

# 2019

Office of Grant Management and  
Community Development

**HOME Investment  
Partnerships Program**



## **REQUEST FOR PROPOSALS AND NOTICE OF AVAILABILITY OF FUNDS**

Program Year 2018 (Fiscal Year 2018-2019)

## Introduction

The City of Brownsville's Office of Grant Management and Community Development (OGMCD) is requesting non-profit and for-profit affordable housing developers, contractors, sub-recipients, and community housing development organizations (CHDOs), to submit a program application to participate in the City of Brownsville HOME Program.

The City of Brownsville administers and implements the HOME Investment Partnerships Program (HOME Program), a federally-funded program through the U.S. Department of Housing and Urban Development (HUD). The HOME Program is designed to strengthen public-private partnerships and to expand the supply of decent, safe, sanitary, and affordable housing, for very low-income and low-income families. HOME funds are used to carry out multi-year housing strategies through acquisition, rehabilitation and new construction of housing, and tenant-based rental assistance. In addition, HOME funds are used to provide assistance in a number of eligible forms, including loans, advances, equity investments, interest subsidies and other forms of investment that HUD approves.

Proposed projects under this HOME RFP must be consistent with the City's 2015-2019 Consolidated Plan (Con Plan). The Con Plan can be found at: <http://www.cob.us/DocumentCenter/Home/View/640>.

Proposed activities to be funded must also complement the four HOME Program Objectives: (1) provide decent affordable housing to lower-income households, (2) expand the capacity of non-profit housing providers, (3) strengthen the ability of state and local governments to provide housing, and (4) leverage private sector participations.

## Notice of Funding Availability (NOFA)

Approved projects will receive funding through the U.S. Department of Housing and Urban Development's HOME allocation to the City of Brownsville for eligible activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. An estimated total of \$664,047.00 in HOME funding will be available for the 2018-2019 fiscal year. Of that amount, ten percent (10%) may be reserved for the administration of the HOME Program. In addition, at least fifteen percent (15%) must be awarded to a community housing development organization (CHDO). Also, available will be \$ 300,000.00 of program income. Total available for 2018-2019 fiscal year will be \$ 964,047.00. The estimated total amount may change if there are adjustments made by Congress or by the U.S. Department of Housing & Urban Development, or if there are any reprogrammed funds available after the application has been posted.

## Eligible Project Costs

HOME funds provided through this RFP may be used to pay for the following general purposes:

- **New Construction:** New construction of both rental and homebuyer housing.
- **Rehabilitation:** Alteration, improvement, or modification of an existing structure.
- **Reconstruction:** Rebuilding, on the same lot, of housing standing on a site at the time of project commitment.
- **Conversion:** Conversion of an existing structure from another use to affordable residential housing.
- **Site improvements:** Site improvements must be consistent with improvements to surrounding standard housing projects.
- **Acquisition of property:** Acquisition of existing standard property that meets applicable HOME property standards, or substandard property in need of rehabilitation, as part of either a homebuyer program or a rental housing project. After acquisition, rental units must meet HOME rental occupancy, affordability, and lease requirements.
- **Acquisition of vacant land:** HOME funds may be used for acquisition of vacant land only if construction will begin on a HOME project within 6 months of project commitment. Land banking is strictly prohibited by the HOME Program.
- **Demolition:** Demolition of an existing structure may be funded through HOME only if construction will begin on the HOME project within 6 months of project commitment.
- **Relocation costs:** The Uniform Relocation Act (URA) and Section 104(d) (also known as the Barney Frank Amendments) apply to all HOME-assisted properties. Both permanent and temporary relocation assistance costs are eligible. Staff and overhead costs associated with relocation assistance are also eligible.
- **Refinancing:** HOME funds may be used in conjunction with rehabilitation to refinance existing debt on homeowner rehabilitation or rental rehabilitation project. Refinancing only programs without rehabilitation is not an eligible HOME activity. Other restrictions apply.

- **Initial operating reserve:** HOME funds may be used to fund an initial operating deficit reserve for new construction and rehabilitation rental projects for the initial lease-up period. The reserve may be used to pay for project operating expenses, scheduled payments to a replacement reserve, and debt service for a period of 18 months.
- **Project-related soft costs:** These must be reasonable and necessary. Some examples include finance-related costs, architectural, engineering and related professional services, tenant and homebuyer counseling, project audit costs, and affirmative marketing and fair housing services to prospective tenants or owners of an assisted project, etc.

### Ineligible HOME Project Costs

The following costs are ineligible under this RFP:

- Acquisition of vacant land or demolition only;
- Acquisition of land or properties owned by the City of Brownsville;
- Project reserve accounts;
- Match for other programs;
- Development, operations, or modernization of public housing;
- Project-based rental assistance;
- Fees charged by rental property owners;
- Payment of delinquent property taxes, fees or charges.

