



## NIP Process Flow

Acquiring Properties

### Step 1: Potential Property Identified

Perform visual assessment and research current tax assessed value. If it seems reasonable that the property can be acquired and torn down within \$35,000 limit, contact the property owner to gauge their interest in selling the property.

### Step 2: Property Eligibility

If property owner is interested in selling the property, submit **NIP-2 Property Eligibility Form** and begin the process of determining fair market value and negotiating a sales price. **NOTE\* It is not necessary to have site control before submitting a NIP-2.**

### Step 3: Entering into Option/Sales Contract

Submit a copy of the option/sales contract, signed **NIP-9 Conflict of Interest Form** and documentation of fair market value for approval. Once the sales contract and sales price are approved, the contract may be executed and a copy submitted.

**NOTE\* It is recommended that property eligibility approval is received prior to entering into an option or sales contract, but it is not required. It is recommended that options/sales contracts contain clauses that (1.) state the purchase of the property is subject to SC Housing approval, and (2.) give permission for testing and property inspections to take place prior to closing. Property owners should also be informed of the expected time frame for closing. Due to testing, inspections and the approval process a 30-45 day contract period may not be sufficient.**

Testing and Cost Estimations

### Step 4: Hazardous Material Testing

If necessary, testing for hazardous materials should be initiated as soon as the option or sales contract has been executed. Test results are necessary to prepare cost estimates.

### Step 5: Cost Estimation and Initial Inspection

Once the results from hazardous materials testing have been received (if testing was necessary), they should be provided to the cost estimator to complete the **NIP-5 Cost Analysis Form**. Once the cost estimator has completed the **NIP-5** Form, the initial inspection can be requested by submitting the **NIP-6 Inspection Request Form** along with the **NIP-5 Cost Analysis**, copies of any hazardous material test results/reports, invoice for testing, and a color photo of the front of the property.

An SC Housing Inspector will conduct a site visit, and notification of the inspection results will be sent via email. When the initial inspection has been approved you can schedule the closing, submit the **NIP-3 Loan Closing Request Form**, and begin procuring for demolition.

Loan Closing & Drawing Funds for Acquisition

**Step 6: Closing NIP Loan and Drawing Funds for Acquisition**

**NOTE\* Steps are dependent upon Election to Draw Funds**

**ELECTION TO DRAW FUNDS OPTION 1:** Lead Entity or Partner is providing funding and will be reimbursed after demolition is completed.

The **NIP-3 Loan Closing Request Form** (identifying the Lead Entity as the Lender) is submitted to the Program Coordinator. **NIP-3** should be submitted at least 14 days prior to the scheduled closing date of the loan between the LE and the Partner. NIP staff will prepare the note and mortgage documents and send them to the closing attorney.

**Post-Closing** – Submit executed/recorded copies of NIP Note and Mortgage, and executed HUD-1.

**ELECTION TO DRAW FUNDS OPTION 2:** All funding will be provided by SC Housing/SCHC

**\*If funds are needed at the closing the following must be submitted at least 14 business days prior to closing:**

- **NIP-3 Loan Closing Request Form** with legal description
- **NIP-10 Disbursement Request Form**
- Draft of HUD-1
- Invoices for expenses paid outside of closing
- Closing Attorney’s W-9 Form

**Post-Closing** – Submit recorded deed and executed/recorded copies of NIP Note and Mortgage, and executed HUD-1.

**\*If funds are being requested promptly after the closing has occurred, the following must be submitted prior to the release of funds:**

- **NIP-10 Disbursement Request Form**
- Executed/Recorded NIP Note and Mortgage
- Recorded Deed
- Executed HUD-1
- Invoices for expenses paid outside of closing
- Partner’s W-9 Form (if not previously sent)

**NOTE\* The NIP-3 Loan Closing Request Form should have been submitted previously and the loan already closed- refer to step 5.**

Procurement & Contracting

**Step 7: Procuring for Demolition**

Procure for demolition and related services in accordance with the procurement policy submitted in the application. When you have decided which contractor you would like to select, submit the below documentation of procurement to NIP staff for review.

**NOTE \* Documentation submitted is dependent upon the method of procurement undertaken.**

**Documentation of Procurement**

- Bid Advertisement
- Bid Package, Request for Proposals, Request for Qualifications
- Bid Proposal/quote of preferred contractor
- Bid Tabulation

If bypassing procurement requirements due to an Identity of Interest, submit the **NIP- 4 Identity of Interest Certification** for approval.

Procurement & Contracting (cont.)

**Step 8: Contracts**

Submit a draft of the unexecuted contract including a completed **NIP-7 Contract Addendum** for review along with the **NIP-14 Contract Submittal Form** and related documents:

- **NIP-8 Debarment Certification Form** with SAM.gov search results
- **NIP-9 Conflict of Interest Certification Form**
- Copy of Contractor’s License
- Documentation of Contractor’s Insurance (Liability/Hazard/Workmen’s Comp)

NIP staff will send notification of contract approval by email. Once executed, a signed copy of the contract and copies of the permits must be submitted.

**Change Orders** – If it is necessary to amend the contract with a change order, the change order must be approved by an SC Housing inspector prior to undertaking the work identified in the change order. To receive approval for a change order, submit a copy of the change order with a **NIP-6 Inspection Request Form**.

**NOTE \*All change orders must be approved prior to the work being completed and prior to the submission of the final inspection. Failure to follow this procedure may render the change order not being eligible to be paid for with NIP funds.**

Final Inspection & Final Disbursement

**Step 9: Final Inspection**

**NOTE\* The request for Final Inspection should be submitted with the Disbursement Request.**

After the completion of demolition and greening (site restoration) has occurred, submit a **NIP-6 Inspection Request Form** to request the properties FINAL inspection.

The following documentation must be submitted with FINAL inspection requests:

- **NIP-6 Inspection Request Form**
- Disposal records for hazardous material and non-hazardous materials
- Color photos taken DURING demolition and AFTER greening has been completed
- Disposal records for demolished mobile homes, (if applicable)
- Records detailing the donation, sale, or recycling of any materials (if applicable)

**Step 10: Final Disbursement**

To request funds, submit a **NIP-10 Disbursement Request Form** with the appropriate documentation.

**Option 1 – ONE FINAL Disbursement**

- A. **NIP-10 Disbursement Request Form**
- B. **NIP-6 Inspection Request Form** requesting the FINAL Inspection
- C. Documentation of acquisition expenses
  - Deed
  - HUD-1 Settlement Statement (draft if funds are needed at closing)
  - Invoices for items paid outside of closing
- D. Documentation of Demolition/Greening/Maintenance Expenses
  - Invoices for all expenses requested
  - Copies of Lien Releases
  - Invoice for Project Management/Maintenance Fee

**NOTE\* Assignment and Modification Agreement documents will be prepared and sent with FINAL Disbursement to closing attorney.**

**Option 2 – TWO Disbursements**

FINAL Disbursement:

A. ***NIP-10 Disbursement Request Form***

B. ***NIP-6 Inspection Request Form***

C. Demolition/Greening/Maintenance Expenses

- Invoices for all expenses requested
- Copies of Lien Releases
- Invoice for Project Management/Maintenance Fee

**NOTE\* Assignment and Modification Agreement documents will be prepared and sent with FINAL Disbursement to closing attorney.**