

Spartanburg County

**Recovery Plan**

**State and Local Fiscal Recovery Funds**

2022 Report

**Spartanburg County**  
**2022 Recovery Plan**

**Table of Contents**

**General Overview ..... 2**

    Executive Summary..... 2

    Uses of Funds ..... 3

    Promoting Equitable Outcomes..... 5

    Community Engagement ..... 5

    Labor Practices ..... 6

    Use of Evidence..... 6

    Performance Report ..... 6

**Project Inventory ..... 6**

## GENERAL OVERVIEW

### **Executive Summary**

Spartanburg County and its 330,000 residents have experienced a myriad of impacts derived from COVID-19. While we have been fortunate to have weathered many of the pandemic's negative ramifications, many local challenges remain. County Council is in the process of defining a variety of strategies for deployment of State and Local Fiscal Recovery Funds (SLFRF). It is our hope that these strategies will enhance our ability to shield our community from the negative health impacts of COVID-19, mitigate the negative economic hardships felt by many families and businesses throughout the County and restore economic stability, and better position all members of our community for health and prosperity.

Through the Emergency Rental Assistance Program (ERAP) 1 & 2, the County has been awarded more than \$12.7 million to date. The County, in partnership with five community based non-profit partners, has deployed nearly \$11.3 million in actual payments through June 30, 2022, assisting approximately 1,980 households. Over 60% of those funds have been deployed in the unincorporated areas of the County, while the remaining funds were deployed within our 14 municipalities. Over 90% of total funds have been spent on rent, with less than 5% used for utilities and other services. While the County continues to aggressively deploy funds and seek new ways to effectively do so, a strong level of funding remains. As a result, SLFRF resources will be retained for other eligible uses so long as ERAP funding remains available to support rental and utility needs of our community.

Over the past year, County Council has been actively engaged in researching and formulating strategies, receiving proposals, discussing partnerships with other community organizations, and evaluating community metrics where data indicates improvement is needed. As part of these efforts, we have heard from many in the community, solicited meetings, and participated in robust discussion of our community's needs. To date, we have received over \$170 million worth of requests across a wide spectrum of service lines.

In December 2021, County Council conducted a full day retreat to discuss its vision for the County, challenges and opportunities, and potential interest for SLFRF funding. On the heels of that discussion, executive staff was tasked with developing strategies and recommendations related to qualifying infrastructure (broadband, storm water conveyance, sewer, roads, etc.), affordable housing, and small and minority business support. Much research, meeting time, and deliberation have been put into these specific areas to develop proposals for SLFRF.

In March 2022, Council formalized the process by which projects would be approved, thus putting into place the mechanism for legally appropriating ARP funds for use. The first project was approved on March 21<sup>st</sup>, 2022, authorizing the appropriation of \$4.5 million to provide rural high speed broadband infrastructure in unserved and underserved areas of Spartanburg County. Contract negotiations for this project are currently underway; hard funds have not yet been expended.

It is expected that County Council will continue the debate of which programs and initiatives will be funded with SLFRF resources over the next few months, to include a workshop, open to the public, where individual proposals will be discussed and deliberated. While Council retains the authority to decide how and to whom funding is allocated, it is probable that their focus will continue to center on: methods to protect our residents from the negative health impacts of COVID, small and minority business economic

and technical support, broadband “last mile” projects, wastewater and storm water collection and conveyance projects, affordable housing projects, and education and job training assistance to upskill and connect residents with job opportunities.

## **Uses of Funds**

### ***Public Health (EC 1)***

Given the ongoing health impacts of the pandemic and the rates of local infection and vaccination, it is anticipated the funding could be needed for promotion of testing and vaccination availability, and for purchase of PPE for future medical response and preparation. The county has continued to experience surges over the past year, most notably in October 2021 and March 2022. As new variants continue to evolve, it is possible that Council may choose to allocate funds to improve public communications about the need for testing, dangers of COVID-19, and the availability of vaccines for those who have not yet chosen to receive them. It is anticipated that messaging will be done in concert with existing efforts and in consultation with local health experts.

### ***Negative Economic Impacts (EC 2)***

#### **Small and minority business support**

The County has been engaged with multiple partners to include OneSpartanburg, Inc. (who houses traditional chamber of commerce functions, tourism promotion, and economic development efforts) to develop a relief and investment package for small and minority business. As a group, small and minority businesses have been disproportionately impacted throughout the pandemic. Due to their size, labor shortages exacerbate the operational impacts felt by the business, cost increases impair their ability to reinvest in the business for growth, and disruption to supplies cause loss of sales or service, which could produce irreparable harm.