### HOME-Eligible Forms of Subsidy

The HOME rule lists the following forms of subsidy as eligible:

- Interest-bearing loans or advances
- Non-interest-bearing loans or advances
- Deferred loans (forgivable or repayable)
- Grants
- Interest Subsidies
- Equity Investments
- Loan guarantees and loan guarantee accounts

### Compliance and Reporting Requirements

Applicants must comply with all HOME requirements at [24 CFR Part 92](#), Revised 8/23/13. All applicants are encouraged to review the HOME requirements applicable to their project:

- General project requirements (92.205(a) through 92.508(c));
- Environmental Review (92.352 and NEPA Sections 58.35(a) and (b) and 58.36);
- Rental Project related requirements (92.216(a), 92.252(a) through (j), 92.253, 92.504(d)(1)(ii) and 92.504(d)(2));
- Tenant Based Rental Assistance (92.209 and 92.216);
- Homebuyer Activities (92.2, 92.217, 92.254(a)(2) through (5));
- CHDO Projects (92.300(a), 92.301 and 92.303);
- Other Federal Requirements (92.257, 92.305(a), 92.351 through 92.358).

Applicants also agree to comply with all applicable City of Brownsville, State of Texas and Federal compliance requirements. The recipient further agrees to furnish information to the City, as requested and on a timely basis, to insure compliance with pertinent provisions. The City will not consider any proposals from organizations with prior and/or unresolved monitoring issues.

### Performance

The City of Brownsville will require all projects to commence within 30 days after executing a written agreement. OGMCD requires that all funds be expended and the project completed within 24 months of award unless the OGMCD Director grants an extension in writing for good cause.

## Application Information

### Availability

The Application Packet will be available beginning **Tuesday, March 20, 2018**. A hard copy of the application will be available for pick-up at the Office of Grant Management & Community Development, 1150 East Adams Street, 3rd Floor, El Tapiz

Building, Brownsville, Texas 78520; Monday through Friday, from 8:00 a.m. to 12 noon and from 1:00 p.m. to 5:00 p.m., excluding City Holidays. The funding application will also be available at the Department's website at: <http://grants.cob.us>.

### Deadline

Deadline to submit a complete application is **Friday, April 20, 2018 at 5:00 p.m. Central Time**. Applicants must hand deliver or postmark application responses by the April 20, 2018 deadline to be considered for funding. Applications received after this date and time will be considered late and they can neither be accepted nor considered.

### Format and Submission Requirements

- Organizations must submit **one (1)** original, signed, and typed application on 8.5" x 11" paper, and **one (1)** scanned electronic copy of the signed and typed application along with all supplemental documents on a computer disk or flash drive.
- The original application and electronic copy must be individually organized in a 3-ring binder and properly tabbed and labeled.
- The application must be completed in its entirety and all items must be addressed. **You should write N/A for items not applicable. DO NOT LEAVE ANY BLANKS.**
- Only one application per project request is allowed (for example, if you have two proposed projects to submit, you need to submit two separate applications).
- Completed applications must be postmarked, or be hand-delivered or delivered by courier to:

Office of Grant Management & Community Development  
City of Brownsville  
ATTN: Housing Manager  
1150 East Adams, 3<sup>rd</sup> Floor  
Brownsville, Texas 78520

Please do not use previous versions of the application as all previous versions of the application are voided and will not be considered. In addition, no alterations or deletions to the application format are allowed.

Please make sure to read all questions and instructions carefully. The care that goes into accurately and informatively completing this application is an indication of your agency's ability to manage the complexities of the HOME program requirements.

**NOTE: Failure to comply with any of the requirements above will result in disqualification of your application.**

### Invalid Applications

Applications will be rejected and will not be considered for funding for the following reasons, without exceptions:

- Proposed project does not meet eligible activities under HOME Part 92;
- Any/all proposed HUD assisted activity(ies) do not meet the City of Brownsville 2015-19 Consolidated Plan Objectives;
- Applicants are not in good standing with the City of Brownsville;
- Applicants have unresolved monitoring issues;
- Application is incomplete, unorganized, and/or does not follow the requested format and/or submission requirements;
- Application is not submitted by the deadline using the City's clock;
- Applicant falsifies information;
- Applicant purposely submits misleading or inaccurate information.

### Application Presentation

Presentations will be carried out before the Brownsville Citizens Advisory Committee (BCAC) at a later date/time announced by HOME staff. Presentations will be a maximum of five (5) minutes in length and will be followed by up to two (2) minutes of questions from the BCAC.

### Pre-bid Meeting

Prior to the submission of proposals, OGMCD staff will held a pre-bid meeting on Thursday, March 29, 2018 at the Office of Grant Management and Community Development Conference Room from 3:30 to 4:30 pm. The purpose of the meeting is to provide a limited amount of technical assistance and to answer general questions regarding the completion of the RFP and the process. Attendance to the pre-bid meeting is not mandatory. In addition, it is up to the interested organization to make sure that they take the necessary steps to comply with the requirements of the RFP.

