 Recreation	**-**	**2,749,112.49**	**(311,853.14)**	**1,103,184.70**	**1,957,780.93**	**28.78%**
Fleet Bldg Addition	-	26,570.59	-	-	26,570.59	0.00%
Total 508 Fleet	**-**	**26,570.59**	**-**	**-**	**26,570.59**	**0.00%**
Transfer from general	(1,511,715.09)	(1,511,715.09)	(1,511,715.09)	-	-	100.00%
Life cycle maintenance	1,511,715.09	2,774,705.78	807,770.97	108,507.87	1,858,426.94	33.02%
Generator Replacements	-	21,027.18	-	-	21,027.18	0.00%
Total 511 Maintenance	**-**	**1,284,017.87**	**(703,944.12)**	**108,507.87**	**1,879,454.12**	**-46.37%**
Beach Equip Building	-	58,004.15	-	-	58,004.15	0.00%
Total 513 Beach & Street Cleanup	**-**	**58,004.15**	**-**	**-**	**58,004.15**	**0.00%**
Transfer from econ development	(15,000.00)	(15,000.00)	(7,500.00)	-	(7,500.00)	50.00%
Total 601 Economic Development	**(15,000.00)**	**(15,000.00)**	**(7,500.00)**	**-**	**(7,500.00)**	**50.00%**
Total 12 Infrastructure & Reg	**(30,000.00)**	**4,948,137.00**	**(1,714,450.84)**	**1,211,692.57**	**5,450,895.27**	**-10.16%**
Revenue Total	**(36,190,626.29)**	**(53,427,282.15)**	**(25,558,045.74)**	**-**	**(27,869,236.41)**	
Expense Total	**36,190,626.29**	**53,427,282.15**	**3,947,835.28**	**8,004,061.04**	**41,475,385.83**	
Revenues Over Expenditures	**$ -**	**$ -**	**$ (21,610,210.46)**	**$ 8,004,061.04**	**$ 13,606,149.42**	

Hospitality 1% (Unincorporated Area Only)

Fees on Accommodations, Prepared Foods, Beverages, and Admissions (Unincorporated Area only) Shown by month in which the sale took place

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	*variance from prior year* dollars	%
July	888,715	958,975	955,598	955,275	985,038	1,048,404	1,108,955	1,143,039	1,144,358	1,169,091	1,164,806	(4,285)	-0.37%
August	693,258	698,052	720,899	684,783	826,709	871,787	844,871	827,716	887,910	907,240	954,582	47,343	5.22%
Sept	454,524	499,516	504,896	591,767	574,377	599,513	706,316	736,540	692,321	590,716	646,902	56,186	9.51%
Oct	369,881	395,982	423,102	404,677	434,470	479,206	465,121	453,098	549,633	556,725	584,801	28,076	5.04%
Nov	293,071	311,328	308,316	313,625	326,990	360,434	374,974	421,354	423,598	439,833	459,755	19,922	4.53%
Dec	270,984	261,015	286,391	299,958	333,666	341,751	378,790	418,325	403,956	419,685	427,941	8,256	1.97%
Jan	221,323	240,241	240,108	251,676	269,513	293,480	318,345	331,905	323,491	377,761			
Feb	252,863	249,628	278,637	285,636	307,125	335,571	352,143	372,770	396,045	396,198			
Mar	373,772	347,140	433,268	458,199	456,963	485,630	568,190	536,419	587,687	599,423			
Apr	481,358	526,507	542,321	511,823	573,483	591,915	587,077	705,706	684,139	705,072			
May	470,509	487,804	517,418	549,655	586,581	614,746	631,869	663,000	691,692	736,815			
June	706,476	758,741	824,602	831,630	894,504	954,964	953,182	1,016,330	1,084,467	1,078,415			
Total for the Year	**5,476,734**	**5,734,928**	**6,035,556**	**6,138,703**	**6,569,420**	**6,977,400**	**7,289,832**	**7,626,202**	**7,869,298**	**7,976,975**	**4,238,787**	**155,497**	**3.81%**
YTD Totals	**2,970,433**	**3,124,868**	**3,199,201**	**3,250,085**	**3,481,250**	**3,701,095**	**3,879,027**	**4,000,072**	**4,101,777**	**4,083,290**	**4,238,787**		
								Inception to Date			**133,910,236**		

Highest individual month since inception is highlighted in yellow

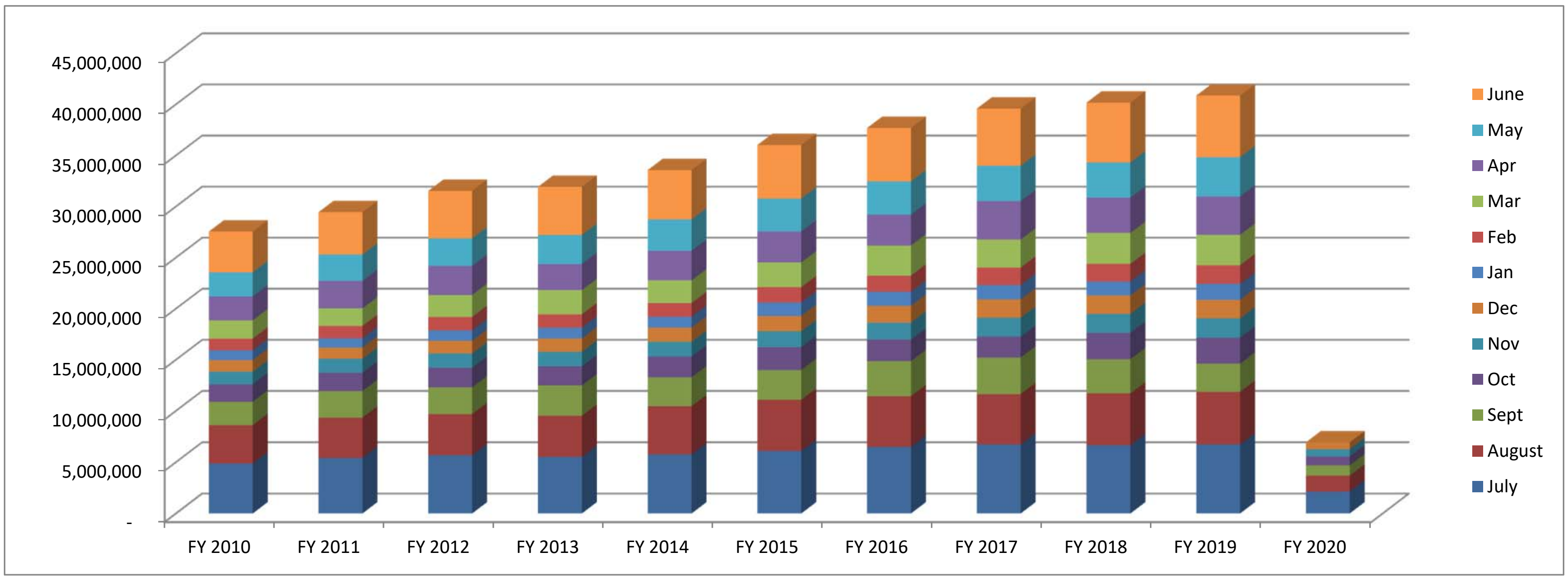


11/2% HOSPITALITY FEE REVENUE

Fees on Accommodations, Prepared Foods, Beverages, and Admissions (County-wide) Shown by month in which the sale took place

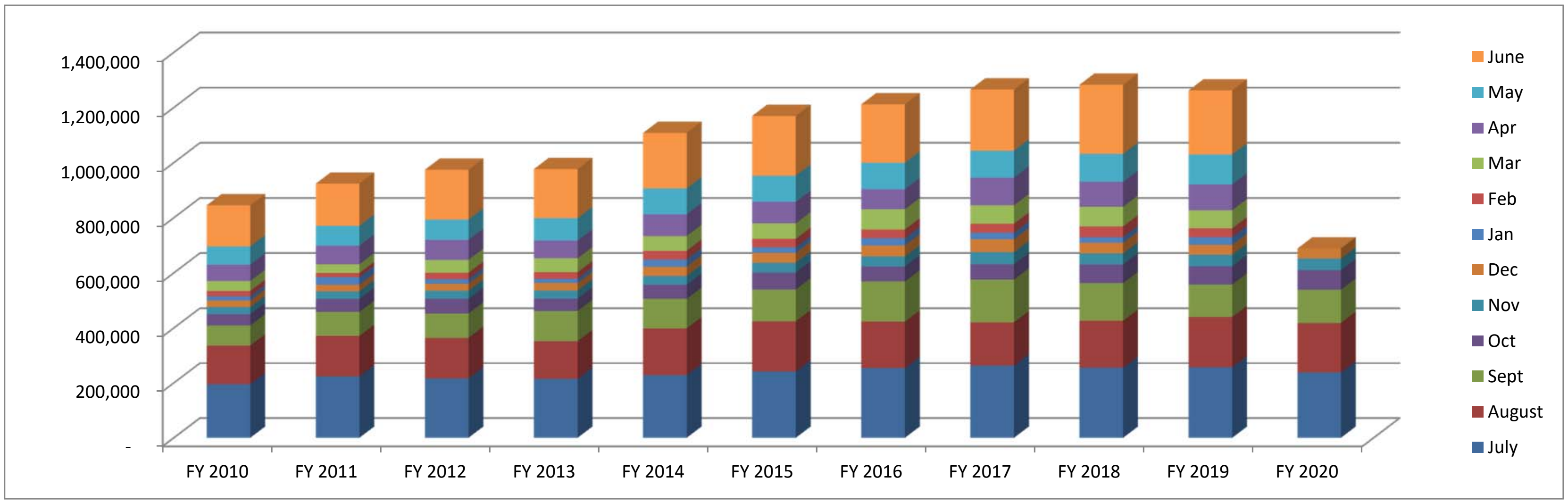
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	*variance from prior year* dollars	%
July	4,862,130	5,419,957	5,677,384	5,511,806	5,753,438	6,090,798	6,489,767	6,734,421	6,646,734	6,717,900	2,131,886	(4,586,014)	-68.27%
August	3,751,061	3,918,378	4,010,672	4,007,074	4,699,964	4,984,300	4,941,282	4,901,422	5,056,005	5,134,796	1,554,731	(3,580,065)	-69.72%
Sept	2,270,566	2,595,648	2,610,920	2,964,782	2,820,904	2,920,360	3,425,659	3,581,945	3,344,953	2,757,435	1,000,028	(1,757,407)	-63.73%
Oct	1,708,435	1,792,407	1,924,087	1,873,142	2,032,911	2,240,019	2,119,470	2,036,763	2,584,898	2,542,853	875,616	(1,667,236)	-65.57%
Nov	1,240,228	1,356,213	1,388,423	1,421,382	1,447,945	1,563,440	1,658,860	1,856,303	1,853,201	1,895,456	690,123	(1,205,333)	-63.59%
Dec	1,134,195	1,102,238	1,236,548	1,300,034	1,386,442	1,486,290	1,634,395	1,794,675	1,806,041	1,817,333	674,733	(1,142,600)	-62.87%
Jan	960,897	909,717	1,029,499	1,061,020	1,059,047	1,316,737	1,379,978	1,409,296	1,365,688	1,567,085			
Feb	1,134,538	1,208,413	1,308,499	1,298,574	1,337,122	1,494,763	1,581,421	1,700,528	1,718,297	1,818,158			
Mar	1,794,996	1,726,203	2,153,801	2,382,070	2,229,085	2,428,137	2,951,366	2,753,758	3,033,462	2,986,669			
Apr	2,337,177	2,685,984	2,842,027	2,538,913	2,895,927	3,041,321	3,026,644	3,759,545	3,453,688	3,737,033			
May	2,360,988	2,576,518	2,699,467	2,845,392	3,066,567	3,210,863	3,242,796	3,452,510	3,444,353	3,849,892			
June	3,996,901	4,158,160	4,642,688	4,720,756	4,835,586	5,245,493	5,239,363	5,604,418	5,864,846	6,030,521			
Total for the Year	**27,552,114**	**29,449,837**	**31,524,015**	**31,924,945**	**33,564,937**	**36,022,521**	**37,691,002**	**39,585,583**	**40,172,166**	**40,855,130**	**6,927,117**	**(13,938,654)**	**-66.80%**
YTD Totals	**14,966,616**	**16,184,841**	**16,848,034**	**17,078,219**	**18,141,603**	**19,285,206**	**20,269,435**	**20,905,529**	**21,291,832**	**20,865,772**	**6,927,117**		
								Inception to Date			**654,088,065**		

Highest individual month since inception is highlighted in yellow



Local Accommodations Tax (½% in the unincorporated areas) *Shown by month in which the sale took place*												*variance from prior year*	
	FY 2010	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	***dollars***	***%***
July	195,336	223,365	216,443	214,425	228,395	241,406	253,560	262,440	254,995	256,595	238,103	(18,492)	-7.21%
August	140,755	147,555	147,473	137,466	169,981	182,872	169,544	158,109	171,207	183,206	180,209	(2,998)	-1.64%
Sept	73,086	87,357	89,053	110,073	107,427	115,379	145,567	155,455	136,381	117,728	120,528	2,800	2.38%
Oct	41,111	46,552	52,612	44,802	51,478	61,659	54,459	55,291	67,835	66,521	71,201	4,679	7.03%
Nov	25,500	28,244	29,458	29,266	31,529	35,436	36,299	44,157	40,508	41,951	41,923	(28)	-0.07%
Dec	24,036	23,624	26,006	27,476	33,582	35,754	40,103	46,681	38,055	35,751	36,735	985	2.75%
Jan	14,955	27,870	16,282	15,558	26,314	20,007	25,947	23,547	20,638	27,692			
Feb	20,004	14,860	23,018	23,550	31,598	31,067	32,008	32,526	38,816	32,006			
Mar	35,564	31,634	46,898	50,145	53,326	55,900	73,143	67,015	71,151	65,911			
Apr	59,564	67,652	72,499	64,493	78,727	78,333	72,695	100,461	90,704	93,461			
May	65,872	71,995	73,916	81,089	94,444	94,751	95,936	97,636	101,227	108,891			
June	149,321	152,902	180,393	178,370	200,918	216,857	212,296	222,038	251,072	232,200			
Total for the Year	**845,104**	**923,610**	**974,052**	**976,715**	**1,107,719**	**1,169,420**	**1,211,555**	**1,265,356**	**1,282,589**	**1,261,913**	**688,698**	**(13,054)**	**-1.86%**
YTD Totals	**499,824**	**556,697**	**561,046**	**563,510**	**622,392**	**672,505**	**699,530**	**722,133**	**708,981**	**701,752**	**688,698**		
								Inception to Date			**18,227,159**		

Highest individual month since inception is highlighted in yellow



County Quarterly Receipts from the State for State ATAX Distributions												variance from prior year	
	FY 2010	FY 2011	* FY 2012	* FY 2013	FY 2014	FY 2015	** FY 2016	** FY 2017	** FY 2018	** FY 2019	** FY 2020	*dollars*	%
Jun, Jul, Aug	1,437,165	1,945,508	2,049,416	2,167,105	2,126,110	2,010,686	1,814,377	1,923,006	1,990,959	2,087,325	2,038,194	(49,131)	-2.35%
Sept, Oct, Nov	462,964	560,458	586,693	585,562	467,042	600,975	557,168	578,502	630,998	601,931			
Dec, Jan, Feb	154,026	183,677	220,772	429,458	173,429	124,173	378,739	238,720	243,033	276,949			
Mar, Apr, May	853,724	1,195,161	1,041,322	678,224	1,367,922	1,153,711	1,276,040	1,378,338	1,387,023	1,449,600			
Total for the Year	**2,907,879**	**3,884,803**	**3,898,203**	**3,860,349**	**4,134,504**	**3,889,546**	**4,026,325**	**4,118,566**	**4,252,014**	**4,415,805**	**2,038,194**	**(49,131)**	**-1.83%**
YTD Totals	**1,900,129**	**2,505,965**	**2,636,108**	**2,752,667**	**2,593,152**	**2,611,661**	**2,371,546**	**2,501,507**	**2,621,957**	**2,689,256**	**2,038,194**		
								Inception to Date			**60,251,382**		

Highest individual month since inception is highlighted in yellow

Notes:

** The State's deduction for Proviso 109.9 has been added back to the 1st Qtr receipt to more accurately report the State's receipts.

