



LoElla Smalls
Director

5010 Lawyers Lane
North Charleston, SC 29418
Telephone: 843.202.6960

COMMUNITY DEVELOPMENT DEPARTMENT

ADDENDUM NO. 1

TO: ALL INTERESTED APPLICANTS
FROM: LoElla Smalls
DATE: APRIL 12, 2023
SUBJECT: CHARLESTON HOME PROGRAM RFA

DUE DATE/TIME: Friday, April 4, 2023 at Noon (12 p.m.)

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 a great 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 is complete, the County will deed the property to the partner organization with a 99-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 RFA instructions mention a scoring matrix that will be available. Where do I find this?

This reference should have been removed from the RFA instructions. Please refer to Section 6 (p. 7) of the RFA instructions for a list of evaluation criteria.

5. The application only allows for the selection of one property – does that mean we can only bid on one?

Applicants may bid on one or all four properties, but only one property will be awarded in each Phase. NOTE: An individual application must be submitted for each address.

6. With regards to the <80% AMI and <120% AMI (<30% and <50% for rental) referred to in the application: what do these figures translate to as a home sale price and monthly/yearly rental price?

See attached HUD Chart.

7. 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.

8. 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 sold or over the longer term when rented.

9. 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 your response to the RFP. As to classification of those costs on your financial books, that would be a question for your accountant.

10. 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.

11. 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.

12. 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.

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

Yes, a deed with a 99-year affordable housing provision will be provided to the organization after renovations are complete and approved by the County.

14. Secondly, do you have the tentative dates that the remaining properties will be available?

A specific date has not been established; however, the second round should occur this summer. All current bidders will be notified.

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

Yes, an organization can receive a house in all four phases but no more than one house in each phase.