



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:** April 30, 2024  
**SUBJECT:** CHARLESTON HOME PROGRAM PHASE III RFA

**DUE DATE/TIME: May 15, 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 bid on one or all seven properties. Each applicant can bid and be awarded up to three properties in Phase III: An individual application must be submitted for each address.

### **5. With regards to the <80% AMI and <120% AMI (<30% and <80% for rental) referred to in the application: what do these figures translate to as a home sale price and monthly/yearly rental price?**

These figures pertain to the Area Median Income based upon household size. CDBG Incomes Limits for 2024 have not been released.

See HUD Chart below. (Based on 2023 Income Limits)

### **6. 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.**

All funding needed to complete the renovations must be in place, the County does not have additional funding for the renovations. Partnerships with other organizations might be a possibility.

**7. 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 allocated to direct towards these projects. The partnership with the organization requires that they bring something to the table, which they will recover when the home is sold or over the longer term when rented.

**8. 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.**

If the property is sold the organization can recover all their documented costs, and an agreed upon amount of profit if a for profit organization is repairing the house. When a house is sold any funds remaining after the organization's costs must be reinvested in affordable housing, as stated in the RFA. As to classification of those costs on your financial books, that would be a question for your accountant.

**9. 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.

**10. 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 bidder to explain the requirements for determining and documenting eligibility. It is the responsibility of the winning bidder to establish eligibility procedures, collect eligibility supports and adhere to the approved/established eligibility verification process.

**11. 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 bidder to present what they perceive is the best use of the property.

**12. 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.

**13. 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 May 15, 2024.


**14. Pg 6 refer to Addendum dated April 10, 2023, 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 April 30, 2024.

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

**15. 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.

|  <b>DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT</b><br><b>INCOME LIMITS DOCUMENTATION SYSTEM</b><br><b>FY 2023 Income Limit Area for Charleston County</b> |                                   |                              |                         |                                  |             |
|---|-----------------------------------|------------------------------|-------------------------|----------------------------------|-------------|
| <u>Family Size</u>  | <b>Extremely Low Income (30%)</b> | <b>Very Low Income (50%)</b> | <b>Low Income (80%)</b> | <b>Median Family Income 100%</b> | <b>120%</b> |
| <b>1 PERSON</b>   | \$20,450                          | \$34,050                     | \$54,450                | \$68,100                         | \$81,720    |
| <b>2 PERSONS</b>  | \$23,350                          | \$38,900                     | \$62,200                | \$77,800                         | \$93,360    |
| <b>3 PERSONS</b>  | \$26,250                          | \$43,750                     | \$70,000                | \$87,500                         | \$105,000   |
| <b>4 PERSONS</b>  | \$29,150                          | \$48,600                     | \$77,750                | \$92,200                         | \$116,640   |
| <b>5 PERSONS</b>  | \$31,500                          | \$52,500                     | \$84,000                | \$105,000                        | \$126,000   |
| <b>6 PERSONS</b>  | \$33,850                          | \$56,400                     | \$90,200                | \$112,800                        | \$135,360   |
| <b>7 PERSONS</b>  | \$36,150                          | \$60,300                     | \$96,450                | \$120,600                        | \$144,720   |
| <b>8 + PERSONS</b>  | \$38,500                          | \$64,200                     | \$102,650               | \$128,400                        | \$154,080   |

The Charleston-North Charleston, SC MSA contains the following areas: Berkeley County, SC; Charleston County, SC; and Dorchester County, SC.

\* The FY 2014 Consolidated Appropriations Act changed the definition of extremely low-income to be the greater of 30/50ths (60 percent) of the Section 8 very low-income limit or the poverty guideline as [established by the Department of Health and Human Services \(HHS\)](#), provided that this amount is not greater than the Section 8 50% very low-income limit. Consequently, the extremely low-income limits may equal the very low (50%) income limits.

Income Limit areas are based on FY 2023 Fair Market Rent (FMR) areas. For information on FMRs, please see our associated FY 2023.