* FY 2012 amounts have been restated based on adjustments made by DOR in Oct. 2012

	FY 2010	FY 2011	* FY 2012	* FY 2013	FY 2014	FY 2015	** FY 2016	** FY 2017	** FY 2018	** FY 2019	** FY 2020
Qtr 1 and 2 only	$ 1,900,129	$ 2,505,965	$ 2,636,108	$ 2,752,667	$ 2,593,152	$ 2,611,661	$ 2,371,546	$ 2,501,507	$ 2,621,957	$ 2,689,256	$ 2,038,194
% of total for yr	65.34%	64.51%	67.62%	71.31%	62.72%	67.15%	58.90%	60.74%	61.66%	60.90%	100.00%
Qtr 1,2 and 3 only	$ 2,054,155	$ 2,689,642	$ 2,856,881	$ 3,182,124	$ 2,766,581	$ 2,735,835	$ 2,750,285	$ 2,740,228	$ 2,864,990	$ 2,966,205	$ 2,038,194
% of total for yr	70.64%	69.23%	73.29%	82.43%	66.91%	70.34%	68.31%	66.53%	67.38%	67.17%	100.00%

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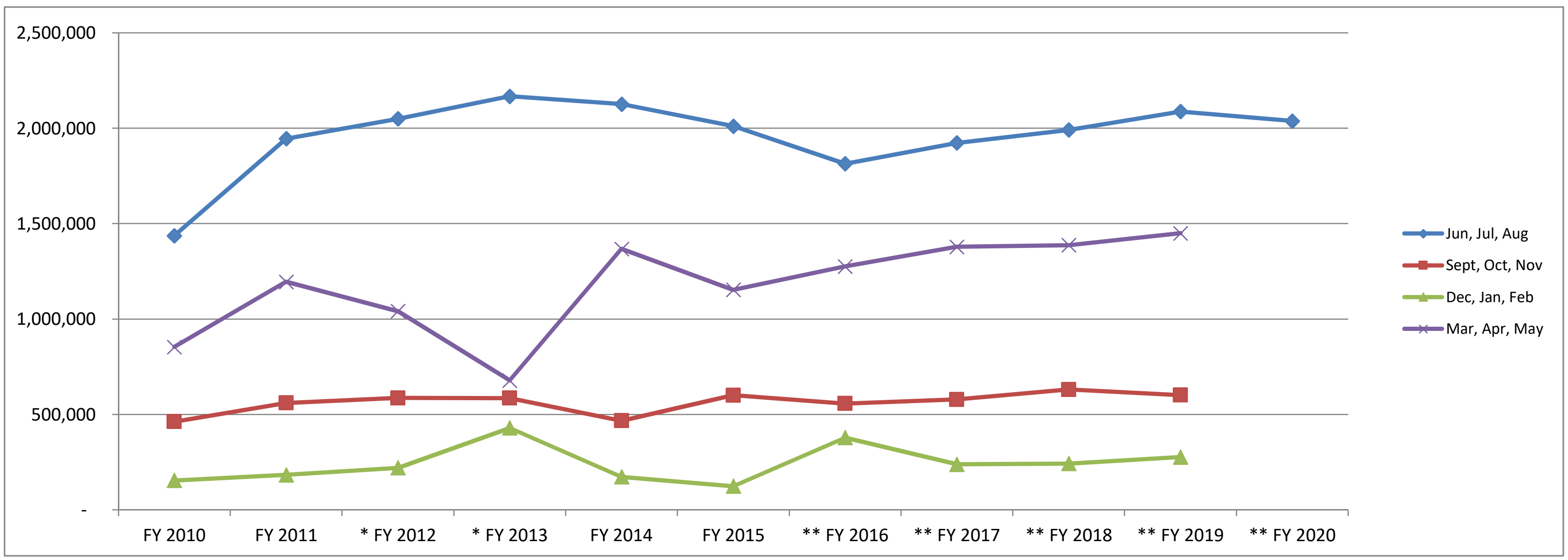

HORRY COUNTY DEBT				
Debt Issue	**Total Interest Cost**	**Original Amt**	**Balance as of 06/30/19**	**Balance as of 12/31/19**
General Debt Service Millage				
G.O. Bonds of 2009 (Series A) dated December 30 for $5.04 million with interest at 2% to 3% - Recreation and Library	2.4913%	$5,040,000	$570,000	$570,000
G.O. Bonds of 2010 (Series B) dated June 3 for $12.02 million with interest at 2.5% to 4.0% - Series 2001 A&B Refunding - S.S. Complex, Libraries & Court House	2.6180%	$12,020,000	$3,085,000	$3,085,000
GO Bonds of 2015 (Series A) dated Dec 4 for $15.41 million with interest at 1.92% - Series2005A Refunding for Government & Justice Center	1.9200%	$15,410,000	$8,295,000	$8,295,000
G.O. Bonds of 2015 (Series B) dated April 30 for $4.774 M with interest at 1.56% - Series 2007 Refunding	1.5600%	$4,774,000	$2,913,000	$2,913,000
G.O. Bonds of 2015 (Series C) dated April 30 for $24.7 M with interest at 1.77% - Series 2008 Refunding	1.7700%	$24,726,000	$24,118,000	$24,118,000
G.O. Bonds of 2016 (Series B) dated November 16 for $6.985M with interest at 1.68% - Series 2009B Refunding - Recreation and Library	1.6800%	$6,985,000	$6,985,000	$6,985,000
TOTAL BONDS OUTSTANDING RELATING TO LEGAL DEBT MARGIN				**$45,966,000**
Special Purpose District (District Millage)				
2010 GO Bonds, 2001 (Series A&B) Refunding	2.6180%	$1,670,000	$420,000	$420,000
2011 GO Bonds, 2004 (Series B) Refunding	2.6200%	$2,100,000	$1,145,000	$1,145,000
TOTAL SPECIAL PURPOSE/TAX DISTRICT BONDS OUTSTANDING				**$1,565,000**
Fire GO Bonds (Fire Millage)				
G.O. Bonds of 2011 (Series A) dated December 6 for $6.64M with interest at 2% to 4% - Series 2004A Refunding - Fire Protection District	2.0508%	$6,640,000	$2,500,000	$2,500,000
G.O. Bonds of 2016 (Series A) dated November 15 for $3M with interest at 2.19% - Fire Protection District	2.1900%	$3,000,000	$2,185,000	$2,185,000
TOTAL FIRE PROTECTION BONDS OUTSTANDING				**$4,685,000**
TOTAL GENERAL OBLIGATION BONDS OUTSTANDING				**$52,216,000**
Airport Revenue - Airport Improvements		$60,590,000	$54,000,000	**$52,520,000**
Fire Apparatus - 2015	2.0290%	$7,750,000	$4,262,500	$4,262,500
15 Motorola Lease	2.1150%	$3,921,747	$1,686,404	$1,686,404
Fire Apparatus - 2016	1.7400%	$5,500,000	$3,850,000	$3,850,000
Capitalized leases		$17,171,747	$9,798,904	**$9,798,904**

Horry County, South Carolina
Summary of Major Liabilities
Balance as of 12/31/19

	Original Amount	Balance - July 1, 2019	Current Balance	FY 2020 Reserve Balance	FY 2020 Projected Revenue	FY 2020 Available Funding	FY 2020 Debt Service	FY 2020 Coverage	% Repaid in 10 Yrs	Remaining Term (Yrs)	Weighted Average Maturity	Interest Rate
Bonds & Notes												
General Obligation Bonds	68,955,000	45,966,000	45,966,000	7,822,047	11,404,232	19,226,279	11,493,636	1.67	100.0%	9.00	3.36	1.8228%
Higher Ed Commission	1,670,000	420,000	420,000	-	221,800	221,800	221,800	1.00	100.0%	2.00	1.70	2.6180%
HGTC	2,100,000	1,145,000	1,145,000	-	242,250	242,250	242,250	1.00	100.0%	5.00	3.45	2.6200%
Fire Fund	9,640,000	4,685,000	4,685,000	-	752,990	752,990	752,990	1.00	89.3%	12.00	4.25	2.4195%
Total Bonds & Notes	82,365,000	52,216,000	52,216,000	7,822,047	12,621,272	20,443,319	12,710,675	1.61	99.2%	13.00	3.62	1.9002%
Total Capital Leases	17,171,747	9,798,904	9,798,904			2,073,308	2,073,308	1.00	100.0%	7.00	3.54	2.0621%

	Balance - July 1, 2019	Current Balance
Other		
OPEB	40,595,610	40,595,610
Pension Liability	193,496,179	193,496,179
Compensated Absences	11,987,690	11,987,690
Total Other	246,079,479	246,079,479

Legal Debt Margin	
Assessed Value	2,634,396,171
Debt Limit (8%)	210,751,694
Internal Limit (75% of Statutory Debt Limit)	158,063,771
G.O. Bonds Outstanding	45,966,000
Available Capacity	112,097,771

Upcoming Debt

	Amount	Use
G.O. Bonds		
Series 2020A	18,800,000	Emergency Operations Center, expansion of the Conway Government and Justice Center, and expansion of County EMS facilities
Series 2020B	900,000	Expansion of Socastee fire station, addition to the Goretown fire station, and replacement of Longs fire station

Horry County
Selected Financial Highlights
For the Six Months Ended December 31, 2019

February 25, 2020

Executive Summary General Fund December 31, 2019 Interim Results

FOR THE SIX MONTHS ENDED,

	December 31, 2019			December 31, 2018	
	Annual Budget	YTD Actual	Variance Annual Budget / Actual	YTD Actual	Variance Actual / Actual
Revenues	$ 175,823,842	$ 95,013,342	$ (80,810,500)	$ 83,073,346	$ 11,939,996
Expenditures	173,309,422	76,805,129	96,504,293	73,546,717	(3,258,412)
	2,514,420	18,208,213	15,693,793	9,526,629	8,681,584
Other Financing Sources & (Uses)	(16,493,718)	(9,105,491)	7,388,227	(9,205,835)	100,344
Net Change in Fund Balance	$ (13,979,298)	9,102,722	$ 23,082,020	320,794	$ 8,781,928
Fund Balance, July 1		80,009,617		78,130,050	
Fund Balance, December 31		**$ 89,112,339**		$ 78,450,844	

	FY20 % Actual to Budget	FY19 % Actual to Budget
Revenues	54.04%	50.63%
Expenditures	44.32%	45.65%

Executive Summary General Fund
December 31, 2019 Interim Results

Significant Revenue Variances from Prior Year - Six Months Ended

	December 31, 2019		December 31, 2018		Comments
	Annual Budget	Year-to-date Actual	Year-to-date Actual	Variance Actual/Actual	
Real and Personal property taxes	$ 97,731,272	$ 63,032,234	$ 53,619,695	▲ 9,412,539	County rec'd significant larger deposits during the final three days of December over prior year.
Intergovernmental	12,950,019	4,848,588	4,334,034	▲ 514,554	Primarily due to increase in FEMA revenues (federal and state) $476k.
Register of Deeds fees	8,499,363	4,505,706	3,777,226	▲ 728,480	Certain rates added/increased effective 8/1/2019. Documentary stamps up $279k, recording fees up $374k.
EMS fees	9,700,000	3,742,512	3,302,608	▲ 439,904	Increase primarily due to 2.3% rate increase for medicare and medicaid services.
Building permits	6,020,537	3,533,040	2,686,815	▲ 846,225	Rates increased for FY 2020. Overall number of permits issued up 11% from prior year; construction value up 16%. Residential revenue is up 34% or $558k.
Other	40,922,651	15,351,262	15,352,968	▼ (1,706)	
	$ 175,823,842	$ 95,013,342	$ 83,073,346	$ 11,939,996	

Executive Summary General Fund December 31, 2019 Interim Results

Significant Expenditure Variances from Prior Year - Six Months Ended

	December 31, 2019		December 31, 2018		Comments
	Annual Budget	Year-to-date Actual	Year-to-date Actual	Variance Actual/Actual	
Personnel costs	$ 121,813,482	$ 55,947,158	$ 51,507,136	$ (4,440,022)	Increase primarily due to 4.4% annual merit raise plus public safety officers year of service, as well as a retirement contribution rate increase of 1%. During November 2018, significant salaries and related benefits were reclassified to disaster expenditures relating to Hurricane Florence.
Supplies & materials	15,755,402	4,609,671	3,830,954	(778,717)	Increases in non-capital equipment ($76k), printing ($79k), postage ($96k), asphalt supplies ($125), medical supplies ($36k) and repairs & maintenance ($342k).
Contributions to agencies	289,172	99,654	469,654	370,000	Decrease in funding to CRTA.
Contractual services	19,723,717	8,986,541	8,837,108	(149,433)	Increases in legal fees ($198k), professional services ($225k), and insurance ($105k) and a timing difference in service contracts of appoximately $300k.
Disaster Expenditures	-	387,631	2,170,394	1,782,763	Decrease due to Hurricane Florence in September 2018.
Other Operating Expenditures	15,727,649	6,774,474	6,731,471	(43,003)	
	$ 173,309,422	$ 76,805,129	$ 73,546,717	$ (3,258,412)	

Executive Summary Special Revenue Fund December 31, 2019 Interim Results

FOR THE SIX MONTHS ENDED,

	December 31, 2019		December 31, 2018		
	Annual Budget	**Year-to-date Actual**	**Year-to-date Actual**	**Variance Actual / Actual**	**Comments**
Fire					
Revenues	$ 23,412,644	$15,164,557	$ 13,123,748	▲ $ 2,040,809	County rec'd significant larger deposits during the final three days of December over prior year. Real, personal & vehicle taxes up $2M.
Expenditures	21,777,124	9,541,373	9,250,712	▼ (290,661)	Increase primarily due to 4.4% annual merit raise plus public safety officers year of service, as well as a retirement contribution rate increase of 1%. Other increases include business and transporation ($92k) and contract services ($118k). Disaster expenditures have decreased by $251k.
Other Financing Sources (Uses)	(2,780,730)	(1,491,930)	(2,063,355)	▲ 571,425	Decrease in transfers for fire capital plan, increase in transfer for debt.
Net Change in Fund Balance	$ (1,145,210)	$ 4,131,254	$ 1,809,681	$ 2,321,573	
Road Maintenance & CTC					
Revenues	$ 18,777,298	$ 8,649,501	$ 8,491,300	▲ $ 158,201	Increases in road maint. fees $224k and interest $91k. Decrease in State-CTC ($210k) due to the timing of expenditures.
Expenditures	49,996,513	8,597,352	5,528,573	▼ (3,068,779)	Increase in infrastructure/construction projects .
Other Financing Sources (Uses)	-	-	454,534	▼ (454,534)	
Net Change in Fund Balance	$ (31,219,215)	$ 52,149	$ 3,417,261	$ (3,365,112)	

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Executive Summary Special Revenue Fund December 31, 2019 Interim Results

FOR THE SIX MONTHS ENDED,

	December 31, 2019		December 31, 2018		
	Annual Budget	Year-to-date Actual	Year-to-date Actual	Variance Actual / Actual	Comments
Beach Renourishment					
Revenues	$ 1,040,000	$ 554,326	$ 4,884,281	▼ $ (4,329,955)	Decrease due to state funding for Arcadian Shores beach renourishment completed in FY 2019.
Expenditures	2,860,799	27,880	114,044	▲ 86,164	
Net Change in Fund Balance	$ (1,820,799)	$ 526,446	$ 4,770,237	$ (4,243,791)	
Stormwater					
Revenues	$ 7,455,966	$ 6,280,935	$ 4,704,724	▲ $ 1,576,211	Increase in FEMA (federal and state) grants $1.1M, as well as fees $483k.
Expenditures	7,995,414	3,062,667	3,852,634	▲ 789,967	Decreases in disaster expenditures $1.3M and capital outlay/construction projects $21k. Personnel cost increased ($261k), primarily due to 4.4% annual merit increase and 1% retirement contribution rate increase. Contractual services increased ($157k) for mosquito control.
Other Financing Sources (Uses)	(124,500)	(85,750)	(466,891)	▲ 381,141	Amount budgeted for transfers out reduced by $800k over prior year
Net Change in Fund Balance	$ (663,948)	$ 3,132,518	$ 385,199	$ 2,747,319	

Executive Summary Special Revenue Fund December 31, 2019 Interim Results

FOR THE SIX MONTHS ENDED,

	December 31, 2019		December 31, 2018		
	Annual Budget	**Year-to-date Actual**	**Year-to-date Actual**	**Variance Actual / Actual**	**Comments**
Recreation					
Revenues	$ 7,478,332	$ 3,334,178	$ 2,695,612	▲ $ 638,566	Increase in property taxes $292k. New revenue accounts for FY 2020, 1% Hospitality $96k, business licenses $177k, FEMA $62k.
Expenditures	6,724,554	1,997,359	1,898,578	▼ (98,781)	Increases in cost recovery ($24k), park & facility ($50k) and contractual services ($52k). Decrease in personnel costs due to unfilled vacancies.
Other Financing Sources (Uses)	(781,784)	(744,400)	62,337	▼ (806,737)	FY2020 Transferred out ($750k) to Capital Projects fund.
Net Change in Fund Balance	$ (28,006)	$ 592,419	$ 859,371	$ (266,952)	
Waste Management Recycling					
Revenues	$ 9,253,668	$ 8,783,078	$ 4,660,950	▲ $ 4,122,128	Increase primarily due to federal and state FEMA grants $3.4M. New revenue account for FY2020, business licenses $110k. Increase in property taxes $590k.
Expenditures	9,253,668	3,874,982	4,206,166	▲ 331,184	Decrease in disaster expenditures $508k. Increase in contract services ($177k).
Net Change in Fund Balance	$ -	$ 4,908,096	$ 454,784	$ 4,453,312	

County Council Decision Memorandum
Horry County, South Carolina

Date: February 17, 2020
From: Barry Spivey, Assistant County Administrator
Cleared By: Steve Gosnell, County Administrator
Arrigo Carotti, County Attorney
Division: Administration
Re: Audit Committee Charter – Government Finance Officers Association (GFOA) Best Practices

ISSUE

The County Council adopted Resolution R-77-11 approving the Horry County Audit Committee Charter (Charter) on August 16, 2011 to implement the Government Finance Officers Association "Best Practice" for establishment of an Audit Committee. Resolution R-14-12 revised the Charter to reflect the authority of the Administrator, contained in the Financial Policy (Chapter 2, Article V, and Division 5 of the Horry County Code of Ordinances) to engage outside professionals to conduct Internal Audits as deemed necessary.

The Government Finance Officers Association's Best Practice – Audit Committees (see attached) was approved by GFOA's Executive Board in October 2008 and is the primary source, along with the AICPA Audit Committee Toolkit, utilized in the drafting of this Charter.

Section D of the Charter provides: *the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Council any improvements to this Charter that the Committee considers necessary or valuable.*

RECOMMENDATION

Staff has reviewed the Charter and presently is not recommending any modification. It is recommended that the Committee review and consider any modifications proposed by its members. There presently have been no modifications in the Best Practice for Audit Committees or additional recommendations from GFOA.

