City of Houston, Houston Housing Authority and Harris County Funding Collaborative

PERMANENT SUPPORTIVE HOUSING

CITY/COUNTY COLLABORATIVE REQUEST FOR PROPOSALS

HARRIS COUNTY SUPPLEMENTAL APPLICATION GUIDEBOOK

FOR:

HOME INVESTMENT PARTNERSHIPS (HOME) PROGRAM

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Overview

As a member of the Houston/Harris County Continuum of Care, the City of Houston through its Housing and Community Development Department, Harris County through its Community Services Department, and the Houston Housing Authority are participating in the community's initiative to end chronic homelessness in Houston by 2016. To achieve this goal, a community plan has been generated that includes the creation of 2,500 units of permanent supportive housing (PSH).

Through annual point-in-time counts of our homeless population, it is estimated that on any given night in Houston, 6,400 individuals are homeless. Of these, approximately 2,500 are considered chronically homeless. HUD's definition of a chronically homeless person is: *"a homeless individual or head of household with a disabling condition who has either been continuously homeless for a year or more OR has had at least four (4) episodes of homelessness in the past three (3) years".* A disabling condition is defined as *"a diagnosable substance use disorder, serious mental illness, developmental disability, or chronic physical illness or disability, including the co-occurrence of two or more of these conditions".*

These citizens frequently confront serious, persistent issues such as addiction or alcoholism, mental illness, HIV/AIDS, and other serious challenges to a successful life, and thus require a more substantial level of care in a supportive housing environment to return to housing stabilization. A permanent supportive housing (PSH) unit is defined as an affordable rental housing unit that is linked to a range of support services that enable tenants, especially the chronically homeless, to live independently and participate in community life. PSH is an evidence-based practice that has been proven to be the most successful intervention for chronically homeless persons. HUD has independently verified that more than 80% of tenants in permanent supportive housing remain stably housed for more than one year.

Harris County is releasing this application in collaboration with the City of Houston and Houston Housing Authority to achieve the Houston/Harris County Continuum of Care goal to end chronic homelessness in the county by 2016. To minimize duplication of effort in the application process, Harris County will accept City of Houston applications, with an attached Harris County supplemental application and required attachments. For additional information on the collaboration and this RFP's effort to develop permanent supportive housing units see the *2013 Permanent Supportive Housing Request for Proposals* guidebook posted with the application and application guidebook on Harris County CSD's website at www.csd.hctx.net/ps_rfp.aspx and the City of Houston's website at www.houstontx.gov/housing/rfp.html.

The goal of this RFP is to provide *permanent* supportive housing. Therefore transitional housing or any type of shared housing will not be considered. Projects can contain a mix of efficiency, one bedroom and two or more bedroom units. All units must contain a separate bathroom and a separate food preparation area, each with its own sink and fixtures. Projects may contain a mix of market rate, traditional affordable housing, and permanent supportive housing units, but applicants should note that the amount of public investment available for any one project will be largely driven by the number of permanent supportive housing units being provided. Applicants must balance the availability of funding for PSH units, the challenge of proposing a property that will be financially feasible, and the necessity for a critical mass of homeless tenants to justify the resources of the service providers. Note that Harris County funding can only support units designated for homeless individuals/families when the site is located in the Cities of Houston, Baytown, and Pasadena.

Application Fact Sheet

Harris County is releasing this application in collaboration with the City of Houston and Houston Housing Authority to achieve the Houston/Harris County Continuum of Care goal to end chronic homelessness in the county by 2016. The Harris County Community Services Department (CSD) invites qualified organizations with eligible permanent supportive housing projects to apply for County HOME Investment Partnerships Program funds. Harris County seeks organizations that can demonstrate the capacity to assist the Department in meeting the priority needs (Measurable Objectives) of the Program Year 2013 – 2017 Consolidated Plan.

