

## Horry County Government

### Community Development & Grants Department

www.horrycounty.org



### Community Development and Grants

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## Public Notice

*Released June 26, 2024*

Horry County Government was notified via the Federal Register on June 14, 2024 that the County is eligible to apply to the U.S. Department of Agriculture (USDA) for funding under the Housing Preservation Grant Program. Horry County intends to apply for a \$150,000 grant to provide emergency and/or preservation repairs to eligible low income and very low income households located within eligible rural unincorporated areas of Horry County. The statement of activities is available for review and comment online at <https://www.horrycountysc.gov/departments/community-development/public-notices>. Questions and comments concerning this grant should be directed to Elizabeth Tranter, Director, at the above address, by email at [tranter.elizabeth@horrycountysc.gov](mailto:tranter.elizabeth@horrycountysc.gov), or by phone at 843-915-7036.

## Statement of activities

### Introduction

Horry County Community Development (HCCD) is seeking funding in the amount of \$150,000 in USDA funding to provide homeowner assistance in the form of essential repair and rehabilitation, emergency repairs and/or accessibility modifications for fifteen (15) low to very low income (LMI/VLI) households in rural, unincorporated areas of Horry County. The primary source of funding for these programs in Horry County is the Community Development Block Grant (CDBG) program, which will provide \$150,000 in matching funds to the proposed project. The entire project budget, to include USDA funding and the CDBG match, will therefore total \$300,000.

Many households in poverty choose to remain in their homes, but continue to live in unsafe conditions perpetuated from years of deferred maintenance. The loss of longstanding homeowners jeopardizes neighborhood stabilization efforts and places residents at risk of homelessness. Ensuring Horry county low-income and very low-income residents have access to safe, decent housing is the core mission of Horry County Community Development. The County currently manages approximately thirty (30) rehabilitation projects per year. Projects currently range from emergency repair projects to larger scale substantial rehabilitation projects. Unfortunately, the vast need for housing preservation in Horry County greatly exceeds the resources available for stabilization. In summer 2018, the waiting list for services exceeded 300 and was approaching 350 single family homes.

In September 2018, Horry County received its first Rural Housing Preservation Grant (HPG) award from USDA. These awards have allowed the County to more effectively address the backlog of low-income and very low-income homeowners awaiting repairs. Through USDA assistance specifically, homeowner wait times for emergency repairs have been reduced from 2-3 years to less than one year. Demand for the program continues to grow. Since 2018, seventy-five (75) home repairs have been completed using USDA funding. To date, examples of USDA HPG-funded repairs have involved construction of an ADA-compliant ramp, roof repairs, siding repairs, window replacement, HVAC installation, and a water tap connection.

The requested USDA HPG funding, matched 1:1 with CDBG funding, would enable smaller-scale repair of fifteen (15) additional homes targeting 60% or more VLI households in rural, unincorporated areas of the County. This proposed grant would therefore continue to enable those in rural areas with the greatest need to receive critical rehabilitations, repairs and accessibility modifications more quickly than the current available resources would allow.

### Housing Assistance Program

Horry County serves to maintain the current stock of affordable housing throughout the county through **essential repairs, accessibility repairs** and **emergency repairs** of VLI, LI and moderate income owner-occupied single-family residences. HPG funding spans each of these categories, providing focused homeowner assistance resources specifically designated for additional VLI and LI owners living in unincorporated areas of the County.

The **Essential Repairs Program** is designed to preserve existing owner-occupied affordable housing through repairs necessary to prolong the useful life of the housing unit and to address issues which jeopardize the health and safety of homeowners. Additionally, the **Accessibility Repair Program** provides assistance for the installation of accessibility accommodations, such as ADA accessible showers, grab bars accessible doors, vanities, or a wheelchair ramp. The **Emergency Repairs Program** provides assistance for a key housing component of a unit which jeopardizes the health and safety of the homeowner, such as a roof or HVAC unit.

In order to qualify for assistance, a household must own the property and qualify as 80% AMI or below. Additionally, a three-year restrictive covenant is placed upon the property to ensure that the home is occupied by an income-qualifying household. See Attachment 1 at the end of this section for an example.

### **Process for selecting recipients**

Applicants requesting assistance from HCCD must complete a pre-application. The pre-application includes basic project information regarding the homeowner, property, self-declared income level, and details concerning the requested assistance. HCCD staff then enters this information into Rehab Pro, the County's owner-occupied rehabilitation beneficiary management system, to record communication and establish applicant priority on the County's waiting list. A brief preliminary review is conducted for each pre-application to ensure that the project is located in an eligible area, the household is income eligible, the unit is not located in a floodplain or wetland, and to confirm qualifying ownership of the property. If a preliminary issue is identified, then the activity is moved to inactive status and a letter is sent to the applicant describing the reason for failure to qualify for services, and when applicable, making appropriate referrals to other offices or services in the area. A copy of the pre-application is appended to this section of the proposal.

