
CITY OF HOUSTON
HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT
Notice of Funding Availability (NOFA)
2021
HARDY YARDS WORKFORCE HOMEOWNERSHIP DEVELOPMENT
PROGRAM
SOLICITATION NO.: T-31123

Date Issued: November 19, 2021

Pre-Proposal Conference: December 9, 2021, at 10 am
Housing and Community Development
Department

Join via Microsoft Teams or by Audio

[Click here to join the meeting](#)

Dial-in Conference #: (936)755-1521

Conference ID: 977 093 066#

**Pre-Proposal Questions
Deadline:**

December 31, 2021, at 5:00 pm

Solicitation Due Date:

February 21, 2022, at 3:00 pm

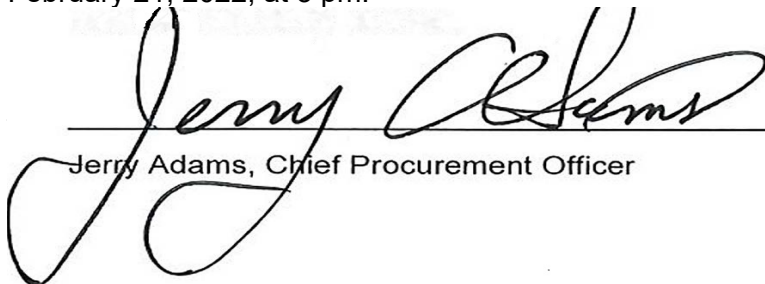
Solicitation Contact Person:

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Project Summary: The City of Houston, Housing and Community Development Department (HCDD) seeks applications from qualified single-family homeownership community developers to construct workforce housing that serves eligible low to moderate-income Homebuyers. Applicants must demonstrate a capacity to design, construct, market, and sell new single-family homes on a specific site selected by the City. Applications will be reviewed, underwritten, and scored to select one Awardee based on a predetermined set of criteria outlined in the NOFA. Applications are due no later than February 21, 2022, at 3 pm.



Jerry Adams, Chief Procurement Officer



CITY OF HOUSTON

HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT

NOTICE OF FUNDING AVAILABILITY (NOFA) Hardy Yards Workforce Homeownership Development Program

CITY OF HOUSTON
Housing and Community Development Department
2100 Travis Street, Ninth Floor
Houston, Texas 77002
(832) 394-6200



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CITY OF HOUSTON HARDY YARDS WORKFORCE HOMEOWNERSHIP DEVELOPMENT PROGRAM

I. OVERVIEW

I.A.i. Introduction

The City of Houston is committed to building a resilient and equitable city after Hurricane Harvey through our recovery programs. Our housing recovery programs seek to develop safe and affordable homes across our City in communities where people can thrive. We will accomplish this by investing in homes – rebuilding existing housing stock and constructing new homes in areas safe from future flooding – as well as community amenities, economic engines, and resilience activities. We will use data to design and evaluate our Program's success and be transparent about how the recovery is unfolding. Recovery from Hurricane Harvey presents a historic opportunity to rebuild Houston's housing stock that's stronger and more resilient than ever before.

I.B. Executive Summary

The City of Houston's Housing and Community Development Department ("HCDD" or "the City") is committed to creating homeownership opportunities for Houstonians—making possible the development of solid quality, affordable homes in thriving communities. To support this objective, the City has acquired 10.697 acres of land at 800 Burnett Street Houston TX 77009 near the intersection of North Main Street and Burnett Street, herein referred to as Hardy Yards, adjacent to the Burnett Transfer Station on Houston METRORail's Red Line. HCDD is releasing this Hardy Yards Workforce Homeownership Development Program ("HYWHDP" or "the Program") Notice of Funding Availability ("NOFA") outlining the City's process and requirements toward identifying a qualified Developer to build a community of new single-family homes on this Site, 51% of more of the units will be affordably priced for low-to-moderate income homebuyers. The City will make the land available to the developer and finance a portion of the public infrastructure or home construction costs. The selected Developer will build, market, and sell homes pursuant to certain terms and conditions.

The City's contribution of funding is sourced from Community Development Block Grant Disaster Recovery 2017 ("CDBG-DR 17") funds allocated by the U.S. Department of Housing and Urban Development ("HUD") to the Texas General Land Office (GLO) in response to Hurricane Harvey. For this Project, the City has received a direct allocation of **Twenty Million Dollars (\$20,000,000.00)** from the GLO. **The City has expended Fifteen Million Eight Hundred Thousand Dollars (\$15,800,000.00)** for land acquisition, due diligence, interim maintenance and predevelopment planning, and up to **Four Million Two Hundred Thousand Dollars (\$4,200,000.00)** will be available to pay for land infrastructure or home construction costs. The land and infrastructure comprise the City's contribution and are referred to throughout this NOFA together as the HYWHDP Economic



Participation. HCDD's contract with the GLO expires August 31, 2024 and any development funded with this grant must meet all close out conditions at least ninety (90) days prior to that date. It is imperative that applicants demonstrate a readiness to meet the closeout timeline and demonstrate an ability to commence construction within four months of a recommendation of an award.

Through this Program, qualified developers are eligible to apply for the HYWHDP Economic Participation for a project on the established Site which sets aside a portion of the homes as affordable (as further defined herein). Developers must complete and submit an Application to be considered for a commitment of HYWHDP Economic Participation. Projects will be evaluated on their alignment with the City of Houston's Affordable Housing Annual Objectives and Priorities, readiness, timeline, and overall outcomes. The final Award must be approved by the Mayor of Houston and the Houston City Council.

I.C. Program Funds, Overview and Administration

HYWHDP will result in affordable homeownership for prospective Homebuyers whose annual income qualifies pursuant to these Guidelines. The Program will accomplish this through the HYWHDP Economic Participation provided to the selected Developer.

The City will administer HYWHDP in accordance with these Guidelines and any regulatory requirements, as applicable. The City reserves all rights to modify program priorities, budgets and requirements as needed. The City reserves sole authority for interpreting and applying these Guidelines. HCDD will carry out the requirements of this Program on behalf of the City and in accordance with all other governing laws, rules, and requirements. The Guidelines within this NOFA govern the current allocation referenced herein. The HCDD Director is authorized, at his or her discretion, to amend the Guidelines to comply with other regulatory requirements or to ensure the efficient and proper administration of the Program without further City Council approval.

In selecting a Developer, HCDD will consider risk, feasibility, community outcomes, the cost-benefit relationship between the requested HYWHDP Economic Participation and the aggregate pricing difference between Market Rate Homes and Affordable Homes, the quality of the homes and the community, and the likelihood of success.

I.D. Applicable Laws, Regulations, and Program Guidelines

Applicants should review and understand the prevailing laws and regulations which govern these funds. Applicants are encouraged to review the applicable disaster recovery federal registers found at the links below and the HCDD Harvey Single Family Development Guidelines posted on our Harvey Disaster Recovery website <http://recovery.houstontx.gov>. These Guidelines are integral to the Application.



City of Houston Housing and Community Development Department
 Multifamily Division | Single Family Development
Hardy Yards Workforce Homeownership Development Program NOFA

Funding Source	Type of Rule	Source
CDBG	Regulation	24 CFR 570
	HUD Exchange	HUD Exchange CDBG Entitlement
	HUD Monitoring Guide	Administration Handbooks
CDBG-DR 2017 Hurricane Harvey	HUD Exchange—CDBG-Dr	CDBG-DR Programs
	Public Law 115-31 (Section 421), enacted 5/5/2017	PL 115-31
	Public Law 115-56 (Division B), 9/8/2017	PL 115-36
	Public Law 115-72, 10/26/2017	PL 115-72
	FRN 82 FR 61320 12/27/2017	82 FR 61320
	FRN 83 FR 5844, 2/9/2018	83 FR 5844
	Public Law 115-123, 2/9/2018	PL 115-23
FRN 83 FR 40314, 8/14/2018	83 FR 40314	



II. DEFINITIONS

The following terms used throughout these Program Guidelines will have the definitions and meanings provided below.

Affirmatively Furthering Fair Housing (AFFH): Affirmative Fair Housing goes beyond the Fair Housing Act's nondiscrimination requirements by identifying historically underserved communities and actively taking steps to encourage their participation and benefit. HUD's AFFH rule provides an effective planning approach to aid program participants in taking meaningful actions to overcome historic segregation patterns, promote fair housing choices, and foster inclusive communities free from discrimination.

Affirmative Fair Housing Marketing Plan (AFHMP): An AFHMP is the marketing strategy and plan which provides a framework toward ensuring that information about housing opportunities created through this Program reaches historically underserved communities and encourages their participation.

Affordable Home: Any home within the development project that is intended to be available for sale to a household at a qualifying income level, at a below-market price no greater than the achievable commercial first mortgage obtainable by a household at that income level. Note that all LMI Homes are Affordable Homes; however, Affordable Homes which are reserved for sale to households earning above 80% of the Area Median Income are not LMI Homes.

Affordable Homebuyer: Any eligible purchaser of an Affordable Home.

Affordability Period: The time period during which a newly constructed Affordable single-family home must comply with the rules and requirements of this Program.

Affordability Value: The aggregate difference in pricing between the sales prices of Affordable Homes and the sales prices of those homes as Market Rate Homes.

Applicant: An Applicant is a Developer requesting HYWHDP Economic Participation through this Program.

Area Median Income (AMI): Annual median incomes published by the U.S. Department of Housing and Urban Development, for the relevant geographic area. For a four-person household, the 2021 HUD-published 100% AMI for Houston-The Woodlands-Sugar Land, TX HUD Metro FMR Area, is \$79,200. Area Median Incomes are subject to adjustment for imputed household size corresponding to the number of bedrooms.

Awardee: The selected Developer to which an Award of HYWHDP Economic Participation is provided, subject to conditions.

Certificate of Compliance (COC): The document issued by the City of Houston Permitting Center for



New Construction/remodels when all inspections have been performed and approved.

Developer: A Developer is a private business entity with specialized skills and capital which will bring the capacity to finance, construct and sell homes pursuant to the terms of this Program.