Prior to responding to the application, each qualified organization is urged to review the Guidebooks and read the instructions carefully. Before submitting the application, check all calculations and review the package to ensure that all sections are complete and required forms are included. Inaccuracies, omissions and use of application forms from previous competitions will be grounds for rejection. All proposals will become part of Harris County's official files, and if awarded, will be incorporated by reference into the Agreement with Harris County.

For additional information see the *2013 Permanent Supportive Housing (PSH) Request for Proposals* guidebook posted with the application and application guidebook on Harris County CSD's website at www.csd.hctx.net/ps_rfp.aspx and the City of Houston's website at www.houstontx.gov/housing/rfp.html.

Application Submittal

- All applicants are encouraged to attend the Applicant Conference to be held November 12, 2013. Please visit our website at www.csd.hctx.net under the Funding Opportunities page or email rfp@csd.hctx.net for additional information.
- To minimize duplication of effort in the application process, Harris County will accept City of Houston applications, with an attached Harris County supplemental application and required attachments.
- Submit no more than three (3) proposals in response to the Collaborative City/County RFP for county funding. If submitting more than one proposal, prioritize each application (Priority 1, Priority 2 or Priority 3). Indicate the Priority on the first page of each application.
- Bind only with binder clips. Insert labeled tabs for the sections as outlined in the Application Checklist. Do not use sticky notes as a substitute for tabbed dividers.
- **Submit five (5) hard copies (two originals and three copies) and one electronic copy of the application and budget forms on disk in their original format.** Do not include scanned copies in the electronic submission. Indicate whether the proposal is an original or copy on the first page of each application. All proposals must:

  - ✓ Include all attachments in their entirety as outlined on the Application Checklist.
  - ✓ **Include the ATTN: HCCSD Development Staff on the outside of its sealed envelope. Each copy of the proposal must be in an individually sealed envelope and clearly marked as "Original" or "Copy."**
  - ✓ Copies should NOT have any form of binding or be submitted in a folder or binder, but held together with binder clips only.
  - ✓ All originals **must** be signed in **blue** ink.

Proposal Due Date: ~~Thursday, December 12, 2013 by 3:00 P.M. CDT~~
Wednesday, January 15, 2014 by 3:00 P.M. CST
Submit to: Harris County Community Services Department
8410 Lantern Point, Houston, Texas 77054
Late proposals will NOT be accepted

Introduction

Consolidated Plan and Annual Action Plan

The U.S. Department of Housing and Urban Development (HUD) requires all participating jurisdictions to submit a long-range strategic planning document called the Consolidated Plan. The PY2013-2017 Consolidated Plan describes the housing and community development needs of Harris County for this five-year period. The document represents Harris County's vision for improving the quality of life in the low-income areas of the County. It also gives specific details on what will be accomplished and how it will be done. It is through the Consolidated Plan that Harris County determines its funding priorities each program year.

The Annual Action Plan (AAP) is the annual update to the Consolidated Plan. The AAP describes resources available, how those resources are to be utilized, including funded projects, and the geographic distribution of those resources. The AAP process has been specifically created to assist in mapping one-year actions for community development and making good use of available federal, state and local resources.

The Consolidated Plan* and Annual Action Plans can be viewed on our website at www.csd.hctx.net

Harris County Service Area

As Harris County is only seeking housing proposals that serve homeless persons/families, all projects may be located throughout Harris County, including Houston, Baytown and Pasadena.

PY2013-2017 Consolidated Plan Measurable Objectives

Measurable Objectives are developed following an analysis of existing conditions and an extensive citizen participation process. For this RFP, Harris County CSD is seeking proposals that rehabilitate or construct permanent support housing units for homeless persons/families. For additional information on this RFP's effort to develop permanent supportive housing units see the *2013 Supportive Supportive Housing (PSH) Request for Proposals* guidebook posted with the application and application guidebook on Harris County CSD's website.