### **Qualifying the applicant**

When an applicant reaches the top of the waiting list, HCCD personnel work with the applicant to complete a full application. The application must include:

1. **Identification:** All members of the applicant's household must identify themselves with a picture ID (passport, driver's license, or ID card).
2. **Verification of Employment:** A separate form for "verification of Employment" needs to be filled out by the applicant and all household members and submitted together with the housing rehabilitation application form.
3. **Documentation of Income:** All members of the household must verify their income, including Social Security, SSI, pensions, or other benefits. Only households who make up to the 80% of the Area Median Income (AMI) are eligible for assistance. 2023 income limits are included in Table 1 below.
4. **Proof of Home Ownership:** Applicants must prove their ownership of the home by providing the following:
  - a. Most current deed issued in the name of the applicant.
  - b. Paid receipt of most current property taxes.
  - c. Copy of most current mortgage statement showing the principal loan balance.
  - d. Homeowner's insurance declaration page (if applicable).

5. **Copies of Bank Statements:** Applicant and all household income contributors must provide copies of their three last bank statements showing checking and savings account balances.
6. **Completed and signed Housing Rehabilitation/Emergency Repair Application Form:** Application forms can be requested through the HCCD Department.

## Horry County Community Development

CDBG Income Limits								
Household Income Limit	1	2	3	4	5	6	7	8
	Person	Person	Person	Person	Person	Person	Person	Person
<i>Horry County</i>								
Extremely Low Income (30%)	\$16,700	\$19,100	\$21,500	\$23,850	\$25,800	\$27,700	\$29,600	\$31,500
Low Income (50%)	\$27,850	\$31,800	\$35,800	\$39,750	\$42,950	\$46,100	\$49,300	\$52,500
Moderate Income (80%)	\$44,550	\$50,900	\$57,250	\$63,600	\$68,700	\$73,800	\$78,900	\$84,000

Source: 2024 Adjusted CDBG Income Limits, HUD (effective 5/01/2024)

*Table 1. 2024 Community Development Block Grant (CDBG) Income Limits*

In order to be determined eligible for assistance, the property must be owner-occupied, the applicant must demonstrate proof of ownership, the applicant must be current on his/her property taxes, the applicant must not exceed the income limits, the applicant must agree to a forgivable loan/restrictive covenant over a ten-year period for the cost of the repairs, and units built prior to 1978 must be pre-tested for lead paint hazards. For the purposes of this application, 60% or more of those receiving assistance will fall within the LI or VLI limits. All of those projects approved for the USDA Housing Preservation Grant Program will be located within unincorporated, rural areas of Horry County.

### **Determining housing preservation needs**

When an applicant reaches the top of the waiting list, the HCCD Housing Inspector and an HCCD housing specialist visit the property to assess the potential scope of work and to facilitate completion of the full application. Based on this inspection, the Housing Inspector develops a Public Body Estimate (PBE) to establish cost reasonableness for the project. Upon beneficiary qualification and finalization of the scope of work, an Invitation for Bids is developed and issued. Upon identification of the lowest responsive bidder within a 10% range of the PBE, a contractor is selected and agreements are executed between the homeowner and contractor, as well as the contractor and the County. Additionally, a restrictive covenant is placed upon the property to ensure that the home is occupied by an income-eligible household.

### **Process for identifying environmental impacts**

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 HUD Program assistance. These requirements will also be applied to projects undertaken with

joint USDA and CDBG funding as part of the proposed projects. Rehabilitation funds for existing buildings constructed prior to 1978 include a lead hazard evaluation by appropriate lead-certified personnel.

If lead-based paint is present in the unit, a detailed lead hazard reduction plan will be included in the project budget, in accordance with the regulations, and costs associated with reduction of lead hazards will be tracked as a unique line item for expenditure for the project.

The environmental review is conducted following the review of beneficiary requirements and in parallel with the housing preservation needs assessment noted above. The process and a sample form used for the conduct of environmental reviews is attached to the "Request for Environmental Information" form appended to this application.

### **Procurement processes**

HCCD requires a minimum of three (3) bids on planned repairs, based on the approved work write-up prepared. Bids are to be returned on the specific due date. Staff will record the total amount of the bid and the date and time the bid was received. The 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 federally-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 PBE prepared by the Housing Inspector.

### **Monitoring/inspecting work**

During the construction process, the Housing Inspector conducts weekly inspections of active projects. The Housing Inspector signs off on completed items and conducts a final walkthrough of the property to ensure that all items have been addressed. Upon completion of the projects, a certificate of final inspection, release of liens, and warranty are completed. The previously signed restrictive covenant is then recorded with the Register of Deeds.

### **Development standards**

The HCHC's standards require that rehabilitated housing meet all applicable State and local codes, ordinances, and requirements or, in the absence of a State or local building code, the International Existing Building Code of the International Code Council. HCCD will use the Uniform Physical Conditions Standards (UPCS), HUD's prescribed physical inspection procedures. UPCS requires that upon completion, all assisted projects and units will be decent, safe, sanitary and in good repair. UPCS will be utilized for monitoring purposes.

