



Harris County Community Services Department Request for Proposals (RFP) and Unsolicited Policy & Procedures Table of Contents



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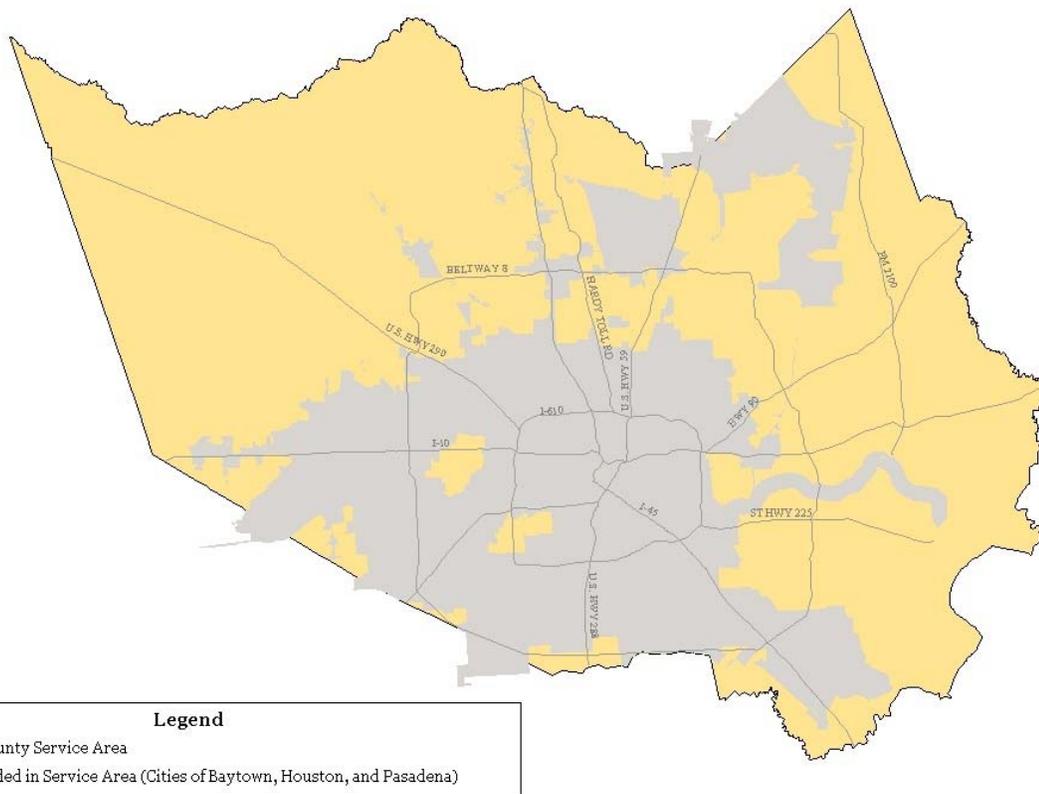


THE CONSOLIDATED PLAN AND COMMUNITY DEVELOPMENT PLANNING PROCESS

Background

The Harris County Community Services Department (HCCSD) is responsible for managing Harris County's Community Development Block Grant (CDBG), Emergency Shelter Grants (ESG), American Dream Downpayment Initiative (ADDI), and HOME Investment Partnerships (HOME) programs in accordance with the long-term housing and community development strategies and goals stated in the Consolidated Plan. This comprehensive plan provides a list of countywide needs, goals, strategies, and solutions to be implemented over the course of five program years.

The process begins with the development of the Consolidated Plan, which is required in order to receive funding for the applicable program years. Upon HUD approval, HCCSD receives funds to cover all unincorporated Harris County in addition to fifteen small cooperative cities within the County that have agreed to allow community development services within their jurisdiction.



Note: Service Area includes 15 Cooperative Cities: Bellaire, Deer Park, Galena Park, Humble, Jacinto City, Katy, La Porte, Morgan's Point, Seabrook, Shoreacres, South Houston, Tomball, Waller, Webster, and West University Place



Each year, the department is required to develop an Annual Action Plan (AAP), which is an annual update to the Consolidated Plan. This strategic funding plan describes how Harris County proposes to meet its housing and community development goals on an annual basis with the resources available; how those resources are to be utilized, including the projects selected for funding; 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.

