



CITY OF HOUSTON

Housing and Community Development Department

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Mayor

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DATE: August 3, 2015
SUBJECT: Letter of Clarification No. 2
REFERENCE: Housing and Community Development Department
Public Facilities Development and Renovation Program (Solicitation No. RFP T24060)
TO: All Prospective Respondents

This Letter of Clarification is issued for the following reasons:

• **To revise the above referenced solicitation for submission of questions**

1. I have not been able to have anyone to do the Environmental Phase 1 of the project yet. Everyone that I have contact can't give a date until after August 13th. Can I get one after the application is approved or considered?

Answer: The Phase I will not affect your scoring, however, should your project be selected for City Council consideration, you will be required to provide a Phase I.

2. I still have not been able to locate on the COH web site the two certification documents listed below — "Lobbying" and "Debarment, Suspension, & Other Responsibility Matters". Could you please explain the difference between Project Overview and Scope of Work? I am not sure what you are looking for in each document.

Answer: The Lobbying and Debarment, Suspension, & Other Responsibility Matters documents will be placed on HCDD website. Please go ahead and submit all 4 deed documents you have for the subject property. Project Overview is the overview of work needing to be done and Scope of Work describes specifically what funding is being requested for.

3. Can I use the CDBG funds to pay off an 80/20 loan on the property I want to demo and rebuild? The General warranty deed is in the name of the organization; however the mortgage to Ocwen & Chase is in my name. The total amount is about \$53,000. If so what would be needed from me?

Answer: CDBG funds cannot be used to repay third party loans.

4. As the CEO and applicant of the organization can I be the project Admin and get paid with CDBG funds?

Answer: Public Facilities CDBG dollars are for construction, rehab, or acquisition of facilities, and cannot be used for administrative costs.

5. Have you received an answer concerning the 2-year audit for a small organization earning under 25,000 that file e-post cards 990, required to have this audit done?

Answer: Audited financials are required for agencies/non-profits that have reached the threshold of \$750,000 in annual federal expenditures. If that threshold has not been met, the un-audited financials will be sufficient.

6. Are there any requirements from the City of Houston or HUD that limit whether the CDBG funding can be used to pay a sum or portion of a sum of third party financing previously obtained prior to the start/approval of an applicant under this funding opportunity? For instance, if an applicant has received a bank loan, can the funding be utilized to pay for a portion, or all of, the bank loan, given that the project meets the Section 3, MWSBE and Davis-Bacon requirements, or good faith efforts are provided to support attempts to meet the Section 3 and MWSBE requirements?

Answer: Grant funds cannot be used for loan repayment.

7. Are there any requirements for when the funding must be used relative to other sources of funding that may support the project? For instance, if a successful awardee receives other federal funds, third party financing, private donations, etc., can the funding under CDBG be utilized in parallel to other funds on the project, or is it expected that the CDBG funding will be the initial funding to be fully expended and drawn prior to utilizing other sources of funding? Or the final funding?

Answer: CDBG funds should be used prior to any third party financing or other funding available for the project.

8. Does the City of Houston have a timeline for the loan forgiveness terms attached to successful awardees under the CDBG funding opportunity?

Answer: Funds will only be re-paid if the land use restriction (usually 5 years) is not met, or if there is a breach in contract.

9. Can you tell me if having a general contractor identified for the project proposed in the grant is a requirement? Our project involves a city owned building that we have been told would be made available for our proposed use (this is based on multiple meetings with city officials) but we do not have a lease agreement in place yet nor do we have a contractor identified. I know that pages 17-39 of the grant relate to the project contractor. Are we automatically disqualified if we do not have the contractor in place?

Answer: The GC is not required to have been selected before submitting your proposal. Please indicate in your proposal that a contractor has not been selected. This will not affect your score on the proposal.

When issued, Letter(s) of Clarification shall automatically become a part of the solicitation documents and shall supersede any previous specification(s) and/or provision(s) in conflict with the Letter(s) of Clarification. It is the responsibility of the respondent to ensure that it has obtained all such letter(s). By submitting a bid proposal on this project, respondents shall be deemed to have received all Letter(s) of Clarification and to have incorporated them into their bid proposal.

If further clarification is needed regarding this solicitation, please contact me.

Sincerely,

Derrick McClendon

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