APPLICATION PROCESS

Limitations of the RFP

Harris County Community Services Department (CSD) reserves the right to accept or reject any and all proposals received. In addition, Harris County reserves the right to negotiate with all qualifying organizations or to cancel in whole or in part an application if deemed in the best interest of Harris County as it relates to the Consolidated Plan. Organizations may participate in negotiations and resubmit any proposed expenses, technicality, or other revisions of their proposal as requested by CSD.

Available Funds

The estimates for HOME funding made available to this RFP are based on Harris County's PY2014 HOME award and availability of prior year funding and is subject to change according to Consolidated Planning priorities. **County fundings available includes $1,000,000 in HOME funding and $400,000 in HOME CHDO funding.**

Those organizations seeking County funding should fill out both the City's application and Harris County Supplemental application and submit to Harris County CSD offices by due date. The City's application can be found at www.houstontx.gov/housing/rfp.html) and the Harris County Supplemental application can be found at www.csd.hctx.net/ps_rfp.aspx. Links the City's, County and Houston Housing Authority sites are also available on each of the above web addresses.

Eligible Applicants

Non-profit organizations (including faith-based organizations providing services in a secular manner), for-profit developers of affordable housing, municipalities and local governments who deliver services to low-income clients within Harris County's service area may apply for funding. All non-profit organizations **must have non-profit status with supporting documentation from the IRS at the time of application** to be considered for funding through Harris County.

Tax Policy for all Applicants

Pursuant to TX Local Government Code 262.0276, Harris County requires that all applicants' taxes be current to be eligible for assistance. Whether or not an applicant's taxes are delinquent will be determined by an independent review of the Tax Office records. Applicants who believe a delinquency is reflected in error must contact the Tax Office to correct any errors or discrepancies prior to submitting their proposal in order to ensure that their proposal will be considered. Tax records are available online at the Tax Office website found at www.hctax.net. Prior to submitting a proposal, applicants are encouraged to visit the Tax Office website, set up a portfolio of their accounts and make their own initial determination of the status of their tax accounts. Furthermore, if during the performance of this contract, an applicant's taxes become delinquent, Harris County reserves the right to provide notice to the Auditor or Treasurer pursuant to Texas Local Government Code §154.045.

Disbursement of Funds

Harris County funds are provided to awarded organizations **on a reimbursement basis only,** except in the case of acquisition projects where funding may be provided at closing. This means that funds will be available to the organization ***after*** it has paid for eligible project costs; however, no costs incurred prior to contract approval may be reimbursed. Harris County requires that organizations provide documentation that they will have at least three months of working capital (see p.24) or have an open line of credit through a financial institution to cover project costs. Working capital must be in the form of liquid assets. Future funding through donations, capital campaigns or other grant sources are not considered working capital.

Conflict of Interest

The standards in OMB Circular A-110, Subpart C, provide that no employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when an employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. All organizations must complete and submit the Conflict of Interest Disclosure section of the application to document any perceived or actual conflict of interest.

Minimum Criteria

The proposed project must:

- Provide housing that benefit homeless persons/families of the Harris County

- Meet a Consolidated Plan Measurable Objective (rehabilitation or new construction of permanent supportive housing units for homeless persons/families).
- Document meeting one HUD National Objective. As the county is seeking proposals to house homeless persons/families, organizations must document homeless status, per HUD guidelines.
- Provide match in an amount equal to no less than 25 percent of the total requested amount.

Those seeking funding in this joint city/county RFP should fill out the City's application found on the City's website at www.houstontx.gov/housing/rfp.html and the County's supplemental application (if seeking county funding) at www.csd.hctx.net/ps_rfp.aspx. All applicants must complete the application in a professional manner, with all sections completed in their entirety, as well as demonstrate knowledge and experience in the area of the program proposed. Applicants must also retain any required licensing and other qualifications needed to carry out the proposed program. Housing developments must comply with the Harris County Affordable Housing Standards, which can be found on the Harris County CSD website at **www.csd.hctx.net**.

