



CITY OF HOUSTON

Housing & Community Development Department

Sylvester Turner

Mayor

Tom McCasland
Director
2100 Travis, 9th Floor
Houston, Texas 77002

T. (832) 394-6200
F. (832) 395-9662
www.houstontx.gov/housing

February 21, 2020

Subject: Letter of Clarification No.2
Notice of Funding Availability (NOFA) - 2020
Disaster Recovery (DR-17) Multifamily Program Round-2

Reference: Request for Proposal No.: T29314

To all Prospective Proposers:

This Letter of Clarification is issued for the following reason:

- To answer the following questions:

1. Question: The NOFA makes mention of a Property Condition Report at time of application. Does this need to be conducted by a 3rd party, or can it be prepared by our in-house architect?

Answer: *The property condition report must be conducted by a third party.*

2. Question: What (if any) guarantees are required in order to receive the funds?

Answer: *The NOFA states that applicants will personally guaranty or provide a guaranty from a viable entity that is satisfactory to HCDD the loan until rehabilitation or construction is complete and all buildings receive certificates of occupancy (Completion Guaranty). Upon completion, if the development complies with applicable HUD requirements, personal liability of the guarantors will be released except for losses due to fraud, theft, failure to pay taxes, failure to maintain insurance and similar acts or omissions ("bad acts exceptions").*

3. Question: Financial statements and an REO schedule are required. Whose financials and REO should they be from? Is this from the guarantor entity only?

Answer: *Financial Statements and REO must be provided for both the applicant, and any guarantor.*

4. Question: Do nonprofit applicants get priority?
- Answer: *There will be prioritization for those applications from nonprofits as well as joint-venture transactions between developers and nonprofits.*
5. Question: Does the nonprofit managing member need to be a Texas nonprofit, or can they be a nonprofit formed in another state?
- Answer: *There is no local preference regarding nonprofit status. They can be based in Texas or another state.*
6. Question: If our nonprofit does not have its 501c3 status prior to the time the application must be submitted (but our application for 501c3 status has already been submitted to the IRS) can we provide that, and then update the application with our finalized 501c3 status once it has been received?
- Answer: *HCDD requires that 501c3 status be in place at the time of application.*
7. Question: We intend to apply have the Houston Housing Authority participate in our ownership entity so as to qualify for a property tax exemption. This won't be finalized by the time we submit our application. Should we mention this in our narrative, and provide the details of their participation after the application has been submitted and once things are finalized with the Housing Authority?
- Answer: *If the HHA partnership provides an additional level of subsidy (e.g. additional financing or tax exemption), then this should be noted in the narrative of the application for review. However, until there is an offer by the HHA or other agency regarding their commitment the applicant should apply without reflecting the partnership benefits. If the HHA or other agency provides their commitment afterwards, a revised application must be provided to reflect any material changes to the transaction.*
8. Question: Can the Department please publish a transcript of the Q&A portion of today's workshop? Unfortunately, the audience questions are inaudible via HTV and the microphone cut out on several occasions.
- Answer: *A transcript is not available.*
9. Question: What documents are required for the February 21st application for the funding commitment letter to be used in 9% applications to TDHCA?
- Answer: *Attachments A1-B11 (for all projects) and C4-C8 (for rehab projects) must be submitted by 2/21 for those requesting letters for the 9% applications.*
10. Question: The NOFA states, "The applicant business must be actively registered in the System for Award Management (SAM) and have an assigned CAGE Code in order to receive an award." Must applicants be registered in SAM.gov prior to submitting an application, or can they obtain the certification at a later time that is prior to receiving an award?
- Answer: *Applicants must register in SAM.gov prior to submitting application. If the application has been submitted but is still in process, please provide proof of submittal.*
11. Question: When will the MPS standards be released and where will it be available? The link provided in the NOFA is not functioning.
- Answer: *HCDD is in the process of approving the MPS. A draft will be made available on our website by 2/21.*
12. Question: Where is "Clarification 3", referenced on page 25, available?
- Answer: *HCDD compliance plan is attached as an addendum to this letter and must be completed at the time of application.*

13 Question: Where are the certifications for Attachment A1 available?

Answer: *All attachments are available in Clarification 1, available at the following URL;*

<https://purchasing.houstontx.gov/bids/T29314/T29314%20Letter%20Of%20Clarification%20No.%201.PDF>

Note: PDF must be downloaded to see attachments, attachments are not available in the web browser.