HORRY COUNTY AUDIT COMMITTEE CHARTER

Adopted August 16, 2011 by Resolution R-77-11
Revised March 13, 2012 by Resolution R -14-12

A. COMMITTEE COMPOSITION

The Audit Committee shall consist of the County Council members who serve on the Administration Committee. The Chairman of the Administration Committee shall act as Chairman of this committee.

Each Committee member will be both independent and financially literate. At least one member shall be designated as the "financial expert", or the committee will have access to the services of a financial expert. All members of the audit committee will receive guidance on the role of the audit committee, and their personal responsibility as committee members, including their duty to exercise an appropriate degree of professional skepticism.

B. MEETINGS

The Committee shall meet at least three times annually, or more frequently as their responsibilities dictate. As part of its job to foster open communication, the Committee shall, at least annually, meet separately with administration and the independent auditors to discuss any matters that the Committee or any of these groups believes should be discussed privately. In addition, the Committee should meet with the independent auditors and administration annually to review the County's financial statements and reports consistent with Section C below. The Committee may meet in person or telephonically at any time.

All members of the Council who are not members of the Committee may attend meetings of the Committee but may not vote. The Committee may invite to its meetings any administration or other personnel of the County, or any third parties, as it deems appropriate in order to carry out its responsibilities.

C. RESPONSIBILITIES AND DUTIES

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern that it deems appropriate. The Committee shall have the authority to retain outside legal, accounting or other advisors for this or any other purpose, including the authority to approve the fees payable to such advisors and any other terms of retention.

The Committee shall be given full access to the County's internal auditors, administration, personnel and independent auditors as necessary to carry out these responsibilities. While acting within the scope of its stated purpose, the Committee shall have all the authority of the Council.

To fulfill its responsibilities and duties the Committee shall:

<u>Documents/Reports Review</u>

(a) Review with administration and the independent auditors, prior to outside dissemination, the County's annual audited financial statements, and discuss with the independent accountants the matters required to be discussed by Statements of Auditing Standards No. 61.

Independent Auditors

(a) Recommend to the Council retention (and termination, as the case may be) of the County's independent auditors and audit engagement fees and terms;

(b) Oversee the work of any public accounting firm employed by the County (except as otherwise provided in this Charter), including the resolution of any disagreement between administration and the independent auditor regarding financial reporting, for the purpose of preparing or issuing an audit report or related work;

(c) Internal audits will be conducted as deemed necessary by the County Administrator, or as directed by County Council. Such audits will be conducted by engaging outside professionals or by County staff as deemed appropriate by the County Administrator;

(d) Approve, in advance, any audit and any permissible non-audit engagement or relationship between the County and the independent auditors (except as otherwise provided in this Charter);

(e) Review, at least annually, the qualifications, performance and independence of the independent auditors. In conducting its review and evaluation, the Committee should:

  (i) Obtain and review a report by the County's independent auditors describing: (i) the auditing firm's internal quality-control procedures; (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the auditing firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the auditing firm, and any steps taken to deal with any such issues; and (iii) all relationships between the independent auditors and the County (so as to enable the assessment of the independent auditors' independence);

  (ii) Take into account the opinions of administration and the County's internal auditors (or of other personnel responsible for the internal audit function); and

  (iii) Receive from the independent auditors such written statements as required by Independence Standards Council Statement No. 1 or any other applicable rules, and recommend to the Council and/or administration such actions it deems appropriate to ensure the independence of the external auditors;

(f) Review with the independent auditors any audit problems or difficulties and administration's response; and

(g) Set clear hiring policies to be implemented by the County for employees or former employees of the independent auditors to ensure independence.

Financial Reporting Process and Controls

(a) Review, in consultation with the independent auditors and the internal auditors, the integrity of the County's internal and external financial reporting processes and controls. In this regard, the Committee should obtain and discuss with administration and the independent auditors all reports from administration and the independent auditors regarding: (i) all critical accounting policies and practices to be used by the County; (ii) analyses prepared by administration and/or the independent auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including all alternative treatments of financial information within generally accepted accounting principles that have been discussed with the County's administration, the ramifications of the use of the alternative disclosures and treatments, and the treatment preferred by the independent auditors; (iii) major issues regarding accounting principles and financial statement presentations, including any significant changes in the County's selection or application of accounting principles; (iv) major issues as to the adequacy of the County's internal controls and any specific audit steps adopted in light of material control deficiencies; and (v) any other material written communications between the independent auditor and the County's administration;

(b) Review periodically the effect of accounting developments, as well as off-balance sheet structures (if any), on the financial statements of the County;

(c) Establish regular systems of reporting to the Committee by each of administration, the independent auditors and the internal auditors regarding any significant judgments made in administration's preparation of the financial statements and any significant difficulties encountered during the course of the review or audit, including any restrictions on the scope of work or access to requested information;

(d) Review any significant disagreement between administration and the independent auditors or the internal auditor in connection with the preparation of the financial statements and administration's response to such matters; and

(e) Review and discuss with the independent auditors the responsibilities, budget and staffing of the County's internal audit function.

<u>Legal/Compliance/General</u>

(a) Review, with the County's counsel, any legal matter that could have a significant impact on the County's financial statements or operations;

(b) Discuss with administration and the independent auditors the County's guidelines and policies with respect to risk assessment and risk management. The Committee should discuss the County's major financial risk exposures and the steps administration has taken to monitor and control such exposures;

(c) Establish procedures for: (i) the receipt, retention and treatment of any complaints received by the County regarding accounting, internal accounting controls, or auditing matters; and (ii) the confidential anonymous submission by employees of the County of concerns regarding questionable accounting or auditing matters; and

<u>Reports</u>

(a) Report regularly to the Council:

(i) with respect to any issues that arise regarding the quality or integrity of the County's financial statements, the County's compliance with legal and regulatory requirements, the performance and independence of the County's independent auditors or the performance of the internal audit function;

(ii) following all meetings of the Committee; and

(iii) with respect to such other matters that are relevant to the Committee's discharge of its responsibilities.

(b) Maintain minutes or other records of meetings and activities of the Committee.

D. ANNUAL PERFORMANCE EVALUATION

The Committee shall perform a review and evaluation, at least annually, of its performance and its members, including reviewing the compliance of the Committee with this Charter. In addition, the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Council any improvements to this Charter that the Committee considers necessary or valuable. The Council shall also issue an annual evaluation of the Committee's performance.

Horry County Council Briefing Memorandum

Date:	February 17, 2020
From:	Barry Spivey, Assistant County Administrator and Judi Olmstead, Assistant Director of Airports
Division:	Administration Division
Cleared By:	Steve Gosnell, County Administrator Scott Van Moppes, Director of Airports
Committee:	Administration Committee
Re:	Review of Audit Charter and Independent Auditor Review

ISSUE

- The Audit Committee Charter was approved on August 16, 2011 by Resolution R-77-11 and revised on March 13, 2012 by Resolution R-14-12. The current Charter is attached along with the *GFOA Best Practice – Audit Committees*. Staff has reviewed the current Charter along with the Best Practice and is not recommending any modification at this time.

- The Audit Committee in compliance with Resolution 77-11 (as amended by Resolution 14-12) – Audit Committee Charter Section**:** *Independent Auditors shall:*

e) Review, at least annually, the qualifications, performance and independence of the independent auditors. In conducting its review and evaluation, the Committee should:

i. Obtain and review a report by the County's independent auditors describing: (i) the auditing firm's internal quality-control procedures; (ii) any material issues raised by the most recent internal quality control review, or peer review, of the auditing firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the auditing firm, and any steps taken to deal with any such issues; and (iii) all relationships between the independent auditors and the County (so as to enable the assessment of the independent auditors' independence);

ii. Take into account the opinions of administration and other personnel responsible for internal audit type functions; and

iii. Receive from the independent auditors such written statements as required by independence standards or any other applicable rules, and recommend to the Council and/or administration such actions it deems appropriate to ensure the independence of the external auditors;

ANALYSIS

Included in this memorandum are the following items:

1. Independent Auditor Performance Questionnaire
2. Elliott Davis LLC's Peer Review Report

To assist the Committee in evaluation the performance of our external auditors, Staff has provided (see attached) comments to the Independent Auditor Performance Questionnaire. We hope that our perspective and responses will assist the Committee in fulfilling its responsibilities for annual review of the audit firms.

Independent Auditor Performance Questionnaire

Questions for Audit Committee Members	Comments
1. Did the auditor meet with the audit committee when requested?	Tim Grow met with the Administration Committee on July 30, 2019 to discuss the audit plan for Fiscal Year 2019 for both the County and Department of Airports. Tim Grow andMelissa Monahan met with the Administration Committee on December 3, 2019 to review completion of the audit and required auditor disclosures.
2. Did the auditor address issues of "tone at the top" and antifraud programs and controls in place in the organization?	The Auditors reviewed minutes of Council Meetings, tested internal controls, conducted random and compliance testing to provide material compliance. Their report indicates appropriate programs and internal controls in place in the County.
3. Did the auditor inform the audit committee of any risks, of which the committee was not previously aware?	During the Audit Planning and Reporting to Council, the Auditor provides communication as to their assessment of the risk environment and extent of reliance on our internal controls. The Client Representation Letter (see auditor communications from December meeting) reflects detailed communications of risks and managements responsibilities.
4. Did the auditor adequately discuss issues of the quality of financial reporting, including the applicability of new and significant accounting principles?	In the December Administrative meeting, the Auditors communicated their assessment of the quality of reporting and County's participation in the GFOA program for the Certificate of Excellence in Financial Reporting. Active discussion occurred through the year as the County was adopting the new standard for GASB 88 to assure accurate implementation and quality reporting.
5. Did the auditor communicate issues freely with the audit committee, or did the auditor seem protective of management?	The Auditors met with the Committee in December where an open dialog occurred and invitation for questions and conversation during and after the meeting.
6. Does it appear that administration exercises undue influence on the independent auditor?	The Finance department for the County and Department of Airports have the primary responsibility for providing appropriate and adequate support for the financial results and for completing the financial reporting and audit timely. The Auditors independently determine the audit procedures, amount of testing, adequacy of controls, and sufficiency of support. Additionally, the Auditors are engaged/hired by Council and are afforded direct contact and communication with Council as deemed necessary.
7. Does it appear that the independent auditor is reluctant or hesitant to raise issues that would reflect negatively on administration?	The Auditors provided direct communication to Council which includes one finding during the Fiscal Year 2019 Audit . This is evidence of their willingness and comfort in communicating openly and evidence of their desire to provide constructive feedback for improvement.
8. Is the audit committee satisfied with the planning and conduct of the audit, including the financial statements and internal control over financial reporting (as applicable)?	The audit meets all professional standards and federal and state guidelines. The auditor has expressed opinions on the internal control structure and procedures over financial reporting. The County has submitted the financial statements to the GFOA Certificate of Excellence in Financial Reporting program for FY2019.
9. Review all audit-related and non-audit services conducted by the independent auditor in the prior year. Are you satisfied that the independent auditor remains independent and objective both in fact and appearance?	During FY2019, Elliott Davis, with prior approval of the Audit Committee, has been engaged to assist in the implementation of financial reporting software and implementation of GASB 87 for Leases.

Independent Auditor Performance Questionnaire

Questions for Audit Committee Members		**Comments**	
10. Understand the size of the firm and its total revenues firm-wide, for the office(s) providing a substantial amount of services to the organization, and the book-of-business of the partner-in-charge of the audit. Is the firm, the office or the partner dependent on the organization for a material percentage of its fee income? If so, the audit committee should consider whether this impairs the appearance of independence with respect to the organization.		County	Department of Airports
	FY2019 Audit Fee	$70,270	$28,555
	Fee as % of Firm Revenue	<1.00%	<1.00%
	Fee as % of Office Revenue	<1.00%	<1.00%
	Fee as % of Partner in Charge Revenue	5.00%	2.00%
11. a. How is the concurring partner (if applicable) compensated?		Concurring Partner not required for engagement. Concurring Partner is used and compensation is based on evaluation by Executive Committee of annual goals and objectives assigned.	
b. Is the concurring partner "protected" in the event a tough call needs to be made?		The firm has procedures to either discuss with the quality control shareholder or the chair of our audit committee if a difference of opinions on anything deemed to be material between the shareholder and the concurring shareholder occur during the course of an audit engagement.	
12. Is the audit committee satisfied with its relationship with the auditor? In making this determination, the audit committee should consider		see individual comments below	
(a) whether the partner-in-charge of the audit participated in audit committee meetings		The partner-in-charge and managers participated in all scheduled meeting.	
(b) whether the auditor was frank and complete in the required discussions with the audit committee		Auditor communications were delivered directly to the Committee and Council with content meeting all professional standards.	
(c) whether the auditor was frank and complete during executive sessions with the audit committee		No executive sessions requested by Committee, Council, or Auditor.	
(d) whether the auditor is on-time in their delivery of services to the company.		Audit and financial reporting was on time.	
13. Was the audit fee fair and reasonable in relation to what audit committees know about fees charged to other companies, and in line with fee benchmarking data the audit committee might have available to it?		Horry County procures its Audit services via the use of a public Request for Proposal process. The most recent RFP was conducted in 2018. This competitive process assures the County receives the best value in services provided.	
14. Did the independent auditor provide constructive observations, implications, and recommendations in areas needing improvement, particularly with respect to the organization's internal control system over financial reporting?		The Auditors provided direct communication to Council which in the previous year included one significant deficiency identified that is not considered to be material weaknesses. This is evidence of their willingness and comfort in communicating openly is evidence of their desire to provide constructive feedback for improvement.	

P&N
Postlethwaite & Netterville

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A Professional Accounting Corporation

Report on the Firm's System of Quality Control

To the Shareholders of Elliott Davis
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Elliott Davis (formerly known as Elliott Davis Decosimo) (the firm) applicable to engagements not subject to PCAOB inspection in effect for the year ended May 31, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans, audits performed under FDICIA, and examinations of service organizations [SOC 1 and SOC 2 engagements].

As part of our peer review, we considered reviews by regulatory entities as communicated to the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Elliott Davis applicable to engagements not subject to PCAOB inspection in effect for the year ended May 31, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Elliott Davis has received a peer review rating of *pass*.

Postlethwaite & Netterville

Baton Rouge, Louisiana
November 22, 2017

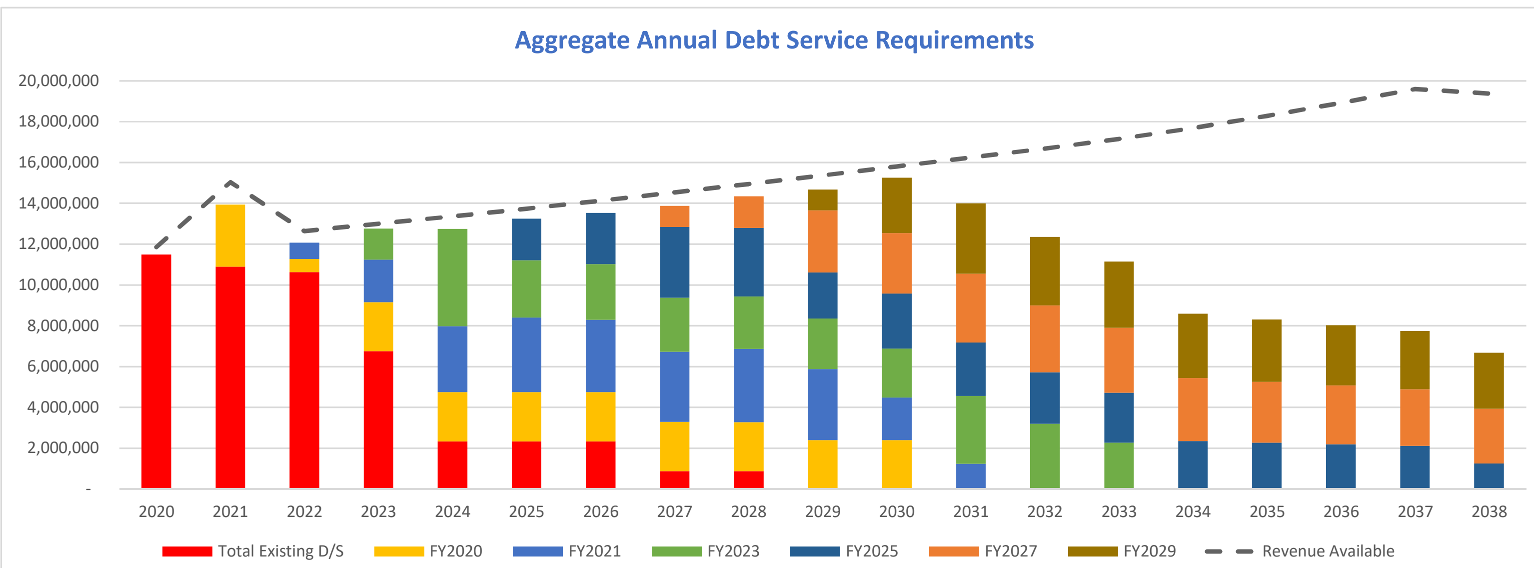
Horry County, South Carolina
General Debt Furture Borrowings Projection
15 Year Terms, Structured Debt Service
Projection as of February 19, 2020

Revenue Assumptions

Rev Available	11,677,059
Growth Rate	2.80%

Date	3/1/2020	9/1/2020	9/1/2022	9/1/2025	9/1/2028	9/1/2028
Amount	18,800,000	22,482,075	25,000,000	26,715,000	26,900,000	25,900,000
Term	10	10	11	12	12	12
Rate	4.00%	3.50%	4.00%	4.00%	4.00%	4.00%

