



HENRY D. MCMASTER, *Governor*  
BENJAMIN I. DUNCAN II, *Chief Resilience Officer*

July 23, 2021

The Honorable Hugh K. Leatherman  
Chairman, Senate Finance Committee  
South Carolina State Senate  
111 Gressette Building  
Columbia, SC 29201

The Honorable G. Murrell Smith, Jr.  
Chairman, Ways and Means Committee  
South Carolina House of Representatives  
525 Blatt Building  
Columbia, SC 29201

Dear Chairman Leatherman and Chairman Smith:

The South Carolina Office of Resilience requests \$214,000,000 of the state's allocation of American Rescue Plan (ARP) Act funds to offset Coronavirus-related increases in the cost of construction in the Hurricane Florence Recovery Program and to complete green infrastructure projects throughout the state.

The Office of Resilience incurred an increase in the cost of disaster recovery home construction of approximately 30% since the beginning of the pandemic. To offset this cost, the office requests \$14 million to leverage against existing Community Development Block Grant (CDBG) – Disaster Recovery funds for Hurricane Florence survivors. This will allow the office to reach the pre-pandemic goal of approximately 500 homes restored to pre-disaster conditions. It is the opinion of the office that this meets the U.S. Treasury Department intent outlined in 86 FR 26794 which states: *"the eligible use must 'respond to' the identified negative economic impact. Responses must be related and reasonably proportional to the extent and type of harm experienced; uses that bear no relation or are grossly disproportionate to the type or extent of harm experienced would not be eligible uses. Where there has been a negative economic impact resulting from the public health emergency, States, local, and Tribal governments have broad latitude to choose whether and how to use the Fiscal Recovery Funds to respond to and address the negative economic impact."* The Office of Resilience has supporting documentation to justify the approximate 30% increase in construction costs which these ARP funds would offset.

This office requests \$200 million to complete green stormwater infrastructure projects throughout the state. This meets the intent of 86 FR 26803 which states: *"Treasury encourages recipients to consider green infrastructure investments and projects to improve resilience to the effects of climate change. For example, more frequent and extreme precipitation events combined with construction and development*

*trends have led to increased instances of stormwater runoff, water pollution, and flooding. Green infrastructure projects that support stormwater system resiliency could include rain gardens that provide water storage and filtration benefits, and green streets, where vegetation, soil, and engineered systems are combined to direct and filter rainwater from impervious surfaces. In cases of a natural disaster, recipients may also use Fiscal Recovery Funds to provide relief, such as interconnecting water systems or rehabilitating existing wells during an extended drought.”* The Office of Resilience seeks to utilize these ARP funds to complete green infrastructure projects throughout the state using the proven model established by the office’s mitigation program. These funds would allow for the expansion of operations beyond the seventeen counties authorized by HUD for the office’s CDBG-Mitigation program.

Thank you for your consideration of our request.

Sincerely,



Benjamin I. Duncan II  
Chief Resilience Officer  
South Carolina Office of Resilience