14 Question: Can you please also confirm the financing terms for the CDBG-DR Loan, as stated by Mr. Miller, are the lesser of (a) 1% interest only payment, subject to available cash flow or (b) 50% of cash flow?

Answer: *This is correct.*

15 Question: Financial Statements and Tax Returns Multi-Family NOFA. Do all members of the Applicant and Developer need to provide or just the controllers/guarantors of the entities?

Answer: *Financial statements must be provided for applicant and any guarantors.*

16 Question: If we purchase the property because sellers are not willing to hold property, are we able to have the property under contract upon submittal of our RFA response; and then proceed to close the transaction and take ownership? If we are successful in our application, can we then use funds to reimburse a portion of our acquisition cost?

Answer: *Land acquisition costs incurred before notice of the award can be reimbursed if supported by the as-is value of an appraisal. However, applicants must be mindful that no choice limiting activity (including land acquisition) can take place from the time an application is submitted until the environmental clearance is completed and an Authorization to Use Grant Funds is issued by the department.*

17 Question: Please clarify the threshold requirement listed on page 4 of Solicitation Number T29314 - NOFA 2020 DR-17 Multifamily Program Round 2 that states in part "a development must be located within the city limits of Houston." Does that include properties located within both the limited purpose (pink area) and ETJ boundaries (grey areas) as shown on the following City of Houston's website and link for City of Houston City Limits as shown here: <http://mycity.houstontx.gov/home/maps.html>

Answer: *All sites must be in the City limits at time of application. ETJ and limited purposed areas are not eligible.*

18 Question: Are applicants permitted to utilize an engineer's energy consumption model as an alternative method to the latest utility allowance standard provided by the Houston Housing Authority? HUD and TDHCA both accept this model as an alternative to PHA utility allowances. Since the developments proposed under this NOFA will be designed to comply with more rigorous green building and resiliency standards, utility allowances provided by an engineer via the energy consumption model should be more accurate since they are based on local utility provider rates and the specific design of the proposed development. In most cases, an engineer's energy consumption model should result in a higher number of housing units produced per CDBG-DR dollar invested.

Answer: *Applicants may use engineering study that meets HUD and TDHCA standards.*

- 19 Question: (a) Our potential acquisition/rehab project has two sites, one that is 26 units, another that is 8 units. The larger site is in a census tract with a poverty rate of less than 25%. The smaller site is in an adjacent census tract with a poverty rate of greater than 25%. The two sites are in the same neighborhood, in the same council district, and on the same street 1.2 miles from each other. A weighted average poverty rate for the total project would be about 22%. Would it be acceptable to the City to propose them as a single project?
(b) Are the Resiliency Standards for new construction only, or does this requirement apply to some rehabilitation projects? The NOFA says "New Construction" in the section heading, then on the next line says "new construction or major rehabilitation projects". If this requirement applies to major rehabilitation, what is the threshold that would make a project classify as major rehabilitation?

Answer: (a) *These can be considered to be a single project, however, demographic data of both sites will be reviewed independently to confirm standards are met.*
(b) *Resilience Standards will apply to new construction and all major rehabilitation projects where the scope addresses updates to major systems (mechanical, electrical, plumbing, etc.).*

- 20 Question: Can you please describe what HCDD is referring to in the project narrative (B-1) when it asks for compliance with "HUD site and neighborhood standards"?

Answer: *24 CFR 891.125 Site and Neighborhood Standards is attached as an addendum to this letter.*

- 21 Question: (a) I have a question regarding the application asking for a DUNS number. Do you need that prior to underwriting? (b) Does it have to be for the development entity, or if our non-profit partner already has one, can we use that?
(c) As a follow up, if we can use an existing DUNS number of our non-profit partner, can we also rely on their existing registration with sam.gov/sam or do we need to do that for the development entity that we will be forming for each property?