Elevation Standards: Standards that apply to New Construction, repair of Substantial Damage, or Substantial Improvement of structures in an area delineated as a Flood Hazard Area or equivalent in FEMA's data source identified in 24 CFR § 55.2(b)(1).

Family: All persons living together in the same Housing Unit, as defined under 24 CFR § 570.3.

Flood Hazard Area: Areas designated by FEMA as having the risk of flooding.

"Floodplain": FEMA designates floodplains as geographic zones subject to varying levels of flood risk. Each zone reflects the severity or type of potential flooding in the area.

"100-Year Floodplain" - the geographical area defined by FEMA as having one percent (1%) chance of experiencing a flooding event in any given year.

"500-Year Floodplain" - the geographic area defined by FEMA as having a two-tenths of one percent (0.2%) chance of experiencing a flooding event in any given year.

Floodway: FEMA designated channel of a river or other watercourse and the adjacent land areas that must be reserved in order to discharge the base flood without cumulatively increasing the water surface elevation to more than a designated level.

Green Building Standards: The standards required in this Program are related to energy efficiency and building quality.

Homebuyer: Person(s) eligible to purchase a home developed under this Program. See also Household.

Home: A single-family house, meeting the requirements of this Program. See also 'Housing Unit', 'Affordable Home' and Market-Rate Home.'

Household: All persons occupying the same housing unit, regardless of their relationship to each other. The occupants may consist of a single family, comprised of any group of related or unrelated persons who share living arrangements. For housing activities, the LMI National Objective is met is based on the income of the Household.

Housing Unit: A single-family house, meeting the requirements of this Program.

Housing and Community Development Act of 1974 (HCD Act): (As amended by the Supplemental Appropriations Act of 1984). Established the Program of Community Development Block Grants to finance the Acquisition and rehabilitation of real Property, which defined the recipients and uses of such grants, with the primary goal of benefitting LMI persons.



Housing and Urban Development Act of 1968, Section 3: Requires program administrators to ensure that training, employment, and other economic opportunities generated by HUD financial assistance shall be directed to the greatest extent feasible and consistent with existing federal, state, and local laws and regulations, to low- and very low-income persons. Recipients of Section 3-covered funding ensure compliance and the compliance of their Developers/Contractors/subcontractors with the Section 3 requirements, as outlined in 24 CFR § 135.32.

Housing Quality Standards (HQS): Establish certain minimum standards for buildings constructed under HUD housing programs. This includes new single-family homes and multifamily housing as outlined in 24 CFR § 982.401.

Houston Community Land Trust (HCLT): An existing community land trust operating in the City, organized as a Texas Nonprofit corporation under Texas Business Organizations Code 22.001(5) and/or any applicable section of the Local Government Code.

Houston Special Flood Hazard Area (HSFHA): The Floodplain Ordinance defines the Houston Special Flood Hazard Area (HSFHA) as comprising both the 100-year and the 500-year floodplain that are each defined in EO 11988 and 24 CFR Part 55.

HCDD Financing: Financing awarded by the City of Houston, Housing and Community Development Department, pursuant to the terms of this Program, toward the goals of this Program, to a Developer. For the purpose of this NOFA, HCDD Financing is referred to as the HYWHDP Economic Participation.

HYWHDP Economic Participation: The City's contribution of 10.697 acres of land to, and investment of \$4,200,000 toward other permitted costs with, a selected developer toward the outcomes of the Program.

Land: That specific parcel of land enumerated at Figure A

Low- to Moderate- ("Low-Mod") Income (LMI): Activities that benefit households whose income that does not exceed eighty percent (80%) of the AMI. Calculations are performed by HUD, and adjustments are made for household size.

Moderate-Income: Households whose annual income is up to eighty percent (80%) of AMI.

LMI Home: Any Affordable Home which is restricted for sale to a eligible household with income at or below 80% of AMI.

LMI Homebuyer: The eligible purchaser of an LMI Home that was directly or indirectly impacted by Hurricane Harvey.

Market Rate Home: Any home within the development project intended to be available for sale at the prevailing market value for homebuyers who are not subject to income qualification requirements.



Notwithstanding the absence of restrictions or conditions on the sale of market-rate homes at Hardy Yards, Applicants are advised that it is the intention of the City that market-rate homes are intended for workforce purchasers who occupy these homes as primary residences and that the Affordable and Market Rate Homes be substantially equivalent.

Minimum Property Standards (MPS): The Minimum Property Standards (MPS) established in HUD Handbook 4910.1, as amended or superseded. As read in the context of these Guidelines, MPS encompasses Housing Quality Standards established by HUD to provide "decent, safe and sanitary" housing.

New Construction: In the context of these guidelines, a residential or accessory structure that did not previously exist and does not make use of a previously existing foundation or slab.

Nonprofit Organization: A private entity organized for purposes other than generating profit and in which no part of the organization's income is distributed to its members, directors or officers. Governed by IRS code 501(c)(3)

Real Property: The land and improvements thereto, and all of the interests, benefits, and rights inherent in the ownership of real estate.

Recapture: A mechanism in which all or a portion of the City's HYWHDP Economic Participation is returned to the City by the Awardee if the program requirements are not satisfied.

Single-Family Home: A single-unit family residence detached or attached to other housing structures. See also Home and Housing Unit.

III. THE HARDY YARDS SITE

III.A. Overview

Hardy Yards is a transit-oriented, mixed-use development site located in the Near Northside community inside the 610 Loop. The Site is comprised of 10.697 acres at 800 Burnett Street Houston TX 77009, near the intersection of North Main and Burnett Street, with superior access to major highways I-10, I-59, and I-45. Hardy Yards is near Downtown Houston and is directly adjacent to Burnett Transit Center, offering walkable access to METRORail (Redline) and buses.

As of the issuance of this NOFA, HCDD holds the Site located at 800 Burnett Street, Houston, Texas, known as Hardy Yards, as shown as Figure A below. The City will contribute the Site toward the selected Development as an element of its HYWHDP Economic Participation.



Figure A

This Property is located outside the 100-year and 500-year floodplains, per FEMA.

III.B. Expected Site Improvements / Standards

Applicants are advised that the City will issue specific guidance on the site specific requirements, which will be based on the completion of its environmental review. Applicants should additionally refer to the attached Exhibit F, 'Hardy Yards Preliminary Design Schematic Plans.' This study was commissioned to develop a framing concept for the Project and does not explicitly represent what the



City requires under this NOFA. This Exhibit is incorporated to provide key aspects of the City's due diligence toward advancing Applicants' understanding of various parameters of the proposed Development. It should not be interpreted as a required or preferred site design, floor plans or architectural preferences.

III.C. Community Feedback and Priorities

The successful proposal will address community feedback and priorities identified by the City in its due diligence process. For additional reference, refer to Exhibit D, 'Community Recap Session, Public Meeting, July 29, 2021'.

- **Community Amenities**

The City solicited Near Northside residents' feedback on preferred amenities and will prioritize proposals that incorporate as many amenities as possible. The City recognizes the awarded proposal may not contain each amenity.

- **Mixed-Use and Retail Space**

Commercial space with a priority towards food access, restaurants, childcare facilities, and commercial retail. Please note that any proposed mixed-use and retail space cannot be funded through CDBG-DR funds. Any shared mixed use/residential building element (e.g. foundations) would have to split CDBG-DR funds and non-CDBG-DR funds costs proportionally.

- **Green Space Design**

Green spaces that promote community gatherings through shared amenities such as park benches and picnic tables, pavilions, and playground areas would be preferred. Green space that preserves the current view of downtown Houston as well as dog parks and walking trails.

- **Preserving the Near Northside Design**

Thoughtful design allows neighbors to interact comfortably with one another, such as trees that provide naturally shaded areas or covered porches and patios. Home architecture that draws upon design element characteristics of original homes in the Near Northside.

- **Mobility and Safety**

Bike lane design should emphasize a safe alternative to travel throughout the Hardy Yards development. Hardy Yards bike lanes should either directly connect to or move towards existing bike lanes in the Near Northside. Sidewalks and walking pathways that allow residents to feel safe from traffic.

- **Adequate street parking near each home and garages or carports as applicable.**



IV. PROGRAM REQUIREMENTS

IV.A. Eligible Project

The Project will provide homeownership outcomes to beneficiaries who are principally low- and moderate-income residents of the City of Houston. The HCDD verify the incomes of individual beneficiaries to ensure that at least 51% of the homes built by the Development are low are sold to moderate-income households (below 80% of Houston median income adjusted for family size). This requires maintaining certain documentation mandated under 24 CFR 570.506 to comply with the regulations.

IV.B. Developer Eligibility

Applicants may be for- or non-profit entities or a partnership comprised of for- and nonprofit entities.

IV.C. Good Standing

Applicants (inclusive of their contractors, partners, and vendors (individually or corporately)) must be in good standing with the the State of Texas, City of Houston and HCDD on all previous grants, loans, or loan commitments. HCDD may determine, in its sole discretion, that an Applicant with defaults or negative collection actions relating to any financial obligation, either to the City of Houston or any other public agency or private lender, is ineligible for funding. Any Applicant on the federal debarment list will not be allowed to participate as cited on federal and state debarment lists in accordance with [24 CFR 570.609](#) and other applicable laws. An applicant, Developer or Contractor with management or compliance issues outstanding with HCDD or other public agencies may be disallowed from participating.

IV.C.i. Applicant business identification numbers

The Applicant's business must provide a Data Universal Number System (DUNS) number associated with the business's tax identification number before any award can be finalized. A DUNS number is a unique nine-digit identification number for each physical location of your business. It is provided without cost to all businesses required to register with the U.S. federal government for contracts or grants.

An Applicant's business can obtain a DUNS number within one (1) business day by applying online at <http://fedgov.dnb.com/webform/pages/CCRSearch.jsp>.

The applicant business must be actively registered in the System for Award Management (SAM) and have an assigned CAGE Code to receive an award. Neither the applicant business nor any principal owner (20% or more) may be debarred on the SAM electronic roster of debarred entities (active exclusion).

Applicant businesses can register for SAM at <https://www.sam.gov/SAM/>.



