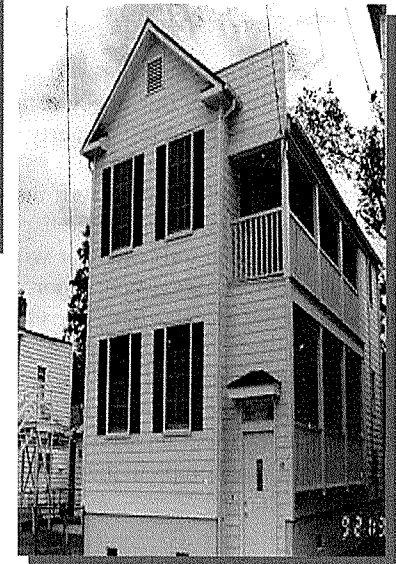
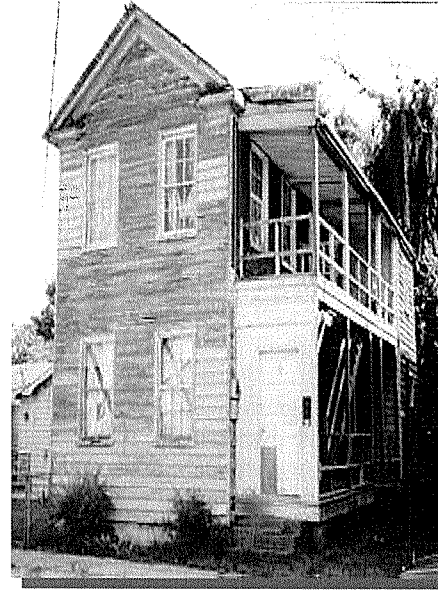




The City of Charleston
Department of Housing and Community Development
145 King Street, Suite 400
Charleston, SC 29401
(843) 724-3766

Step by Step Guide to



Housing Rehabilitation For Homeowners

Introduction

You are to be commended for your interest in wanting to help revitalize your neighborhood by participating in the City's Substantial Rehabilitation Program. This pamphlet has been developed to assist you in understanding the application and construction process and to guide you through the approval process.

Step 1 - Application- Intake

The homeowner must complete an accurate application with documentation of all monthly bills and household income of all family members living in the home. This is a federal requirement and is needed to determine your eligibility to participate in the program and your ability to meet your housing obligation once repairs are made. All financial and personal information is confidential.

Step 2 - Rehab Feasibility

Once it has been determined that you fall within the program's guidelines for assistance, a preliminary title check is done to determine ownership of the property and to insure that the property is free of liens or encumbrances.

Initially, a housing construction staff member will visit your home to inspect the project and with your assistance list all the code violation or potential violations that exists. The staff member will order a termite inspection report and a lead base paint risk assessment report to document all the items that need to be addressed at the project. After the Construction Manager makes his initial assessment of conditions at the house, an architect will review the report and will develop a full scale scope of work with detailed drawings, floor plans and elevations. The architect may make several visits to your home while preparing this information and will seek your input while putting the plans and specifications together. Once complete the architect will turn the documents over to the construction staff.

Step 3 - Financing the Rehabilitation Cost

You may be eligible for several types of financing to pay for the rehabilitation cost of your home as described on the following page:

A) Private Finance

Homeowners must provide a minimum of 20% of the construction cost through private financing. Depending upon income and ability to repay a loan to the Bank and to the City, owners that qualify will pay 20% - 80% of the project cost. Funds secured by the owner from private sources will be placed in escrow with the City Finance Department so the funds will be available when construction begins.

B) Deferred Loans

The City will provide homeowners deferred loans to cover the difference in construction cost you, the homeowner, cannot afford to pay. The maximum deferred loan amount is \$80,000.00. The term of the deferred loan will be up to 30 years. Deferred loans shall be secured with a Note & Mortgage. The Housing Staff will assist the homeowner in meeting with a private lender to secure the owner's private contribution toward the construction. This is done to ensure a smooth transition between the owner, lender, and the City as the funding sources for the renovation project is identified.

C) Construction Loans

Construction loans may be provided by the City to homeowners who have sufficient income to repay a Bank loan but because of low credit scores, lack of equity and collateral are denied a Bank loan for construction.