Organizations must demonstrate financial viability and capacity to operate a federally-funded program strictly on a reimbursement basis. A financially viable organization is one that is able to:

- Operate for three to six months pending reimbursement without financial hardship
- Demonstrate an existing and consistent cash flow
- Have a separation of duties for personnel, time allocations, etc.

Organizations that are current subrecipients **must be in good standing** with the County (i.e. have no outstanding reporting delinquencies, monitoring findings, or program capacity issues) to be considered for funding.

Financing Terms

Harris County financing terms are described in the Harris County Affordable Housing Standard, which can be found on the Harris County CSD website at **www.csd.hctx.net**. The County desires to provide enough funding to each approved transaction to increase the availability of affordable units, or substantially improve the quality of existing units, without over-subsidizing (enriching) the development or increasing the risk associated with over-leveraging the development (too much debt for the restricted rents to support). The County reserves the right to determine award and financing terms based on the financial evaluation of the transaction in tandem with the program requirements and availability of funds. Applicants may not transfer ownership of the asset, or refinance its debt, throughout the affordability period except with the express consent of Harris County CSD

The County's Land Use Restriction Agreement (LURA) must be superior to all other liens. In most cases the County's loan position will be junior to Senior Debt; however the County reserves the right to have a position senior to other sources of financing. A LURA requires that the rents charged to tenants are based upon the renter's income as a percentage of Adjusted Median Income (AMI) established annually by HUD. The LURA also defines the number of units which must be restricted and to which income groups ("restricted units"). These covenants must be in a lien position superior to all other debt, including existing debt, and will require any existing lender to subordinate to the rent restrictions.

Equal Access to Housing
On February 3, 2012, HUD published a final rule in the Federal Register entitled Equal Access to Housing in HUD Programs regardless of Sexual Orientation or Gender Identity. The rule creates a new regulatory provision that generally prohibits considering a person's marital status, sexual orientation, or gender identity (a person's internal sense of being male or female) in making housing assistance available. Now lesbian, gay, bisexual, and transgender people are guaranteed equal access to all housing for all types of housing (affordable, permanent, transitional and emergency) funded through HUD.

Review Criteria
At the time of submission, all applications are reviewed by Harris County staff for eligibility based on a number of threshold factors. While evaluating applications for initial eligibility, reviewers use the following established criteria:

- Does project meet a National Objective or applicable program objective?
- Does project address a Measurable Objective?
- Does project include the required eligible match?
- Is the application complete, and is all of the requested information included in the application?
- Has the organization been debarred or owe outstanding taxes (see p. 5)?
- Is the organization listed with the Office of Foreign Assets (OFAC) as engaging in terrorist activities?

The second phase of the review process addresses the specific projects being proposed. The following criteria are used in making project recommendations:

- Priorities of the Consolidated Plan
- Completeness of proposal
- Diversity of funding base
- Prior history with federal funds
- Availability of working capital
- Need and community impact
- Measurable goals and objectives
- Program administration and operational expenses
- Organizational capacity
- Financial capacity
- Geographic distribution of projects
- Past and current performance
- Projected outcomes
- Reasonable projected costs
- Matching funds

If applicable:
- Construction work descriptions, plans, schedules, photos and cost estimates
- Relocation policy
- Marketing plans
- Other program required information (i.e.: Davis-Bacon Labor policy, Affirmative Marketing Plan, participation of a homeless or previously homeless person in policy and decision making, and Minority Outreach Plan, Lead-Based Paint, etc.)
- HCCSD will use its discretion to select projects that will be visited during the RFP process. Site visits should accurately reflect the descriptions provided in the application.

Monitoring Reviews
Upon funding of an awarded project, monitoring becomes an important component of the Grants Management process. It is critical that Harris County and subrecipients maintain the appropriate

documentation to support their activities in accordance with federal guidelines and Harris County Community Services reporting requirements.