During the SAM registration process, an applicant business will be assigned a new Commercial and Government Entity Code (CAGE Code) if one does not already exist for the business. If there is an existing CAGE code, the Applicant's business information will be updated. For more information on this process, applicant businesses may visit <https://cage.dla.mil>.

Developers and subcontractor must be licensed by the State of Texas for commercial and residential construction. All licenses must be current and not expired.

IV.C.ii. Conflict of Interest Policy

All programs administered by HCDD are subject to the Department's Conflict of Interest policy. The policy assures that no covered persons who can participate in decision-making or gain inside information regarding HCDD's programs and activities may obtain a financial interest or benefit.

Covered persons include employees, agents, consultants, officers, or elected or appointed officials of the City of Houston or its subrecipients or vendors. Immediate family members or business partners of covered persons are also covered under this policy.

Immediate family members include (by blood, marriage, or adoption) the spouse, parent (including stepparent), child (including stepchild), sibling (including stepsibling), grandparent, grandchild, and in-laws.

Applicant must submit a complete and signed Conflict of Interest form with the Application. If a potential conflict of interest is detected, no benefits may be given to the participant until a HUD Waiver is attained.

The Developer's responsibility is to disclose any potential conflicts, including those with city officials at the time of application submission or as soon as a potential conflict is identified.

IV.D. Experience

Applicants must have a documented capacity to execute their proposed Development based on the City's determination during the application scoring process. Refer to Section VIII.A. The City may perform background checks and seek references from lenders, partners, or public agencies with which the Applicant has recently done business. Applicants without prior, similar, successful experience developing large-tract single-family housing should not apply.

IV.E. Affordable Homebuyer Eligibility

Homes targeted to Affordable Homebuyers may be sold only to households directly or indirectly impacted by Hurricane Harvey, who otherwise qualify for First Mortgage financing sufficient to purchase the home at the Affordable Sales Price, which is below the home's market value. In the Application, Applicants will make specific proposals regarding the number and size of Market Rate and Affordable Homes, the market prices and sales prices of Homes, and the income levels targeted for eligible homebuyers of the affordable homes.



IV.F. Project Size and Balance

The City will require that the Awarded Project have specific set-asides of homes by price and maximum qualifying income of the Homebuyer.

IV.F.i. Requirements

There must be at least two of the three categories of set-asides within the Development:

1. (Required) No fewer than fifty-one percent (51%) of the homes must be sold to eligible LMI Homebuyers at sales prices that are affordable to LMI Homebuyers earning less than 80% of Area Median Income ("AMI ") adjusted for household size.
2. (Required) Of the remaining 49% available, no fewer than 25% and no more than 49% of the homes may be sold as Market Rate Homes.
3. (Preferred) If fewer than 49% of the homes are sold as Market Rate Homes, the remaining homes may be sold to income-eligible Affordable Homebuyers at Area Median Income levels above 80% but below the Area Median Income level required to purchase the home at the Market Rate home selling price.
 - a. For these homes, developers may propose pricing tiers affordable to homebuyers at 100%, and/or 120% of the Area Median Income. These home selling prices must (a) be reduced below the Market Rate Home selling price, and (b) must be affordable to homebuyers at the designated income level(s).

IV.F.ii. Illustrative Examples

The following examples of acceptable proposals for Affordable and Market-Rate Homes are provided for clarification of this requirement:

- 210 Homes, of which 108 (51.429%) are reserved for households earning less than 80% AMI and 102 (48.571%) are sold to Market-Rate purchasers.
- 219 Homes, of which 125 (57.078%) are reserved for households earning up to 80% AMI; 10 (4.566%) reserved for households earning up to 100% AMI; 10 (4.566%) reserved for households earning up to 120% AMI; and 74 (33.79%) are sold to Market-Rate Homebuyers, without income qualification requirements.

Applicants should note that the Affordability Value of the proposed balance between Affordable and Market-Rate Homes will be a key consideration under the Selection Criteria. See §VIII.C.iv.

IV.G. Compliance with Fair Housing

Applicants must not discriminate against any individual or group based on Federally or locally protected classes in the provision of housing. Specific requirements, including an Affirmative Fair Housing Marketing Plan, will apply regarding marketing and sales. The development proposal will



undergo city and state level AFFH review and additional conditions could be applied.

IV.H. Application Development Project Eligibility & Priorities

Submitted applications must meet the minimum criteria to be considered for the Award. The City reserves the right to seek additional information beyond what is enumerated herein. Applicants should not apply if they cannot meet the Application Development Project Eligibility Requirements below. The City will prioritize applicants based on the following criteria:

- Financial Feasibility
 - Letters of commitment for development financing are required to sufficiently satisfy HCDD's mandatory conditions that the Applicant can access the capital necessary to complete the Project.
 - Proof of acceptable capitalization of the Developer's entity to ensure financial feasibility and creditworthiness.
 - A development budget, allocating individual sources to specific uses, subject to review and approval by the HCDD.
 - The Project must be determined feasible and viable by HCDD, based on its underwriting review of the Application.
- Homes
 - The proposal must include no fewer than 200 homes. The City will prefer a greater number of homes, provided such an increase above this minimum does not unacceptably compromise other outcomes. The proposal must stipulate the number of homes, provide a site plan detailing home types by the number of bedrooms and proposed affordability level, and provide preliminary floor plans and typical elevations.
 - Proposed homes must be no smaller than two-bedroom and no larger than four-bedroom.
 - Proposed Homes must be ENERGY STAR® compliant. The City will prefer greater levels of energy efficiency, resiliency, and build quality.
 - Proposed Homes must conform to the IBHS Fortified Gold Standard.
 - Proposed Homes must be new construction; the City is willing to consider either site-built or pre-fabricated (off-site) approaches.
 - Proposed homes must meet all requirements of City of Houston resilience standards.
 - Proposed homes must meet all requirements of the Hardy Yards Property Owners Association (POA) – Exhibit E
 - The Development must comply with all applicable federal and state requirements.



- Proposed Homes must comply with HUD 24 CFR Part 8 ADA and visitability requirements are as follows: Five percent (5%) of the total dwelling units shall be accessible for persons with mobility impairments. An additional two percent (2%) of units in such a project shall be accessible for persons with hearing and vision impairments
- The categories of Market Rate Homes and Affordable Homes must conform to the requirements of this NOFA (see §IV.F.i). The Project will be subject to an agreement regarding the number of total Homes and the number of Affordable homes, their sales prices, and other key considerations.
- Affordable Homes must be of equivalent size, quality, materials, and finishes as Market Rate Homes.
- Affordable homes must not be located in what could be considered less than desirable parts of the community. Throughout the Development, there may be no perceptible concentrations of homes by income level of Homeowner or pricing. There may be no superficially apparent or fundamentally functional distinctions between Affordable and Market-Rate Homes.
- Community
 - The plan must be responsive to conclusions reached through the City's community engagement process, with particular attention to the need for community-serving commercial use, green spaces, good design, walkability, affordability, and safety. See §III.C, Community Feedback and Priorities and §4)
- Process
 - Complete a fully responsive Application, inclusive of a timely and comprehensive response to all questions and concerns and requests for additional information by HCDD by the deadline imposed by HCDD.
 - Completed an updated Phase I Environmental Site Assessment (ESA.)
 - The Full Application may be required to stipulate additional project requirements.

IV.I. Award and Closing Contingencies

In the event of an Award under this NOFA, the City will require additional performance items as a condition of Closing.

- Final approval of site plan, home design, proposed home pricing, marketing plan, infrastructure design, and other aspects of the proposed Development, as determined by HCDD
- An Affirmative Fair Housing Marketing Plan (AFHMP), acceptable to HCDD
- Binding commitments on financing, acceptable to the City



- Building permits
- Recordation of applicable Land Use Restriction Agreement (LURA) acceptable to the City
- Certificates of Insurance for Builder's Risk, with terms acceptable to the City
- A firm, fixed-price construction contract, acceptable to the City
- Payment and performance bonds in the amount of the General Contractor's price, with terms acceptable to the City

A. Uses of Funds

The Land component of the City's HYWHDP Economic Participation will convey to the selected Developer at Closing at terms and conditions to be more fully established. The Land will transfer under a restrictive deed covenant stipulating requirements related to the Award, including but not limited to the number, size and design of homes, the sales prices of homes, the eligibility requirements of homebuyers, the site plan, community amenities, and the timing requirements of the completion and sale of homes. The Land may revert back to the City if the Developer defaults on any portion or part of the restrictive deed covenant obligation. The Loan component, which may be up to \$4,200,000, will be provided as a forgivable loan, and may be disbursed pursuant to the terms of a Loan Agreement, for actual, incurred, CDBG-DR-eligible costs.



V. MARKETING AND SALES OF AFFORDABLE HOMES

V.A. Pricing of Affordable Homes

Pricing of Affordable Homes (and corresponding income qualification standards for Affordable Homebuyers at those prices) will be at amounts to be established in an agreement between the Developer and the City, as a condition of the HYDAHP Economic Participation. Pricing levels must be affordable to eligible Homebuyers at stipulated levels of income, and such affordability will be determined based on such households' likely ability to obtain conventional mortgage financing in amounts sufficient to purchase the Affordable Homes at the established pricing.

The number of Affordable Homes (including their levels of affordability and their corresponding pricing), is a key outcome the City seeks to achieve with its HYWHDP Economic Participation. For illustration purposes only, see the sample calculation at Exhibit C, 'Sample Calculations Based on AMI, HOMEOWNERSHIP Affordability'.

HCDD distinguishes between the 'market price' of the home, which reflects its market value, and the 'selling price' to eligible homebuyers. For Market Rate Homes, the market price and the selling price will be the same. For Affordable Homebuyers, the market price will be the home's market value, but the selling price should reflect a discount, rendering the home affordable to the target homebuyer.

