

PROGRAM YEAR 2013

UNSOLICITED APPLICATION GUIDEBOOK

FOR:

HOME INVESTMENT PARTNERSHIPS (HOME) PROGRAM

AND

HURRICANE IKE DISASTER RECOVERY TEXAS CDBG PROGRAM

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Application Fact Sheet

The Harris County Community Services Department (CSD) invites qualified organizations with eligible projects to apply for 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 Guidebook 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.

Application Submittal

- All applicants are encouraged to visit our website at www.csd.hctx.net under the Funding Opportunities page.
- Submit no more than one (1) proposal in response to the PY2013 Unsolicited 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 three (3) hard copies (one original and two copies) and one electronic copy of the Excel form on disk.** 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.
 - ✓ **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: Wednesday, March 14, 2013 by 4:00 P.M. CDT

Harris County Community Services Department
8410 Lantern Point Drive Houston, Texas 77054

Late proposals will NOT be accepted

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

All projects, excluding homeless projects, must benefit low-income residents of Harris County's service area, which includes unincorporated Harris County and the 14 cities within the County that have signed cooperative agreements. Presently, the County has cooperative agreements with the following cities: Bellaire, Deer Park, Galena Park, Humble, Jacinto City, Katy, La Porte, Morgan's Point, Seabrook, Shoreacres, South Houston, Tomball, Webster, and West University Place. Houston, Baytown and Pasadena utilize their own community development resources and are not within the Harris County service area. Homeless projects may be located throughout Harris County, including Houston, Baytown and Pasadena; however, Homeless Prevention projects may serve persons residing within the Harris County service area and Baytown.

PY2013-2017 Consolidated Plan Measurable Objectives

Measurable Objectives are developed following an analysis of existing conditions and an extensive citizen participation process. The following chart illustrates the measurable objectives outlined in the PY2013-2017 Consolidated Plan and are eligible in the PY2013 Unsolicited application process. Harris County has assigned a priority classification (high, medium, low) to each objective. *High* priority indicates that Harris County will expend entitlement funds on that activity. *Medium* priority indicates that Entitlement funds may be expended on these activities, if available. *Low* priority indicates that minimal funds will be allocated for that particular need.

PRIORITY	OBJECTIVE*
Housing	
RENTERS	
H	Objective 5: New Construction- To provide financial assistance to aid in the construction of 300 affordable multi-family housing units within the Harris County service area by February 28, 2018 for the purpose of supplying decent housing to low- and moderate-income renter households. Harris County places a high priority on projects serving seniors, the homeless, the disabled, and persons with HIV/AIDS.
H	Objective 6: Acquisition and/or Rehabilitation, Multi-Unit- To provide financial assistance to aid in the acquisition and or rehabilitation of 100 multi-family, affordable housing units in the Harris County service area by February 28, 2018 for the purpose of supplying decent housing to low- and moderate – income renter households. Harris County places a high priority on projects serving seniors, the homeless, the disabled, and persons with HIV/AIDS.

***Reminder:** Applications seeking Disaster Recovery CDBG Funding must document Hurricane Ike damage to property or show that the property will house a displaced populations from Hurricane Ike.

APPLICATION PROCESS

Limitations of the Unsolicited Process

Harris County Community Services Department 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

Funds available for the PY2013 include unallocated HOME funds and reallocated Disaster Recovery funds. The amount available is broken down below:

HOME Affordable Housing	\$1,606,131
\$1,304,314 (general) \$301,817 (CHDO)	
Disaster Recovery Ike	\$5,000,000

Harris County reserves the right to reallocate funding between categories to ensure funding of the most qualified projects that best address community needs as reflected in the Consolidated Plan Measurable Objectives.

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 (please see page 15 for further clarification) 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 services that benefit residents of the Harris County service area, including unincorporated Harris County or one of the 14 cooperative cities
- Meet at least one of the Consolidated Plan Measurable Objectives
- Document income eligibility of low income persons served, per HUD income guidelines
- For proposals seeking Disaster Recovery funding, documentation is required detailing storm damage by Hurricane Ike

Low-income is defined as earning less than 80 percent of the median family income (MFI). The 2013 MFI for the Houston, Texas, Primary Metropolitan Statistical Area is \$66,200 for a family of four. The table below denotes low-income limits for PY2013. Please note that these limits are updated annually.