In conducting performance reviews, Harris County will primarily rely on information obtained from the subrecipient's performance reports, records from on-site monitoring, and audit reports. Performance monitoring reviews typically result in a formal written report from Harris County summarizing the monitoring review and indicating whether or not the subrecipient was found to be in compliance with all applicable regulations or requirements.

Due to federal requirements related to the expenditure of funds, Harris County will require monthly reporting for all public service projects. A regular review of expenditures will be conducted for affordable housing projects to ensure timely use of funds. Delays in the use of funds as compared with the submitted expenditure plan will result in the possible de-obligation of awarded funds.

Recordkeeping
Accurate recordkeeping is crucial to the successful management of grant-funded activities. Insufficient documentation will likely lead to monitoring findings. Please pay careful attention to guidelines outlined within the eligible activities section of the HCCSD website. If it is determined that the supporting documentation is incorrect or insufficient, reimbursement will be denied for costs associated with the ineligible expense.

Access to Records
HUD and the Comptroller General of the United States, or their authorized representatives, in addition to Harris County Staff have the right to access Grantee and subrecipient program records.

Application Details and Scoring

	Application Section	**Points Available**
Application Information	Exhibit A and HC Supplemental	5 points
Organizational Information	Exhibit B	15 points
Project Information	Exhibit C and HC Supplemental	30 points
Project Compliance and Scope of Services	Exhibit D and HC Supplemental	20 points
Permanent Supportive Housing	HC Supplemental	5 points
Project Budget Information	Exhibit E and HC Supplemental	25 points
Total		**100 points**

PROGRAM SPECIFIC REQUIREMENTS

HOME Investment Partnerships (HOME)

Forms of Financial Assistance – Harris County may provide a HOME subsidy in the form of a Pre-development Loan (CHDOs only), a low-interest loan, a deferred loan or a grant. The final decision on the type of subsidy provided will be determined by the loan review committee based on the type of project, applicant and proposed activities. For more information on the types of financial assistance provided applicants should review Section V of the Harris County Affordable Housing Standards.

Site Control - All applicants must be able to document site control, which may include a deed of trust or agreement of sale. Inability to document site control will result in elimination during the threshold review.

Security and Land Use Restrictions - Funding of Affordable Housing Projects is secured by Deeds of Trust to Secure Performance and Regulatory Agreements and Declaration of Restrictive Covenants (RC). The subordination of the Deed of Trusts to Secure Performance to the financing for the construction and development of the projects is acceptable. In the event that there are multiple funding sources for a project, the County's RC will not be subordinated to other entity liens, regardless of amount of funds provided. Intercreditor Agreements are required when more than one (1) entity is providing funding for a project, with the County's RC remaining unsubordinated. The Intercreditor Agreement will establish lien position and require that senior lenders notify the County in the event a senior lender learns of a default under a senior loan for the project and require senior lenders to provide the County an opportunity to cure a default on a project loan.

Application and Origination Fees – Harris County requires an application fee for all affordable housing projects. The fee, calculated at one half of one percent (0.5%) of the loan commitment, is payable with the application. The amount is refundable in the event that the application does not pass threshold review. An origination fee of one percent (1%) of the loan commitment is payable at closing. The application fee will be applied toward the origination fee due at closing if awarded funding. Non-profit developers proposing a Permanent Supportive Housing project will be exempt from the application and origination fee if they qualify for a grant subsidy, determined by Harris County CSD during review.

Affordable Housing Standards - All affordable housing projects requesting Harris County funding will be required to meet the Affordable Housing Design Standards. The complete standards are available on the Harris County Funding guidelines page www.csd.hctx.net. Review of this document is critical to ensure compliance with project specifics such as building placement, unit size and proximity to amenities. Prior to application submission, applicants proposing new construction of multifamily housing and senior housing are encouraged to contact HCCSD for project evaluation to ensure proper dispersal of subsidized multi-unit housing throughout the County's service area and compliance with the concentration policy.