The HCDD will consider various approaches to structuring the sale of Affordable Homes, including:

- A reduced, affordable selling price for eligible homebuyers, with a LURA acceptable to the City and in accordance with requirements detailed hereinabove to ensure certain occupancy by the eligible homebuyer and/or resale restrictions.
- The eligible Homebuyer will purchase the home with a first and second lien. The first lien will be held by the bank or mortgage company securing the conventional mortgage based on the Homebuyers pre-qualification home purchase amount. The second lien represents the balance of the market sales price minus the reduced, affordable purchase price or subsidy. The City would hold the second lien in the form of a forgivable loan. The affordability period for the second lien is up to five (5) years, forgivable at a rate of twenty-five (25%) percent each year.
- Other proposed approaches permit eligible homebuyers to afford the home purchase while protecting the program goals of lower prices, long-term homeownership and equity appreciation. The overall HYWHDP Economic Participation through this Program is effectively converted to affordable homeownership.

HCDD is intentionally not releasing this NOFA with a specific format regarding financing and expects innovative and creative approaches from Developers toward a transaction in which the HYWHDP Economic Participation ultimately results in our goals of affordable homeownership opportunities.



V.B. Home Market Value Strategy

Pursuant to the Harvey Single Family Development Guidelines (see Exhibit B), “The maximum Homebuyer Assistance to qualified Homebuyers is limited to \$135,000.00 per Household. Other subsidies or sources of funding will not be used for the Harvey Single-Family Development Program.” Accordingly, the Market Price of homes cannot be more than \$135,000 above the selling prices to affordable homebuyers or higher than the Housing Trust Fund (HTF) Homeownership Value Limits. For example, if the determined affordable sales price of a three-bedroom home is \$189,000, the market price of that home (to a market purchaser) cannot be greater than \$324,000. Accordingly, in its approach to the design of homes, developers should not seek to develop homes in which the difference between the selling prices to affordable homebuyers and the market value of the homes exceeds \$135,000, for any configuration. For planning purposes, HCDD generally assumes that two bedroom homes should target a market value of approximately \$295,000 (or less), three-bedroom homes should target a market value of approximately \$324,000 (or less), and four-bedroom homes should target a market value of approximately \$348,000 (or less), to ensure this program restriction is met.

V.C. Marketing and Sales of Homes

Developers will be required to produce and implement an Affirmative Fair Housing Marketing Plan (AFHMP). The purpose of this AFHMP is to ensure potential Homebuyers are offered equal housing opportunities regardless of race, color, national origin, religion, sex, familial status, or disability. The AFHMP ensures the selected Developer effectively markets housing opportunities to groups that are least likely to pursue homeownership opportunities through the Program.

It is the responsibility of the Developer to tailor outreach and marketing efforts in accordance with the goals of the Program.

V.D. Intake and Eligibility Determination

Following the Developer's identification, pre-screening, and referral of eligible Homebuyers to City maintained Homebuyer Assistance Programs. It is the responsibility of the chosen homebuyer assistance program to complete intake, eligibility determination, ensure appropriate Homebuyer and homeownership counseling is available, and other efforts toward ensuring the successful purchase and ownership of homes created under this Program. Refer to Harvey Single Family Guidelines (Exhibit B).

V.E. Price Restrictions and Affordable Sales

Applications must document the proposed number of newly constructed homes to be sold at market rates and the number of homes to be sold at affordable price points to eligible households. The Developer awarded the HYWHDP Economic Participation will be required to sell homes in accordance with the agreed upon market rate to affordable rate allocation, which may be formalized in a LURA.



Affordable Homebuyer income eligibility will be based on household income as a percentage of Area Median Income (AMI), established annually by HUD. To qualify, the Homebuyer's income must not exceed eighty percent (80%) of AMI adjusted for household size; however, HCDD expects developers to propose a range of income levels and sales prices affordable to households at those income levels (see §IV.F). Land Use Restriction Agreements will attach to Affordable home sales.



VI. PROPERTY AND CONSTRUCTION STANDARDS

VI.A. General Overview

The new single-family homes must meet all applicable local codes, ordinances, and zoning ordinances at the time of project completion. Minimum Property Standards (MPS) for single-family new construction homes are outlined in the City of Houston HCDD Minimum Construction Standards for Rehabilitation, Reconstruction and New Construction of Single Family Housing.

Through its written Agreement with the selected Developer, the City will outline performance requirements and operational tools associated with construction management and oversight. The Agreement may include construction inspection information for progress, final payment requirements, and Texas Real Estate Commission (TREC) compliance. A Certificate of Compliance (COC) will be required to be submitted as proof of compliance.

The Developer warranty period shall commence on the date of issuance of the COC for the home. Warranties will be required for: workmanship and materials, mechanical or delivery systems, and the structural warranty covering the major structural components of a Housing Unit. Each warranty should be good for at least one full year or a reasonable the length of time set by industry standards.

Developers shall provide to the HCDD Director all necessary final certificates, licenses, consents, and other approvals of the various governmental authorities having jurisdiction, including a permanent COC, as applicable. HCDD Staff will ensure that all COC, warranties, and other final documents will be provided to the Homeowner by the Developer upon completion of the work.

VI.B. Minimum Property Standards (MPS)

All single-family new construction must, at a minimum, meet MPS at completion and all applicable local codes and ordinances, including Chapter 19 of the Code of Ordinances, City of Houston, Texas.

VI.C. Green Building Standards

At a minimum all unit designs must be ENERGY STAR® compliant. The Application may specify additional commitments to the City for green building standards (see §VIII.C)3). Projects which commit to stronger standards will be preferred. Within the Application, Applicants will be required to submit designs compliant with the green building standards. Inspections following construction completion will be conducted to confirm compliance.

Green Building Standards proposed by Applicants in the Application must meet an industry-recognized standard that has achieved certification under ENERGY STAR® (Certified Homes or Multifamily High-Rise).

The City of Houston will apply home Elevation Standards in compliance with FEMA requirements, and the City's current, more stringent, Chapter 19 of the Code of Ordinances, City of Houston, Texas,



known as the Floodplain Ordinance No. 2018-258, effective September 1, 2018, as may be amended from time to time ("Floodplain Ordinance"). The Floodplain Ordinance defines the Houston Special Flood Hazard Area (HSFHA) as comprising both the 100-year and the 500-year floodplain that are each defined in EO 11988 and 24 CFR Part 55. The City's Floodplain Management Office requires the HSFHA elevation standard of 500-year floodplain + two feet, or at least three feet above the highest adjacent grade where the depth is not specified. Furthermore, the Program will prohibit new construction activities in the floodway and the 100-year floodplain.

VI.D. Signage

Any recipient shall be required to place permanent signage in a prominent, visible public location to be included in the development budget. The Recipient will format the sign best to fit the architectural design of the building or facility but should be legible from at least three (3) feet distance.

"This project is funded by the City of Houston, the Texas General Land Office of the State of Texas, and the United States Department of Housing and Urban Development through the Community Development Block Grant Program to provide for disaster recovery and restoration of infrastructure for communities impacted by Hurricane Harvey."

VI.E. Resilient Home Construction

All homes must conform to the IBHS Fortified Gold Standard. The Application must commit to this standard. The City will prioritize projects which incorporate additional industry-recognized resilient home design standards which exceed the base program requirements (see §VIII.B). Resilient standards, when incorporated, will increase a home's resilience to natural hazards, including high wind, hail, and tropical storms.

During the Application process, Applicants will be required to submit designs compliant with the resilient building standards. Inspections following construction completion will be conducted to confirm compliance.

VI.F. Accessibility

All properties receiving federal funds from HCDD must comply with Uniform Federal Accessibility Standards (UFAS), [ADA 2010 Standards \(with exceptions\)](#), Visitability Standards. Refer to Harvey Single Family Guidelines (Exhibit B) and [Fair Housing Accessibility Guidelines](#). HUD has established rules explaining [Section 504](#) as it applies to housing. They are found in the [24 CFR Part 8](#). Code of Federal Regulations at Section 504 requires that 5% of all units (or at least one unit) must be accessible to persons with physical disabilities. An additional 2% of all units (at least one) must be accessible to persons with visual or hearing disabilities. These costs must be reflected in the Development Budget. A third-party consultant will review the architectural drawings for compliance



with these regulations. In addition, the Property will be inspected by an accessibility expert at approximately 50% completion and upon full completion and must be deemed in compliance before retainage will be released. Accessible units must be spread across all unit types and evenly distributed across the Property.

Access must be available to all dwelling units with one or more elevators and to all ground floor units for buildings without an elevator. The Fair Housing Act contains seven basic requirements that must be met to comply with the access requirements of the Act. These requirements are outlined in the [Fair Housing Act, as amended, 42 USC 3604\(f\)\(3\)\(C\)](#) and include the following:

1. An accessible building entrance on an accessible route
2. Accessible common and public use areas
3. Usable doors (usable by a person in a wheelchair)
4. Accessible route into and through the dwelling unit
5. Light switches, electrical outlets, thermostats, and other environmental controls in accessible locations
6. Reinforced walls in bathrooms for later installation of grab bars
7. Usable kitchens and bathrooms

Additionally, the Project must comply with the Architectural Barriers Act of 1968 (42 USC Sec. 4151 et seq.), including use of telecommunications device devices deaf persons (TDDS) or equally an effective communication system.

VI.G. Insurance

For all projects in the Program, all Developers must procure and maintain insurance for the duration of the Agreement to protect all contract assets from loss due to any cause, such as theft, fraud, and physical damage. Current Insurance and licensure documentation will accompany every construction draw request for payment to ensure contractor compliance.

VI.H. Environmental

The funded development will require an updated Phase I Environmental Site Assessment (ESA) to be in compliance with the standards established in the American Society for Testing and Materials (ASTM) E1527 – 13. Refer to Exhibit G. This update should be performed by the same vendor which performed the original assessment, to be current within six months of the proposed closing date. Any additional studies identified in the Phase I ESA will be required, including but not limited to Phase II ESAs, where applicable. Any Phase II ESAs will need to comply with the standards established in ASTM E1903 – 19. HCDD will review the Phase I ESA (and if applicable Phase II ESA) to ensure any, and all environmental issues requiring mitigation have been successfully addressed. To be considered



current, Phase I ESA's must be less than six (6) months old at the time of Full Application submission. No Phase I ESA is required as part of the Application. Phase I ESA's which are more than 6 months old at the time of closing, must be updated and resubmitted, and in the event a Phase I ESA is more than 12 months old, the Developer will be required to complete and submit a new Phase I ESA. Any additional studies and/or testing (including but not limited to Phase II ESAs) determined necessary based on Phase I recommendations would be required to comply with these standards. ESA requirements must be fulfilled as a condition of the Closing of any HCDD financing.