D) Repayable Loan 3% Loan

Some homeowners will be eligible for both a Bank loan and a City repayable 3% loan due to the home being in reasonably good condition and the owner having very few outstanding bills and therefore can repay both a Bank loan and City loan.

Step 4 - Bidding

The Housing Construction staff will assemble information provided by the architect and submit the project for bidding to a list of approved certified contractors. They will be given two to three weeks to prepare bids and will submit sealed bids for the work to be done on the project. Once the bids are received they will be tabulated and the contractor with the most responsible bid with the owners' approval will be selected to do the project.

Step 5 - Redevelopment and Preservation Commission – Final Approval

Once the bids have been tabulated and reviewed with the owner a case summary is presented to the Redevelopment and Preservation Commission for approval. Once approved by the Redevelopment and Preservation Commission, a pre-construction conference and loan closing is scheduled by the Housing Staff with the owner and Contractor. All construction documents are reviewed at the pre-construction conference and a notice to proceed order is signed by the owner. The loan closing is done by an attorney. The owner may select the closing attorney if the owner pays the closing cost or the owner may elect to use the city sponsored closing attorney.

Step 6 - Relocation

Homeowners selected for the rehabilitation process are provided temporary relocation services while the property is being renovated. The City leases three three-bedroom units from the Housing Authority of the City of Charleston on an annual basis. Applicants are allowed to live in one of the three temporary leased units while their property is being renovated. The City will pay the upfront cost of moving and storage for the applicant. However, these costs are added to the owners deferred loan upon completion of the project. The owner may reject the Housing Authority unit and select an independent unit in the Community. If this occurs, the City will pay the owner the cost of \$291.00 per month, which is the leased price of the unit paid to the Housing Authority to assist with the owner's temporary relocation cost.

The owner will be liable for any damage that occurs to the leased units while the homeowner lives in the unit. Applicants who elect to live in a leased Housing Authority unit must agree to a background security check conducted by the Housing Authority and must adhere to rules and regulations established by the Housing Authority while living in the temporary unit.

Step 7 - Payments to Contractors

The Housing and Community Development Staff will manage the construction process. The staff will review and process payment request made by contractors that have been inspected by the Architect and approved by the homeowner

Step 8 - Close out and Loan Servicing

If you have a payback loan with the City, the Housing Counselor will notify you in writing of the payments start date, total monthly payment and where payments are to be mailed. The loan servicing agency Amerinational Community Services Agency, Inc. will also contact you and forward you a coupon book to use in mailing your monthly payment. To ensure timely mailing of monthly payments, the City encourages all homeowners to utilize automatic Bank draft system when making their monthly mortgage payment.

Step 9 - Warranty

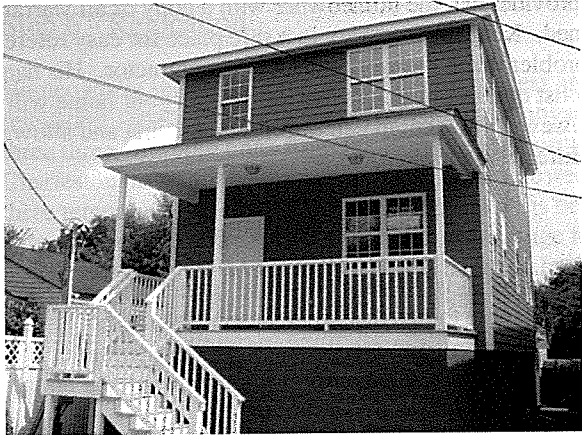
The contractor will provide you, the homeowner with a copy of all warranties for the work performed. Keep the warranty in a safe place for easy reference. Should you have a problem with the work contact the contractor. His name, phone number and a list of subcontractors that worked on your home will be provided to you. However, you should call the contractor first and allow him the opportunity to address the problem.

In Conclusion

The pamphlet should answer most of your questions concerning the rehabilitation process. If there are some things that are not clear, ask the housing staff for more details. They will be glad to assist you in any way possible. If you more information, please contact the housing staff at the following phone numbers:

Eddie C. Bines- Rehabilitation Program Manager
(843) 724-7349
Shaniese Snype - Housing Counselor
(843) 724-7348
Karen Quiroz-Williams- Administrative Specialist
(843) 724-7347
Ronald Patchen- Construction Manager
(843) 577-1305
Michael Kiefer- Project Manager
(843) 965-4181

City Homes



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