Answer: (a) *DUNS number or proof of submittal to SAM.gov must be provided with NOFA application*
(b) *DUNS is needed for the primary applicant and partner non-profit*
(c) *Applicant needs to provide DUNS for development entity*

- 22 Question: In reviewing the application it requires the following items but we haven't been able to locate the necessary documents. They are:
1. An indemnity agreement. Is this something that HCDD will release? Or is this something that our legal team should draft?
2. Form A: Fair Campaign Ordinance. We found this City of Houston [Fair Campaign Ordinance document](#) for a different solicitation, but cannot locate one for the NOFA solicitation (T29314) at hand. Should we modify the one we found or will HCDD release this form?

Answer: *All attachments are available in Clarification 1, available at the following URL; <https://purchasing.houstontx.gov/bids/T29314/T29314%20Letter%20Of%20Clarification%20No.%201.PDF>*

Note: PDF must be downloaded to see attachments, attachments are not available in the web browser.

- 23 Question: The NOFA states that the debt service coverage ratio on the hard cost debt should be at least 1.15-1.2. I assume this is only for year 1 of the loan?
- Answer: *The proforma in Year 1 should reflect a DSCR no less than 1.15, but applicants should be mindful that the long-term trend should not fall below a 1.0 DSCR.*
- 24 Question: The Reference Guide for Contract Compliance Pre-Award Requirements states that: "Proposers must submit a MWSBE and Section 3 Participation Plan demonstrating Good Faith Efforts to meet minimum goal requirements. Signed Letters of Intent must accompany Participation Plan(s)." Are the participation plan and letters of intent required to be submitted with the application?
- Answer: *MWSBE and Section 3 participation plans should be prepared during underwriting and are not required for the application.*
- 25 Question: Pursuant to Rent restrictions under the solicitation, we are unable to locate Houston 'Houston Authority's current utility allocation standard. The latest date appears to be from 2018. Could you help provide the current utility allocations?
- Answer: *HHA's current Utility Allowances are attached as an addendum to this letter.*
- 26 Question: The NOFA states that the debt service coverage ratio on the hard cost debt should be at least 1.15-1.2. I assume this is only for year 1 of the loan?
- Answer: *The proforma in Year 1 should reflect a DSCR no less than 1.15, but applicants should be mindful that the long term trend should not fall below a 1.0 DSCR.*
- Question: Within the Excel document, *Instructions* tab, row 49 indicates that Attachments B-12-C-8 may be provided during underwriting but to provide if available at the time of submission. Within the tab labelled *Site Information*, it indicates that items B-12, B-13, B-14, and B-15 may be provided during underwriting, but to provide if available at the time of submission. However, on the tab labelled *Project Information*, the same clause isn't present in regards to attachments C-1-C7. I want to clarify that Attachment series C may be provided at the time of underwriting. Can you please confirm that we may submit items, B-12, B-13, B-14, B-15, C-1, C-2, C-3, C-4, C-5, C-6, and C-7 (for new construction project
- Answer: *Items B12-C7 may be submitted at time of underwriting for new construction projects.*
- 27 Question: If 100% of the tax credit units are 60% AMFI and below, and since the rents are more restrictive do we still need to have units restricted at 80% AMFI?
- Answer: *If you are participating in a program that requires more restrictive rents, HCDD will not require the higher rent standard.*
- 28 Question: Can you tell me where I would find a description of the specific program referenced in this part of the DR NOFA App? Not sure if our NPO partner is participating in such a program or not. For non-profit organizations (NPO) participating in the Capacity Building program (1) provide a summary of the resources available to the NPO (2) verification principals are unrelated to joint-venture partners and (3) description of the joint venture partners roles, responsibilities and duties to mentor the NPO.
- Answer: *Please refer to NOFA regarding participation.*
- 29 Question: To whom should checks be made payable?
Can we send checks separate from applications
- Answer: *(a) City of Houston- Housing and Community Development Department (b) No the check needs to be sent with the application*

