

Neighborhood Initiative Program
Frequently Asked Questions

8/19/15



Does asbestos testing need to be completed prior to completing the NIP-5 Independent Cost Analysis? Yes, the cost estimator needs to know whether or not the property contains any hazardous materials to provide an accurate estimate. Providing the estimator with a copy of the test results lets them know important factors such as what type is present, how much is present, and where it's located.

What if a property is covered so heavily in vegetation that it is not accessible to take photos of the rear of the property or access the interior to perform hazardous material testing? Contact your program coordinator to discuss an alternate process to follow for the property.

Does the Lead Entity or Partner have to have site control before submitting the NIP-2 Property Eligibility Form? No, it is not necessary to have site control before submitting a NIP-2; however, in order to avoid spending time on paperwork for properties that do not go forward, it is recommended that the property owner has been contacted and is interested in selling prior to submitting the NIP-2.

Can a property be purchased for less than fair market value? Yes

If a property has a fair market value of \$10,000, but the owner refuses to sell for less than \$12,000, can the property still be purchased? Yes, NIP funds can be used to cover the purchase price up to the fair market value and another funding source would be needed to cover the remaining \$2,000.

The sales contract for a property that has already been approved as eligible expires in 10 days. The owner is refusing to extend the contract and wants to close as soon as possible. This does not allow for enough time to complete asbestos testing and submit the cost estimate and request for the initial inspection. Can the Partner assume the risk of purchasing the property and go ahead and close prior to receiving approval for the initial inspection? If the Lead Entity and Partner are comfortable with assuming the risk of purchasing a property without determining the costs associated with demolition then yes; however, NIP funds will not be released for that property until the initial inspection has been passed and any financial commitments for costs in excess of \$35,000 have been submitted.

Can a property be donated to a Partner? Yes

If the Lead Entity is providing funding up front to its Partners and will be getting reimbursed at the completion of demolition, when should the *NIP-3 Loan Closing Request Form* be submitted by the LE? The **NIP-3 Loan Closing Request Form** should be submitted after the initial inspection has been approved and at least 14 business days prior to the scheduled closing date.

What if a Partner executes a purchase contract and the property is determined to be not eligible or the costs associated with asbestos removal are too high to complete the property within the \$35,000 limit? It is strongly recommended that options/sales contracts contain language stating the purchase of the property is contingent upon the approval of SC Housing and the results of hazardous material testing.

Does someone need to be present at the property when the SC Housing inspector arrives for the initial inspection? No, the inspector does not need anyone to be present.

Is a competitive sealed bid process required to award the demolition contract? Lead Entities and Partners are required to follow the procurement policies submitted in the application for funding. The NIP program does not impose any additional requirements.

Do the services of cost estimators and asbestos testers need to be procured? If you plan on reimbursing those expenses with NIP funds, then yes, those services must be procured in accordance with the procurement policy submitted in the application for funding.

Can the Lead Entity or Partner combine multiple services in the scope of work when procuring for professional services? For example, we would like to have the cost estimator also prepare the bid solicitations for demolition services. Yes, that is allowable.

Is it a requirement that we submit drafts of all contracts, or just contracts for demolition for review and approval? Yes, all contracts that will be paid for with NIP funds must be submitted for review and approval prior to execution, regardless of the scope of work or type.