Energy Star and LEED Certification - All projects for affordable housing are expected to meet or exceed Energy Star or LEED Certification standards. Following funding recommendations,

awarded projects will be expected to submit mostly completed plans (approximately 90%) reflecting details on Energy Star Certification, landscaping and all other construction specifics.

Joint Funding Requirements (HOME funding only) - Housing developments that serve homeless and formerly homeless individuals located outside of the Harris County's service area must be jointly funded by both participating jurisdictions. Example: A permanent supportive housing development for homeless individuals is located within the City of Houston requesting funding from Harris County must also be funded by Houston to be eligible for County funds.

Contractor Procurement - Harris County requires the procurement of all contractors and subcontractors through an open and competitive process. Proper procurement, as monitored by HCCSD, ensures steps are taken to eliminate potential conflict of interest issues when hiring contractors.

Eligible Sources of Match

In accordance to HOME Investment Partnership Program (24 CFR Part 92.218), the Harris County Community Services Department is advising applicants to provide match in an amount equal to no less than 25 percent of the total requested amount. Please note that match is not leveraging but a permanent contribution to affordable housing and the obligation is created by the "drawdown" of HOME funds for a particular project. The match obligation may be met with any of the specific eligible sources listed below.

1. Cash or cash equivalents from a non-Federal source including:
   - Local or state general revenues
   - Housing trust funds
   - Foundations, donations
   - State appropriations;
   - The interest rate subsidy achieved by the exemption of state or local taxes
   - Present value of the interest subsidy for loans made at rates below market

   The full face value of a cash contribution can be counted if it is from non-federal funds, and the contribution is permanent. ***Permanent contributions are those where all repayment, interest, or other return on investments is made to the participating jurisdiction's HOME Investment Trust Fund***.

2. Forbearance of fees and waived/reduced taxes (HOME projects only) including:

   a) State and local taxes
      - Applies only to HOME-assisted projects
      - Value of foregone real estate taxes must be based on post improvement value
      - The value of fees, taxes or charges foregone for future years is the present discounted cash value of the amount forgiven, based on the treasury security rate closest in maturity to the number of years for which fees, taxes or charges are foregone

   b) Charges and fees
      - These are fees normally associated with property transfer or development, such as title searches, title insurance premiums and utility hook-ups or surcharges

Waived taxes, charges or fees are not match credit if the waived fees are associated only with the HOME program. This means you cannot create a fee and waive or reduce it for the HOME project only. Additionally, developers cannot waive their own fees.

3. Value of donated land or real property
    - Permanently contributed to project
    - Property may be donated
    - Property may be sold below its market value

4. Investments in on-and off-site infrastructure
    - Must be directly related to HOME-assisted projects and directly facilitate the occupancy of HOME units.
    - Streets
    - Sidewalks
    - Gutters
    - Street lights
    - Utility lines and connections

5. Proceeds from State or Local Housing Bonds
    - Home limits the amount of match to fifty percent (50%) of the face value of each loan made to HOME-assisted or HOME- eligible multi-family housing project.
    - Home limits the amount of match to twenty five percent (25%) of the face value of each loan made to HOME-assisted or HOME-eligible single family housing projects may be counted.

6. Value of Donated materials, equipment, labor and professional services
    - Materials must be for site preparation and construction of HOME-assisted or HOME-eligible housing projects.
    - Materials must have been purchased with non-federal funds.
    - The full value of the contribution may be counted (that is the rental rate multiplied by the number of hours / days for which the equipment was donated).
    - The value of any donated or volunteer labor, including professional services, may be counted. HUD will provide the hourly labor rate for donated unskilled labor.
    - Skilled labor and professional services provided to affordable housing at a reduced rate as a donation by an individual or entity that has a contract to provide labor or services on a HOME-assisted project may be counted as match, provided the individual or entity agrees to accept the reduced rate.

7. Sweat Equity
    - The value of sweat equity provided to a homeownership project will be valued at the rate of unskilled labor. The value of the labor can be contributed up until the time of project completion.

