



CITY OF HOUSTON

Housing & Community Development Department

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Subject: Letter of Clarification No.3 CHDO Single-Family Home Development

Reference: Request for Proposal No.: T28889

To all Prospective Proposers:

This Letter of Clarification is issued for the following reasons:

- To answer the following questions:

- 1. Question** Please clarify the discrepancy between TAB 2 Item 4 requirements and TAB 3 Item 6 requirements (most is a duplicate)

Answer There is a duplication. Please answer TAB 3 Item 6. Proposers have the option to eliminate TAB 2 Item 4.

- 2. Question** Confirm level of Fortified standards requested (Bronze, Silver, or Gold) Is the selected level optional? Houston Habitat currently builds to the bronze standard but the RFP seems to indicate a higher level.

Answer The required FORTIFIED Home level is Hurricane Resistance Gold Designation. Housing designs standard (9.1) on page 11 indicates the Gold standard.

For detailed clarification please see FORTIFIED HOME Hurricane Standards (2019), section "**Hurricane Resistance Gold Designation**." Also, available are Technical Bulletins that cover approved optional methods to achieve compliance with FORTIFIED Home Standards requirement at:
<https://disastersafety.org/fortified/resources/>

- 3. Question** When the RFP requires us to submit 3 configuration options does that mean 3 different floor plans, elevations, and roof styles for each option of A, B, and C? Or just 3 different elevations and roof styles?

Answer No, one floor plan per option with exterior elevation is acceptable. Each proposal is required to include 3 different configuration options, roof styles and front elevations at the time of the proposal.

- 4. Question** The CHDO developer is free to build anywhere within the City of Houston as long as the property is taxed by City of Houston, correct?
- Yes, the CHDO Developer is free to build anywhere within the City of Houston. Housing must be built in one of the eleven City Council Districts. See the map at: <https://www.houstontx.gov/council/maps2016/alldistricts.pdf>
To determine if an address is located in a City Council District, enter the address at: <https://www.houstontx.gov/council/whoismycm.html>
- 5. Question** Can CHDO developer utilize contaminated property provided that the land is properly remediated and made free of any contaminants?
- Answer* Yes, with clear documentation of the remediation and prior approval. Approval will be based on the type of contamination that was remediated, and the siting of the property in relation to community environmental justice (nearby factories, chemical plants and or garbage dumps).
- 6. Question** Are there any limitations on minimum property lot size under this project?
- Answer* Yes, all lots must be a minimum of 40 feet by 100 feet or 4,000 square feet in size. Exceptions will be reviewed on a case by case basis with approval by HCDD.
- 7. Question** Can a CHDO developer utilize its owned land to develop under this project? If so, what is the maximum cost allowance for owned property to be used under this project?
- Answer* Yes, a CHDO developer can utilize its owned land to develop under this project. The maximum cost allowance for the owned property is determined based on several aspects: market value, the purchase cost of the land, the overall affordability, and site location considerations such as the following:
- Complete Community - Sites located within the boundaries of a Complete Community.
 - Concerted Revitalization Area - Sites located within any other identified Concerted Revitalization Plan identified by a prior adopted plan by Houston City Council.
 - De-concentration of Poverty - Sites located in census tracts with low levels of poverty concentration.
 - Proximity to Urban Core - Sites located within 4 miles of Houston City Hall.
 - Access to Local Transit - Sites located within a ¼ mile to high frequency Metro stop. High frequency transit service is defined as service arriving every 15 minutes on average from 6 am to 8 p.m. seven days a week.
 - School Performance - Elementary, Middle and High School Ratings issued by Children at Risk for schools zoned to the site.
 - Neighborhood Amenities - Proximity to neighborhood amenities including grocery stores, public park, pharmacy, health facility, public library and schools.
 - Employment - Proximity to employment and/or training opportunities.
- 8. Question** Can all five (5) homes be within one single design plan or must the homes be a mix of Design A, Design B, and/or ECHO option?
- Answer* Yes, all five (5) homes can be within one design plan. The program narrative must state the target population and purpose of the marketing strategy. However, one design plan could negatively impact the evaluation points for Design Criteria.

