

Made It Home!

Questions Submitted Regarding the RFA

Questions related to land/lots:

Q – Will SC Housing provide the land or building lots for the Made It Home! Program.

A – SC Housing will not be providing the land or building lots for the Made It Home Program.

Q – How are the homesites chosen and purchased?

A – The lots are selected and purchased by the builder or the builder can use donated land that they have received from another entity.

Q - Does SC Housing or any state agency have land banks or surplus properties that can be donated or discounted to participating builders?

A – SC Housing does not, other sources for land are not known.

Q - Do the builders buy or partner for the land the houses will be on? I'm also seeing in section 13.9 about donated land. Is that for past projects or for current applications? If they are launching this now and applications are due 9/30, that's not a lot of time to negotiate with partners/donors.

A - Yes, the builders buy/obtain the land/lots to build on for the current application round.

Q - Does the State have land that the General Contractor can purchase for this initiative?

A – No

Q - Are we required to designate specific lots for this program within our community, or can we receive approval for plans and pricing that apply to any qualifying lot?

A - Any buildable lot within a project location with a home built and sold meeting the program requirements qualifies.

Questions related to types of homes that qualify for the program:

Q – Do attached townhomes qualify under the Made It Home! Program?

A – Attached Townhomes do not qualify under the current Made It Home Program.

Q - Does the definition of manufactured home include panelized construction manufacturers? Panelized construction can offer a good alternative to 100% stick build construction because of the significant labor savings.

A - Manufactured and Modular homes are not eligible in the current program.

Q – If we build a home that is over 1,000 sq. ft. with 3-bedroom, 2 baths, under \$175,000 does it qualify under the Tier 1 Criteria?

A – Yes

Questions related to funding/financing:

Q – Does this program allow for interim construction to perm financing arranged by the homebuyer or is this program specific to homes built, financed and sold by the builder?

A – In order to qualify for this program, the builder would need to finance, build and sell the home in the builder's company name.

Q – Does SC Housing assist with the funding of these builds or is the builder required to have their own capital?

A – This program requires the builder to demonstrate the financial capacity to be able to fund the project.

Q - Why are full financial statements and institutional support letters required if SC Housing is not providing direct construction loans?

A - SC Housing is looking for builders with the experience and capacity to build the number units applied for and awarded to ensure a successful outcome for this program.

Q - Are builders expected to independently secure construction financing for all projects?

A – Yes

Q - Will SC Housing consider offering bridge financing or partial draws during construction, rather than only reimbursing builders after the completed sale of each unit?

A – No

Q - Does SC Housing have a banking or loan initiative for working Capital?

A - No

Questions related to builder experience:

Q – What if I’m a new builder and not certain if I can complete 10 units within the Construction/Completion Timeline?

A – We are looking for builders with the experience and capacity to complete all of the units applied for during the Construction/Completion Timeline.

Q – There are requirements on the application for prior experience/jobs which my partner has obviously, however they will be in a different entity name then our company that we created solely for Affordable Housing Development. What is the best way to show that in my application, or is it acceptable to just use the one year and three months of experience?

A – If the partner is part of the Affordable Housing entity, their experience can be used; otherwise, it would be whatever experience the entity has.

Questions related to long-term affordability:

Q – Can the Made it Home! program be used in conjunction with a community land trust model, where a nonprofit entity retains ownership of the land and the homeowner owns the structure, sharing equity gains? This approach helps preserve affordability for future buyers while still enabling wealth-building for current homeowners. Would such a model be eligible for funding under this program?

A – The Made it Home! Program does not contemplate use of the Community Land Trust model at this time.

Q – If a municipality contributes land and/or financial subsidies to support a Made it Home! project, are they permitted to impose their own long-term affordability requirements or deed restrictions?

A – SC Housing would have to review and approve the deed restrictions, but this would not outright disqualify the application

Questions related to the builder subsidy:

Q – The builders front everything, land, the build itself and the sale of the homes. And once the homes are sold then the builder gets a \$12,500 incentive. Is this correct? Also, what happens if the homes do not sell right away? Will the money run out and builder not get the \$12,500 incentive?

A – Yes that's correct. Funds will be allocated based on the number of units awarded. As long as the units are completed and sold within the Construction/Completion Timeline, and properly submitted for reimbursement, the builder will receive the subsidy.

Q - What is the reimbursement process for builders, and how long does it typically take to receive the \$12,500 subsidy after a home is sold?

A – We anticipate a 15-day turnaround once the required documentation is received by SC Housing.

Q - What is the exact reimbursement timeline once a unit is sold?