	Revenues				Existing D/S	Proposed Debt Service									
Fiscal Year	Revenue Available	Interest Earnings	DSR	Total Revenue	Total Existing D/S	FY2020	FY2021	FY2023	FY2025	FY2027	FY2029	Total	Revenues Over/(Under)	Ending Cash	Cash Above Req Reserve
2020	11,677,059	180,000		11,857,059	11,493,636	-	-	-	-	-	-	11,493,636	363,423	8,113,827	1,146,048
2021	12,113,784	240,000	2,681,162	15,034,946	10,894,628	3,040,931	-	-	-	-	-	13,935,558	1,099,388	9,213,215	3,178,572
2022	12,452,970	184,264		12,637,234	10,630,313	647,100	791,873	-	-	-	-	12,069,286	567,949	9,781,163	3,401,556
2023	12,801,653	195,623		12,997,276	6,760,416	2,407,100	2,086,698	1,505,000	-	-	-	12,759,214	238,063	10,019,226	3,642,201
2024	13,160,099	200,385		13,360,484	2,348,952	2,404,100	3,241,198	4,759,800	-	-	-	12,754,049	606,435	10,625,661	3,997,836
2025	13,528,582	212,513		13,741,095	2,354,552	2,405,300	3,653,698	2,807,800	2,034,300	-	-	13,255,649	485,446	11,111,107	4,340,116
2026	13,907,382	222,222		14,129,605	2,348,383	2,408,500	3,548,698	2,727,800	2,508,600	-	-	13,541,981	587,624	11,698,730	4,760,612
2027	14,296,789	233,975		14,530,764	889,639	2,408,500	3,443,698	2,647,800	3,448,600	1,038,000	-	13,876,236	654,527	12,353,258	5,177,242
2028	14,697,099	247,065		14,944,164	887,434	2,403,500	3,588,698	2,567,800	3,348,600	1,556,000	-	14,352,032	592,132	12,945,390	5,608,466
2029	15,108,618	258,908		15,367,526	-	2,408,500	3,474,948	2,487,800	2,248,600	3,036,000	1,018,000	14,673,848	693,678	13,639,068	6,009,632
2030	15,531,659	272,781		15,804,441	-	2,407,200	2,083,273	2,407,800	2,688,600	2,956,000	2,716,000	15,258,873	545,568	14,184,637	5,675,849
2031	15,966,546	283,693		16,250,239		-	1,247,175	3,327,800	2,608,600	3,376,000	3,448,000	17,017,575	(767,336)	13,417,300	5,527,100
2032	16,413,609	268,346		16,681,955		-	-	3,207,800	2,528,600	3,276,000	3,348,000	15,780,400	901,555	14,318,855	7,081,155
2033	16,873,190	286,377		17,159,567		-	-	2,282,800	2,448,600	3,176,000	3,248,000	14,475,400	2,684,167	17,003,023	11,096,723
2034	17,345,640	340,060		17,685,700		-	-	-	2,368,600	3,076,000	3,148,000	11,812,600	5,873,100	22,876,122	17,159,822
2035	17,831,317	457,522		18,288,840		-	-	-	2,288,600	2,976,000	3,048,000	11,432,600	6,856,240	29,732,362	24,206,062
2036	18,330,594	594,647		18,925,242		-	-	-	2,208,600	2,876,000	2,948,000	11,052,600	7,872,642	37,605,004	32,268,704
2037	18,843,851	752,100		19,595,951		-	-	-	2,128,600	2,776,000	2,848,000	10,672,600	8,923,351	46,528,355	41,774,555
2038	19,371,479	-		19,371,479		-	-	-	1,263,600	2,676,000	2,748,000	9,507,600	9,863,879		



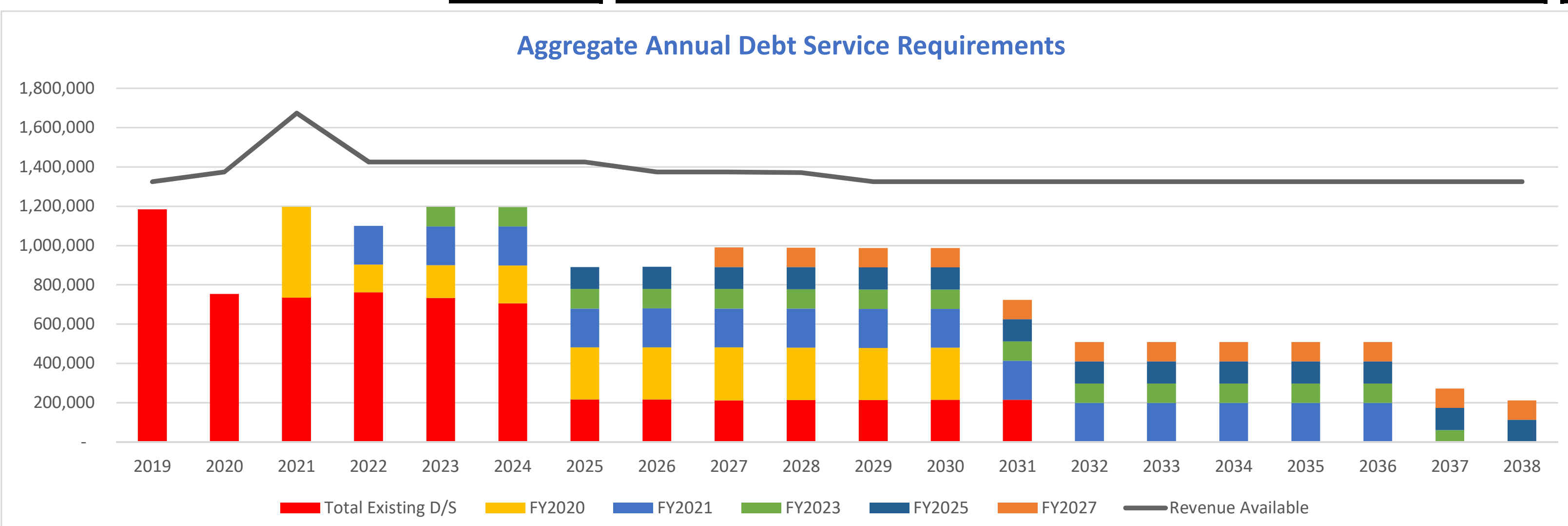
Horry County, South Carolina
Fire Fund Furture Borrowings
15 Year Terms, Structured D/S
Projection as of February 19, 2020

Revenue Assumptions

Rev Available	1,325,000
Growth Rate	0.00%

Date	9/1/2020	9/1/2021	9/1/2022	9/1/2024	9/1/2026	9/1/2027	9/1/2028
Amount	2,100,000	2,200,000	1,100,000	1,250,000	1,100,000	1,726,400	1,200,000
Term	15	15	15	15	15	15	15
Rate	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%

	Revenues				Existing D/S	Proposed Debt Service								
Year	Revenue Available	Growth	DSR	Develop-ment Fee	Total Existing D/S	FY2020	FY2021	FY2023	FY2025	FY2027	FY2028	FY2029	Total	Revenues Over/(Under)
2019	1,325,000				1,184,494								1,184,494	140,507
2020	1,325,000	0.00%		50,000	752,990	-	-	-	-	-	-	-	752,990	622,011
2021	1,325,000	0.00%	299,400	50,000	734,676	462,063	-	-	-	-	-	-	1,196,738	477,662
2022	1,325,000	0.00%		100,000	761,454	140,800	197,870	-	-	-	-	-	1,100,124	324,876
2023	1,325,000	0.00%		100,000	731,782	167,300	197,870	98,935	-	-	-	-	1,195,888	229,112
2024	1,325,000	0.00%		100,000	706,148	192,300	197,870	98,935	-	-	-	-	1,195,254	229,746
2025	1,325,000	0.00%		100,000	215,112	265,800	197,870	98,935	112,426	-	-	-	890,144	534,856
2026	1,325,000	0.00%		50,000	216,062	265,300	197,870	98,935	112,426	-	-	-	890,594	484,406
2027	1,325,000	0.00%		50,000	211,900	269,300	197,870	98,935	112,426	98,935	-	-	989,367	385,633
2028	1,325,000	0.00%		46,000	212,740	267,550	197,870	98,935	112,426	98,935	155,274	-	1,143,732	227,268
2029	1,325,000	0.00%			213,468	265,300	197,870	98,935	112,426	98,935	155,274	107,929	1,250,139	74,861
2030	1,325,000	0.00%			214,088	265,200	197,870	98,935	112,426	98,935	155,274	107,929	1,250,659	74,341
2031	1,325,000	0.00%			214,600	-	197,870	98,935	112,426	98,935	155,274	107,929	985,971	339,029
2032	1,325,000	0.00%				-	197,870	98,935	112,426	98,935	155,274	107,929	771,371	553,629
2033	1,325,000	0.00%				-	197,870	98,935	112,426	98,935	155,274	107,929	771,371	553,629
2034	1,325,000	0.00%				-	197,870	98,935	112,426	98,935	155,274	107,929	771,371	553,629
2035	1,325,000	0.00%				-	197,870	98,935	112,426	98,935	155,274	107,929	771,371	553,629
2036	1,325,000	0.00%				-	197,870	98,935	112,426	98,935	155,274	107,929	771,371	553,629
2037	1,325,000	0.00%				-	-	60,838	112,426	98,935	155,274	107,929	535,403	789,597
2038	1,325,000	0.00%				-	-	0	112,426	98,935	155,274	107,929	474,565	850,435
		Total			6,369,512	2,560,913	2,968,056	1,445,931	1,643,103	1,445,931	2,269,324	1,577,379	19,220,757	



FIRST TRYON ADVISORS

SOURCES AND USES OF FUNDS

Horry County, South Carolina
General Obligation Bonds, Series 2020AB
Final Numbers

Dated Date	03/11/2020
Delivery Date	03/11/2020

Sources:	GO Bonds, Series 2020A	Fire District GO Bonds, Series 2020B	Total
Bond Proceeds:			
Par Amount	18,800,000.00	2,100,000.00	20,900,000.00
Premium	2,769,309.50	312,002.80	3,081,312.30
	21,569,309.50	2,412,002.80	23,981,312.30

Uses:	GO Bonds, Series 2020A	Fire District GO Bonds, Series 2020B	Total
Project Fund Deposits:			
Project Fund	18,632,550.24	2,068,449.76	20,701,000.00
Other Fund Deposits:			
Debt Service Fund	2,681,162.00	299,400.30	2,980,562.30
Delivery Date Expenses:			
Cost of Issuance	167,449.76	31,550.24	199,000.00
Underwriter's Discount	88,147.50	12,602.50	100,750.00
	255,597.26	44,152.74	299,750.00
	21,569,309.50	2,412,002.80	23,981,312.30

BOND SUMMARY STATISTICS

Horry County, South Carolina
General Obligation Bonds, Series 2020AB
Final Numbers

Dated Date	03/11/2020
Delivery Date	03/11/2020
First Coupon	09/01/2020
Last Maturity	03/01/2030
Arbitrage Yield	1.068818%
True Interest Cost (TIC)	1.197069%
Net Interest Cost (NIC)	1.297701%
All-In TIC	1.351720%
Average Coupon	3.683688%
Average Life (years)	5.977
Duration of Issue (years)	5.452
Par Amount	20,900,000.00
Bond Proceeds	23,981,312.30
Total Interest	4,601,643.06
Net Interest	1,621,080.76
Total Debt Service	25,501,643.06
Maximum Annual Debt Service	3,502,993.06
Average Annual Debt Service	2,557,267.83
Underwriter's Fees (per $1000)	
Average Takedown	
Other Fee	4.820574
Total Underwriter's Discount	4.820574
Bid Price	114.261064

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Bond Component	20,900,000.00	114.743	3.684%	5.977	12,280.35
	20,900,000.00			5.977	12,280.35

	TIC	All-In TIC	Arbitrage Yield
Par Value	20,900,000.00	20,900,000.00	20,900,000.00
+ Accrued Interest			
+ Premium (Discount)	3,081,312.30	3,081,312.30	3,081,312.30
- Underwriter's Discount	-100,750.00	-100,750.00	
- Cost of Issuance Expense		-199,000.00	
- Other Amounts			
Target Value	23,880,562.30	23,681,562.30	23,981,312.30
Target Date	03/11/2020	03/11/2020	03/11/2020
Yield	1.197069%	1.351720%	1.068818%

BOND PRICING

Horry County, South Carolina
General Obligation Bonds, Series 2020AB
Final Numbers

Bond Component	Maturity Date	Amount	Rate	Yield	Price		Yield to Maturity	Call Date	Call Price	Premium (-Discount)
GO Bonds, Series 2020A, Bond Component:										
	03/01/2021	2,300,000	5.000%	0.850%	104.009					92,207.00
	03/01/2023	1,760,000	5.000%	0.860%	112.123					213,364.80
	03/01/2024	1,845,000	4.000%	0.860%	112.236					225,754.20
	03/01/2025	1,920,000	4.000%	0.870%	115.198					291,801.60
	03/01/2026	2,000,000	5.000%	0.910%	123.721					474,420.00
	03/01/2027	2,100,000	5.000%	0.970%	127.105					569,205.00
	03/01/2028	2,200,000	5.000%	1.050%	130.132					662,904.00
	03/01/2029	2,315,000	2.000%	1.270%	105.518	C	1.345%	03/01/2028	100.000	127,741.70
	03/01/2030	2,360,000	2.000%	1.370%	104.742	C	1.487%	03/01/2028	100.000	111,911.20
		18,800,000								2,769,309.50
Fire District GO Bonds, Series 2020B, Bond Component:										
	03/01/2021	375,000	5.000%	0.850%	104.009					15,033.75
	03/01/2022	70,000	5.000%	0.860%	108.078					5,654.60
	03/01/2023	100,000	5.000%	0.860%	112.123					12,123.00
	03/01/2024	130,000	5.000%	0.860%	116.132					20,971.60
	03/01/2025	210,000	5.000%	0.870%	120.054					42,113.40
	03/01/2026	220,000	5.000%	0.910%	123.721					52,186.20
	03/01/2027	235,000	5.000%	0.970%	127.105					63,696.75
	03/01/2028	245,000	5.000%	1.050%	130.132					73,823.40
	03/01/2029	255,000	2.000%	1.270%	105.518	C	1.345%	03/01/2028	100.000	14,070.90
	03/01/2030	260,000	2.000%	1.370%	104.742	C	1.487%	03/01/2028	100.000	12,329.20
		2,100,000								312,002.80
		20,900,000								3,081,312.30

Dated Date	03/11/2020	
Delivery Date	03/11/2020	
First Coupon	09/01/2020	
Par Amount	20,900,000.00	
Premium	3,081,312.30	
Production	23,981,312.30	114.743121%
Underwriter's Discount	-100,750.00	-0.482057%
Purchase Price	23,880,562.30	114.261064%
Accrued Interest		
Net Proceeds	23,880,562.30	

BOND DEBT SERVICE BREAKDOWN

Horry County, South Carolina
General Obligation Bonds, Series 2020AB
Final Numbers

Period Ending	GO Bonds, Series 2020A	Fire District GO Bonds, Series 2020B	Total
06/30/2021	3,040,930.56	462,062.50	3,502,993.06
06/30/2022	647,100.00	140,800.00	787,900.00
06/30/2023	2,407,100.00	167,300.00	2,574,400.00
06/30/2024	2,404,100.00	192,300.00	2,596,400.00
06/30/2025	2,405,300.00	265,800.00	2,671,100.00
06/30/2026	2,408,500.00	265,300.00	2,673,800.00
06/30/2027	2,408,500.00	269,300.00	2,677,800.00
06/30/2028	2,403,500.00	267,550.00	2,671,050.00
06/30/2029	2,408,500.00	265,300.00	2,673,800.00
06/30/2030	2,407,200.00	265,200.00	2,672,400.00
	22,940,730.56	2,560,912.50	25,501,643.06

NET DEBT SERVICE

Horry County, South Carolina
General Obligation Bonds, Series 2020AB
Final Numbers

Period Ending	Principal	Interest	Total Debt Service	Debt Service Fund	Net Debt Service
06/30/2020					
06/30/2021	2,675,000	827,993.06	3,502,993.06	2,980,562.30	522,430.76
06/30/2022	70,000	717,900.00	787,900.00		787,900.00
06/30/2023	1,860,000	714,400.00	2,574,400.00		2,574,400.00
06/30/2024	1,975,000	621,400.00	2,596,400.00		2,596,400.00
06/30/2025	2,130,000	541,100.00	2,671,100.00		2,671,100.00
06/30/2026	2,220,000	453,800.00	2,673,800.00		2,673,800.00
06/30/2027	2,335,000	342,800.00	2,677,800.00		2,677,800.00
06/30/2028	2,445,000	226,050.00	2,671,050.00		2,671,050.00
06/30/2029	2,570,000	103,800.00	2,673,800.00		2,673,800.00
06/30/2030	2,620,000	52,400.00	2,672,400.00		2,672,400.00
	20,900,000	4,601,643.06	25,501,643.06	2,980,562.30	22,521,080.76

FIRST TRYON ADVISORS

FORM 8038 STATISTICS

Horry County, South Carolina
General Obligation Bonds, Series 2020AB
Final Numbers