- 30 Question: Tax Return files are HUGE. Can we simply provide on a flash drive or is HCDD going to require hard copies for each year?
- Answer: *Provide one hard copy of complete application, including tax returns.*
- 31 Question: I just want to confirm: "transactions secured under NOFA must demonstrate leverage of a minimum of 1:1 CBDG-DR proceeds with other sources." If we receive a loan from a financial institution greater than 50% of our request, does that fulfill this requirement?
- Answer: *Yes. Loans, Grants, Equity, and any Cash on hand are considered leverage. Support documentation must be provided.*
- 32 Question: The NOFA says, "Developments determined not suitable for rehabilitation are prohibited" How do we know we are considered "suitable for rehabilitation?" Do we need documentation to prove this?
- Answer: *HCDD will review all transactions on a case by case basis. HCDD is unable to provide an upfront assessment without review, but damaged housing structures that are not suitable for rehabilitation can pose a threat to public health and safety.*
- 32 Question: I see in the NOFA it says, "Financial Capacity Overall financial condition and the developer, sponsor or any key personnel providing a development guaranty. Applicants to provide a minimum three years of audited or **company prepared** operating statements that including: i. Balance sheet ii. Income statement iii. Tax returns Additional documentation may be requested by HCDD " What does "company prepared?" mean? Can this be conducted internally? Or does this not to be an external entity in the form of an audit? Would our application be stronger if we had a third-party audit?
- Answer: *Company statements are internally prepared. If audited statements are available these need to be provided. If not available, internally prepared statements are acceptable.*
- 33 Question: It is permissible to conduct the feasibility study and environmental review after receiving the funding?
- Answer: *No, the feasibility study and environmental review must be received and reviewed during underwriting and before issuance of CDBG-DR funds.*
34. Question: I see we need to submit a "survey" and "property condition report" at the time of submitting the application. I'm not sure what a "survey" is in this sense. What does that look like? Is the "property condition report" just quotes from contractors on the costs of rehabilitation?
- Answer: *A survey refers to the process of locating and measuring a property's boundary lines to determine the exact amount of land included in the proposal. This is prepared by licensed survey company and an example can be found [here](#). [link](#) A property condition report provides an assessment of subject property in order to understand the condition of the building. A Property Condition Report is generated discussing each building system and its condition.*
35. Question: Would the staff of the co-developers be included in your assessment of "staff and strength of the development team." What would be the best way to convey that relationship in writing? A contract? Memorandum of Understanding?
- Answer: *HCDD will assess both organizations in a joint venture to determine overall capacity. HCDD will expect some contractual agreement between the firms to outline the rights and responsibilities of each company, but we advise applicants consult with legal counsel how best to document the agreement.*

36. Question: There are questions in the NOFA about organizational capacity including company and personnel resumes and recent transactions. Can we list information for our organization and co-developers?
- Answer: *Yes, information for all organizations can be included.*
37. Question: The NOFA says, "Demonstration of community support that the applicant has sought, received and implemented (if needed) views and recommendations from members of the community regarding the proposed development." We have collected a few letters of support. Should we submit that in the application?
- Answer: *Any letters of support can be included in the application.*
38. Question: We are a small nonprofit organization that is membership-led. Currently, we have no paid staff members, only contractors. Although we are small, we are comprised of extremely passionate and knowledgeable members that are working countless hours to produce a dynamite CBDG-DR application. I imagine our application is going to be rather unique compared to the others you will receive as we are the only housing cooperative in Houston. Although I am a professional grant writer, I have never spearheaded a proposal of this magnitude. Do you have any recommendations for smaller nonprofits that have limited capacity in going through this process? Does the City favor more conventional proposals from larger entities?
- Answer: *HCDD supports the efforts of local non-profits participating in its programs. However, due to the complexity of the federal program and regulations we require recipients have documented capacity and experience to facilitate the project and federal funds. If an organization does not sufficient capacity, we advise a joint partnership with an experienced firm to gain experience.*
39. Question: Is there a staff member at the City that can look over our application prior to the March 13th deadline?
- Answer: *HCDD will not review applications prior to the deadline.*
40. Question: Can land acquisition costs incurred before notice of award be reimbursed by the award?
- Answer: *Land acquisition costs incurred before notice of the award can be reimbursed if supported by the as-is value of an appraisal. However, applicants must be mindful that no choice limiting activity (including land acquisition) can take place from the time an application is submitted until the environmental clearance is completed and an Authorization to Use Grant Funds is issued by the department.*
41. Question: What are the Davis Bacon wage rates that will be required on the project? When are commercial Davis Bacon wage rates triggered and how much are they?
- Answer: *The Davis-Bacon Act (DBA). The Davis-Bacon Act requires the payment of prevailing wage rates (which are determined by the U.S. Department of Labor) to all laborers and mechanics on Federal government construction projects in excess of \$2,000. Wage rates can vary depending on the type and scope of the project.*
42. Question: Regarding architectural documents, which of the following are required for application submittal, and which can be provided in underwriting?: site plan, floor plan, elevations.
- Answer: *All of the listed items must be submitted for the HCDD application.*
43. Question: If required at application submittal, how detailed do the unit floor plans need to be? Can they show general blocking or do they need to show placement of bedrooms, kitchens, etc?
- Answer: *Floor plans need to outline placement and location of the bedrooms.*