We have convened a representative working group of providers, small business owners, minority business owners, etc., to help develop a plan for shoring up our businesses in the wake of the pandemic and its multitude of negative economic impacts. Core to the program will be a focus on streamlining access to existing small and minority business support providers through one portal, identifying service gaps, and in creating a program for technical assistance grants. Efforts are being made to identify and map service providers, identify small and minority businesses with targeted outreach, and to develop programs that will directly address the new pressures felt as a result of the pandemic.

Additionally, early discussions have centered around the need for improving small business’ access to technical assistance and expertise as well as access to capital. In response to this, two predominant concepts have been developed: a small business technical assistance program and a small business revolving loan/grant fund. While many details are still being vetted, it is our belief that a local program of this nature will provide small businesses with the tools and access to expertise they need, enhance their level of sophistication and business acumen, improve their financial resiliency, and best position them for access to capital and future success.

In Spartanburg County, women and minority business ownership is disproportionately lower than other demographics according to national data sets. While there are pre-existing community efforts focusing on improving these metrics, to include grant programs funded by CDBG CV resources, new SLFRF programs will also serve to bolster these community efforts. An inventory of existing minority and women owned small businesses is currently being conducted in the community. There have been multiple facilitated convenings to solicit input and feedback within the minority business community, to include an in-person survey of business needs. Strategies to reach more of these businesses, improve engagement, and support them through new programs will be integral to our efforts.

The small and minority business plan has been proposed by partners is in the \$6-\$7 million range. While County Council has not made any approvals, small and minority business support was identified as a priority for investment.

### ***Assistance to Households***

Through their visioning retreat in December 2021. County Council identified affordable housing as a key area of focus. Council also directed executive leadership to develop strategies and programs with SLFRF to begin to address this area. The County has historically had areas of enhanced blight, and substandard affordable housing, particularly in low-income areas. The Treasury, as part of its enumerated projects, recognizes that the pandemic had a disproportionate impact on these communities. Further, Treasury recognizes that improvement to abandoned properties, removal of environmental contaminants, demolition or deconstruction, and clean-up and conversion to affordable housing are important strategies to improved disproportionately impacted communities.

The County is working on a SLFRF program to reduce existing blight, removing public safety or potential environmental hazards, and work for conversion to affordable housing opportunities. The County is in the process of data gathering to identify these properties so that a funding recommendation can be further refined. As of current, more than 210 condemned structures exist throughout the county, many of which appear in heavy concentrations. The funding amount to be proposed to County Council has not yet been finalized but is actively being developed. Affordable housing providers and resources are being engaged to vet the concept, develop the proposal, and to get input.

### ***Public Health-Negative Economic Impact: Public Sector Capacity (EC 3)***

#### **Education and job training assistance**

While unemployment rates in Spartanburg County have strongly improved since the highs of 2020, many of our residents remain outside of the labor force. Despite record job growth and lowered unemployment rates, the local labor market has mirrored that of much of the Country. This has resulted in hiring difficulty for many fields and the need to examine currently offered programs and their ability to supply the needed workforce. In order to remedy this disconnect, additional job training and educational assistance programs will be needed.

The County is in discussions with the Spartanburg Community College on ways to bridge this divide and improve educational attainment metrics in the County at the same time. In 2019, only 25% of Spartanburg County residents had a 4-year degree or better. This is lower than the State of South Carolina (28%) and

the Nation (32%). While program details have not yet been defined, it is evident from the data that ample opportunity exists to help positively influence educational attainment in the County. Additionally, there remains opportunity to also tailor programs to produce high demand workers, such as law enforcement and emergency services personnel, many of whom left the field during and immediately following the pandemic.

### ***Water, sewer, and broadband infrastructure (EC 5)***

#### **Wastewater and storm water collection & conveyance projects**

The County has been engaged with sewer and water providers within the County to review and vet project proposals. While no funding decisions have been definitively made, multiple projects have been submitted and are being considered. As part of the decision-making process, the County will consider the number of individuals served, the potential for positive economic impact through job creation or otherwise, the proximity of impaired waters on the 303d list, cost, funding alternatives, and community benefit. The County will also consider whether the project was previously planned to be completed by the service provider. Strong preference will be given to projects which were not previously identified and matched to a potential existing funding source.

#### **Broadband “last mile” projects**

County Council approved \$4.5 million of SLFRF funding for deployment of fiber-based broadband service to unserved and underserved areas of the County. Utilizing survey data from the South Carolina Office of Regulatory Staff – Broadband edition, we identified, utilizing GIS, 3,500 rooftops that are currently unserved or underserved and which are beyond the scope of RDOF programs. The project was approved by County Council in March 2022 and was subsequently bid out to providers. Of the three respondents, Spectrum was the highest rated bidder providing service to the most rooftops for the lowest cost per rooftop. Final contract negotiations are underway. The service is required to be installed and operational no later than December 31, 2024.