Dated Date	03/11/2020
Delivery Date	03/11/2020

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Bond Component:						
	03/01/2021	2,675,000.00	5.000%	104.009	2,782,240.75	2,675,000.00
	03/01/2022	70,000.00	5.000%	108.078	75,654.60	70,000.00
	03/01/2023	1,860,000.00	5.000%	112.123	2,085,487.80	1,860,000.00
	03/01/2024	1,845,000.00	4.000%	112.236	2,070,754.20	1,845,000.00
	03/01/2024	130,000.00	5.000%	116.132	150,971.60	130,000.00
	03/01/2025	1,920,000.00	4.000%	115.198	2,211,801.60	1,920,000.00
	03/01/2025	210,000.00	5.000%	120.054	252,113.40	210,000.00
	03/01/2026	2,220,000.00	5.000%	123.721	2,746,606.20	2,220,000.00
	03/01/2027	2,335,000.00	5.000%	127.105	2,967,901.75	2,335,000.00
	03/01/2028	2,445,000.00	5.000%	130.132	3,181,727.40	2,445,000.00
	03/01/2029	2,570,000.00	2.000%	105.518	2,711,812.60	2,570,000.00
	03/01/2030	2,620,000.00	2.000%	104.742	2,744,240.40	2,620,000.00
		20,900,000.00			23,981,312.30	20,900,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	03/01/2030	2.000%	2,744,240.40	2,620,000.00		
Entire Issue			23,981,312.30	20,900,000.00	6.0167	1.0688%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	299,750.00
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	0.00

PROOF OF ARBITRAGE YIELD

Horry County, South Carolina
General Obligation Bonds, Series 2020AB
Final Numbers

Date	Debt Service	Total	PV Factor	Present Value to 03/11/2020 @ 1.0688180603%
09/01/2020	402,168.06	402,168.06	0.994978890	400,148.73
03/01/2021	3,100,825.00	3,100,825.00	0.989689898	3,068,855.18
09/01/2021	358,950.00	358,950.00	0.984429020	353,360.80
03/01/2022	428,950.00	428,950.00	0.979196108	420,026.17
09/01/2022	357,200.00	357,200.00	0.973991012	347,909.59
03/01/2023	2,217,200.00	2,217,200.00	0.968813585	2,148,053.48
09/01/2023	310,700.00	310,700.00	0.963663679	299,410.31
03/01/2024	2,285,700.00	2,285,700.00	0.958541149	2,190,937.50
09/01/2024	270,550.00	270,550.00	0.953445848	257,954.77
03/01/2025	2,400,550.00	2,400,550.00	0.948377632	2,276,627.93
09/01/2025	226,900.00	226,900.00	0.943336358	214,043.02
03/01/2026	2,446,900.00	2,446,900.00	0.938321881	2,295,979.81
09/01/2026	171,400.00	171,400.00	0.933334059	159,973.46
03/01/2027	2,506,400.00	2,506,400.00	0.928372751	2,326,873.46
09/01/2027	113,025.00	113,025.00	0.923437816	104,371.56
03/01/2028	7,748,025.00	7,748,025.00	0.918529114	7,116,786.54
	25,345,443.06	25,345,443.06		23,981,312.30

Proceeds Summary

Delivery date	03/11/2020
Par Value	20,900,000.00
Premium (Discount)	3,081,312.30
Target for yield calculation	23,981,312.30

PROOF OF ARBITRAGE YIELD

Horry County, South Carolina
General Obligation Bonds, Series 2020AB
Final Numbers

Assumed Call/Computation Dates for Premium Bonds

Bond Component	Maturity Date	Rate	Yield	Call Date	Call Price	Yield To Call/Maturity
BOND	03/01/2029	2.000%	1.270%	03/01/2028	100.000	1.2700434%
BOND	03/01/2030	2.000%	1.370%	03/01/2028	100.000	1.3700990%

Rejected Call/Computation Dates for Premium Bonds

Bond Component	Maturity Date	Rate	Yield	Call Date	Call Price	Yield To Call/Maturity	Increase to Yield
BOND	03/01/2029	2.000%	1.270%			1.3450908%	0.0750475%
BOND	03/01/2030	2.000%	1.370%			1.4866198%	0.1165208%

SOURCES AND USES OF FUNDS

Horry County, South Carolina
GO Bonds, Series 2020A
Final Numbers

Dated Date	03/11/2020
Delivery Date	03/11/2020

Sources:	
Bond Proceeds:	
Par Amount	18,800,000.00
Premium	2,769,309.50
	21,569,309.50

Uses:	
Project Fund Deposits:	
Project Fund	18,632,550.24
Other Fund Deposits:	
Debt Service Fund	2,681,162.00
Delivery Date Expenses:	
Cost of Issuance	167,449.76
Underwriter's Discount	88,147.50
	255,597.26
	21,569,309.50

BOND SUMMARY STATISTICS

Horry County, South Carolina
GO Bonds, Series 2020A
Final Numbers

Dated Date	03/11/2020
Delivery Date	03/11/2020
First Coupon	09/01/2020
Last Maturity	03/01/2030
Arbitrage Yield	1.068818%
True Interest Cost (TIC)	1.194132%
Net Interest Cost (NIC)	1.294256%
All-In TIC	1.338233%
Average Coupon	3.671747%
Average Life (years)	5.999
Duration of Issue (years)	5.471
Par Amount	18,800,000.00
Bond Proceeds	21,569,309.50
Total Interest	4,140,730.56
Net Interest	1,459,568.56
Total Debt Service	22,940,730.56
Maximum Annual Debt Service	3,040,930.56
Average Annual Debt Service	2,300,463.23
Underwriter's Fees (per $1000)	
Average Takedown	
Other Fee	4.688697
Total Underwriter's Discount	4.688697
Bid Price	114.261500

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Bond Component	18,800,000.00	114.730	3.672%	5.999	11,085.40
	18,800,000.00			5.999	11,085.40

	TIC	All-In TIC	Arbitrage Yield
Par Value	18,800,000.00	18,800,000.00	18,800,000.00
+ Accrued Interest			
+ Premium (Discount)	2,769,309.50	2,769,309.50	2,769,309.50
- Underwriter's Discount	-88,147.50	-88,147.50	
- Cost of Issuance Expense		-167,449.76	
- Other Amounts			
Target Value	21,481,162.00	21,313,712.24	21,569,309.50
Target Date	03/11/2020	03/11/2020	03/11/2020
Yield	1.194132%	1.338233%	1.068818%

FIRST TRYON ADVISORS

BOND PRICING

Horry County, South Carolina
GO Bonds, Series 2020A
Final Numbers

Bond Component	Maturity Date	Amount	Rate	Yield	Price		Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Bond Component:										
	03/01/2021	2,300,000	5.000%	0.850%	104.009					92,207.00
	03/01/2023	1,760,000	5.000%	0.860%	112.123					213,364.80
	03/01/2024	1,845,000	4.000%	0.860%	112.236					225,754.20
	03/01/2025	1,920,000	4.000%	0.870%	115.198					291,801.60
	03/01/2026	2,000,000	5.000%	0.910%	123.721					474,420.00
	03/01/2027	2,100,000	5.000%	0.970%	127.105					569,205.00
	03/01/2028	2,200,000	5.000%	1.050%	130.132					662,904.00
	03/01/2029	2,315,000	2.000%	1.270%	105.518	C	1.345%	03/01/2028	100.000	127,741.70
	03/01/2030	2,360,000	2.000%	1.370%	104.742	C	1.487%	03/01/2028	100.000	111,911.20
		18,800,000								2,769,309.50

Dated Date	03/11/2020	
Delivery Date	03/11/2020	
First Coupon	09/01/2020	
Par Amount	18,800,000.00	
Premium	2,769,309.50	
Production	21,569,309.50	114.730370%
Underwriter's Discount	-88,147.50	-0.468870%
Purchase Price	21,481,162.00	114.261500%
Accrued Interest		
Net Proceeds	21,481,162.00	

NET DEBT SERVICE

Horry County, South Carolina
GO Bonds, Series 2020A
Final Numbers

Period Ending	Principal	Interest	Total Debt Service	Debt Service Fund	Net Debt Service
06/30/2020					
06/30/2021	2,300,000	740,930.56	3,040,930.56	2,681,162	359,768.56
06/30/2022		647,100.00	647,100.00		647,100.00
06/30/2023	1,760,000	647,100.00	2,407,100.00		2,407,100.00
06/30/2024	1,845,000	559,100.00	2,404,100.00		2,404,100.00
06/30/2025	1,920,000	485,300.00	2,405,300.00		2,405,300.00
06/30/2026	2,000,000	408,500.00	2,408,500.00		2,408,500.00
06/30/2027	2,100,000	308,500.00	2,408,500.00		2,408,500.00
06/30/2028	2,200,000	203,500.00	2,403,500.00		2,403,500.00
06/30/2029	2,315,000	93,500.00	2,408,500.00		2,408,500.00
06/30/2030	2,360,000	47,200.00	2,407,200.00		2,407,200.00
	18,800,000	4,140,730.56	22,940,730.56	2,681,162	20,259,568.56

FIRST TRYON ADVISORS

SOURCES AND USES OF FUNDS

Horry County, South Carolina
Fire District GO Bonds, Series 2020B
Final Numbers

Dated Date	03/11/2020
Delivery Date	03/11/2020

Sources:	
Bond Proceeds:	
Par Amount	2,100,000.00
Premium	312,002.80
	2,412,002.80

Uses:		
Project Fund Deposits:		
Project Fund		2,068,449.76
Other Fund Deposits:		
Debt Service Fund		299,400.30
Delivery Date Expenses:		
Cost of Issuance	31,550.24	
Underwriter's Discount	12,602.50	
		44,152.74
		2,412,002.80

FIRST TRYON ADVISORS

BOND SUMMARY STATISTICS

Horry County, South Carolina
Fire District GO Bonds, Series 2020B
Final Numbers

Dated Date	03/11/2020
Delivery Date	03/11/2020
First Coupon	09/01/2020
Last Maturity	03/01/2030
Arbitrage Yield	1.068818%
True Interest Cost (TIC)	1.224286%
Net Interest Cost (NIC)	1.329683%
All-In TIC	1.477236%
Average Coupon	3.794560%
Average Life (years)	5.784
Duration of Issue (years)	5.280
Par Amount	2,100,000.00
Bond Proceeds	2,412,002.80
Total Interest	460,912.50
Net Interest	161,512.20
Total Debt Service	2,560,912.50
Maximum Annual Debt Service	462,062.50
Average Annual Debt Service	256,804.60
Underwriter's Fees (per $1000)	
Average Takedown	
Other Fee	6.001190
Total Underwriter's Discount	6.001190
Bid Price	114.257157

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Bond Component	2,100,000.00	114.857	3.795%	5.784	1,194.95
	2,100,000.00			5.784	1,194.95

	TIC	All-In TIC	Arbitrage Yield
Par Value	2,100,000.00	2,100,000.00	2,100,000.00
+ Accrued Interest			
+ Premium (Discount)	312,002.80	312,002.80	312,002.80
- Underwriter's Discount	-12,602.50	-12,602.50	
- Cost of Issuance Expense		-31,550.24	
- Other Amounts			
Target Value	2,399,400.30	2,367,850.06	2,412,002.80
Target Date	03/11/2020	03/11/2020	03/11/2020
Yield	1.224286%	1.477236%	1.068818%

BOND PRICING

Horry County, South Carolina
Fire District GO Bonds, Series 2020B
Final Numbers

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Bond Component:									
	03/01/2021	375,000	5.000%	0.850%	104.009				15,033.75
	03/01/2022	70,000	5.000%	0.860%	108.078				5,654.60
	03/01/2023	100,000	5.000%	0.860%	112.123				12,123.00
	03/01/2024	130,000	5.000%	0.860%	116.132				20,971.60
	03/01/2025	210,000	5.000%	0.870%	120.054				42,113.40
	03/01/2026	220,000	5.000%	0.910%	123.721				52,186.20
	03/01/2027	235,000	5.000%	0.970%	127.105				63,696.75
	03/01/2028	245,000	5.000%	1.050%	130.132				73,823.40
	03/01/2029	255,000	2.000%	1.270%	105.518 C	1.345%	03/01/2028	100.000	14,070.90
	03/01/2030	260,000	2.000%	1.370%	104.742 C	1.487%	03/01/2028	100.000	12,329.20
		2,100,000							312,002.80

Dated Date	03/11/2020	
Delivery Date	03/11/2020	
First Coupon	09/01/2020	
Par Amount	2,100,000.00	
Premium	312,002.80	
Production	2,412,002.80	114.857276%
Underwriter's Discount	-12,602.50	-0.600119%
Purchase Price	2,399,400.30	114.257157%
Accrued Interest		
Net Proceeds	2,399,400.30	

NET DEBT SERVICE

Horry County, South Carolina
Fire District GO Bonds, Series 2020B
Final Numbers

Period Ending	Principal	Interest	Total Debt Service	Debt Service Fund	Net Debt Service
06/30/2020					
06/30/2021	375,000	87,062.50	462,062.50	299,400.30	162,662.20
06/30/2022	70,000	70,800.00	140,800.00		140,800.00
06/30/2023	100,000	67,300.00	167,300.00		167,300.00
06/30/2024	130,000	62,300.00	192,300.00		192,300.00
06/30/2025	210,000	55,800.00	265,800.00		265,800.00
06/30/2026	220,000	45,300.00	265,300.00		265,300.00
06/30/2027	235,000	34,300.00	269,300.00		269,300.00
06/30/2028	245,000	22,550.00	267,550.00		267,550.00
06/30/2029	255,000	10,300.00	265,300.00		265,300.00
06/30/2030	260,000	5,200.00	265,200.00		265,200.00
	2,100,000	460,912.50	2,560,912.50	299,400.30	2,261,512.20

DISCLAIMER

Horry County, South Carolina
General Obligation Bonds, Series 2020AB
Final Numbers

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FitchRatings

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February 07, 2020

Mr. Barry Spivey
Finance Director
Horry County
Po Box 296
Conway, SC 29528

Dear Mr. Spivey:

Fitch Ratings has assigned one or more ratings and/or otherwise taken rating action(s), as detailed in the attached Notice of Rating Action.

In issuing and maintaining its ratings, Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction.

The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

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In this letter, "Fitch" means Fitch Ratings, Inc. and any successor in interest.

Public ratings will be valid and effective only upon publication of the ratings on Fitch’s website.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please feel free to contact us at any time.

Laura Porter
Managing Director - Global Group Head
Public Finance

LP/em

Enc: Notice of Rating Action
(Doc ID:216236 Rev 0)

Notice of Rating Action

Bond Description	Rating Type	Rating Action	Rating	Outlook/ Watch	Eff Date	Notes
Horry County (SC) GO bonds ser 2020A	Long Term Rating	New Rating	AA+	RO:Sta	06-Feb-2020	
Horry County (SC) GO bonds ser 2020A	Unenhanced Long Term Rating	New Rating	AA+	RO:Sta	06-Feb-2020	
Horry County (SC) (Horry County Fire Protection District) GO bonds ser 2020B	Long Term Rating	New Rating	AA+	RO:Sta	06-Feb-2020	
Horry County (SC) (Horry County Fire Protection District) GO bonds ser 2020B	Unenhanced Long Term Rating	New Rating	AA+	RO:Sta	06-Feb-2020	

Key: RO: Rating Outlook, RW: Rating Watch, Pos: Positive, Neg: Negative, Sta: Stable, Evo: Evolving

FitchRatings

06 Feb 2020 | New Issue

Fitch Rates Horry County, SC's GO Bonds 'AA+'; Outlook Stable

Fitch Ratings-New York-06 February 2020:

Fitch Ratings has assigned a 'AA+' rating to the following bonds to be issued by Horry County, SC:

--$18.8 million general obligation (GO) bonds series 2020A;

--$2.1 million GO fire protection district bonds, series 2020B.

In addition, Fitch has affirmed the following ratings:

--The county's Issuer Default Rating (IDR) at 'AA+';

--$7.7 million outstanding GO bonds.

The Rating Outlook is Stable.

Bond proceeds will be used to fund various public improvements in the county. The bonds are expected to sell competitively on Feb. 19.

SECURITY

The bonds are general obligations of Horry County, payable from the full faith, credit, and taxing power of the county.

ANALYTICAL CONCLUSION

The 'AA+' IDR and GO rating reflect the county's healthy level of reserves and highest gap-closing capacity to address potential revenue volatility when taking into account the county's solid expenditure flexibility and legal ability to adjust the property tax rate within the statutory cap. The county's low long-term liability burden contributes to the high credit quality. The 'AA+' rating takes into account the county's tourism-based economic concentration.

Economic Resource Base

Situated in the northeastern corner of South Carolina, Horry County contains more than 50 miles of the Atlantic Ocean coastline commonly known as the Grand Strand. The regional economic hub and tourist destination of Myrtle Beach lies within the county. The 2018 estimated population of about 344,000 is up 28% since 2010.

KEY RATING DRIVERS
Revenue Framework::'aa'

General fund revenues absent property tax rate adjustments increased above inflation but below national GDP over the decade ending in fiscal 2019, a pace Fitch expects to continue based on continued population growth and development in the county. The county's banked available millage under the state's revenue cap provides a high independent legal ability to raise revenues relative to expected revenue volatility through the economic cycle.

Expenditure Framework::'aa'

Fitch expects natural growth in spending to generally track revenue growth. Fixed carrying costs for debt, pension and other post-employment benefits (OPEB) are moderate at 14% of governmental spending in fiscal 2019.

Long-Term Liability Burden::'aaa'

The county's long-term liability burden for debt and pensions is low at about 7% of resident personal income. Due to the sizeable presence of tourism in the county, Fitch views market value as another indicator of the economic base's capacity to support long-term liabilities. When measured against the market value of the tax base, the liability is also low at about 2%. Fitch anticipates that the rapid pace of amortization and growth in the resource base will offset modest planned debt issuance and keep the liability burden around the current level.

Operating Performance::'aaa'

Fitch expects the county to continue to maintain a high level of financial flexibility throughout the economic cycle, given its strong revenue and expenditure flexibility and healthy reserve levels.