### Protest Procedure

Prospective bidders whose direct economic interest would be affected by the award of a contract or by failure to award a contract may file a protest with the City of Brownsville's Purchasing/Contracting Director, City Hall, 1001 E. Elizabeth St., First Floor, Suite 101, Brownsville, TX 78520. Protests must be submitted in writing and specify the portion of the specification or RFP procedure that has been violated. At a minimum, a protest must include:

- A. Name, address, and telephone number of protestor;
- B. Identification of contract solicitation number;
- C. A detailed statement of the legal and factual grounds of the protest, including copies of relevant documents; and,
- D. A statement as to what relief is requested.

For a full outline of the procedures and requirements for submitting a protest, please contact the Purchasing/Contracting Director at (956) 548-6087.

### Application Evaluation Criteria

Applications will be reviewed using the criteria below. Applicants that do not meet the threshold requirements will be deemed ineligible for further consideration. Only projects meeting threshold requirements will be scored.

#### Threshold criteria include:

- 1) Application must be complete and received by the application submission deadline.
- 2) Applicant Developer must demonstrate capacity to complete proposed project and project lease-up within the required timeframe.
- 3) The proposed activity must be eligible under the City's HOME Program and the program design as outlined in the Consolidated Plan and this RFP. No thresholds may be exceeded. All outlined requirements must be met.
- 4) Proposed projects must comply with income targeting requirements.
- 5) Project Developers must agree to adhere to all contracting and hiring requirements.

Eligible applications will be evaluated by City staff according to the following selection criteria:

#### Applicant Developer Capacity (30 points)

Proven record of development and/or redevelopment experience with comparable activities in similar neighborhoods; Applicant Developers demonstrating "capacity" will:

- 1) Have a recent history of development and/or redevelopment that includes high quality affordable residential products delivered on-schedule and on-budget.
- 2) Have an existing and continuing presence conducting successful projects within the City of Brownsville.
- 3) Have adequate staffing levels with appropriate skills & qualifications to complete the proposed project within the stated timeframe.
- 4) Have a skilled and experienced development team with experience on similar projects.
- 5) Demonstrate the extent to which previous experience is similar in type, scale, and complexity to proposed project.
- 6) Demonstrate that current and projected workload will not interfere with ability to complete this project in a timely manner.
- 7) Provide evidence of organizational financial strength.

#### Project Feasibility (30 points)

Quality and efficiency of overall project design. The following will be evaluated:

- 1) The project is efficient in its use of HOME funds, and in its leveraging of other funds.
- 2) Project budget is logical, reasonable, and a good value for the product. Estimated development and construction costs are well researched and detailed.
- 3) Project is well structured and designed, with clear, appropriate, and detailed scope of work or plans and specifications.
- 4) Implementation schedule is logical and reasonable.

- 5) There are effective marketing and sales strategies in place.
- 6) Application and project information is detailed, logical, consistent, and reasonable.

**Community Impact/Project marketability (50 points)**

Projects must be marketable and involve properties that demonstrate a likelihood of having a stabilizing impact on the neighborhood.

- 1) A market study or similar document must show that the proposed project is marketable as structured.
- 2) Projects must be of a sufficient size and intensity, as determined by how closely units are clustered together, to make a significant impact on the surrounding neighborhood. Will the configuration of units likely be adequate to improve the marketability of the units within the project and the value and marketability of the surrounding homes?
- 3) Provide evidence that the project is close to public transportation, grocery stores, parks, and other amenities that may add value to the project and stabilize the community.
- 4) Homes should be selected that will position them to meet the needs of the targeted market population, including house layout, size, number of bedrooms/bathrooms, architectural and aesthetic value, etc.
- 5) Projected rehabilitation/construction should include materials, design, and amenities that will make the units energy efficient and marketable.

**Readiness to Proceed (20 points)**

Ability to implement project activities within a reasonable time after commitment of funds and to meet required milestones and deadlines as outlined in the RFP. Applicant Developers demonstrating “readiness” will:

- 1) Have site control (ownership of properties or ability to close on acquisition within a reasonable time).
- 2) Have approved designs and completed architectural and engineering drawings
- 3) Have in place all needed zoning and permits.
- 4) Have an assembled development team.
- 5) Have a pipeline of eligible buyers who are interested in the homes and the neighborhood and buyers who are credit and income qualified.
- 6) Have relationships with lenders who have loan products that meet the needs of the target population and are not considered predatory.
- 7) Have procured and selected a building contractor for the project. A contract is in place that is contingent upon project funding.
- 8) Other sources of funding are adequate and show proof of commitments along with ability to close within 60 days.

**Total Points – 130**