44. Question: Does that HCDD consider a deferred developer fee as a source that can be matched by DR-CDBG, 1:1?
- Answer: *Deferred developer fee is not a suitable source to be counted for the required leverage. Leverage must be a cash source.*
45. Question: Also, we would like to assess the risk for personal guarantors and assign commensurate compensation to that risk. Do you know what events would need to occur for a personal guarantor to incur financial damages?
- Answer: *The NOFA states that applicants will personally guaranty or provide a guaranty from a viable entity that is satisfactory to HCDD the loan until rehabilitation or construction is complete and all buildings receive certificates of occupancy (Completion Guaranty). Upon completion, if the development complies with applicable HUD requirements, personal liability of the guarantors will be released except for losses due to fraud, theft, failure to pay taxes, failure to maintain insurance and similar acts or omissions (“bad acts exceptions”).*
46. Question: Are payments on the grant are interest-only for 20 years after which the principal is forgiven?
- Answer: *HCDD investments are performance-based loans. As long as there no defaults or events that trigger a partial repayment (e.g. sale or cash refinance of the property) principal balances at the end of the compliance are ultimately forgiven at term.*
47. Question: The NOFA says that the debt service coverage ratio should not be less than 1.15x. Does this mean for the entire 40 year life of the deal, or just in the beginning years, or year 1?
- Answer: *The proforma in Year 1 should reflect a DSCR no less than 1.15, but applicants should be mindful that the long term trend should not fall below a 1.0 DSCR.*
48. Question: How current does the survey need to be?
- Answer: *At application, the most recent survey will suffice. At closing, the survey must be updated.*
49. Question: If our project is a joint venture between a nonprofit and for-profit entity, does the non-profit entity's owner need to present personal financial statements? Or, do the financial statements of the for-profit entity suffice?
- Answer: *If the for-profit developer provides a suitable financial statements for a guaranty, their statements will suffice.*
50. Question: Could you please confirm to whom the \$1,000 application fee should be made out to?
- Answer: *Checks should be made payable to:
The City of Houston: Housing and Community Development Department*
51. Question: Also, could you please confirm that we would be submitting one flashdrive and three binders (one binder with original copies, and the other two binders with copies)?
- Answer: *Applicants are to provide one hard copy original in a binder, and one copy on a jump drive (with tabs delineated).*
52. Question: please confirm if the “(tabs delineated)” portion refers to the binder, not the jump drive?
- Answer: *Both the binder and pdf version must have the tabs delineated.*
53. Question: As a Domestic Violence/Sexual Assault service provider, is a market study required for our application?

Answer: Yes, a market study will be required for all proposed developments. However, a market study does not have to be submitted at applications. It may be provided after a project selected by HCDD and during underwriting.

54. Question: Page 10 mentions a joint-venture between a NPO and a for-profit agency. Is it possible to have a joint venture between two NPOs, one of whom has extensive housing experience?

Answer: A joint venture of two NPO's, one of which is experienced, would be eligible for the non-profit prioritization.