### **Time schedule for completing the program**

The Community Development Housing Inspector develops a scope of work for each owner-occupied rehabilitation that is conducted. As the Housing Inspector is an expert in construction management, he develops an approximate construction timeline based upon the developed scope of work. Typically, this

completion timeframe is 60 days for major rehabilitation projects and 30 days for emergency repairs or accessibility accommodations.

### **Staffing required to complete the program**

HCCD employs a staff of eight (8), who will be responsible for intake, applicant qualification, housing inspection, environmental assessments, procurement, preparation of bid documents, and monitoring and compliance of the grant. HCCD employs personnel who specialize in each of these tasks, and the flexible workload organization of the department ensures that resources can be placed in areas of greatest need in order to facilitate the timely review, conduct, and completion of projects.

### **Estimated number of LI/VLI minority and non-minority persons to be assisted**

Based on prior experience, HCCD typically uses a figure of 1.5 individuals per household to estimate impact. Since this project is designed to fund fifteen (15) home repair, rehabilitation and accessibility projects, the estimated number of LI/VLI individuals to be impacted is twenty-two (22). Ten (10) of the twelve (12) homeowners served to date have qualified as very low income and two (2) have qualified as low income. Based on these trends, we predict that 80% of the beneficiaries will be very low income. More than 80% homeowners assisted with USDA funding were African-American. We therefore predict that in the project's next phase, 2/3 of the homeowners receiving USDA assistance will be minority persons.

### **Opportunity Zones**

Six (6) census tracts within Horry County have been identified as Opportunity Zones. Of these census tracts, two (2) include areas within unincorporated rural Horry County.

Census Tract 202 comprises the city of Loris and unincorporated areas of Horry County east of the city. The population within this zone is 5,849 and the median household income is \$38,099. Home ownership rates within the zone are 76.6% (2012-2016).

Census tract 801.02 includes the town of Aynor, as well as Cool Springs, a small unincorporated community in Horry County. The median household income in this opportunity zone is \$41,029. Home ownership rates within the tract (2012-2016) are 76%.

A map of Horry County Opportunity Zones is appended to this section of the proposal. Additional information is available at: <http://www.grandstrandopportunityzones.com/>

### **Alleviating overcrowding**

The proposed program does not contain a component for alleviating overcrowding as defined in 7 CFR 1944.656. HUD identifies four specific data points that constitute "housing problems": cost burdened, overcrowding, lack of complete plumbing facilities, and lack of complete kitchen facilities. Within the jurisdiction as a whole, 0.26% of occupied units lack complete plumbing, 0.46% occupied units lack complete kitchen facilities, 1.75% are overcrowded, and 34.37% are cost burdened. Areas of concentration are census tracts that have two or more housing problems that are substantially higher than the regional average or, more specifically, a lack of complete plumbing over 1.0%, lack of complete kitchen facilities over 1.5%, overcrowding over 4%, and cost burdened over 50%.

In census tract 601.1, which encompasses the rural Horry County area of Socastee, more than 7% of homeowners experience overcrowding. These issues, however, occur primarily in rental units, which are not the focus of this proposal.

### **Program Income**

Program income will not be generated as part of the proposed project.

### **Indirect Cost Rate Proposal**

Horry County does not currently apply an indirect cost rate to grants.

### **Administrative Costs**

Administrative costs charged to the new USDA funding received as part of the proposed grant will be limited to 15% or less.

### **Accounting system to be used**

Once a grant is awarded, unique expense and revenue accounts are created for the grant and recorded in an electronic financial system (MUNIS, Tyler Technologies). Grants management staff in HCCD perform project management and financial management for the grant. Expense and revenue reports are created on a monthly basis. Checks and invoices are copied and filed electronically and in paper form as part of the grant documentation. The expenses are compiled and quarterly reports are prepared.

### **Outreach efforts**

HCCD works closely with the County's Planning & Zoning and Code Enforcement Departments to ensure that low-to-moderate income residents have an opportunity to participate in the development of local priorities. Through collaboration with housing officials, developers, agencies, and housing non-profits including Community Housing Development Organizations (CHDOs), the County continues to develop mechanisms to identify and eliminate barriers to affordable housing.

Prior to the development of the Consolidated Plan and the Annual Action Plan, the community development needs are assessed in detail by HCCD, particularly those of low and moderate income residents. The assessment process is conducted through a Community Development Needs Assessment Public Meeting. Horry County holds a number of public meetings in a variety of accessible locations throughout the County public as part of its planning process. The Needs Assessment Public Meetings address the amount of available funding for CDBG and any other related federal or state funding. The hearings also address the range of activities that may be undertaken with such funds, particularly in relation to identified community needs.