RATING SENSITIVITIES

Revenue Growth: The rating is sensitive to shifts in the natural growth prospects for general fund revenue. Fitch currently expects natural revenue growth above the rate of inflation but below the rate of GDP growth. Although not currently expected, a deceleration in the rate of growth that is not matched by controlled spending could put negative pressure on the rating.

CREDIT PROFILE

The county is part of the greater Myrtle Beach-Conway-Georgetown, SC MSA, which was the second fastest growing MSA in the nation by population in 2018 according to Census reports. Along with overall population increases, the county reports continued improvement in off-season visitors, hotel occupancy rates, and employment growth. The county reports hosting approximately 20.3 million visitors in 2018, a new county record. This is reflected in solid gains in retail sales and tourism-sensitive taxes and fees as the economy has rebounded from recessionary declines and subsequently expanded.

Tourism dominates Horry County's economy, accounting for over a quarter of the county's employment. In combination with the county's costal location and relatively long distance from sizable population and economic centers, this adds some degree of concentration risk and vulnerability to periodic revenue and expenditure stresses associated with unexpected weather events, for example. The economy benefits from a modest health care sector largely associated with the growing retiree population (nearly a quarter of the population is over 64, well above the nation average of 16%) and the presence of over 10,000 students at the growing Coastal Carolina University.

Economic indicators are trending in a favorable direction. The unemployment rate peaked in 2010 at a rate higher than the rest of the state, though it has since recovered along the lines of the state and nation. Unemployment varies by month given the seasonal nature of many jobs in the county, but is typically between state and national rates. Per capita personal income in the county is well below both the state and nation reflecting the lower-wage jobs typically associated with tourism and retail employment. However, the poverty level at 16% is in line with the state average.

Revenue Framework

The general fund revenue framework benefits from very stable and diverse revenue sources that capture the economic activity within the county. Property taxes, primarily commercial property based, account for just over half of revenues. Other general fund revenues are a diverse mix of fines, fees, taxes and intergovernmental revenue from state and federal sources.

General fund revenues increased strongly at a pace in line with the national GDP expansion during the decade ending in fiscal 2019. As adjusted by Fitch, natural revenue growth (net of tax adjustments) was more moderate and Fitch expects similar growth going forward. Property taxes account for the largest portion of general fund revenues at about 51% of revenues. The county recently completed a revaluation, conducted every five-years, effective tax year 2019 (fiscal 2020), which showed 10% growth in the tax base. Growth in valuation of real property attributable to reassessment may not exceed 15% (increases related to new construction are exempt).

Fees and fines, the second largest general fund revenue source at about 12% of fiscal 2019 total revenues, have demonstrated modest growth in recent years and have benefited from development and population growth in the county. Additionally, continued population and visitor growth positively impacts economically sensitive revenues like sales taxes and hospitality fees, which are primarily captured outside the general fund and dedicated to tourism based projects and roads and the servicing of certain county indebtedness.

Ad valorem revenue raising ability is broadly capped by the provisions of South Carolina's Act 388, which limits property tax rate increases to population growth plus inflation. The law provides for the carry-forward of unused millage increases for up to three years, with exceptions in limited circumstances for emergencies, the loss of significant tax payers, and prior year deficiencies. For fiscal 2019, the county banked 6.8 mills under the cap, which Fitch estimates would generate an additional $11.8 million or 7% of general fund revenues.

The county typically maintains a sizable level of banked capacity. Unused capacity plus the amount of potential revenue generated from other fees and taxes provides high independent revenue raising flexibility considering the level of revenue volatility experienced by the county through the most recent recession.

Expenditure Framework

Public safety, the largest spending category of the county, represented about 61% of general fund spending in fiscal 2019, followed by general government spending at 23%.

As with many local governments, Fitch expects the spending demands for the county to be driven by growing service demands associated with population and tourism and to be in line with or marginally ahead of natural revenue growth. The county makes full actuarially determined payments to the state's pension plans, although the relatively weak funded levels of the plan will likely result in growing annual pension contributions. State pension reforms in 2018 included planned increases in pension contributions from both the state and its localities, but the state has made additional ad hoc contributions on behalf of localities in recent years to cover the local share of the required increases. These additional contributions are not guaranteed to continue in the future.

Fixed carrying costs for debt service, pension required and OPEB actual payments were moderate at 14% of fiscal 2019 governmental expenditures and transfers out. Debt service is rapidly amortized as nearly all of the county's governmental debt is retired within 10 years. Management maintains broad legal control over workforce rules and employee wages and benefits, as the state's workforce environment does not allow for collective bargaining. The county demonstrated its willingness to control personnel spending in the previous downturn with a headcount reduction across various departments. Additionally, the county's increased utilization of pay-go capital provides a significant point of expenditure flexibility.

Long-Term Liability Burden

The county's long-term liability burden related to debt and pensions is about 7% of personal income, including the current issuance. In Fitch's view, a material portion of the county's resource base is excluded from personal income given the high level of seasonal visitors in the county. Measured alternatively, as share of market value, long-term liabilities are a very low 2%. Additionally, a majority of the county's direct debt is for road and transportation projects funded through the state infrastructure bank secured by a hospitality fee paid predominantly by visitors. The tax is dedicated for road projects and builds upon already sizable reserves available in capital project funds that should lower the amount of future debt issuance required.

The five-year capital improvement plan totals $194 million and while it includes a modest amount of planned debt it is largely cash funded from the capital project funds. The amortization of direct debt including this issuance is extremely rapid with about 99% paid off within 10 years. The largest component of the long-term liability burden is overlapping debt, estimated at about $570 million at the end of fiscal 2019, although overlapping debt has been decreasing in recent years.

Pension benefits are provided through the South Carolina Retirement System (SCRS) and the South Carolina Police Officers' Retirement System (PORS). Using Fitch's 6% baseline investment rate assumption, the plan's Fitch-adjusted ratios of fiduciary net position to total pension liability were 46% and 53%, respectively, as of fiscal 2019. The net pension liability is minimal at less than 1% of market value.

The county also provides health benefits in an OPEB plan for its retirees. The county has historically funded OPEB benefits on a pay-go basis but recently began funding an additional $250,000 into an OPEB trust over and above pay-go contributions. The unfunded liability is very small at less than 1% of percent of market value.

Operating Performance

The county's available fund balance in fiscal 2019 totaled roughly $79.6 million or a healthy 47% of general fund spending and transfers out. Unrestricted reserves, which have equaled 28% or more of spending dating back to fiscal 2010, combined with other revenue and expenditure tools provide a high level of gap-closing capacity in the context of the county's potential revenue volatility in a normal cyclical downturn.

The county's fiscal 2020 general fund budget of $164.8 million is a 7% increase over the prior year's budget. The fiscal 2020 budget includes 14 new positions and a 4.4% pay increase for all employees. The county typically budgets conservatively and experiences positive variances.

By county policy, management annually updates its five-year projection and maintains a policy minimum fund balance of 25% of the operating budget. The county is currently contemplating an increase to the policy minimum to include an additional debris reserve. According to county management, YTD results have been positive with both revenues and expenditures trending favorably compared to budget.

In addition to the sources of information identified in Fitch's applicable criteria specified below, this action was informed by information from Lumesis.

ESG Considerations

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of 3 - ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity.

For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg.

Horry County (SC) [General Government]; Long Term Issuer Default Rating; Affirmed; AA+; RO:Sta
----Horry County (SC) /General Obligation - Unlimited Tax/1 LT; Long Term Rating; Affirmed; AA+; RO:Sta

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Additional information is available on www.fitchratings.com

Applicable Criteria

U.S. Public Finance Tax-Supported Rating Criteria (pub. 10 Jan 2020)

Additional Disclosures

Dodd-Frank Rating Information Disclosure Form

Solicitation Status

Endorsement Policy

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Summary:

Horry County, South Carolina; General Obligation

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Summary:

Horry County, South Carolina; General Obligation

Credit Profile		
US$18.8 mil General Obligation Bonds (Public Improvements) ser 2020A dtd 01/29/2020 due 03/01/2030		
Long Term Rating	AA+/Stable	New
US$2.1 mil General Obligation Bonds (Public Improvements) ser 2020B due 03/01/2030		
Long Term Rating	AA+/Stable	New
Horry Cnty GO		
Long Term Rating	AA+/Stable	Affirmed

Rationale

S&P Global Ratings assigned its 'AA+' long-term rating to Horry County, S.C.'s series 2020A and 2020B general obligation (GO) bonds. At the same time, S&P Global Ratings affirmed its 'AA+' rating on the county's GO debt outstanding. The outlook is stable.

The county's full-faith-and-credit pledge secures the GO bonds, with the ability to levy an unlimited ad valorem tax on all taxable property within its borders to pay principal and interest. The 2020A bond proceeds will finance construction of a new emergency operations center as well as renovations to county facilities. The 2020B bond proceeds will finance capital improvements to existing fire stations.

The rating reflects our view of the county's stable and expanding local economy that, while traditionally seasonal and tourism-based, has been diversifying to other industries and becoming a year-round destination as it grows. The rating also reflects our view of the county's strong financial performance and flexibility, which are supported by very strong management policies and practices.

The rating reflects our opinion of the following credit factors:

- Adequate economy, with projected per capita effective buying income (EBI) at 85.3% of the national level and market value per capita of $126,036;
- Very strong management, with strong financial policies and practices under our Financial Management Assessment (FMA) methodology;
- Strong budgetary performance, with operating surpluses in the general fund and at the total governmental fund level in fiscal 2019;
- Very strong budgetary flexibility, with an available fund balance in fiscal 2019 of 49% of operating expenditures;
- Very strong liquidity, with total government available cash at 17.1% of total governmental fund expenditures and 1.8x governmental debt service, and access to external liquidity that we consider strong;
- Very strong debt and contingent liability profile, with debt service carrying charges at 9.4% of expenditures and net direct debt that is 19.6% of total governmental fund revenue, as well as low overall net debt at less than 3.0% of

market value and rapid amortization, with 71.4% of debt scheduled to be retired in 10 years; and

- Strong institutional framework score.

Adequate economy

We consider Horry County's economy adequate. The county has a projected per capita EBI of 85.3% of the national level and per capita market value of $126,036. Overall, the county's market value grew 4.4% over the past year to $42.6 billion in 2019. The county unemployment rate was 4.2% in 2018.

Horry County is along the Atlantic Coast in eastern South Carolina. It encompasses 1,134 square miles and is the second-largest county in the state. It is home to Myrtle Beach and the local economy is largely tourism based, with 33 miles of beaches and more than 100 golf courses. The county had approximately 20 million visitors in 2018, an increase of 38% from 14.5 million in 2011. Management reports that tourism supports more than 43,900 jobs in the county and that the county has seen tourism growth in the offseason as part of its marketing efforts to promote conventions, events, and sports tourism. The county's full-time residential population has grown significantly since 2000, increasing more than 75%, to approximately 355,000 in 2019 from fewer than 200,000. The county is an attractive location for retirees as well, which has contributed to its population growth.

While tourism plays an important role in the local economy, the county's economy continues to diversify through growth in manufacturing, health care, and education. The county is developing a new industrial park, which it expects to attract several new tenants. Other recent announcements include a UPS expansion for a new $11 million delivery center that the county expects to create 50 new jobs. The school district is the county's leading employer with 5,899 employees. Other major local employers include the Conway Medical Center (1,170) and Grand Strand Regional Medical Center (1,246), both of which have added hundreds of jobs in recent years. The county is also home to Coastal Carolina University, which enrolls more than 10,000 students and has approximately 1,481 full-time faculty and staff. The university has experienced rapid growth, with enrollment increasing by more than 30% over the past 10 years. Two campuses for Horry Georgetown Technical College are also located in the county. The technical college has a total enrollment of approximately 7,000 students.

Very strong management

We view the county's management as very strong, with strong financial policies and practices under our FMA methodology, indicating financial practices are strong, well embedded, and likely sustainable.

When drafting the budget, officials review historical revenue and expenditure trends as well as economic data and projections. In addition, the budget conservatively projects full employment. Management monitors the budget throughout the fiscal year through comprehensive budget-to-actual reports that it provides to the county council monthly. Management also maintains a comprehensive formal five-year financial plan that it updates annually as part of the budgeting process. In addition, officials maintain an in-depth five-year capital plan, which the county updates annually and identifies project funding sources.

The county council has also adopted formal investment and debt management policies. The county's debt management policy does not permit variable-rate debt, or debt-related derivative products. In addition, the policy states that the county will not use more than 75% of its constitutional debt limit of 8% of assessed value (AV). County officials recently adopted a debt compliance policy and retained disclosure counsel. The county's reserve policy requires maintenance of a minimum available fund balance of 25% of budgeted expenditures. These reserves are dedicated to cash management, as well as to cover any unexpected revenue shortfalls or expenditures due to disasters. The county is currently in compliance with its reserve policy.

Given Horry County's coastal location, and therefore susceptibility to impacts from natural disasters and climate change, we view the setting aside of additional reserves specifically for disaster-recovery costs positively. In addition, management reports that the county is in the midst of a resiliency study that will address ways to better prepare and respond to weather events in the future. The county was impacted by Hurricane Matthew in fiscal 2017 and Hurricane Dorian in fiscal 2019. While the recovery costs were initially paid by the county, they were later reimbursed from insurance and the Federal Emergency Management Agency.

Strong budgetary performance

Horry County's budgetary performance is strong, in our opinion. The county had operating surpluses of 7.2% of expenditures in the general fund and of 14.7% across all governmental funds in fiscal 2019. It has consistently maintained positive operating performance in each of the past three audited years, with surpluses ranging from $12 million-$14 million, or 7%-9% of general fund expenditures. Our analysis includes adjustments for recurring transfers into and out of the general fund as well as nonrecurring expenses such as capital projects, disaster-recovery costs, and early repayment of debt. The county adopted a balanced budget for fiscal 2020, revenues and expenditures are trending favorably fiscal year-to-date, and management expects to end the year with surplus results and continuing to build fund balance. Based on recent trends, and expectations for fiscal 2020, we expect budgetary performance to remain strong throughout the outlook period.

The county has had three successful Road Improvement and Development Effort (RIDE) programs, including: RIDE 1, enacted in 1996, which implemented a 1.5% hospitality tax fee; RIDE 2, in place from 2007-2014, levied a one-cent capital project sales tax; and RIDE 3, approved in 2016 and expiring in 2025, reimplemented the one-cent capital project sales tax. The RIDE program generates substantial funds that are available for road projects outside the general fund operating budget. The county is currently involved in a lawsuit related to RIDE 1, with the incorporated municipalities within the county, and until resolved, hospitality taxes are not being collected in those municipalities. Given that these funds are held outside the general fund, and are dedicated to transportation capital projects, we do not expect the lawsuit and injunction to affect the county's general operations.

Very strong budgetary flexibility

Horry County's budgetary flexibility is very strong, in our view, with an available fund balance in fiscal 2019 of 49% of operating expenditures, or $79.6 million. We expect the available fund balance to remain above 30% of expenditures for the current and next fiscal years, which we view as a positive credit factor. The county has maintained very strong reserves in each of the past three fiscal years, ranging from $61.4 million-$79.6 million, or 41%-51% of general fund expenditures. This reserve level meets and exceeds the county's formal policy to maintain reserves equal to 25% of expenditures. With no plans to draw on reserves over the next two fiscal years, we expect budgetary flexibility to remain very strong throughout the outlook period.

Very strong liquidity

In our opinion, Horry County's liquidity is very strong, with total government available cash at 17.1% of total governmental fund expenditures and 1.8x governmental debt service in 2019. In our view, the county has strong access to external liquidity if necessary, which it has demonstrated with its consistent issuance of GO debt within the past 15 years. In addition, the county does not engage in, what we consider the aggressive use of investments. Several of the county's GO debt issuances were privately placed. Management confirms there are no continuing covenant agreements or related documents between the parties holding the bonds and the county that would afford the parties additional rights or remedies. Therefore, we do not view these transactions as a contingent liquidity risk. We expect the county to sustain its very strong liquidity over the next two-to-three years. In addition, in regard to the lawsuit, we believe the county has sufficient resources set aside to repay hospitality tax revenue to the municipalities if needed, and therefore we do not view the pending resolution of the litigation as a contingent liquidity risk.

Very strong debt and contingent liability profile

In our view, Horry County's debt and contingent liability profile is very strong. Total governmental fund debt service is 9.4% of total governmental fund expenditures, and net direct debt is 19.6% of total governmental fund revenue. Overall net debt is low at 1.5% of market value, and approximately 71.4% of the direct debt is scheduled to be repaid within 10 years, which are in our view positive credit factors.

The 2020A bond proceeds will finance construction of a new emergency operations center as well as renovations to county facilities. The 2020B bond proceeds will finance capital improvements to existing fire stations. Subsequent to this issuance, the county expects to issue an additional $25 million in GO bonds to finance additional improvements to county buildings and EMS facilities in fiscal 2021. Given that a similar amount of principal is expected to be retired within the next two years, we do not expect the additional debt plans to materially impact the county's overall debt profile.

Pension and other postemployment benefits

We expect Horry County will continue to absorb pension and other postemployment benefits (OPEB) costs into its overall budget, however, if these costs rise to levels that we believe account for an outsized portion of the budget compared with those of peers, our view of the county's debt and long-term liability profile could weaken.

- We do not view pension and OPEB liabilities as an immediate source of credit pressure for Horry County, despite lower funding levels and our expectation that costs will increase.
- Because the county's pension actuarially determined contribution (ADC) is built from what we view as weak assumptions and methodologies, we believe it increases the risk of unexpected contribution escalations. However, we anticipate higher contributions will likely remain affordable given the strength of the county's revenue base.
- Although OPEB liabilities are funded on a pay-as-you-go basis and costs are likely to increase, the county has legal flexibility to alter OPEB benefits, which we view as a potential means to mitigate escalating costs.