55. Question: Pg 5 – Low to Moderate Income (LMI). What is the technical definition HCDD is using for “LMI”?

Answer: A household is considered low- to moderate-income (LMI) if they make less than 80% of the area median income.

56. Question: Pg 5 – Areas of high rental costs. What is the technical definition HCDD is using for “areas of high rental costs?”

Answer: These are not defined or outlined in the NOFA, however HCDD has identified several areas throughout the city that are experiencing increased housing costs that are displacing LMI residents.

57. Question: Pg 5 – The project must address identified impediments to fair housing choice. How are impediments to fair housing choice to be identified? What is HCDD definition of impediment to fair housing?

Answer: HCDD has incorporated multiple criteria to promote affordable housing options within Houston. These include restricting affordable housing options in areas of high poverty and prioritizing areas of opportunity within the city. These factors are incorporated in our threshold and scoring criteria.

58. Question: Pg 5 – Priorities: Transit Oriented Developments (TOD) that promote access to mass transportation options. What is HCDD definition of TOD? How is access to TOD to be “promoted”?

Answer: See Item 4 on Page 12 of Scoring Criteria.

59. Question: Pg 7 - Eligible Activities: Rehabilitation of properties damaged from Hurricane Harvey and properties not damaged by the event. Is there an inventory list of such properties?

Answer: HCDD is unable to provide an inventory of flooded properties.

60. Question: Pg 21 - Sites not located within 100-year floodplain, but reported flooding events within the past 10 years may be subject to these requirements. Is there an inventory list of such sites?

Answer: HCDD is unable to provide an inventory of flooded sites.


61. Question: Pg 28 – Material Changes. What is allowed under a material change?

Answer: Material changes include disclosures made in the application regarding the development proposal used to evaluate the transaction. Examples of material changes include but are not limited revisions to the development team, organization chart, site location, amenities being offered, construction design, unit composition, CDBG DR-17 loan request, development budget, total sources, CDBG cost allocation and proforma disclosures (rents, expenses and debt coverages).

62. Question: Pg 28 – Format. The term “jump drive” and “flash drive” are used. Is this one and the same?
Answer: *These terms are used interchangeably.*
63. Question: Pg 28 – Excel workbook: Where is the most recent version of the Application for City of Houston Funds located?
Answer: *The most recent Excel workbook can be located at the following link.
https://purchasing.houstontx.gov/bids/T29314/2020_NOFA_Workbook-011720.xlsx*
64. Question: Pg 39 – Texas Financial Incentives for multifamily housing developers and owner (2020). Do any of these contribute to any points in the application?
Answer: *No, this information is provided to applicants for informational purposes to outline other financial incentives for energy efficient designs.*
65. Question: I am unable to insert more rows to properly show the unit types. Do you know if there has been a new version of the workbook released?
Answer: *The workbook has not been updated. Average unit size of each bedroom should be reflected.*

This Letter of Clarification will be considered part of the solicitation referenced on the first page of this document.

Furthermore, it is the responsibility of each PROPOSER to obtain any previous Letter(s) of Clarification associated with this solicitation.



Tywana L. Rhone
Division Manager
Procurement Services Division
832.394.6204

Cc: Attachment

DISASTER RECOVERY (DR-17) MULTIFAMILY PROGRAM - ROUND I

SUPPLEMENTAL APPLICATION

HCDD Compliance Plan

Safety Training and Hourly Base Rate

Applicant: _____

Development Name: _____

Safety Training

Contracts funded in whole or in part by the United States Department of Housing and Urban Development are subject to the Contract Work Hours and Safety Standard Act (CWHSSA), found at 29 CFR, part 5. The City of Houston is committed to ensuring the safety of its employees and encourages its developers and their contractors and their subcontractors to pursue the same goal. Applicants must answer the following questions and provide evidence that they meet minimum applicable construction safety standards:

1. Will the applicant have written agreements with its contractors that require its contractors to have a written construction safety program? _____
2. Will the applicant have written agreements with its contractors that require its contractors to provide a minimum of ten hours of OSHA-approved safety training? _____
3. Will the applicant have written agreements with its contractors that require its contractors to employ a safety representative with a minimum of 30 hours of OSHA-approved supervisor training on each construction site?