A – SC Housing can provide reimbursement within 15 days once the builder submits the required documentation.

Q - Can progress reimbursements be made during construction to offset upfront costs for land acquisition, infrastructure, and permitting?

A – No

Questions regarding the Priority Category section:

Q - Can we choose more than one Priority Category?

A - Yes

Q – In Priority A: Does having the same floor plans listed in the area at a higher price fit this category?

A – No, it doesn't show evidence that other sources are being leveraged.

Q – In Priority Category B: Do reduced lot costs from the developer fit this category?

A – No

Q – In Priority Category C: The majority of our submitted plans will have garages. Although a benefit to the buyer, this will increase the heated per square footage. Do you think this will be taken into consideration when evaluating our proposal?

A - Including a garage qualifies as a priority category, but does not count towards the heated floor space.

Q – In Priority Category C: Our plans for Tier one will be less than 1200 heated square ft. but will have three bedrooms. Do you think this will be considered in the evaluation?

A - Yes

Q – In Priority Category D: How many locations need to be proposed to qualify for this category?

A - Two or more

Q - The evaluation criteria mentions tax credit programs but is it reasonable to apply for such programs and still meet the 9-month construction deadline and the 18-month assistance deadline of Section 10? That shifts the risk to the builder to front the money and maybe get reimbursed with the tax program (if that is how they work).

A - Tax Credits and/or tax reductions were mentioned as illustrations of local community buy-in through financial support, but are not necessary to meet the criteria if other support is provided.

Questions regarding sales and marketing:

Q - Will there be any marketing materials supplied for our team to promote the program?

A – SC Housing is willing to share their marketing materials with participating builders.

Q - Will SC Housing provide any support for marketing or outreach to qualified homebuyers, or is that responsibility entirely on the builder?

A - Marketing and selling the homes is the responsibility of the builder.

Q - Will buyers be pre-assigned to approved builders, or are builders responsible for marketing and securing eligible purchasers?

A - Builders are responsible for marketing and selling the homes.

Q - Can we market the program through our website and signage?

A – Yes

Q - Do the builders have to sell and market each completed house?

A - Yes

Questions related to \$25,000 Down Payment Assistance:

Q – Does the commission come out of their \$25,000?

A – SC Housing does not allow down payment assistance to fund the buyer’s commission.

Q - How is the \$25,000 Down Payment and Closing Cost Assistance provided to the buyer—does it go directly to the lender, or is it disbursed another way?

A - The down payment assistance is provided by SC Housing through an approved participating lender.

Q - Are there preferred or recommended lenders that builders should work with to help buyers access the \$25,000 assistance more efficiently?

A - All SC Housing approved lenders are eligible to participate. A list of approved lenders can be found on our web site at <https://schousing.sc.gov/homebuyers/find-lender>

Q - Homes built under this program will be sold at capped prices, yet surrounding market comparables may support higher values. This creates appraisal challenges on both sides: If appraisals come in significantly above the capped price, how will SC Housing and its participating lenders handle this? Will buyers still qualify for the \$25,000 down payment assistance even if the appraisal shows a higher market value than the capped sales price?

A - If appraised values exceed the sales price, this presents an opportunity for qualified buyers and they would still be eligible for the down payment assistance.

General Questions related to the buyer:

Q - If the buyer uses an outside agent, who pays their commission?

A - The buyer or the seller.

Q - Do homebuyers need to be pre-approved through the Made It Home! Program before we can sell them a home?

A - Separate pre-approval by SC Housing is not required. In order to receive the down payment assistance and builder subsidy, the homebuyers must meet program eligibility requirements including but not limited to income limits. SC Housing's preferred lenders will verify eligibility information.

Q - Does SC Housing maintain a list of ready and qualified buyers through its participating lenders?

A – No

Q - Is the \$135K annual income adjusted for single earner/dual earner households? Where are the income limits by County listed?

A - The \$135,000 maximum annual income is a statewide limit and includes all borrowers in the household. Buyers using SC Housing's SC Homebuyer Bond program must meet SC Housing's standard income limits by county. The income limits by county may be found at our website at <https://schousing.sc.gov/homebuyers/sc-housing-homebuyer-and-mcc-income-and-home-price-limits>

General Questions related to the builder: Q - Is the General Contractor allowed to pull permits for either the electrical, plumbing or HVAC?

A – Yes, as long as code requirements are met.

Q - Does the General Contractor get to pick which part of South Carolina to build the homes?

A – Yes

Q - Does the General Contractor provide home plans and will any of these homes need to be ADA compliant?