Income Levels	Household Size							
	1	2	3	4	5	6	7	8
Extremely Low Income 30 % of Median	\$13,900	\$15,900	\$17,900	\$19,850	\$21,450	\$23,050	\$24,650	\$26,250
Very Low Income 31 – 51%	\$23,200	\$26,500	\$29,800	\$33,100	\$35,750	\$38,400	\$41,050	\$43,700
Low Income 51 – 80%	\$37,100	\$42,400	\$47,700	\$52,950	\$57,200	\$61,450	\$65,700	\$69,900

Source: U.S. Department of Housing and Urban Development

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 (i.e. day care centers, medical clinics, etc.)

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.

Organizations seeking Disaster Recovery CDBG funding applications must include:

- Documentation of damage by Ike and/or documentation that the project will serve a population displaced by Hurricane Ike
- Documentation of benefits for any prior funding received through insurance or other Federal programs
 - Applicants that have opted not to accept any other funds should provide some background on the reasons for this choice.
 - Projects that are still waiting insurance reimbursement should include an estimate of the final insurance coverage. Any coverage that exceeds the estimate included in the Harris County request must be returned to the County. Harris County cannot make up the difference between the estimated cost and covered cost if an applicant estimates less than the final awarded claim.

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 at least one National Objective or applicable program objective?
- Does project address a Measurable Objective outlined in the PY2013-2017 Harris County Consolidated Plan?
- Is project located within the Harris County service area and/or serve Harris County service area residents?
- Does project include the required leverage or eligible match?
- Is the application complete, and is all of the requested information included in the application?
- Has the organization been debarred?
- 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 | ▪ Organizational capacity |
| ▪ Completeness of proposal | ▪ Financial capacity |
| ▪ Diversity of funding base | ▪ Duplication of services |
| ▪ Prior history with federal funds | ▪ Geographic distribution of projects |
| ▪ Availability of working capital | ▪ Past and current performance |
| ▪ Need and community impact | ▪ Projected outcomes |
| ▪ Measurable goals and objectives | ▪ Reasonable projected costs |
| ▪ Program administration and operational expenses | ▪ Leveraging or matching funds |
| | ▪ New or renewal project |

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 public facilities, infrastructure and 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.

PY2013 UNSOLICITED TIMELINE

Activity	Date
Issue RFP (<i>Available for Download</i>)	February 18, 2013
RFP DEADLINE (<i>Due to Harris County Community Services Department Office</i>)	March 14, 2013, 4 pm
Publish Notice of recommended projects	April 5, 2013
Commissioners Court approval	May 7, 2013
Applicants notified of award	May 8, 2013

WHAT'S NEW?

The Harris County Community Services Department has made changes to the application process this year, including:

- Homeless developments located outside of Harris County's service area must be jointly funded by both participating jurisdictions. Example: A homeless development is located within the City of Houston requesting funding from Harris County must also be funded by Houston to be eligible for County funds.
- Permanent Supportive Housing developments must complete the new Exhibit E
- Special priority given to Permanent Supportive Housing serving homeless and formerly homeless individuals

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.

What are the caps for various eligible activities under the HOME program?

HUD mandates that the following cap be used for HOME funding: a minimum of 15 percent set aside for CHDOs and 10 percent cap for Harris County Administration.

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. Applications will receive favorable scoring based on higher leveraging funds. **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.

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

Can I submit more than one application?

No. For the Unsolicited application, organizations can submit only one proposal.

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 perpetual 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 HCCSD application forms will be accepted for proposals submitted.

When will the contract period begin?

Contract periods will be determined during contract negotiations and after the conditional award of funds. 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 institute on letterhead, stating your line of credit amount within the text
- At least 3 months of account statements from your financial institute
- 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.

Can a for-profit collaborate with an existing 501(c) (3)?

Yes, organizations may collaborate with an existing 501(c) (3) or 501(c) (4), but the lead applicant must be a 501(c) (3) or 501(c) (4) organization.

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?