Hourly Base Wage Rate

The City of Houston is committed to providing its employees with a living wage and encourages its developers and their contractors and their subcontractors to pursue the same goal. Applicants must submit a statement indicating whether employees performing work on the CDBG-DR funded projects are paid the higher of (i) the applicable U.S. Department of Labor prevailing wage or (ii) \$15.00 per hour.

§ 891.125 Site and neighborhood standards.

All sites must meet the following site and neighborhood requirements:

(a) The site must be adequate in size, exposure, and contour to accommodate the number and type of units proposed, and adequate utilities (water, sewer, gas, and electricity) and streets must be available to service the site.

(b) The site and neighborhood must be suitable from the standpoint of facilitating and furthering full compliance with the applicable provisions of Title VI of the Civil Rights Act of 1964, the Fair Housing Act, Executive Order 11063 (27 FR 11527, 3 CFR, 1958-1963 Comp., p. 652); as amended by Executive Order 12259, (46 FR 1253, 3 CFR, 1980 Comp., p. 307)); section 504 of the Rehabilitation Act of 1973, and implementing HUD regulations.

(c) New construction sites must meet the following site and neighborhood requirements:

(1) The site must not be located in an area of minority concentration (or minority elderly concentration under the Section 202 Program) except as permitted under paragraph (c)(2) of this section, and must not be located in a racially mixed area if the project will cause a significant increase in the proportion of minority to nonminority residents (or minority elderly to nonminority elderly residents, under the Section 202 Program) in the area.

(2) A project may be located in an area of minority concentration (or minority elderly concentration, under the Section 202 Program) only if:

(i) Sufficient, comparable opportunities exist for housing for minority elderly households or minority disabled households, as applicable (or minority families, for projects funded under §§ 891.655 through 891.790), in the income range to be served by the proposed project, outside areas of minority concentration (see paragraph (c)(3) of this section for further guidance on this criterion); or

(ii) The project is necessary to meet overriding housing needs that cannot be met in that housing market area (see paragraph (c)(4) of this section for further guidance on this criterion).

(3)

(i) *Sufficient* does not require that in every locality there be an equal number of assisted units within and outside of areas of minority concentration. Rather, application of this standard should produce a reasonable distribution of assisted units each year which over a period of several years will approach an appropriate balance of housing opportunities within and outside areas of minority concentration. An appropriate balance in any jurisdiction must be determined in light of local conditions affecting the range of housing choices available for very low-income minority elderly or disabled households, as applicable (or low-income minority families, for projects funded under §§ 891.655 through 891.790), and in relation to the racial mix of the locality's population.

(ii) Units may be considered to be *comparable opportunities* if they have the same household type (elderly or disabled, as applicable) and tenure type (owner/renter);

require approximately the same total tenant payment; serve the same income group; are located in the same housing market; and are in standard condition.

(iii) Application of this sufficient, comparable opportunities standard involves assessing the overall impact of HUD-assisted housing on the availability of housing choices for very low-income minority elderly or disabled households, as applicable (or low-income minority families, for projects funded under §§ 891.655 through 891.790), in and outside areas of minority concentration, and must take into account the extent to which the following factors are present, along with any other factor relevant to housing choice:

(A) A significant number of assisted housing units are available outside areas of minority concentration.

(B) There is significant integration of assisted housing projects constructed or rehabilitated in the past ten years, relative to the racial mix of the eligible population.

(C) There are racially integrated neighborhoods in the locality.

(D) Programs are operated by the locality to assist minority elderly or disabled households, as applicable (or minority families, for projects funded under §§ 891.655 through 891.790), that wish to find housing outside areas of minority concentration.

(E) Minority elderly or disabled households, as applicable (or minority families, for projects funded under §§ 891.655 through 891.790), have benefitted from local activities (e.g., acquisition and write-down of sites, tax relief programs for homeowners, acquisitions of units for use as assisted housing units) undertaken to expand choice for minority households (or families) outside of areas of minority concentration.

(F) A significant proportion of minority elderly or disabled households, as applicable (or minority households, for projects funded under §§ 891.655 through 891.790), have been successful in finding units in nonminority areas under the Section 8 Certificate and Housing Voucher programs.