### ***Revenue Replacement EC 6)***

The County anticipates taking the standard allowance for revenue recovery of up to \$10 million. These funds, as required, will be used for the provision of government services, particularly those that were impaired due to the hardships, economic, supply chain and otherwise, caused or worsened by the pandemic. Individual projects are being currently developed by staff, but it is anticipated that most of these funds will be allocated to infrastructure. Supply chain disruptions have negatively impacted the availability of cement, causing the County to explore alternate, more expensive reclamation methods. As result, the buying power of previously allocated funding for infrastructure has been diminished, yet the needs have remained stable or increased. Pilot projects for alternative reclamation efforts are underway now. Results will inform the projects ultimately selected for execution utilizing revenue recovery funding.

#### **Promoting equitable outcomes**

Spartanburg County is blessed to have a solid foundation of information about many indicators within our community. As a founding member of the Community Indicators Project

(<https://www.strategicspartanburg.org/>), the County has participated for years, with time and financial resources, in gathering information on the health, status and disparities of our County. Additionally, a number of other community wide efforts surrounding educational outcomes, health outcomes, poverty, and race have been conducted on a countywide basis by community partners. Combined, this basis of information provides a strong foundation of information about our community so that funded programs can be tailored to target the areas of greatest need. Information on performance on key indicators will be gathered as part of funded projects.

### **Community Engagement**

Spartanburg County has been engaged with multiple community partners to date in order to better assess the needs of the community and help provide vital context to the decision-making process. Information on the health of non-profits in Spartanburg County was shared with County Council at their July 2021 meeting by a group of non-profit representatives. A group of researchers focusing on areas of blight concentration presented to County Council at their July 2022 meeting to highlight areas of opportunity. Additionally, multiple community-based organizations have submitted proposals for funding consideration outlining their perspectives on the needs of the community.

In partnership with OneSpartanburg, Inc. and the Spartanburg County Foundation, information on the needs of small and minority businesses is being gathered via meetings and in-person survey. This information will be utilized to help develop the program around small business support. It is also anticipated that the County will receive community feedback via its public comment component of its Council meetings where the plans for SLFRF resources will be discussed. The County will also receive public input during its workshop to discuss the next round of allocations. Additionally, established community engagement groups and tools utilized by our Community Development department will be engaged to ensure representative participation of the community.

### **Labor Practices**

It is anticipated that any funded projects will increase employment for local skilled and unskilled construction workers and local construction firms. In the selection of vendors for funded projects, consideration for local participation will be given. It is our expectation that any funded water, sewer or broadband infrastructure projects will be of high quality, and preferably scalable, so as to provide for the future needs of our residents.

### **Use of Evidence**

As part of our evaluation of individual projects and proposals, the County is and will continue to gather evidence around the prior performance of known similar programs or strategies. If evidence of prior strategies is not known, the County will work to ensure standards and data gathering is integral to the project to properly evaluate its effectiveness.

## **Performance Report**

All funded projects will include benchmarks and performance metrics as conditions of approval. These metrics will serve to both communicate expectations for community impact and benefit and to provide valuable information about the actual impact received from various projects. This information will allow the County to revise plans accordingly to ensure the funding is having the desired impact on the community.