9. Question Section 3 - only applicable when hiring new personnel?

Answer No. All contractors or subcontractors that receive covered contracts more than \$100,000 for housing construction, rehabilitation, or other public construction are required to comply with the requirements of Section 3.

If the contractor/subcontractor has the need to hire new persons to complete the Section 3 covered contract or needs to subcontract portions of the work to another business, they are required to direct their newly created employment and/or subcontracting opportunities to Section 3 residents and business concerns. The same numerical goals apply to contractors and subcontractors (i.e., 30 percent of new hires, 10 percent of construction contracts, and 3 percent of non-construction contracts).

10. Question Can you please clarify if Homebuyer Counseling (one-on-one) or Homebuyer Education (group) is required for perspective homebuyers?

Answer Effective August 23, 2013 (HOME Final Rule), any homebuyer that enters into a written agreement for HOME assistance or enters into a sales contract for the purchase of a HOME-assisted unit must receive housing counseling §92.254(a)(3). The CHDO Single Family Program has adopted HUD's recommendation to consider the benchmarks for counseling established by the National Industry Standards for Homeownership Education and Counseling available at:
<http://www.homeownershipstandards.com/Home/Standards.aspx>.

Please see: National Industry Standards for Homeownership Education and Counseling.

Educational Content

Standards for Homeownership Education

- Pre-Purchase Standard Homeownership Education Content (Required)
- Post-Purchase Standard Homeownership Education Content (Recommended)
- Affordability Covenants and Recapture (Required)

Standards for Homeownership Counseling

- Minimum Standard Activities for Homeownership Counseling (Required)

Duration

A minimum of 8 hours of Home Ownership Counseling is required; collectively, with Homeownership Education, approximately 12 hours are recommended.

Form of Counseling

A combination of *one-on-one*, *small groups*, and *classroom setting* are recommended.

The CHDO Developer will arrange for a HUD Approved Agency to provide the Homeownership Counseling and Education. Alternatively, homeownership education can be provided by an approved organization. Generally, the CHDO Developer will pre-screen prospective homebuyers, arrange and document their homebuyer counseling sessions. Costs related to counseling a HOME-assisted homebuyer may be charged as eligible project-related soft costs in accordance with §92.206(d)(6), or administrative costs in accordance with §92.207(b). Housing counseling expenses may only be charged as project-related soft costs if the counseled homebuyer ultimately receives HOME assistance, and the cost of housing counseling when added to the amount of HOME assistance does not exceed the HOME maximum per-unit subsidy limit.

11. Question Is there an Exhibit I in this solicitation or is the FACT SHEET/ Attachment I Application Cover Sheet considered Exhibit I?

Answer The attachments to Solicitation No. T28889 are the following:

- Exhibit A – CHDO Single-Family Home Development Program Guidelines
- Attachment I – CHDO Single-Family Home Development Application
- Attachment IIA – (New CHDOs) CHDO Pre-Certification Application
- Attachment IIB – (Previous Certified CHDOs) 2019 CHDO Recertification Applications

12. Question Will individual pre-purchase counseling be required?

Answer Yes, screening and pre-purchase counseling are required. Prior to starting construction, the homebuyer must have executed a sales contract and provide documentation that the first lien mortgage meets the eligibility requirements.

13. Question Should Homebuyer Education be required, will you provide recapture focus education material?

Answer Yes, the Housing and Community Department (CHDO Program) will provide **recapture-focus** education materials and training for the CHDO Developer.

14. Question A prospect homebuyer must qualify for \$130,000 30-year fixed interest rate mortgage loan and 31/43 ratios. That leaves-out single (one headed)-households below 70% of AMI. Is the program allowing additional layering of down payment assistance such as Neighborhood LIFT- \$15,000, lenders in-House DPA and Individual Development Accounts IDAs to bridge financing gaps for low income buyers?

Answer Yes, the program allows for additional subsidy layering from non-federal assistance such as Neighborhood LIFT, lenders' in-house down payment assistance and Individual Development Accounts (IDAs) are welcomed to bridge financing gaps for qualified low-income homebuyers.

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

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



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