VI.I. Additional Requirements

Applicants must comply with the following to the extent that they are applicable to the work being performed and such other rules and regulations that the City may identify and require:

- Labor standards and worker protection requirements that may be required consistent with applicable law;
- Project costs must be "reasonable and customary."
- Prior to the commencement of construction, the Developer/borrower must have the Notice to Proceed issued by HCDD.
- Requirements may be imposed related to guarantees, draws of HCDD financing, inspections, retainage, or other protections toward ensuring the City's investment of funds is protected from failure to perform.
- Following all Affordable Homes construction completion and sales, the Developer must submit all required documentation closeout to the project and finalize the last draw with HCDD.
- Developers and Subcontractors must comply with recordkeeping and retention requirements in accordance with the program guidelines as stated in 24 C.F.R. § 570.503(b)(2).



VII. PROGRAM PRIORITIES

VII.A. Selection Criteria

All applications that will be evaluated for financing must meet HCDD's threshold review to be eligible for CDBG-DR funds. The selection criteria are both quantitative and qualitative with a ratio of seventy percent (70%) quantitative and thirty percent (30%) qualitative. Applications that meet threshold review will be reviewed internally by a panel of HCDD and other city personnel based on the information provided. The panel will evaluate the applications against a set of predetermined scoring criteria outlined in this section and Section VIII. All applications will receive an overall score and be ranked based on the merits of the submission.

It is to be noted that an application's score and ranking does not solely determine award status. An application must clearly demonstrate that the Development meets one or several priorities outlined in the guidelines and NOFA. The panel will finalize and itemize a list of applications recommended to receive an award of CDBG-DR funds. The list of recommended transactions will be presented to the Mayor's office for approval. The Mayor's office will have eligibility to approve or deny applications that meet HCDD's threshold review and align with the administration's priorities. HCDD will announce the transactions recommended for an award at Housing Committee and prior to council approval.

The City will prioritize the following as it pertains to the evaluation, selection, and Award of funds to enable affordable single-family large tract development through this Program:

- Developer capacity and experience and likelihood to succeed on an accelerated timeframe in all areas, inclusive of partnerships, financial capacity, prior record of success, and other considerations.
- The degree to which the proposed Development achieves objectives identified in the City's community outreach efforts.
- An appropriate balance of Affordable Homes to Market-Rate Homes.
- Appropriateness of Home sizes, the density of homes in the Development, open space, numbers of bedrooms, and other similar considerations.
- Development proposals providing a range of affordability options based on income levels.
- The overall design and build quality of the proposed homes, including the incorporation of industry-recognized resilient home design features, long-lived building systems, low-maintenance features, accessibility features, value, and other aspects of quality design and construction related to energy efficiency, lower ownership costs, indoor air quality, and disaster resilience.
- The HYWHDP Economic Participation relative to the Affordability Value of the proposed homes. For example, an Applicant providing only \$10 Million of proposed affordability value (as



represented by the proposed Affordable selling prices relative to market value) would be inferior in this measure to an Applicant proposing \$11 Million of proposed affordability value. Notwithstanding the importance of this measure, it comprises only one element of the overall scoring and consequently HCDD may select a Developer with a lower affordability value, if other considerations determine its proposal provides the best overall value.

- Projects with demonstrated readiness to break ground expeditiously following approval and Award and fulfill the overall obligations of the Award.

Meeting one or all of the above selection criteria does not guarantee an award. HCDD understands that some of the above-listed priorities may be difficult to achieve simultaneously. Therefore, the awarded proposal will not be required to excel in all of these areas. Applications meeting the threshold participation requirements will be carefully considered and scored.



VIII. SCORING

Total available scoring is a maximum of 100 possible points and is structured as follows:

- 1) Developer Capacity: 50 possible points, comprised of the following:
 - a) Prior experience: 10 possible points
 - b) Houston experience, at-scale: 10 possible points
 - c) Developer access to capital: 10 possible points
 - d) Developer financial strength: 10 possible points
 - e) Developer prior experience with affordable housing: 10 possible points
- 2) Disaster Resilience: 10 possible points
- 3) Attributes of Homes: 10 possible points
- 4) Community Attributes: 10 possible points
- 5) Affordability Value: 20 possible points.

VIII.A. Section 1 – Developer Capacity—50 Points Total

All applications will be assessed to establish the capacity of the applicant developer to develop the planned community on time, on budget, against quality standards. These criteria seek to identify prior, similar experience, ability to access necessary capital, and financial capacity.

VIII.A.i. Up to 10 Points: Relative Prior Experience

HCDD seeks developers with prior, proven experience and capacity to develop a community of 200+ homes and considers the volume of a developer's prior production to be an important indicator of this capacity and will consider the number of comparable single-family homes developed by the applicant within the U.S., within the last ten years. The applicant with the greatest number of such homes will be awarded ten (10) points. All other applicants will be awarded points proportionately. For example, if Developer A has developed 500 homes, Developer B has developed 375 homes, and Developer C has developed 100 homes, then Developer A will be awarded 10 points ($500/500 \times 10$), Developer B will be awarded 7.5 points ($375/500 \times 10$) and Developer C will be awarded 2 points ($100/500 \times 10$). For purposes of this calculation, the HCDD will accept multifamily developments (rental or condo) as part of the denominator, based on units produced (rental) or sales (condo). However, note that the threshold eligibility requirement related to single-family home development. To permit otherwise qualified developers from being disadvantageously outscored by developers of significantly larger scale, the highest scoring developer in this category may not score more than five points greater than the second-highest scoring developer. Final outcomes will be rounded to the hundredths decimal place.

VIII.A.ii. Up to 10 Points: Houston / Harris County Development Experience At-Scale.



HCDD seeks developers familiar with and knowledgeable about the Houston market, building codes, local subcontractors, and other locality-based considerations *at-scale*. For purposes of this calculation, the HCDD will accept multifamily developments (rental or condo) as part of the total, based on TDC (rental) or sales (condo).

- a) 10 points. Developer headquartered in Harris County, TX, with \$100M or greater in sales from the development of single-family homes in Harris County, TX in the last ten years.
- b) 8 points. Developer not headquartered in Harris County, TX, with \$100M or greater in sales from the development of single-family homes in Harris County, TX in the last ten years.
- c) 6 points. Developer headquartered in Harris County, TX, with more than \$50M and less than \$100M in sales from the development of single-family homes in Harris County, TX in the last ten years.
- d) 4 points. Developer not headquartered in Harris County, TX, with more than \$50M and less than \$100M in sales from the development of single-family homes in Harris County, TX in the last ten years.
- e) No points under this category may be awarded to a firm which has not done at least \$50M in sales from the development of single-family homes in Harris County, TX in the last ten years.

VIII.A.iii. Up to 10 Points: Developer Access to Capital to Complete Transaction.

HCDD seeks a developer with established access to capital.

- a) 10 points. Developer provides letter(s) from financial institution(s) through which it obtained construction financing previously, toward single-family homeownership developments, stating facts concerning their similar or greater scale, successful completion and repayment without acts of default, and indicating their interest in providing financing toward the proposed development.
- b) 5 points. Developer provides letter(s) from financial institution(s) through which it obtained construction financing previously, toward single-family homeownership developments, stating facts concerning their lesser but relevant scale, successful completion and repayment without acts of default, and indicating their interest in providing financing toward the proposed development.
- c) No points will be awarded to a developer who fails to submit letter(s) from financial institution(s) evidencing prior successful financing of relevant scale, of single-family home developments sponsored by the developer.

VIII.A.iv. Up to 10 Points: Developer Financial Strength.

HCDD seeks a developer and with financial capacity to undertake the proposed development, including the ability to guaranty completion. Developer-submitted financial statements for itself and/or guarantors demonstrating liquidity proportional to the development cost. For example, if the projected



development cost is \$60M, and liquidity is \$30M, five points ($\$30M / \$60M \times 10$) will be awarded. Scoring may not exceed ten (10) points. Final outcomes will be rounded to the hundredths decimal place.

VIII.A.v. Up to 10 Points: Developer Affordable Housing Experience.

Applicant developers will be ranked by the City with respect to prior experience with affordable homeownership, rental, and HCDD. The developer with the greatest depth and range of experience will receive ten (10) points; others will receive fewer points in proportion to the City's determination of their experience in affordable housing relative to the highest-ranked developer. This criterion will be subjectively scored.

VIII.B. Section 2. Disaster Resilience: 10 Points Total

VIII.B.i. Five Points: Commitment to IBHS Fortified Gold Standard

All applicants are required to commit to the building of homes in compliance with the IBHS Fortified Gold standard, inclusive of receipt of certification. Applicants proposing a development hereunder will receive five (5) points for this commitment.

VIII.B.ii. Up to Five Points: Further Commitments to Disaster Resiliency

All applications will be required to meet threshold criteria, as enumerated at §VI, Property and Construction Standards. Beyond this, HCDD will score Disaster Resilience based on a detailed consideration of the elements outlined in this section. The projects will be assessed regarding proposed features—**which are beyond the threshold requirements**—of project design (“Measures”) to reduce risk of harm to residents and the property in the wake of natural disasters and preserve immediate post-disaster habitability. Key concepts may include but are not restricted to elevation of units and/or mechanicals, materials or construction specifications, power generation or back-up power sources, or topography and landscape engineering. For each Measure, the proposal should identify what type of risk (flood, fire, wind, energy outage, etc.) is being mitigated and how the proposed Measure specifically reduces that risk and should establish that the proposed Measure is not otherwise a requirement. This criterion will be subjectively scored.