A - The builder submitting the application needs to provide copies of plans. The homes do not have to be ADA compliant.

Q - If the land purchased is large enough, is the General Contractor allowed to build more than one house on that property?

A - Yes, as long as the lots are properly subdivided.

Q - Does the General Contractor have to find its own realtor?

A – Yes

Q - Are there any additional inspections or compliance checks required during construction beyond standard local code inspections?

A - SC Housing reserves the right to conduct periodic inspections to ensure compliance with the Minimum Design Criteria and applicable codes. Builder agrees to remedy any non-compliance identified during an inspection within thirty (30) days of notification.

Q - I am a licensed residential builder about to submit for permit on a 1058 sq. ft. 2-bedroom 2 bath house in Beaufort. I am building it as a spec. house, but I intend to sell it to my mother in law upon its completion if she chooses to buy it. The final sales price to her would be around the \$175k range and I could agree to cap it at that price. Would this situation qualify for this program?

A - No, we're looking for builders willing to commit to building a minimum of 10 units.

Q - What is the source of program funding? Is it allocated state housing funds, federal pass-through funds, bond proceeds, or another mechanism?

A - The funding for the program is a state allocation from the current fiscal year's Appropriations Act.

Q - Is this program designed as a one-time initiative capped at 130 units, or will additional funding cycles be anticipated?

A - This is unknown at this time.

Q - The program caps sales prices at \$175,000 for a 2-bedroom, 2-bath home and \$200,000 for a 3-bedroom, 2-bath home. These program price caps may not reflect actual build costs or achievable sales. How were these specific maximum sales prices determined? Were they based on HUD income thresholds, or were they supported by real-world construction cost analysis and current comparable properties?

A - SC Housing met with various builders while developing this program. The sales prices were based on their feedback.

Q - If material and labor costs increase during the program period, is there flexibility to adjust the price caps to protect builder feasibility?

A - No, due to the competitive process of this program and limited funding, the program is not able to provide flexibility.

Q - If builders are unable to meet these caps due to market conditions, what contingency plans does SC Housing have to ensure the program remains viable?

A - None at this time

Q - Are there anticipated partnerships with municipalities or counties to provide additional incentives such as tax abatements, waived fees, or infrastructure support?

A - SC Housing has not identified or negotiated opportunities at this time.

Q - What protections are in place for builders if qualified buyers are not available within the nine-month construction window?

A - Builders will have 9 months to build the homes and 9 additional months to sell the homes for a total of 18 months.

Q - Is the program strictly limited to new construction, or is SC Housing considering an additional track for renovation or adaptive reuse of existing housing stock?

A - The program is limited to new construction. SC Housing is not contemplating a rehabilitation track at this time.

Q - If renovation is excluded, what are the long-term plans to address vacant or foreclosed homes that could be brought back into the housing market more efficiently?

A - The program is intended to incentivize the new construction of affordably priced homes.

Q - If appraisals come in below the capped price, will this prevent buyers from obtaining financing, and what protections are in place for builders in this scenario?

A - If appraised values come in below the sales price, the sales price would need to be adjusted, or the home buyer would need to make up the gap using their own funds (not using the down payment assistance) should they choose to pay the higher price.

Q - Will SC Housing review and update maximum sales price limits and appraisal guidance annually (or more frequently) to align with actual market conditions and construction costs?

A – There are no plans to update the limits during this application round.

Q - Is the 130 unit maximum the total for the entire state? I presume it is a low number because this is a pilot program.

A - Yes, the 130 units is for the entire state, the funding is limited.

Q - Section 13.9, Priority Category D – will certainly drive up the builder's costs. Perhaps the evaluation committee could commit to making awards in diverse locations?

A - The points will be awarded to applications that include units proposed in more than one area of the state.

Q - Can applicants have projects already underway or is this for shovel-ready projects that have not started yet? If you have units under construction that meet the requirements is that acceptable?

A - If you have units under construction that meet the requirements, that is acceptable.

Q - Will priority be given to builders who have a history with a separate non-profit division as opposed to those who only operate for profit?

A – No, for profit and not-for-profit builders that meet the qualifications are eligible to participate.

Q - How is the \$200,000 defined? Is it the actual listing price or is it what shows up on a closing statement at a certain point? Just wanting clarification.

A – The \$200,000 (or \$175,000) sales price is the maximum actual sales price which would also be reflected in the closing disclosure (CD).

Q - Can the study's that are completed to use Atax Funds for Affordable Housing be used or does it have to be something site specific?

A - The results of the study can be used as part of the market analysis however it needs to be site specific.