8. Direct cost of supportive services
    - The direct cost of supportive services provided to residents of HOME-assisted projects, or families receiving HOME-funded tenant-based rental assistance (TBRA) may count as match if the services are:
        - Paid for with nonfederal funds
        - Provided during the period of affordability or term of the TBRA contract

- Necessary to facilitate independent living
- Required as part of a self-sufficiency program provided to residents or TBRA recipients

9. Homebuyer Counseling
    - The direct cost of homebuyer counseling provided to families that complete home purchases with HOME assistance.
    - The counseling may be provided as part of a program that is not HOME Program-specific (for example, a lender-run homebuyer counseling program or non-profit program).
    - Only the cost of services to families that complete purchases with HOME funds count toward match.

Ineligible Sources of Match

- Contributions made with or derived from federal resources or funds (including CDBG), regardless of when the funds were received or expended
- The interest rate subsidy attributed to the federal tax exemption on financing (such as bond issues by the state) or the value attributable to federal tax credits (such as the Low Income Housing Tax Credit Program)
- Owner equity or investments in a project (other than sweat equity)
- Cash or other forms of contributions from applicants for or recipients of HOME-assistance or contracts, or investors who own, are working on, or are proposing to apply for assistance for a HOME-assisted project (except for sweat equity or professional services donated by contractors who do not own any HOME projects).

CITY/COUNTY COLLABORATIVE RFP TIMELINE

Activity	Date
Issue RFP *(Available for Download at www.csd.hctx.net/ps_rfp.aspx and* at www.houstontx.gov/housing/rfp.html*)*	October 31, 2013
Applicant Conference (9:00 a.m. to 2:00 p.m. at Houston Housing Authority Neighborhood Resource Center, 815 Crosby Street at W. Dallas.)	November 12, 2013
RFP DEADLINE *(Due to HC CSD offices)*	~~December 12, 2013~~ January 15, 2014

FREQUENTLY ASKED QUESTIONS (FAQS)

CAPS

What is a cap?
A cap is the maximum percentage of funds from each grant program that may be expended to a given activity type. A cap applies to HOME funds. HOME also has a mandatory minimum.

MATCH

What is match?
Match is the value of funds and/or resources an organization commits to provide for a proposed project.

What is the difference between match funds and leveraged funds?

- Match funds must be applied specifically for the proposed project. They can be in the form of cash, donated time, goods, services, etc. and will be verified by our Grants Management section during the contract period.
- Leveraging is the use of credit or awarded funds to improve an organization's budget capacity. They are attained after initial funding, serve as a supplement to the project budget, and are in addition to requested funds and matching fund amounts.

What is the required match for HOME programs?
HUD requires that participating jurisdictions provide 25 percent match funds for all HOME funds. Harris County passes these match requirements on to its subrecipients. **Harris County will not consider applications requesting 100 percent funding.**

What other sources can matching funds come from?
Match funds can come from a variety of sources, such as other service providers, in-kind contributions, special events, fundraisers, and non-federal grants. Requirements forHOME should be verified with Harris County prior to inclusion in an application. For a detailed description of HOME match, see pages 16-19.

Can a commitment letter from an architect be used as in-kind funds?
A commitment letter from an architect or other professional service provider can be used as in-kind funds as long as the commitment letter states what services are to be performed, if the usual fee is a flat rate or hourly basis. If hourly, the letter must include the hourly rate and estimated number of hours to be used toward the proposed project.

APPLICATION INFORMATION

Where do I get the applications?
The City and the County are offering a joint RFP application. City's application can be found at www.houstontx.gov/housing/rfp.html) and the Harris County Supplemental application can be found at www.csd.hctx.net/ps_rfp.aspx.