(G) Comparable housing opportunities have been made available outside areas of minority concentration through other programs.

(4) Application of the *overriding housing needs* criterion, for example, permits approval of sites that are an integral part of an overall local strategy for the preservation or restoration of the immediate neighborhood and of sites in a neighborhood experiencing significant private investment that is demonstrably changing the economic character of the area (a "revitalizing area"). An *overriding housing need*, however, may not serve as the basis for determining that a site is acceptable if the only reason the need cannot otherwise be feasibly met is that discrimination on the basis of race, color, creed, sex, or national origin renders sites outside areas of minority concentration unavailable, or if the use of this standard in recent years has had the effect of circumventing the obligation to provide housing choice.

(d) The neighborhood must not be one that is seriously detrimental to family life or in which substandard dwellings or other undesirable conditions predominate, unless there is actively in progress a concerted program to remedy the undesirable conditions.

(e) The housing must be accessible to social, recreational, educational, commercial, and health facilities and services, and other municipal facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted, standard housing of similar market rents.

(f) For the Section 811 Program of Supportive Housing for Persons with Disabilities, the additional site and neighborhood requirements in § 891.320 apply.

Allowance for Tenant-Furnished Utilities and Other Services

**U.S. Department of Housing and Urban Development
Office of Public and Indian Housing**

OMB Approval N. 2577-0169

Effective Date

LOCALITY: HOUSTON, TX METROPOLITAN AREA		UNIT TYPE: APARTMENTS (5 OR MORE UNITS PER BUILDING)									12/1/2019
Utility or Service	Monthly Dollar Allowances										Utility Included? (X if included)
	OBR	1BR	2BR	3BR	4BR	5BR	6BR	7BR	8BR		
Heating	a. Natural Gas	\$7	\$8	\$9	\$9	\$11	\$11	\$12	\$13	\$13	
	b. Bottle Gas										
	c. Electric	\$9	\$10	\$12	\$14	\$16	\$18	\$20	\$21	\$22	
	d. Coal/Other										
Cooking	a. Natural Gas	\$2	\$2	\$3	\$4	\$5	\$6	\$7	\$7	\$8	
	b. Bottle Gas										
	c. Electric	\$5	\$6	\$9	\$12	\$15	\$18	\$19	\$20	\$21	
	d. Coal/Other										
Other Electric - Lighting - Base		\$20	\$24	\$33	\$42	\$52	\$61	\$66	\$70	\$75	
Air Conditioning		\$18	\$21	\$30	\$38	\$46	\$55	\$59	\$63	\$67	
Water Heating	a. Natural Gas	\$4	\$5	\$7	\$9	\$11	\$13	\$14	\$14	\$15	
	b. Bottle Gas										
	c. Electric	\$12	\$14	\$18	\$22	\$26	\$30	\$32	\$34	\$36	
	d. Coal/Other										
Water		\$22	\$22	\$29	\$36	\$42	\$49	\$53	\$58	\$62	
Sewer		\$33	\$34	\$44	\$54	\$63	\$73	\$79	\$86	\$92	
Trash Collection											
Range/Microwave (If tenant supplies)		\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	
Refrigerator (If tenant supplies)		\$12	\$12	\$12	\$12	\$12	\$12	\$12	\$12	\$12	
Other - Monthly Electric Fee		\$16	\$16	\$16	\$16	\$16	\$16	\$16	\$16	\$16	
Other - Monthly Gas Fee		\$16	\$16	\$16	\$16	\$16	\$16	\$16	\$16	\$16	
Actual Family Allowances To be used by the family to compute allowance. Complete Below for the actual unit rented.							Utility or Service		Per Month Cost		
Name of Family							Heating		-		
							Cooking		-		
Address of Unit							Other Electric		-		
							Air Conditioning		-		
							Water Heating		-		
Smaller of bedroom or voucher							Water		-		
							Sewer		-		
							Trash Collection		-		
							Range/Microwave		-		
							Refrigerator		-		
							Other (Elec Fee)		-		
							Other (Gas Fee)		-		
							Total		\$0		