

South Carolina Office of Resilience **REVOLVING LOAN FUND**

2021-2022 Annual Report



Program Startup Activities

On September 29, 2020, Governor Henry McMaster signed the Disaster Relief and Resilience Act, S.C. Code Ann. §48-62-10, et. seq., creating the South Carolina Office of Resilience (SCOR). S.C. Code Ann. §48-62-310 created the Resilience Revolving Fund (Revolving Fund). The purpose of the Revolving Fund is to provide and service below-market interest rate loans and grants to eligible recipients as financial incentives for the purchase of previously flooded properties and land to complete floodplain restoration. Eligible recipients include agencies, commissions, or other instrumentalities of the State and local governments, as well as South Carolina land trust nonprofits accredited by the Land Trust Accreditation Commission.

SCOR's leadership utilized much of fiscal year 2021–2022 absorbing, as required by the Act, policies and procedures, organizational structure, and personnel from the South Carolina Disaster Recovery Office (SCDRO), a temporary grant operation, into SCOR. SCOR executed the endeavor systematically starting with administration and then program by program.

On April 17, 2022, SCOR hired the Revolving Fund Program Manager. During the remainder of the fiscal year, SCOR made rapid progress launching the Revolving Fund Program. Below is a recap of startup activities completed as of June 30, 2022:

- ▶ Drafted and finalized Revolving Fund **policies and procedures** defining the application screening process, loan/grant award and **administration guidelines**, and an eligible recipient **outreach strategy**
- ▶ Consulted with SCOR's finance department to confirm **fiscal controls and accounting procedures** to ensure proper accounting and reporting
- ▶ Created a draft Revolving Fund Policy & Procedure Manual to be finalized pending a meeting with the State Fiscal Accountability Authority regarding the final **approval process for loan/grant disbursement**
- ▶ Created the Revolving Fund application packet including Eligibility Criteria, Application Evaluation Tool, and Application Cover Page & Framework Guide
- ▶ Developed an eligible recipient outreach strategy, including the creation of an informational flyer to promote the Revolving Fund. SCOR presented information about the Revolving Fund at various meetings and mailed promotional materials to county and municipal governments, state agencies, councils of government, and statewide land trust organizations. These activities reached more than 500 eligible applicants.

168 PARTICIPANTS AT
GROUP MEETINGS

317 COUNTY & MUNICIPAL
GOVERNMENTS

10 STATE AGENCIES AND
COUNCILS OF GOVERNMENT

19 LAND TRUST
ORGANIZATIONS

- ▶ This outreach generated a number of requests for additional information and application packets, and additional communication either by phone or email. At the end of fiscal year 2021–2022, two potentially eligible recipients had identified projects, which they considered to be good matches for the Revolving Fund and stated their intention to submit funding applications in the near future. Additional eligible recipients expressed an interest in applying at a later date. The two potentially eligible recipients and a brief summary of their probable projects are set forth below:

The **South Carolina Department of Parks, Recreation and Tourism** in collaboration with **The Nature Conservancy**, has an interest in applying for partial funding for the **Black River Project**, a 143-acre property located at the midway point of the 70-mile Black River Water Trail and Park Network, which offers both watershed restoration and recreational opportunities.

The **City of Charleston** has an interest in applying for partial funding for the **Barberry Woods Flood Mitigation Conveyance Project**, an innovative approach that will respond to the natural context of the project site and the priorities of the surrounding community. It will seek to apply the principles of the Dutch Dialogues who have over 800 years of living at the water’s edge making them experts in water adaptation. This integrated approach ties numerous entities together to collectively work to manage water via planning with urban landscape design. It produces a sustainable ecological design, which includes floodplain restoration woven into the benefits of community protection and connectivity.

Program Receipts & Disbursements

The Revolving Fund had no outside receipts or disbursements for the fiscal year ending June 30, 2022. The Treasurer’s Office notified SCOR’s Finance Department the Revolving Fund had been credited with \$23,025.67 in interest as of July 11, 2022. This increased the balance of the Revolving Fund to \$6,023,025.67. Interest for the last month of the fiscal year will not be available until after the State completes the fiscal year closeout.

\$23,025.67 TOTAL INTEREST EARNED

\$6,023,025.67 ENDING BALANCE

Program Audit

Because the Fund had no disbursements other than a debt for service charges from the Treasurer’s Office and only received annual interest, SCOR has not yet scheduled an audit by an outside independent certified public accountant. This was delayed to give oversight authorities time to determine whether the expense of such an audit is warranted for this report year. Once this decision has been made, SCOR will proceed as directed, and if an audit is ordered, SCOR will have it completed and send a copy of the report to the Governor, Lieutenant Governor, State Treasurer, and General Assembly.