Horry County participates in the following cost-sharing, multiple-employer pension plans funded as follows:

- South Carolina Retirement System (SCRS): 54.4% funded, with a net pension liability of $114.7 million.
- Police Officers' Retirement System (PORS): 62.7% funded, with a net pension liability of $92.7 million.

- A defined-benefit health care plan that provides both explicit and implicit subsidies to retirees until age 65: 0.0% funded with an OPEB liability of about $42.0 million.

The county's combined required pension and actual OPEB contributions totaled 4.5% of total governmental fund expenditures in 2019. Of that amount, 4.2% represented required contributions to pension obligations, and 0.3% represented OPEB payments. Although the county funds 100% of its ADC fell short of both static funding and minimum funding progress. The plans' amortization methods, especially the level 3.00% of payroll amortization, defer costs and will result in slow funding progress. In our view, a discount rate of 7.25% for both plans could lead to contribution volatility. However, reforms enacted in 2017 sought to address weaker funded ratios and included lowering the discount rate and closing the amortization period, both of which we view as mitigating contribution escalation risk. These reforms will likely improve funding status, but will contribute to rising costs for plan participants. For more information on the pension reform, see "South Carolina's Proposed Pension Reform Provides Path To Improve Funding, But Challenges Remain," published March 14, 2017, on RatingsDirect.

Strong institutional framework

The institutional framework score for South Carolina counties is strong.

Outlook

The stable outlook reflects our opinion that Horry County's very strong management policies and practices will likely enable the county to maintain its strong financial performance and very strong reserves. In addition, we believe the county's growing and diversifying economy provides additional rating stability. Therefore, we do not expect to change the rating within the two-year outlook period.

Upside scenario

We could raise the rating if the county's economy diversifies, underlying wealth and income indicators improve to levels that we consider comparable with those of higher-rated peers, and the county manages potentially rising fixed costs such as pension and OPEB obligations.

Downside scenario

If the county's financial performance deteriorates, leading to sustained and significant drawdowns in the county's reserves, or if increasing pension costs place significant financial pressure on the county, we could lower the rating.

Related Research

- S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency, Sept. 12, 2013
- Alternative Financing: Disclosure Is Critical To Credit Analysis In Public Finance, Feb. 18, 2014
- Criteria Guidance: Assessing U.S. Public Finance Pension And Other Postemployment Obligations For GO Debt, Local Government GO Ratings, And State Ratings, Oct. 7, 2019
- 2019 Update Of Institutional Framework For U.S. Local Governments

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S&P Global Ratings

55 Water Street, 38th Floor
New York, NY 10041-0003
tel 212-438-2000
reference no.: 1594545

January 31, 2020

Horry County
1301 Second Avenue
Conway, SC 29526--5116
Attention: Mr. Barry R. Spivey, Finance Director

Re: ***US$18,800,000 Horry County, South Carolina, General Obligation Bonds, (Public Improvements), Series 2020A, dated: January 29, 2020, due: March 01, 2030***

Dear Mr. Spivey:
Pursuant to your request for an S&P Global Ratings rating on the above-referenced obligations, S&P Global Ratings has assigned a rating of "AA+" . S&P Global Ratings views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

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Sincerely yours,

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cc: ***Mr. Will Ahlum, Analyst***
First Tryon Advisors

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New York, NY 10041-0003
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reference no.: 1604052

January 31, 2020

Horry County
1301 Second Avenue
Conway, SC 29526--5116
Attention: Mr. Barry R. Spivey, Finance Director

Re: ***US$2,100,000 Horry County, South Carolina, General Obligation Bonds, (Public Improvements), Series 2020B, dated: Date of delivery, due: March 01, 2030***

Dear Mr. Spivey:
Pursuant to your request for an S&P Global Ratings rating on the above-referenced obligations, S&P Global Ratings has assigned a rating of "AA+" . S&P Global Ratings views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

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cc: ***Mr. Will Ahlum, Analyst***
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MOODY'S
INVESTORS SERVICE

CREDIT OPINION
7 February 2020

Rate this Research

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Horry (County of) SC

Update to credit analysis

Summary

Horry County, South Carolina (Aa1 stable) is a growing coastal economy that benefits from an established tourism industry and expanding heath care sector. A strong economy and labor market, coupled with expanding working age and retiree populations, have resulted in consistent tax base growth for over a decade. Driven in part by the strong economy, the county's financial position improved over the last three years – a trend expected to continue. The county's debt burden is modest, as is its pension burden.

Credit strengths

» Sizeable tax base benefiting from a healthy economic and increasing population

» Balanced financial operations and healthy reserves

Credit challenges

» Resident incomes and wealth levels are below average for the rating category

» Coastal community with reliance on tourism and exposure to environmental risks

Rating outlook

The stable outlook reflects the likelihood that the county's financial position and long-term liabilities will remain in line with the Aa1 rating category for the next 12 to 18 months.

Factors that could lead to an upgrade

» Significant improvement in resident incomes and wealth levels

» Continued economic diversification away from tourism

Factors that could lead to a downgrade

» Significant decline in fund balance or liquidity owing to imbalanced operations

» Material increase in debt and/or pension burden

Key indicators

Exhibit 1

Horry (County of) SC	2015	2016	2017	2018	2019
Economy/Tax Base					
Total Full Value ($000)	$37,546,392	$38,152,375	$39,526,858	$40,835,795	$42,618,573
Population	290,730	309,205	310,186	344,566	355,366
Full Value Per Capita	$129,145	$123,389	$127,430	$118,514	$119,929
Median Family Income (% of US Median)	79.6%	79.2%	78.2%	78.2%	78.2%
Finances					
Operating Revenue ($000)	$201,804	$229,835	$238,023	$246,053	$255,226
Fund Balance ($000)	$108,607	$127,352	$142,394	$175,959	$108,416
Cash Balance ($000)	$128,380	$138,289	$155,030	$183,710	$139,369
Fund Balance as a % of Revenues	53.8%	55.4%	59.8%	71.5%	42.5%
Cash Balance as a % of Revenues	63.6%	60.2%	65.1%	74.7%	54.6%
Debt/Pensions					
Net Direct Debt ($000)	$284,517	$253,830	$207,290	$172,859	$62,014
3-Year Average of Moody's ANPL ($000)	$338,800	$356,638	$394,319	$440,921	$473,462
Net Direct Debt / Full Value (%)	0.8%	0.7%	0.5%	0.4%	0.1%
Net Direct Debt / Operating Revenues (x)	1.4x	1.1x	0.9x	0.7x	0.2x
Moody's - adjusted Net Pension Liability (3-yr average) to Full Value (%)	0.9%	0.9%	1.0%	1.1%	1.1%
Moody's - adjusted Net Pension Liability (3-yr average) to Revenues (x)	1.7x	1.6x	1.7x	1.8x	1.9x

The decline in cash balance and fund balance in fiscal 2019 was due to a use of restricted funds used for the early retirement of a state infrastructure loan.
Sources: Audited financial statements, US Census Bureau, Moody's Investors Service

Profile

Horry County provides a range of standard municipal services including public safety, road maintenance, planning and zoning, public health, parks and recreation, among several other services. The county's 2019 population was 355,366.

Detailed credit considerations

Economy and tax base: large tax base with a well-established tourism industry

The county's tax base will likely continue growing given strong economic and population trends. Located on the Atlantic coast in the northeast portion of South Carolina (Aaa stable), Horry County's economy is centered around tourism – though its health care sector continues to expand. Officials estimate over 20 million tourists visited the county in 2018, a figure that grew at an average annual rate of 4.9% over the prior five years. The county encompassess the City of Myrtle Beach (Aa2 stable) and has 60 miles of beach, 425 hotels and around 1,800 restaurants. The tourism industry employs over 43,000 people, nearly one-third of the county's labor force. The county's total employment grew by 22% between 2009-18 and its unemployment rate was just 2.5% as of November 2019.

The county's healthy economy and coastal amenities are attracting new working- and retirement-aged residents. In 2019, the county's population was estimated to be 355,366, a figure that is up 32% since 2010. The county's median family income is equal to 91.3% of the national median, lower than the median for other Aa1 rated counties (around 106%).

Residential and commercial development are leading to healthy tax base growth for the county. As of 2019, the county's tax base was fully valued at $42.6 billion and grew at an average annual rate of 2.5% over the previous five years. The county's tax base is significantly larger than the Aa1 median (around $20.9 billion).

Financial operations and reserves: healthy reserves and balanced operations

The county's financial position will likely remain strong, given balanced operations and ongoing tax base growth. The county's general fund posted four consecutive operating surpluses through fiscal 2019, bringing its available fund balance to $79.6 million (46% of annual revenue) from a low of $39.5 million (30%) in 2015. The county's fiscal 2020 budget is balanced; however, it calls for the use of up to $5.9 million of fund balance due to one time capital outlays. While the county has a history of outperforming its budget, we expect general fund reserves to remain in line with the Aa1 median (around 39%) even if fund balance is drawn upon.

The county's combined operating funds, which include the general, fire, recreation and debt service funds, also have strong reserves. The combined available fund balance in these funds was $108 million in fiscal 2019, an amount equal to 42.5% of the funds' combined revenue.

The county's primary source of operating income is property taxes, which typically account for around half of annual revenue. Property taxes grew by an average annual rate of 6.3% between 2015-19 due to tax base growth and a modest millage increase in 2016.

Hospitality fees generated approximately $50 million or 20% of annual operating revenue in fiscal 2019. Forty-two million dollars of this is derived from a 1.5% tax that is dedicated to specific capital projects and used to pay annual principal and interest payments on a loan from the South Carolina Transportation Infrastructure Bank (Aa3 stable). Collections in excess of annual debt service were held in trust each year, and the trust was depleted in fiscal 2019 to fully redeem the county's loan with the state.

The 1.5% tax was set to sunset in 2017, but the county council unilaterally extended the sunset date. Numerous municipalities within the county contend that removal of the sunset warranted their consent, and have filed suit contesting the legality of the extension. If the suit is lost, Horry County would no longer be able to levy the tax in incorporated portions of the the county. Officials estimate incorporated municipalities account for around $29 million of the $42 million generated county-wide. Notably, the county no longer has debt outstanding that is paid for by this revenue and an adverse outcome would only impact taxes collected after the 2017 sunset date. Additionally, the revenue is restricted for discretionary capital projects and is not used to fund operations.

LIQUIDITY

The county's liquidity is strong. At the close of fiscal 2019, the county's operating funds collectively held a cash balance of $139 million (54.6% of annual revenue). Approximately $97.3 million of this balance was held in the general fund. The county's liquidity is strong relative to other Aa1 rated counties, which have a median cash balance equal to around 38% of annual revenue.

Debt and pensions: modest long term liabilities with low fixed costs

The county's debt burden is low but will grow slightly over the next five years due to additional borrowing plans. Following issuance of the Series 2020A and 2020B bonds, the county's direct debt is estimated to be $89.2 million, an amount equal to a low 0.2% of full value and 0.3x operating revenue. The county's five-year capital improvement plan calls for up to $62.5 million of additional borrowing through fiscal 2024 in order to fund various public safety, works, transportation and other capital projects. Given rapid amortization of outstanding debt, however, we expect the county's debt burden to grow only slightly and remain well below the national median for Aa1 rated counties (around 0.7% of full value and 0.7x operating revenue).

DEBT STRUCTURE

The county's outstanding debt is fixed rate. Approximately 96% of the county's post-sale debt is scheduled to mature within ten years. Most of the county's debt consists of general obligation unlimited tax bonds, with approximately $9.8 million consisting of capital leases.

DEBT-RELATED DERIVATIVES

The district is not party to any derivative agreements.

PENSIONS AND OPEB

County employees participate in one of four cost-sharing multi-employer defined benefit pension plans administered by the state. Moody's three-year average adjusted net pension liability (ANPL) for the county is equal to 1.1% of full value and 1.9x operating revenue. Moody's ANPL uses the county's liabilities and fair market value of assets reported under GASB 68 and adjusts the liability based on a market-based discount rate. The cost sharing plans' current discount rate is 7.25% and the market based discount rate Moody's used to value the liabilities was 4.14% as of the measurement date of the plan as reported in the county's financial statements.

Contributions to the plans are paid by the county and employees alike, and contribution rates are set by the state pension board as a share of annual payroll. The county's contribution totaled $16.6 million in fiscal 2019, an amount equal to 6.5% of annual revenue.

Plan-wide contributions to the South Carolina Retirement System in fiscal 2019 were equal to around 90% of the amount needed to tread water – that is the amount needed to forestall growth in unfunded liabilities based on the plans' own assumptions.

The county also provides other post-employment benefits (OPEB) to employees. The county's total OPEB contribution was $1.8 million in fiscal 2019, equal to a modest 0.7% of annual revenues. The county's Moody's adjusted net OPEB liability is minimal, equal to 0.1% of full value and 0.2x operating revenue.

The county's estimated post-sale debt service and total retirement contributions are estimated to consume around 12% of annual operating revenue.

Management and governance: strong institutional framework

The county's debt and financial profiles are enhanced by a strong management team that has a history of rapidly paying down debt, maintaining balanced operations and securing dedicated funds for capital projects. The county's debt policies include limiting the term of debt to under 20 years and not exceeding 75% of its constitutional 8% debt capacity. Financial policies include a requirement to maintain a stabilization reserve equal to 25% of annual expenditures, which it routinely exceeds.

South Carolina Counties have an Institutional Framework score of “Aa”, which is strong. The sector’s main revenue source is property taxes. South Carolina counties’ ability to raise property tax revenue is subject to Act 388, an annual cap, which sets a maximum operating millage increase based on CPI increase and population growth. However, the cap can be overridden by a two-thirds vote of the governing body under specific conditions allowing for moderate revenue-raising ability. Unpredictable revenue fluctuations tend to be minor, or under 5% annually. Fixed costs are driven mainly by debt service and pension costs. Across the sector, fixed and mandated costs are generally less than 25% of expenditures. Unpredictable expenditure fluctuations tend to be minor, under 5% annually. South Carolina is a right to work state and prohibits public sector employees from engaging in collective bargaining.

Rating methodology and scorecard factors

The US Local Government General Obligation Debt methodology includes a scorecard, a tool providing a composite score of a local government's credit profile based on the weighted factors we consider most important, universal and measurable, as well as possible notching factors dependent on individual credit strengths and weaknesses. Its purpose is not to determine the final rating, but rather to provide a standard platform from which to analyze and compare local government credits.

Exhibit 2

Horry (County of) SC

Rating Factors	Measure	Score
Economy/Tax Base (30%) [1]		
Tax Base Size: Full Value (in 000s)	$42,618,573	Aaa
Full Value Per Capita	$119,929	Aa
Median Family Income (% of US Median)	78.2%	A
Finances (30%)		
Fund Balance as a % of Revenues	42.5%	Aaa
5-Year Dollar Change in Fund Balance as % of Revenues	-0.1%	Baa
Cash Balance as a % of Revenues	54.6%	Aaa
5-Year Dollar Change in Cash Balance as % of Revenues	5.7%	A
Management (20%)		
Institutional Framework	Aa	Aa
Operating History: 5-Year Average of Operating Revenues / Operating Expenditures	1.1x	Aaa
Debt and Pensions (20%)		
Net Direct Debt / Full Value (%)	0.2%	Aaa
Net Direct Debt / Operating Revenues (x)	0.3x	Aaa
3-Year Average of Moody's Adjusted Net Pension Liability / Full Value (%)	1.1%	Aa
3-Year Average of Moody's Adjusted Net Pension Liability / Operating Revenues (x)	1.9x	A
	Scorecard-Indicated Outcome	Aa1
	Assigned Rating	Aa1

[1] Economy measurers are based on data from the most recent year available. [2] Notching Factors are specifically defined in the US Local Government General Obligation Debt methodology. [3] Standardized adjustments are outlined in the GO Methodology Scorecard Inputs publication.
Sources: US Census Bureau, Moody's Investors Service

REPORT NUMBER 1213177

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

COUNTY OF HORRY) **COMMUNITY BENEFIT RESOLUTION R--19**
STATE OF SOUTH CAROLINA)

A RESOLUTION APPROVING AN ALLOCATION OF COUNCIL COMMUNITY BENEFIT FUNDS.

WHEREAS, Horry County Council has provided $240,000 in the General Fund budget for Council District community benefit accounts, from which each council member is allotted $20,000 per annum; and

WHEREAS, the expenditure of such funds must be for a public purpose with allocations made to organizations with appropriate tax exempt status; and

WHEREAS, the following allocations have been requested:

Council District	Amount	Organization & Purpose
3, 6, & 8	$1000 each	Joshua Empowerment Foundation – sponsorship of Let's Stop the Violence Anti-Bullying event.

NOW, THEREFORE, BE IT RESOLVED that Horry County Council approves the above allocations from the Council District community benefit accounts and the funded organizations must comply with the County's funding agreement and procedures as applicable.

AND IT IS SO RESOLVED this 5th day of November, 2019.

HORRY COUNTY COUNCIL

Johnny Gardner, Chairman

Harold G. Worley, District 1
Bill Howard, District 2
Dennis DiSabato, District 3
Gary Loftus, District 4
Tyler Servant, District 5
Cam Crawford, District 6

Orton Bellamy, District 7
Johnny Vaught, District 8
W. Paul Prince, District 9
Danny Hardee, District 10
Al Allen, District 11

Attest:

Patricia S. Hartley, Clerk to Council

REQUEST FOR ALLOCATION OF COUNCIL COMMUNITY BENEFIT FUNDS

Request is made to Council District See Below **Date of Request** October 5

Non-Profit Organization Making Request:

Name: Joshua Empowerment Foundation
(Must list the legal name of the organization that agrees to the Federal ID Number)

Address: 1408 Fisher Dr Myrtle Beach 29577

Phone: 843-267-1914 **Federal ID Number:** 83-1679606

IRS Code Section under which tax exemption was granted: __________

IRS Tax Exemption Determination Letter attached? Yes **Yes** __________ **No**
(If above answer is "No", attach other information that supports that the IRS has identified your organization as exempt from tax.)