My organization is applying for City AND County funding in the joint RFP, what application should I fill out to apply?
The City and the County are offering a joint RFP application. Fill out both the City's application (found at www.houstontx.gov/housing/rfp.html) and the Harris County Supplemental application (found at www.csd.hctx.net/ps_rfp.aspx). In the City's application budget form "Tab 7 Sources & Uses", indicate the request to the City in the column "City of Houston Share" and include the requested amount to the county on the row for source #10 "Local Government Loan or Grant" in the column "Match, Grant or Equity" and make sure you completely fill out the County's Supplemental application. Applications should be delivered to both the City's and County's application submission location on time.

Should I fill out the City's application if I am only applying to Harris County for funding?
Yes. The City and the County are offering a joint RFP application. Fill out both the City's application and the Harris County Supplemental application. If only applying for county funding, indicate zero (0) in the City's application budget form "Tab 7 Sources & Uses" column for "City of Houston Share" and include the requested amount to the county on the row for source #10 "Local Government Loan or Grant" in the column for "Match, Grant or Equity" and make sure you completely fill out the County's Supplemental application. Applications should be delivered to County's submission site only if applying only for county funding.

Can I submit more than one proposal application?
Yes. Organizations may submit an application for up to three projects; however, each application must be given a priority (Priority 1, Priority 2 or Priority 3).

What is required in the project description?
Project Description should include a basic scope of services for the *request for proposal only* and be consistant with the scope propsed to the City, if seeking joint funding. Applicants should not include detailed historic or programmatic information in this section.

If my organization received funds last year, will we automatically receive funds this year?
No, each RFP is a competitive process. HUD grants are not designed to be used as permanent funding. Applicants and subrecipients are encouraged to pursue other sources of funding.

GENERAL INFORMATION

Where can I find additional information about HOME regulations?
HOME regulations can be found at:
www.hud.gov/offices/cpd/affordablehousing/programs/home/index.cfm

Can I create my own RFP forms?
No, only HCDD and HCCSD joint application forms will be accepted.

When will the contract period begin?
Contract periods will be determined during contract negotiations and after the conditional award of funds but will likely begin March 1, 2014 through February 28, 2015. Conditional awards are issued upon Commissioners Court approval.

Does a new organization need a financial audit?
A new organization does not need a financial audit unless currently managing more than $500,000 in federal funds, but must submit a certified financial statement completed by an independent certified public accountant (CPA).

What type of documents may be used as working capital documentation?
Any of the following may be used as proof of your organization's working capital:

- A letter from your financial institution on letterhead, stating your line of credit amount within the text
- At least 3 months of account statements from your financial institution
- If the non-profit has a thrift shop, they may submit a copy of the IRS 990 or 990-T form as proof of the thrift shops profits.

Capital documentation must be a demonstration of **liquid assets** covering at least 90 days of expenses for the organization. Grants from other organizations or private donations are not eligible as working capital.

Does a private, non-profit applying for funds need a 501(c) (3)?
Yes, all private non-profits must have their 501(c) (3) or 501(c) (4) status from the Internal Revenue Service to be eligible for funding. Documentation of 501(c) (3) or 501(c) (4) status must be included in each proposal.

What is a DUNS number?
A DUNS number is a unique nine digit identification number, for each physical location of your business. DUNS Number assignment is FREE and can be obtained at http://fedgov.dnb.com/webform

Can the Board of Directors receive pay from the entitlement funds?
No, the Board of Directors cannot be paid with federal entitlement funds. Only personnel involved in the daily operations and program-related work may be compensated.

Where can I get a copy of the Consolidated Plan?
The Consolidated Plan may be downloaded at http://www.csd.hctx.net/pr_consolidatedplan.aspx.

Where can I get a copy of prior year Annual Action Plans?
Annual Action Plans may be downloaded at http://www.csd.hctx.net/pr_annualactionplan.aspx.

Where can I get a copy of the OMB circulars?
The OMB circulars may be downloaded from the U.S. Office of Management and Budget's web site at www.whitehouse.gov/omb.

If I have questions or need help, who do I contact?You may contact the Development staff at (713) 578-2000 or by email at rfp@csd.hctx.net