HYWHDP Disaster Resilience Scoring Rubric				
Cat.	1.25 points	.75 points	.5 point	0 points
A- Measures to Reduce Harm to Homebuyers and Property	Beyond the threshold requirements, Project incorporates specific, clear, realistic Measures to greatly reduce risk of physical harm to residents <u>and</u> the property <u>and</u> preserve habitability of units during <u>and</u> in the aftermath of severe weather events.	Beyond the threshold requirements, Project incorporates specific Measures to reduce risk of physical harm to residents <u>and</u> property <u>and</u> preserve habitability of units during <u>and</u> in the aftermath of severe weather events. However: the Measures are not fully realistic, clear and convincing and/or the measures are likely to reduce risk, but not likely to <u>greatly</u> reduce risk.	Beyond the threshold requirements, Project incorporates Measures to reduce risk of physical harm to residents <u>and</u> property <u>and</u> preserve habitability of units during <u>and</u> in the aftermath of severe weather events. However: the Measures are not specifically delineated, unclear, unconvincing, or unrealistic and/or are not likely to reduce risk.	Beyond the threshold requirements, Project does not incorporate Measures to reduce risk of physical harm to residents <u>and</u> property <u>and</u> preserve habitability of units during <u>and</u> in the aftermath severe weather events.



HYWHDP Disaster Resilience Scoring Rubric				
Cat.	1.25 points	.75 points	.5 point	0 points
B – Cost Benefit to Homeowners	Beyond the threshold requirements, Measures are highly cost-beneficial to homeowners. This should include a basic analysis which illustrates the positive impact of proposed resiliency features on the cost of homeownership. This may include lower insurance premiums and/or deductibles, lower maintenance and replacement costs, or other considerations.	Beyond the threshold requirements, Measures are moderately cost beneficial.	Beyond the threshold requirements, Measures are Minimally cost-beneficial.	Information does not demonstrate that Measures beyond the threshold requirements are cost-beneficial to homeowners.



HYWHDP Disaster Resilience Scoring Rubric				
Cat.	1.25 points	.75 points	.5 point	0 points
C – Impact on Persons with Disabilities	<p>Beyond the threshold requirements, Units and areas required to be accessible to persons with disabilities are addressed fully in the plan and proposed Measures are clearly consistent with accessibility requirements. Persons with disabilities are reasonably likely to fare as well as non-disabled persons in a disaster.</p>	<p>Beyond the threshold requirements, Accessibility is clearly achievable relative to the proposed Measures; however, it is not clear that persons with disabilities are reasonably likely to fare as well as non-disabled persons in a disaster.</p>	<p>Beyond the threshold requirements, It is unclear how persons with disabilities will access units and common areas, or otherwise be affected, as a result of the Measures; however, there is no indication that the Measures would preclude accessibility or that persons with disabilities are likely to fare worse than non-disabled persons in a disaster.</p>	<p>Beyond the threshold requirements, It is possible that persons proposed Measures would violate accessibility requirements or that persons with disabilities will at greater risk of physical harm in a disaster despite or because of the proposed Measures.</p>



HYWHDP Disaster Resilience Scoring Rubric				
Cat.	1.25 points	.75 points	.5 point	0 points
D – Impact to Neighboring Properties	Beyond the threshold requirements, proposed Measures will positively affect neighboring properties. The proposal should describe <u>how</u> the proposed measures will positively impact neighboring properties (e.g. allow the homes to be occupied / in service during and after an event therefore reducing vacancy and contributing to the health of the neighborhood, or capture storm water which could impact neighboring properties, or back-up power, etc.)	Beyond the threshold requirements, proposed Measures will not negatively affect neighboring properties and might positively affect neighboring properties.	Beyond the threshold requirements, proposed Measures will not negatively affect neighboring properties.	Beyond the threshold requirements, proposed Measures might negatively affect neighboring properties.

VIII.C. Section 3. Attributes of Homes: 10 Points Total

VIII.C.i. Five Points: Commitment to EnergyStar Requirements



All applicants are required to commit to the building of homes in compliance with the EnergyStar requirements, inclusive of receipt of certification. Applicants proposing a development hereunder will receive five (5) points for this commitment.

VIII.C.ii. Up to 5 Points: Further Commitments to Attributes of Homes

All applications will be required to meet threshold criteria, as enumerated at §VI, Property and Construction Standards. Beyond this, HCDD will score Attributes of Homes based on a detailed consideration of the elements outlined in this section. Proposed projects will be assessed regarding commitments—which exceed the threshold requirements—to home features (“Home Features”) which provide for enhanced outcomes. For purposes of this Section, the outcome value of proposed Features and their benefits will be assessed in terms of their Quality (homeowner comfort, safety, health, convenience, aesthetics) and their Value (longevity / durability, energy efficiency, lower replacement cost, lower ownership / maintenance cost). For each Home Feature, the proposal should identify what Value or Quality is being provided and how the proposed Home Feature specifically contributes to that outcome and should establish that the proposed Home Feature not otherwise a requirement. Considerations may include but are not limited to: solar; solar-ready; orientation, layout and configuration of homes; arboreal shading; window shading; appliances; solid-core doors; flooring products; finishes; hardware; fixtures; demising wall soundproofing; natural light; smart home technologies; ventilation; reflective roofing; energy efficiency of mechanicals in excess of threshold requirements; reduced water consumption / water recycling; thermal efficiency and envelope efficiency; homeowner education; and EV infrastructure. This rating should be demonstrated through examples of features providing the level of commitments beyond threshold requirements.



HYWHDP Attributes of Homes Scoring Rubric				
Cat.	2.5 points	1.5 points	1 point	0 points
A	Beyond the threshold requirements, Project makes specific commitments to Features which should greatly enhance housing Quality for homeowners.	Beyond the threshold requirements, Project makes specific commitments to Features which should moderately enhance housing Quality for homeowners.	Beyond the threshold requirements, Project makes specific commitments to Features which should perceptibly enhance housing Quality for homeowners.	Beyond the threshold requirements, Project does not make specific commitments to Features which should enhance housing Quality for homeowners.
B	Beyond the threshold requirements, Project makes specific commitments to Features which should greatly enhance housing Value for homeowners.	Beyond the threshold requirements, Project makes specific commitments to Features which should moderately enhance housing Value for homeowners.	Beyond the threshold requirements, Project makes specific commitments to Features which should perceptibly enhance housing Value for homeowners.	Beyond the threshold requirements, Project does not make specific commitments to Features which should enhance housing Value for homeowners.

VIII.D. Section 4. Community Attributes: 10 Points Total

HCDD will score Community Attributes based on a detailed consideration of the elements outlined in this section. Projects will be assessed regarding proposed community attributes (“Community Attributes”) which provide for enhanced outcomes. For purposes of this Section, the outcome value of proposed Community Attributes and its benefits will be assessed. For each Community Attribute, the proposal should identify what benefit is being provided and how the proposed Community Attribute specifically contributes to that outcome. Considerations items enumerated at §III.C, Community Feedback and Priorities. This rating should be demonstrated through examples of features providing the level of commitments beyond threshold attributes.



HYWHDP Community Attributes Scoring Rubric				
Cat.	2 points	1.5 points	1 point	0 points
A – Community Amenities	Project makes specific commitments to Attributes based on Community Amenities which should greatly enhance community Quality .	Project makes specific commitments to Attributes based on Community Amenities which should moderately enhance community Quality .	Project makes specific commitments to Attributes based on Community Amenities which should perceptibly enhance community Quality .	Project does not make specific commitments to Attributes based on Community Amenities.
B – Community Commercial / Retail	Project makes specific commitments to Attributes based on Commercial / Retail which should greatly enhance community Quality .	Project makes specific commitments to Attributes based on Commercial / Retail which should moderately enhance community Quality .	Project makes specific commitments to Attributes based on Commercial / Retail which should perceptibly enhance community Quality .	Project does not make specific commitments to Attributes based on Commercial / Retail .
C – Community Green Space Design	Project makes specific commitments to Attributes based on Green Space Design which should greatly enhance community Quality .	Project makes specific commitments to Attributes based on Green Space Design which should moderately enhance community Quality .	Project makes specific commitments to Attributes based on Green Space Design which should perceptibly enhance community Quality .	Project does not make specific commitments to Attributes based on Green Space Design .
D – Community Preserving the Near Northside	Project makes specific commitments to Attributes based on Preserving the Near Northside which should	Project makes specific commitments to Attributes based on Preserving the Near Northside which should	Project makes specific commitments to Attributes based on Preserving the Near Northside which should	Project does not make specific commitments to Attributes based on Preserving the Near Northside .



HYWHDP Community Attributes Scoring Rubric				
Cat.	2 points	1.5 points	1 point	0 points
	greatly enhance community Quality .	moderately enhance community Quality .	perceptibly enhance community Quality .	
E – Community Safety and Mobility	Project makes specific commitments to Attributes based on Community Mobility and Safety which should greatly enhance community Quality .	Project makes specific commitments to Attributes based on Community Mobility and Safety which should moderately enhance community Quality .	Project makes specific commitments to Attributes based on Community Mobility and Safety which should perceptibly enhance community Quality .	Project does not make specific commitments to Attributes based on Community Mobility and Safety .

VIII.E. Section 5. Affordability Value—20 Points Total

Up to twenty (20) points will be awarded for the calculated Affordability Value of the proposed homes. For this calculation, HCDD will compute the aggregate pricing differential between all Homes (which incorporates the Affordable Selling prices of the Affordable Homes and the Market Selling prices of the Market Homes) and subtract that from the Market Selling prices of all Homes. For example, if the developer proposes aggregate selling prices of \$54.4M, and the prices of all homes at market prices would be \$69.1M, then the Affordability Value would be \$14.7M (\$69.1M - \$54.4M = \$14.7M).

The proposal with the greatest Affordability Value will be awarded twenty (20) points. All other proposals will be awarded points proportionately. For example, if Developer A proposes an Affordability Value of \$14.7M and Developer B proposes an Affordability Value of \$12.2M, Developer A will be awarded 20 points and Developer B will be awarded 16.6 points (12.2 / 14.7 X 20 = 16.6).



IX. PROPOSAL RESPONSE GUIDELINES

IX.A. Application Format and Location for Submission

Application (Exhibit A) under this NOFA is due to the **City of Houston HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT by February 21, 2022, AT 3:00 PM. THE CITY INTENDS TO SELECT ONE AWARDEE ONLY.** Late applications will not be accepted and will be returned, unopened, to the Applicant at the Applicant's expense.