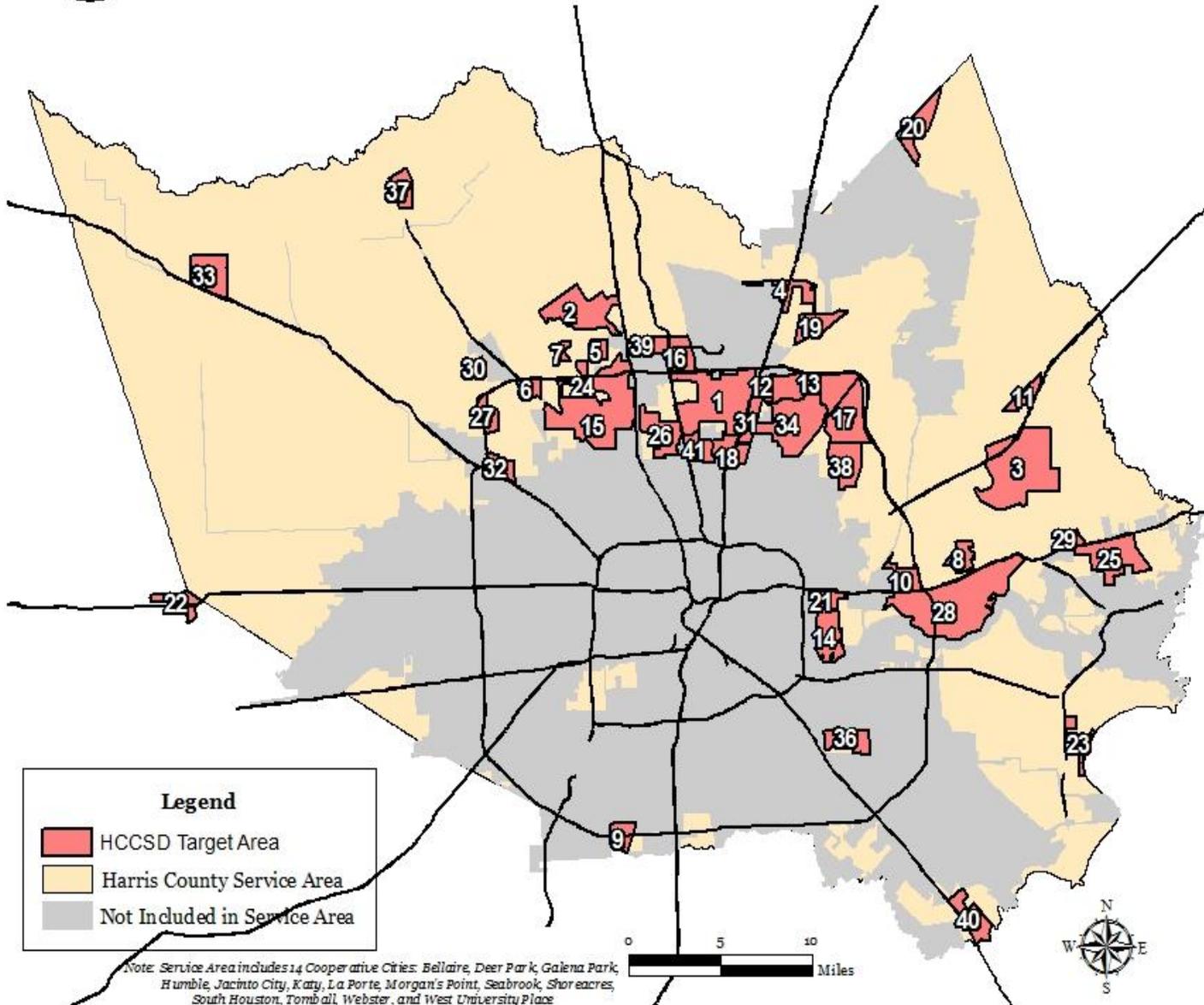
The OMB circulars may be downloaded from the U.S. Office of Management and Budget's web site at www.whitehouse.gov/omb.

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.



Harris County Community Services Department Service Area & HUD-Defined Target Areas



ID	Target Area
1	Aldine
2	Bammel
3	Barrett Station
4	Bordersville
5	Bough
6	Cedar Point
7	Champions Point
8	Channelview
9	Clear Creek
10	Cloverleaf
11	Crosby
12	El Dorado
13	Fallcreek
14	Galena Park
15	Granada
16	Greenbranch-Gatewood
17	Greenbrook
18	Greenwood-Heights
19	Humble
20	Idlewilde
21	Jacinto City
22	Katy
23	La Porte
24	Lincoln Green
25	Linus
26	Little York
27	Maple
28	Marwood-DeZavalla
29	McNair
30	Meadow Vista
31	Northington-Kenwood
32	Oakhollow
33	Ranch Country
34	Riverwood
35	Sherwood Place
36	South Houston
37	Tomball
38	Verde Forest
39	Wayforest
40	Webster
41	Woodsdale

Note: Service Area includes 14 Cooperative Cities: Bellaire, Deer Park, Galena Park, Humble, Jacinto City, Katy, La Porte, Morgan's Point, Seabrook, Shoreacres, South Houston, Tomball, Webster, and West University Place