Description of the Tax Exempt Purpose of this Organization:

Community + Family Services

Amount Requested $3000.00 **Dated Needed** Oct 25

Describe below, in specific detail, how the funds will be spent if allocated:

Let's Stop the Violence
Domestic Violence Anti Bullying
Event

Requested By: (Printed Name) Timothy McCray

Position in the Organization: President / CEO

Signature: [signature]

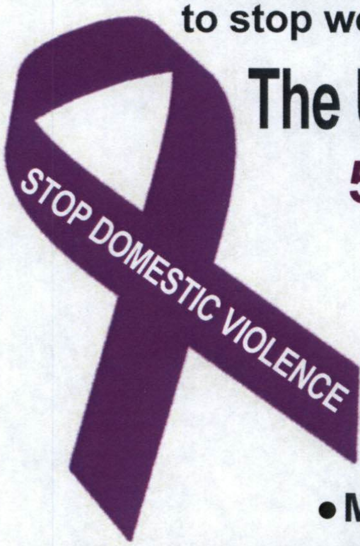
$1000 each from Dennis DiSabato, Johnny Vaught + Cam Crawford

Fred Nesta

LET'S STOP THE VIOLENCE!

Saturday 11/2/19 **3rd Annual Awareness Event • MBHS**

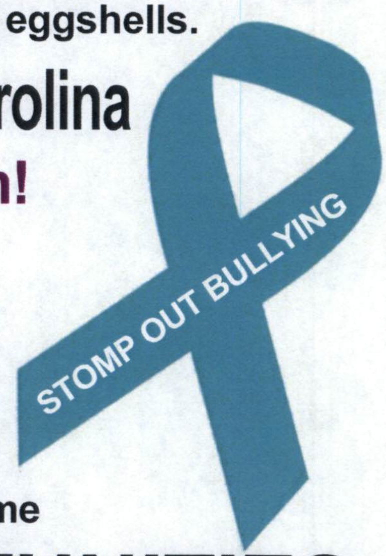
On November 2nd, our communities will come together and walk on glass to stop women and children from walking on eggshells.



The Ugly Truth About South Carolina

5th in Men Killing Women!

14th in Bullying!



- **Stomp Out Bullying *Now***
- **Stop Domestic Violence *Now***
- **Free Event - Public Welcome**
- **Free Bus Transportation Available**
- **Moms, Dads & Kids of All Ages Welcome**

SPONSORSHIP OPPORTUNITIES

Local Municipalities • Law Enforcement • Advocates • Civic Groups • Corporations • Individuals

SCHEDULE OF EVENTS & ACTIVITIES*

10:00am:	**Set Up**
11:00am:	**Introductions & Opening Prayer**
11:15am:	**Dave Albin: *World-Famous Motivational Speaker***
12:30pm:	**Circle of Hope *with Prayers Over Survivors***
12:45pm:	**Lunch**
1:30pm:	**Overcome Your Fears!**
	• ***Walking on Glass / Dave Albin***
	• ***Breaking Boards / Dave Albin***
3:30pm:	**Adjourn** *(school buses take guests back)*

**Agenda Order Subject to Change*

ORGANIZERS

Horry County Schools
Let's Stop The Violence Committee
Italian American Heritage Charitable Council

SPONSORSHIPS

Title Sponsor:	**$4,000+**
Platinum:	**$3,500+**
Gold:	**$3,000+**
Silver:	**$2,500+**
Bronze:	**$2,000+**
Copper:	**$1,000+**

Donor: $500 or *Any Amount*

Make Checks Payable to IAHCC
(SC non-profit #81-3544676)
1335 Hidden Harbor Road
Myrtle Beach, SC 29577

SATURDAY, NOVEMBER 2, 2019 11am-4pm

Myrtle Beach High School • 3302 Robert Grissom Pkwy • Myrtle Beach SC 29577

INFORMATION

Fred Nesta (401) 743-5588
Mike King (843) 455-2323

Dave Albin's Bio

Dave Albin has been changing peoples lives on a grand scale since 1995. Dave will provide dynamic fear, stress, and state management experiences for both the Corporate and the Private Sector. He is a Master at creating paradigm-shifting life-changing experiences. These Team Building type activities change lives, it's that simple. Having worked with over 500,000 people in his career, he uses fear-based elements like Glasswalking, Firewalking, Board Breaking, Arrow Breaking, and Fire Eating to show people what is really possible in life. He backs that up with a powerful Keynote presentation that his clients NEVER forget.

Experience the creation of a Powerful Culture and a Positive Environment
• Raise Self-Worth, Self-Confidence and Self-Belief -- instantly, guaranteed!
• Experience instant camaraderie, bonding and trust

- Biography
- Check out Videos of many events on U-Tube
- Davealbinfirewalkadventures.com
- See a 3 year old walk over glass after severe traumatic event and the results in her life. See a Paraplegic man walk on Glass with his hands. See why Oprah made major business decision after a firewalk, See Dave break a Glasswalk World record in Paris France with over 1200 people walking See Dave work with Woman Children Businesses and see why [
-
- NASA gave him an award and named him BEST Motivational Speaker after his 3 day seminar and activities Fire Walk, Glass Walk Brick and Board Breaking to name a few done at NASA]many others you will be amazed.

Dave's passion for changing people's lives began in 1995 after attending his first Tony Robbins Seminar. Though he initially resisted the idea of walking on hot coals exceeding 1000 degrees in temperature, after a little last-minute encouragement, he found himself celebrating at the other end of the fire lane, with a crewmember affirming, "You did it, you did it, you do it!" That was the exact life-changing moment that Dave's love, passion, and fascination for firewalking and other life-changing experiences was born.

That's when Dave's love, passion, and fascination for paradigm shifting and changing people's lives was born.

Dave started crewing for the Anthony Robbins Companies and began his career as a firewalk coach, trainer and facilitator in 1995. He also joined Tony Robbins Security Team providing security for many of Tony's VIPs, celebrities, professional athletes, and special guests.

In 2003, Mr. Robbins asked Dave to take over his firewalks as Fire-Captain. In February, 2014, after facilitating 100+ firewalks, Dave retired from the Anthony Robbins Companies to venture out on his own. Dave also facilitated several firewalks for T Harv Eker. His experience is quite impressive, as he and his team have walked over 500,000 people, including setting a record in 2005, with 12,300 people at a single event in London. He and his team have walked many celebrities, professional athletes, and young children, including Dave's own, who walked at the ages of 6 and 9.

Dave is one of the most experienced Life-changing coaches and facilitators on Earth. He is very clear that with great wisdom comes great responsibility, and he takes his gift very seriously. He loves what he does, and watching people change right before his eyes is something he will forever want to facilitate. If you want to create change in your people, Dave is your guy. There is a reason that Tony Robbins put his faith and trust in Dave to facilitate firewalks for 19+ years.

I've watched thousands of transformations in my lifetime. I've seen what the glasswalk, firewalk of one of our other many experiences does for anyone. These life-shifting experiences change people's lives on the spot, an inspiration and a lesson about what's possible in life.

So many people are told what they cannot do and why they cannot do it. I teach just the opposite and then we show them, You Can Do Whatever You Put Your Mind To.

I've seen many people influenced by the positive paradigm shift that happens during a glass-walking or firewalking event. There's a real profound moment as you look down at that glass or hot coals. As you take that first step, and then when you get to the other side, you discover what it's like to feel that *fear, embrace that fear, and move beyond that fear. You literally take your life to another level.*

I've watched many hundreds of thousands of people glasswalk and firewalk. I've learned that if they take the first step, they'll definitely take the second, third, fourth, fifth, and so on, because now it's about getting to the other side.

What is your fear?

Whatever it is, I'm here to tell you that it's not insurmountable. You must take that first step. Taking the first step is monumental in reclaiming your power to move forward, to take the first step on the glass or fire.

The result is a transformation that is profound beyond words. There is a reason Tony Robbins put is faith and trust in Dave to create these life-changing experiences, and now you can too. Google davealbinfirewalkadventures and watch his event videos and you will see how Blessed we are to get Dave to come to MB for our Domestic Violence Anti Bullying Event

Fred Nesta

401-743-5588

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: SEP 11 2018

JOSHUA EMPOWERMENT FOUNDATION
1408 FISHER DRIVE
MYRTLE BEACH, SC 29577-6715

Employer Identification Number:
83-1679606
DLN:
26053647001638
Contact Person:
CUSTOMER SERVICE ID# 31954
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
June 30
Public Charity Status:
170(b)(1)(A)(vi)
Form 990/990-EZ/990-N Required:
Yes
Effective Date of Exemption:
August 17, 2018
Contribution Deductibility:
Yes
Addendum Applies:
No

Dear Applicant:

We're pleased to tell you we determined you're exempt from federal income tax under Internal Revenue Code (IRC) Section 501(c)(3). Donors can deduct contributions they make to you under IRC Section 170. You're also qualified to receive tax deductible bequests, devises, transfers or gifts under Section 2055, 2106, or 2522. This letter could help resolve questions on your exempt status. Please keep it for your records.

Organizations exempt under IRC Section 501(c)(3) are further classified as either public charities or private foundations. We determined you're a public charity under the IRC Section listed at the top of this letter.

If we indicated at the top of this letter that you're required to file Form 990/990-EZ/990-N, our records show you're required to file an annual information return (Form 990 or Form 990-EZ) or electronic notice (Form 990-N, the e-Postcard). If you don't file a required return or notice for three consecutive years, your exempt status will be automatically revoked.

If we indicated at the top of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

For important information about your responsibilities as a tax-exempt organization, go to www.irs.gov/charities. Enter "4221-PC" in the search bar to view Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, which describes your recordkeeping, reporting, and disclosure requirements.

JOSHUA EMPOWERMENT FOUNDATION

Sincerely,

Stephen A. Martin

Director, Exempt Organizations
Rulings and Agreements

Letter 947

COUNTY OF HORRY) COMMUNITY BENEFIT RESOLUTION R--2020
STATE OF SOUTH CAROLINA)

A RESOLUTION APPROVING AN ALLOCATION OF COUNCIL COMMUNITY BENEFIT FUNDS.

WHEREAS, Horry County Council has provided $240,000 in the General Fund budget for Council District community benefit accounts, from which each council member is allotted $20,000 per annum; and

WHEREAS, the expenditure of such funds must be for a public purpose with allocations made to organizations with appropriate tax exempt status; and

WHEREAS, the following allocations have been requested:

Council District	Amount	Organization & Purpose
9	$12,000	Great Commission Christian Ministries of Loris – funding support for Bethesda Home for Single Mothers.

NOW, THEREFORE, BE IT RESOLVED that Horry County Council approves the above allocations from the Council District community benefit accounts and the funded organizations must comply with the County's funding agreement and procedures as applicable.

AND IT IS SO RESOLVED this ___ day of ______, 2020.

HORRY COUNTY COUNCIL

____
Johnny Gardner, Chairman

Harold G. Worley, District 1
Bill Howard, District 2
Dennis DiSabato, District 3
Gary Loftus, District 4
Tyler Servant, District 5
Cam Crawford, District 6
Orton Bellamy, District 7
Johnny Vaught, District 8
W. Paul Prince, District 9
Danny Hardee, District 10
Al Allen, District 11

Attest:

____
Patricia S. Hartley, Clerk to Council

COUNTY OF HORRY) COMMUNITY BENEFIT RESOLUTION R--2020
STATE OF SOUTH CAROLINA)

A RESOLUTION APPROVING AN ALLOCATION OF COUNCIL COMMUNITY BENEFIT FUNDS.

WHEREAS, Horry County Council has provided $240,000 in the General Fund budget for Council District community benefit accounts, from which each council member is allotted $20,000 per annum; and

WHEREAS, the expenditure of such funds must be for a public purpose with allocations made to organizations with appropriate tax exempt status; and

WHEREAS, the following allocations have been requested:

Council District	Amount	Organization & Purpose
2	$2500	Myrtle Beach High School – funding for transportation/lodging for the Spring Break Softball Tournament at the Wide World of Sports complex, Orlando, FL

NOW, THEREFORE, BE IT RESOLVED that Horry County Council approves the above allocations from the Council District community benefit accounts and the funded organizations must comply with the County's funding agreement and procedures as applicable.

AND IT IS SO RESOLVED this ___ day of ______, 2020.

HORRY COUNTY COUNCIL

____
Johnny Gardner, Chairman

Harold G. Worley, District 1
Bill Howard, District 2
Dennis DiSabato, District 3
Gary Loftus, District 4
Tyler Servant, District 5
Cam Crawford, District 6

Orton Bellamy, District 7
Johnny Vaught, District 8
W. Paul Prince, District 9
Danny Hardee, District 10
Al Allen, District 11

Attest:

____
Patricia S. Hartley, Clerk to Council

COUNTY OF HORRY) COMMUNITY BENEFIT RESOLUTION R--2020
STATE OF SOUTH CAROLINA)

A RESOLUTION APPROVING AN ALLOCATION OF COUNCIL COMMUNITY BENEFIT FUNDS.

WHEREAS, Horry County Council has provided $240,000 in the General Fund budget for Council District community benefit accounts, from which each council member is allotted $20,000 per annum; and

WHEREAS, the expenditure of such funds must be for a public purpose with allocations made to organizations with appropriate tax exempt status; and

WHEREAS, the following allocations have been requested:

Council District	Amount	Organization & Purpose
11	$2,200	SC Dept of Archives & History on behalf of Sewah Studios – manufacture of SC Historical Marker for military air crash site in Horry County.

NOW, THEREFORE, BE IT RESOLVED that Horry County Council approves the above allocations from the Council District community benefit accounts and the funded organizations must comply with the County's funding agreement and procedures as applicable.

AND IT IS SO RESOLVED this ___ day of ______, 2020.

HORRY COUNTY COUNCIL

____
Johnny Gardner, Chairman

Harold G. Worley, District 1
Bill Howard, District 2
Dennis DiSabato, District 3
Gary Loftus, District 4
Tyler Servant, District 5
Cam Crawford, District 6
Orton Bellamy, District 7
Johnny Vaught, District 8
W. Paul Prince, District 9
Danny Hardee, District 10
Al Allen, District 11

Attest:

____
Patricia S. Hartley, Clerk to Council

COUNTY OF HORRY) **COMMUNITY BENEFIT RESOLUTION R-2020**
STATE OF SOUTH CAROLINA)

A RESOLUTION APPROVING AN ALLOCATION OF COUNCIL COMMUNITY BENEFIT FUNDS.

WHEREAS, Horry County Council has provided $240,000 in the General Fund budget for Council District community benefit accounts, from which each council member is allotted $20,000 per annum; and

WHEREAS, the expenditure of such funds must be for a public purpose with allocations made to organizations with appropriate tax exempt status; and

WHEREAS, the following allocations have been requested:

Council District	Amount	Organization & Purpose
7	$1,000	Freedom Readers – funding for the purchase of books for children who live in low-income communities

NOW, THEREFORE, BE IT RESOLVED that Horry County Council approves the above allocations from the Council District community benefit accounts and the funded organizations must comply with the County's funding agreement and procedures as applicable.

AND IT IS SO RESOLVED this ___ day of ____, 2020.

HORRY COUNTY COUNCIL

____
Johnny Gardner, Chairman

Harold G. Worley, District 1
Bill Howard, District 2
Dennis DiSabato, District 3
Gary Loftus, District 4
Tyler Servant, District 5
Cam Crawford, District 6

Orton Bellamy, District 7
Johnny Vaught, District 8
W. Paul Prince, District 9
Danny Hardee, District 10
Al Allen, District 11

Attest:

____
Patricia S. Hartley, Clerk to Council

REQUEST FOR ALLOCATION OF COUNCIL COMMUNITY BENEFIT FUNDS

Request is made to Council District 7 **Date of Request** October 21, 2019

Non-Profit Organization Making Request:

Name: Freedom Readers, Inc.

(Must list the legal name of the organization that agrees to the Federal ID Number)

Address: Post Office Box 30548 Myrtle Beach, SC 29588

Phone: 843 331 8526 **Federal ID Number:** 27-2517686

IRS Code Section under which tax exemption was granted: 501c3

IRS Tax Exemption Determination Letter attached? X **Yes** ______ **No**

(If above answer is "No", attach other information that supports that the IRS has identified your organization as exempt from tax.)

Description of the Tax Exempt Purpose of this Organization:

The mission of Freedom Readers, Inc. is to improve reading skills in low income communities.

Amount Requested ~~$7,000~~ $1,000 **Dated Needed** January 1, 2020

Describe below, in specific detail, how the funds will be spent if allocated:

These funds will be spent to purchase books for children who live in low-income communities. We provide weekly literacy tutoring and we allow children to take books home for their personal libraries. Principals and teachers say they see a difference in kids who participate in our program.

Requested By: (Printed Name) Tracy Swinton Bailey, PhD

Position in the Organization: Chief Executive Officer

Signature: Tracy S. Bailey

Council Member Expenses
January 2020

Member	Date	Amount	Vendor	Purpose	Acct Balance
Gardner					15,808.18
Worley					24,457.94
Howard					14,541.84
DiSabato					24,757.80
Loftus					7,257.43
Servant					18,984.96
Crawford					25,226.78
Bellamy					5,398.05
Vaught					10,516.18
Prince					9,072.43
Hardee					25,768.32
Allen	01/17	195.58	Bonfire Restaurant	Lunch for Fire Dept graduation class	13,859.79