IX.B. Fees and Third-Party Costs

Applicants will be responsible for meeting all third-party expenses (signage, third party-attorney, plan and cost review, appraisal, accessibility review ... etc.) incurred by HCDD, whether or not the loan closes. HCDD recommends budgeting a minimum of **\$75,000** for applicable HCDD costs to be paid at Closing. Modification of HCDD loan terms after loan closing may be subject to modification fees of no less than \$25,000 and determined at the loan modification request.

IX.C. Application Submissions

The City of Houston as a unit of local government reserves the right to reject any and/or all applications, reserves the right to waive any formalities or irregularities in the proposal or evaluation process, and reserves the right to award contract(s) in the best interest of the City of Houston.

IX.D. Threshold Review

All applications will undergo a threshold review within 30 days of receipt of the Application. HCDD staff will notify the Applicant of any deficiencies within the Application. The Applicant will have five (5) business days to cure any deficiencies. Once an application has met the threshold, it may be scored by the committee.

IX.E. Material Changes

Prior to application scoring, HCDD will accept amendments to the Application up to 30 days after the due date. After an award is allocated, any material changes to the Project during underwriting or construction must be reported in writing to the Department. Failure to do so may result in a forfeiture of the Award.



IX.F. Format

HCDD expects applications to be complete and in accordance with the following guidelines:

1. Provide one copy of the application (Exhibit A) to the Housing and Community Development Department to address below.
2. All applications to be signed by the organization's Board Chair/Executive Director/President or Designee. Unsigned applications will not be accepted.
3. All statements requiring a notarized signature must be notarized.
4. Excel workbook: Complete each yellow cell of each Tab of the Application for City of Houston Funds, and provide all items listed on the Checklist. (Exhibit A)
5. One flash drive with the entire Application (including Excel workbook) is to be provided.
6. Prior to the deadline, the Department will accept applications from 8 a.m. to 5 p.m. each business day, excluding city holidays.

IX.G. No Contact Period

Neither Proposer(s) nor any person acting on Proposer(s)'s behalf shall attempt to influence the outcome of the award by the offer, presentation or promise of gratuities, favors, or anything of value to any appointed or elected official or employee of the City, their families or staff members. All inquiries regarding the solicitation are to be directed to the designated City Representative identified on the first page of the solicitation.

With the exception of Proposer's formal response to the solicitation and written requests for clarification during the period officially designated for such purpose by the City Representative, neither Proposer(s) nor persons acting on their behalf shall communicate with any appointed or elected official or employee of the City, their families, or staff through written or oral means in an attempt to persuade or attempt to persuade or influence the outcome of the award or to obtain or deliver information intended to or which could reasonably result in an advantage to any Proposer from the time of issuance of the solicitation through the pre-award phase and up to the date the City Secretary publicly posts notice of any City Council agenda containing the applicable award. However, nothing in this paragraph shall prevent a bidder from making public statements to the City Council convened for a regularly scheduled session after the official selection has been made and placed on the City Council agenda for action, or to a City Council committee convened to discuss a recommendation regarding the solicitation.



Applications will be accepted ONLY if addressed as follows.

Housing and Community Development Department
2100 Travis St., 9th Floor
Houston, TX 77002
Attn: Tywana Rhone

ALL APPLICATION SUBMISSIONS BECOME THE PROPERTY OF HCDD

All questions regarding this NOFA must be provided in writing and e-mailed to Tywana.Rhone@houston.tx.gov. The response will be posted to the website by Letter of Clarification.

IN ACCORDANCE WITH THE ANTI-LOBBYING ORDINANCE, CODE OF SILENCE OR SIMILAR REQUIREMENTS, AFTER THE APPLICATION SUBMISSION DATE AND UP TO PANEL REVIEW AND SCORING OF APPLICATIONS, ALL COMMUNICATION BETWEEN APPLICANTS AND CITY STAFF MUST BE IN WRITING.

IX.H. Appeals

HCDD's appeal process will be provided in writing to any appellant upon request or receipt of an appeal, and the same process will be clearly posted on the City's websites, including disaster recovery websites and entitlement program websites. HCDD will keep a record of each appeal that it receives and include all communications and their resolutions therein.

Applicants have the right to appeal decisions made on their program file based on the following:

- Non-receipt of Award through NOFA or RFP process
- Denied services through any of HCDD's programs
- Denial of a request for resolution for tax credits
- Program eligibility determination
- Program award calculation
- Program determination of Moderate or Substantial damage leading to Rehabilitation or Reconstruction
- A procedural error where the Application was not processed by program staff in accordance with the program guidelines
- Affirmatively Furthering Fair Housing

Appeals must be made in writing and may either be in letter form, through HCDD's website or on HCDD's Appeal Request Form (available on HCDD's website or at the HCDD office). Written appeals will be accepted either by mail or in person at the HCDD office. To be considered complete, an appeal



must contain the following information:

Name

Property Address

Mailing Address (if different from Property Address)

Phone

Application number (if applicable)

E-mail Address

Reason for Appeal

Appeals must be made within thirty (30) days of notice of the determination on the Applicant's file that generated the appeal. Upon receipt of an appeal, HCDD will respond in writing to the appellant of the program area's decision regarding the appeal and provide the basis thereof within thirty (30) days, as practicable.

IX.H.i. Appeals Review Committee

Should the initial appeal process with the program area not achieve a resolution amenable to the appellant, the appellant has the right to escalate the appeal, in writing, to the Appeals Review Committee (ARC). The appellant may only escalate the appeal after the completion of the initial program area process. The ARC will process the escalated appeal within thirty (30) days, as practicable. The ARC will transmit its decision to the appellant in writing.

IX.H.ii. Texas General Land Office

Should the appellant not be satisfied with the outcome determined by the ARC, they have the Option to dispute the decision by sending an appeal in writing to the Texas General Land Office (GLO). The appellant has thirty (30) days to submit an appeal directly to GLO following receipt of the ARC's decision regarding their appeal. If HCDD receives no word on a pending appeal within the appropriate timeline from GLO, HCDD will designate the appeal decision made by the Appeals Review Committee as the final decision and consider the matter closed.



IX.I. Complaint and Appeal Contact Information

HCDD Mailing Address

Housing and Community Development Department
2100 Travis St., 9th Floor
Houston, TX 77002
Attn: Planning & Grants Management
HCDDComplaintsAppeals@houstontx.gov

GLO Mailing Address

Texas General Land Office
P.O. Box 12873
Austin, TX 78711-2873
ATTN: GLO-CDR
cdr@recovery.texas.gov
(844) 893-8937
(512) 475-5000

IX.J. Other

IX.J.i. GOVERNING PROVISIONS AND LIMITATIONS

8. This NOFA does not commit the City to award a funding contract, pay any costs incurred in preparing a proposal for funds or procure or contract for services or supplies. The City reserves the right to accept or reject any or all proposals received and the right to negotiate with qualified applicants or cancel the proposal in part or in its entirety if it is in the City's best interest to do so.
9. Applicants must disclose documentation of insurance, FEMA, SBA, and any other type of funding received for disaster relief for the Site or Property. The City will also determine if insurance was required under the terms of the Applicant's mortgage or required as a condition of prior federal assistance received. Applicants who failed to secure required flood coverage will be ineligible.
10. The City reserves the right to:
 - a. Negotiate any contract awarded as a result of this NOFA to the extent that additional funding is available.
 - b. Reduce contract funding if the City does not receive adequate funding from the United States Department of Housing and Urban Development.
11. Applicants shall not, under penalty of law, offer any gratuities, favors, or anything of monetary value to any officer or employee of the City for the purpose of influencing favorable disposition toward his/her or their own proposal or any other proposal submitted hereunder.



12. News releases by applicants pertaining to any matter related to the selection process should not be made without the prior written approval of the City.
13. All materials furnished by an applicant in its proposal shall become the Property of the City and shall be considered public information, except for material that is excluded under the Texas Open Records Act. All material that an applicant considers proprietary shall be made known to the City on the proposal cover sheet.
14. Applicants will be required to assume full responsibility for all services, including that of any subcontractors.
15. The City reserves the right to make or request revisions to this NOFA.
16. The City's obligation hereunder is contingent upon the availability of appropriated funds from HUD. The City will have no obligation for payment of any money or transfer of any property unless, and until, HUD makes funds available to the City for this NOFA; and notice of such allocation is confirmed in writing by the City to the Applicant when program requirements are met.
17. Contract awards can be rescinded at any time at the City's sole discretion.
18. Contract awards may be adjusted based on the City's review of the Project prior to issuance of a Construction Contract.
19. Self-help. An applicant who receives a grant or performance-based loan shall not be allowed to perform any form of voluntary labor nor engage any third party to provide such. An applicant shall not be allowed to serve as his or her own project manager, construction contractor or construction manager.

IX.K. FUNDING CONTRACT AWARD MEETING

Following the selection of a successful proposal, an applicant will be notified to attend a funding contract award meeting. Items to be discussed at the meeting will be provided to the Applicant at least three (3) business days before the meeting date.

IX.L. PRE-CONSTRUCTION, CONSTRUCTION, AND FINAL COMPLETION SERVICES

1. The Developer will select its own Architectural/Engineering firm for design and project management services. The fees shall be included in the total budget for the Project. Under no circumstances will the City accept a "Design/Build" construction contract from a selected Developer.
2. The Developer must perform an independent cost analysis prior to selection of the architectural / engineering firm and provide supporting documentation of performed estimates before receiving bids or proposals. A cost or price analysis in connection with every procurement action is required. Project cost must be "reasonable and customary" as determined by an



acceptable, independent third-party report. No cost plus a percentage of cost contracts will be allowed.