### **PROJECT INVENTORY**

**Project: Rural Broadband Infrastructure**

**Funding Amount: \$4,500,000**

**Project Identification Number: ARP1001**

**Project Expenditure Category: 5.19 – Broadband “Last Mile” Projects**

#### **Project Overview**

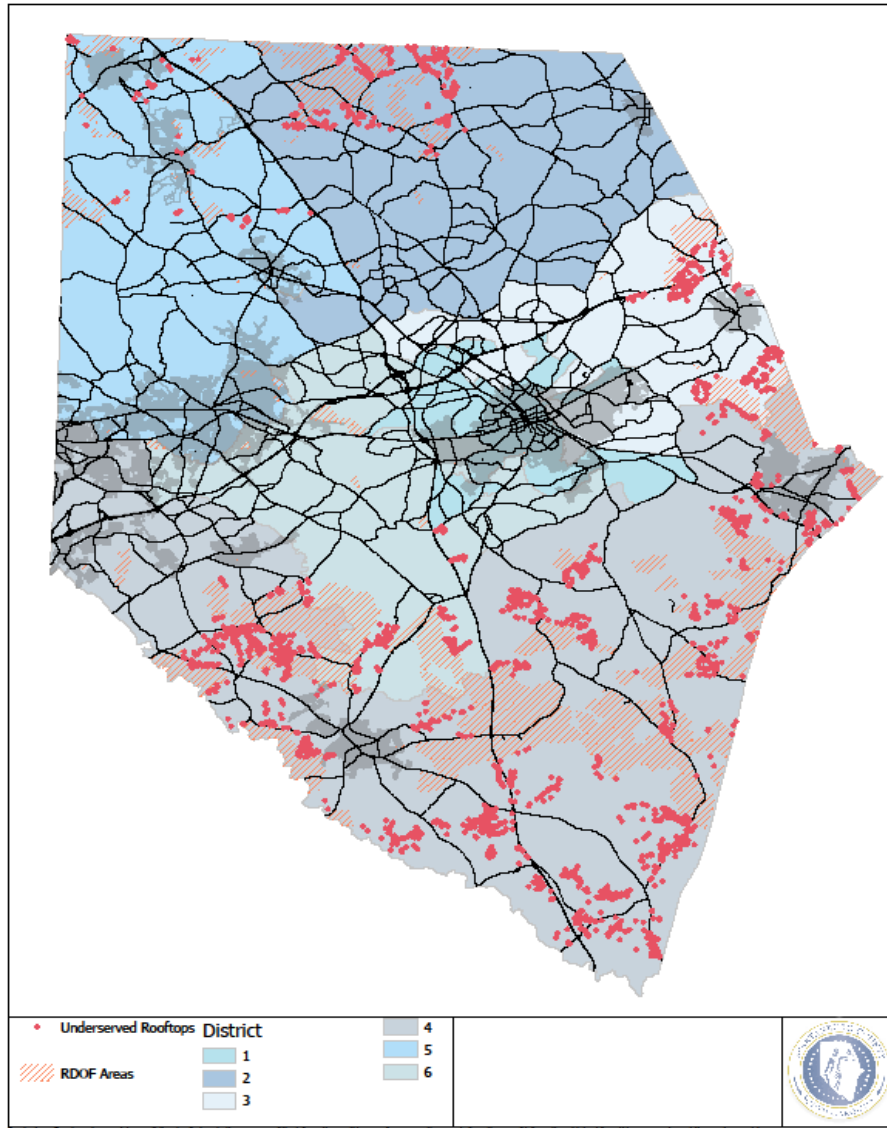
This project is designed to install a rural high speed broadband infrastructure network capable of providing at least 100/20 Mbps speeds to the unserved and underserved areas of Spartanburg County. This project will impact approximately 3,500 roof tops which represents approximately 6,221 residents in the County based on the average census population per household. The project is estimated to necessitate the installation of over 300 miles of new fiber and will cost a total of \$14.8 million, of which the County will be responsible for approximately \$3.7 million. Additionally costs to the County may be incurred once the engineering walkout is complete, should the County and vendor identify additional rooftops and choose to add them to the scope.

This project was approved by County Council through a resolution adopted on March 21, 2022. A public hearing on the proposed funding was held on the same date to solicit input on the project. As of the date of this report, a budget has been established, a partner organization has been selected through competitive request for proposals, and contract negotiations are currently underway. Finalized service area system design, cost, and subsidy is expected to be determined as part of these negotiations. Estimated target completion date is December 2024. This project will be coordinated with federally funded RDOF grants and their respective service areas.

#### **Use of Evidence**

The County utilized the shape file from the South Carolina Office of Regulatory Staff – Broadband division to identify individual rooftops where current broadband service was not available or where service was at or below 25/3. Additionally, an overlay with the planned RDOF areas was performed to remove those rooftops from our scope of service to prevent project duplication. The resultant map, shown below, identified approximately 3,500 rooftops (red dots below) beyond the RDOF service area (hatched areas below). These rooftops generally, but not exclusively, appear in the rural and generally lower income areas of the County, specifically the lower density areas of the County.





Spartanburg County makes no claim, explicit or implied, as to the accuracy of the information on this map. Any assumptions made from the use of information obtained from this map are done at the user's own risk.

**Performance Report**

The performance indicator on this project is the number of underserved or unserved rooftops. Progress payments to the vendor will be made at specific project milestones to include engineering walkout, pole permitting, installation of fiber with operable service at various numerical thresholds. Reporting will be required as a component of the vendor contract for goods and services. A procurement requirement was that the vendor offer a mechanism for reduced cost service to low to moderate income families, specifically participation in existing federal structures for such low-cost programs. All rooftops will receive fiber service and connection to fiber will be offered at no installation cost to the occupant provided that the point of service is within ¼ mile of the service point (road).