



LoElla Smalls
Director

3660 West
Montague Ave, North
Charleston, SC 29418
Telephone: 843.202.6960

**COMMUNITY DEVELOPMENT AND
REVITALIZATION DEPARTMENT**

ADDENDUM No. 1

TO: ALL INTERESTED APPLICANTS
FROM: LoElla Smalls
DATE: October 1, 2024
SUBJECT: CHARLESTON HOME PROGRAM PHASE IV RFA

DUE DATE/TIME: October 16, 2024, 5:00PM

This Addendum No. 1 modifies the Request for Applications only in the manner and to the extent as provided herein.

ITEM ONE: QUESTIONS AND ANSWERS

Please see the attached.

Applicant(s) shall acknowledge receipt of Addendum No. 1 in the space provided below and return it with the Applications. Failure to do so may subject submittal to rejection.

Authorized Signature

Applicant

Date

ITEM ONE: QUESTIONS AND ANSWERS

1. Can proposed projects include the addition of an Accessory Dwelling Unit (ADU)?

The structure of the Charleston Home Program encourages applicants to include as much creativity as possible in their submission to show intention of utilizing the property to its highest and best use. An ADU is an example of creativity that would add value to the property and allow for additional affordable housing units to be created. Please note that it is important for applicants to demonstrate due diligence is conducted to determine if zoning allows for proposed project or if appropriate zoning can be achieved.

2. Please explain what the transaction of deed transfer looks like.

Organizations are expected to cover all up-front costs to rehabilitate each property. Once the project repairs are completed, the County will deed the property to the partner organization with a 90-year deed restriction to maintain affordability. This transaction will not require any payment from the partner organization. The partner organization is to use profits from selling/renting the house for reimbursement of project costs – any remaining profit must be dedicated to furthering affordable housing in some other way, as is communicated in the contingency plan submitted with the application.

3. Will the County provide set cost amounts for rent or home sale prices based on the income of target residents?

The U.S. Department of Housing and Urban Development considers households to be cost-burdened when spending more than 30% of their income on rent, mortgage, and/or other housing needs. When considering affordability in home sale and rent prices applicants should set proposed values based upon the eligible income range for future residents. Applicants should calculate sale and rent prices in a way that would not require more than 30% of future resident income to be spent on housing costs.

4. The application allows for the selection of more than one property – How many properties can we potentially be awarded?

Applicants may apply for one or all five properties. Each applicant can apply and be awarded up to three properties in Phase IV: Select in the application the properties for which you intend to submit a proposal.

5. If I don't have project financing in place at the time of the submittal will my application be automatically rejected? The open application period was not sufficient to locate financing, and traditional bank construction loans are not available for these projects.

Yes, all funding necessary for the renovations must be secured as the County does not have additional funding. Collaboration with other organizations may be an option.

6. Does the County have any resources they can direct us to that offer financing for affordable housing development?

The County does not have any funding to allocate towards the projects or resources that offer financing for affordable housing development. Collaboration with organizations necessitates their contribution, which they will recoup when the home is sold or over time through rental income.

7. Can I recognize ordinary profit as part of the recouped expenses from the home sale? That is, on top of my direct construction costs and job associated overhead costs such as management.

Ordinary profit cannot be recognized a part of the recouped expenses for tax or accounting purposes. Profit should not be treated as an expense, but rather as the result of revenue surpassing expenses. Upon the sale of a house, any remaining funds after covering the organization's cost must be reinvested into affordable housing, as stipulated in the RFA. The appropriate classification of these costs in your financial records should be addressed by your accountant.

8. Excess Revenues that get re-invested into another project: is that money then eligible to be reimbursed to the builder for his/her use after the second project? Or must it keep cycling back into new projects?

The County would expect to see the funds cycling through affordable housing projects until it is depleted. This would need to be reported to the county as funds are depleted. However, with the cost of housing it is not likely that funds recovered would cycle through more than one house.

9. What is the process for qualifying eligible buyers/renters of these homes?

All applicants must be income eligible. County staff will set up time with each winning applicant to explain the requirements for determining and documenting eligibility. It is the responsibility of the winning applicant to establish eligibility procedures, collect eligibility supports and adhere to the approved/established eligibility verification process.

10. Does the County prefer homes to sell over homes to rent in their consideration of the applications?

The County does not have any preferences on sale or rent of properties. It is up to the applicant to present what they perceive is the best use of the property.

11. Is the deed not given until renovations are complete?

Yes, the organization will receive a deed with a 90-year affordable housing provision once the renovations have been completed and approved by the County. There will be a developer agreement outlining the organization's and county's responsibilities. A title transfer with restrictive covenant will be issued to the organization upon completion of the project repairs.

12. How long will the videos be available?

The Videos will be available on the Charleston County Website and Neighborly Software until the close of the program on October 16, 2024.

13. Pg 6 refer to Addendum dated September 31, 2024, will this be updated or deleted base on a need for an addendum?

An update to the original RFA on page 6: A signed copy of the addendum posted on the Community Development and Revitalization website on October 1, 2024.

- LABEL: 'ORGANIZATION NAME'_ADDENDUM (must be signed by organization and uploaded with your application)

14. If you receive a home in the first phase, can you apply for additional homes in the next phase?

Yes, an organization can apply and receive additional homes in all Four Phases.