3. The architectural/engineering firm selected by the Developer must have professional liability insurance (to include errors and omissions coverage) with such limits to be approved by the City. The project manager, on behalf of the Developer, shall provide services that include but are not limited to the following:
 - A. Develop the project programming, budget, preliminary design or work write-up, construction documents, and final cost estimate for the Project on behalf of the Developer.
 - B. Interpret the requirements of the Funding Contract between the City and the Developer and monitor for compliance.
 - C. Develop bid documents and related services for bidding of the Project by the Developer.
 - D. Receive, review, and evaluate bids with the Developer so that the Developer can award a construction contract to a construction contractor based on the lowest responsible bid and submit same for approval by the City.
 - E. Schedule and conduct a pre-construction conference on behalf of the Developer.
 - F. Issue a Notice to Proceed to the construction contractor on behalf of the Developer.
 - G. Monitor the construction to determine that work is proceeding in accordance with the construction documents.
 - H. Evaluate Contractor's payment requests and certify costs to enable the processing of payments.
 - I. Certify all change orders during construction and submit them to the Developer and City for approval.
 - J. Issue Certificate of Substantial Completion and recommend final acceptance of the Project to the Developer.
 - K. Submit closeout documents as applicable and required to finalize the Project.

IX.M. FURTHER INFORMATION

1. Any organization selected to receive CDBG funds must comply with all applicable regulations at 24 CFR Part 570. In addition, the Applicant must comply with any other applicable federal, state, and local laws and regulations that may apply to this type of Request for Proposals, including Davis/Bacon wage rates.
2. Davis-Bacon and related acts require that prevailing wage rates be paid to all construction laborers. This will mean weekly payment and submission of weekly payrolls of all contractors and lower tier subcontractors.
3. Successful applicants shall use the competitive sealed bid method of procurement as



described in 24 CFR Part 85 by following procurement standards in selecting a contractor to perform the construction work and shall award the construction contract to the lowest responsible bidder.

4. An Developer that is selected for funding a project is required through its project manager to submit a construction schedule and drawdown/payment schedule to the Director of the Housing and Community Development Department or his/her designee prior to the disbursement of grant funds. The City shall make payments in accordance with this schedule.

IX.N. Pertinent Federal Regulations

IX.N.i. Nondiscrimination and Equal Opportunity

An organization selected to receive CDBG funds must comply with the following:

1. The requirements of Title VIII of the Civil Rights Act of 1968, as amended, and Title VI of the Civil Rights Act of 1964 relating to the prohibitions against discrimination in housing and the denial of benefits of federally funded programs because of familial status, disability, race, color, religion, sex, or national origin.
2. The requirements of the Americans with Disabilities Act of 1990, prohibiting discrimination against persons with disabilities
3. The prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 and the prohibitions against discrimination against handicapped individuals under Section 504 of the Rehabilitation Act of 1973
4. The requirements of Executive Order 11246 relating to equal employment opportunity in connection with federally funded programs

IX.O. Section 3

The work to be performed under this Agreement is on a project assisted under a program providing federal financial assistance from the Department of Housing and Urban Development (HUD). Section 3 of the Housing and Urban Development Act of 1968, as amended, (12 USC 1701 u, "Section 3") applies to the Agreement. Under Section 3, to the greatest extent feasible, for any contract award in excess of \$100,000. The Contractor shall give opportunities for training and employment to lower-income residents of the City and shall award contracts for work in connection with the Project to business concerns which are located in or owned in substantial part by persons residing in the City. Contractors/subcontractors that are debarred, suspended, or otherwise excluded from or ineligible for participation on federal assistance programs may not undertake any activity in part or in full under this Project.



IX.P. Minority Business Enterprises / Small Business Enterprises

The City of Houston's policy is to ensure that Minority and Women Business Enterprises (MWBE) have full opportunity to compete for and participate in City Contracts. The Contractor shall comply with the City's Minority and Women Business Enterprise ("MWBE") programs as set out in Chapter 15, Article V of the City of Houston Code of Ordinances. The Contractor shall make good faith efforts to award subcontracts or supply agreements in at least 23% MBE and 11% WBE of the value of this Agreement to certified MWBEs. The Contractor acknowledges that they have reviewed the requirements for good faith efforts on file with the Office of Business Opportunity (OBO), available at <http://www.houstontx.gov/obo/docsandforms/goodfaithefforts.pdf>, and will comply with the set forth requirements. The Contractor shall identify the M/WBE participation level to equal at least 34% value of the Agreement.

1. The requirements of Community Development Block Grant regulations at 24 Code of Federal Regulations Part 570.
2. The requirements of the Contract Work Hours and Safety Standards Act (40 USC 327 et seq.), also known as Davis/Bacon.

IX.Q. Pay or Play

Contractors shall comply with the City's Pay or Play Program, as set out in Executive Order No. 1-7, the requirements, and terms of which are incorporated into this NOFA for all purposes. Contractors have reviewed the requirements of Executive Order No. 1-7 at <http://www.houstontx.gov/obo/popforms.html>. The Contractors should demonstrate that they have the willingness and ability to comply with the City's Contractors' Pay or Play Program.

IX.R. Applicability of OMB Circulars

A sub-recipient of CDBG funds must comply with the policies, guidelines, and requirements of 24 CFR 84, which now codifies OMB Circular No. A-110; A-122; and A-133 as they relate to the acceptance and use of grant amounts by nonprofit organizations.

IX.S. Conflicts of Interest

In addition to conflict of interest requirements in 24 CFR 84, which now codifies OMB Circular A-110, no person who is an employee, agent, consultant, officer, or an elected or appointed official of the City, state recipient or nonprofit Recipient (or any designated public agency) that receives CDBG grant amounts and who exercises or has exercised any functions or responsibilities with respect to assisted activities or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract or Agreement with respect thereto, or the proceeds there



under, either for him or herself or those with whom he or she has family or business ties, during his or her tenure or for one year thereafter. **Developer must investigate its own organization and report all potential Conflicts of Interests, as described in this section, at the time of application submission. Failure to do so is grounds for immediate disqualification from the NOFA process.**

IX.T. Environmental Compliance

Once an Application has been received by HCDD, internal staff must review for compliance with all federal environmental regulations as explained in 24 CFR Part 58, and approval from HUD must be granted to receive funding. During this review period, neither an Applicant nor any participant in the development process, including public or private nonprofit or for-profit entities or any of their contractors, may commit or expend any funds, including non-HUD funds, or commence substantial construction activities on the Site. Rehabilitation of any buildings built before 1978, must comply with federal lead-based paint requirements including lead screening in accordance with 24 CFR Part 92.355 and 24 CFR Part 35, subparts A, B, J, K, M, and R.

All properties must be free of contaminants/hazardous substances at levels that pose dangers to users of the Property or conflict with the intended purpose of the Property as explained in 24 CFR 58.5(i)(2)(i). This includes, but is not limited to toxic mold and asbestos. Suppose there might be a concern that a property contains toxic mold or asbestos. In that case, the Borrower will be responsible for the testing and either the implementation of an O&M plan (operations and maintenance plan) or the abatement process (for which the Contractor must be a certified asbestos contractor).

IX.U. Uniform Relocation Act

Borrowers must comply with the Uniform Relocation Act and Real Property Acquisition Policies Act of 1970 (URA) as amended and the Housing and Community Development Policy and Procedure Manual. The URA requires that the property owner receiving federal funding provide notices and assistance to tenants impacted by Acquisition, demolition, and/or rehabilitation/reconstruction. HCDD staff will assist Borrowers in complying with the URA. Please provide the following documentation for all Acquisition, Demolition, and Rehabilitation developments:

- Detailed Relocation Plan with fully executed Assurance Letter
- Detailed Budget for Relocation
- Notice to Real Property or Deed

Templates and the HCDD relocation policy may be found on the City website at:
www.houstontx.gov/housing/multicompliance.html. - or in Handbook 1378 at the following web site:
<http://www.hud.gov/offices/pih/centers/sac/update1378.cfm>



IX.V. Selection of General Contractor

Applicants must comply with all applicable federal, state, and City procurement statutes, regulations, and ordinances. The City of Houston is charged with making efforts to determine that Project costs are reasonable.

Bidding Process - The Borrower must go through an open bidding process for the selection of the General Contractor. The City has determined that by going through a bidding process in which at least three (3) responsive bidders submitted a bid, that the winning bid is presumed to be reasonable in the market due to the competitive nature of the bidding process. The Recipient must secure approval from the Compliance and Monitoring Division to ensure that the proposed Contractor is cleared and eligible to perform work on Project funded by federal grants. Therefore, the Recipient must submit the form (Request for Contractor Clearance) to the Compliance and Monitoring Division and obtain approval for the proposed contractor prior to executing a contract agreement.

IX.W. Cost Overruns and Completion Guaranty

Borrowers must demonstrate the ability to fund cost overruns proving financial capacity, funding of a dedicated account, or a letter of credit.

IX.X. Construction Draws and Inspections

During construction, Borrower will allow a third-party firm retained by the City to make site visits and review all necessary documentation that the third-party firm feels is necessary in confirming the amount of work in place pursuant to each respective draw request. Borrowers will certify that each draw request is for actual costs expended and must provide documentation to support such costs, including sub-contractor payment requests/invoices.

The City will only pay for work completed and substantiated by the third-party firm. Expenditures must be allowable and reasonable in accordance with federal, state, and local rules and regulations. HCDD shall determine the reasonableness of each expenditure requested. Any change in scope during the construction process must be approved reasonably in advance by HCDD. HCDD may request Borrower to make modifications to the disbursement request and is authorized to modify the disbursement procedures set forth herein and to establish such additional requirements for payment of funds to Borrower as may be necessary or advisable for compliance with all program requirements. The General Contractor and all subcontractors must be in compliance with the requirements of Davis-Bacon, MWBE, Pay or Play, and Section 3 for a draw request to be funded. HCDD will not reduce a draw request amount nor fund a partial draw if any contractor whose payment is included in a draw is found to be out of compliance with these provisions, and the total amount of the draw request will go unfunded until all contractors are in compliance.

HCDD will retain 10% of each draw for all construction costs until satisfactory completion of the



Project. Retainage will be held until a final inspection is completed and approval is issued by HCDD and certificate of completion is submitted; labor standards final wage compliance report is completed; certificates of occupancy or compliance (whichever is applicable) are received from the City; the project architect provides a signed AIA G704 statement of completion; the Property is free of all Liens as after the completion of construction based on the date included on the AIA G702 form submitted for the construction draw request for 100% completion of the Project; and any other reasonable requirements as may be deemed necessary by HUD, or the City. The Department shall not be obligated to pay for costs incurred or performances rendered after the termination date of a Contract.