To identify the projects needed to address community problems, issues, goals, and objectives stated in the Consolidated Plan, the Department administers a Request for Proposals (RFP) process. Projects approved by Commissioners Court are incorporated into the Annual Action Plan and submitted to HUD for review. Upon HUD approval, the County receives the program year's grant agreements and funding approval forms. These documents are presented to Commissioners Court for acceptance.

The selected projects are monitored throughout the program year to ensure compliance with HUD regulations and to guarantee the effective use of program funds. Specifically, HCCSD reviews each subrecipient's financial management, project proposed and current activities (if any), record-keeping procedures, organizational and financial capacities, and past performance.

HUD requires the County to report the status of its Entitlement program in the Consolidated Annual Performance and Evaluation Report (CAPER). The CAPER provides an account of all County resources, and evaluates the County's ability to utilize resources effectively while addressing the needs established in the Consolidated Plan. The CAPER also ensures accountability by providing a detailed account of the provision of services by Harris County. Equally important, is the fact that the CAPER is an evaluation instrument. It provides a summary of HCCSD's performance as a participating jurisdiction, complete with strengths and weaknesses. It requires the Department to conduct a self-assessment, asking the questions: How well did the Department utilize its resources? Could more people have been served? The CAPER also provides a means by which HUD can ensure that its participating jurisdictions pursued and attained the proper and efficient use of resources.



HUD ENTITLEMENT GRANT FUNDS

It is the Department's responsibility to assist in the allocation of entitlement funds to organizations performing eligible activities based on each funding type's requirements.

✿ **Community Development Block Grant (CDBG) Program**

The Community Development Block Grant Program is authorized under Title 1 of the Housing and Community Development Act of 1974, Public Law 93-383, as amended; 42 U.S.C.-5301 et seq., Section 101(c) of the authorizing statute sets forth the primary objective of the program as the development of viable communities by the provision of decent housing, a suitable living environment and expanded economic opportunities, principally for persons of low and moderate income. The statute further states that this is to be achieved in the CDBG program by ensuring that each funded activity meets one of the three named national objectives; to benefit low- and moderate income individuals, to eliminate slums and blight, or to meet a particular urgent community need.

As part of the statute, HCCSD must ensure that at least 70 percent of its expenditures over a particular time period must be used for activities qualifying under the first of those national objectives (that of benefiting low-and moderate-income persons).

✿ **Emergency Shelter Grants (ESG) Program**

The Emergency Shelter Grants program is contained in Subtitle B of Title IV of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11371-11378). The program authorizes the Secretary to make grants to States, units of general local government, territories, and Indian tribes (and to private nonprofit organizations providing assistance to homeless individuals in the case of grants made with reallocated amounts) for the rehabilitation or conversion of buildings for use as emergency shelter or transitional housing for the homeless, for the payment of certain operating expenses in connection with emergency shelters or transitional housing facilities and essential services that provide social services necessary to attain self-sufficiency, and assist those at risk of becoming homeless, and for homeless prevention activities.

This program provides funds to local non-profit agencies that assist the homeless and is designed to be the first step in a continuum of assistance to enable homeless individuals and families to move toward independent living while working to prevent additional homelessness. Activities must ensure that homeless individuals and families will be given assistance in obtaining appropriate supportive services, including permanent housing, medical health treatment, mental health treatment, counseling, supervision, and other services essential for achieving independent living.



☀ **HOME Investment Partnerships (HOME) Program**

HOME Investment Partnerships (HOME) Program is authorized under Title II of the Cranston-Gonzalez National Affordable Housing Act, as amended and 24 CFR Part 92. HUD allocates funds by formula among eligible State and local governments to strengthen public-private partnerships and to expand the supply of decent, safe, sanitary, and affordable housing, with primary attention to rental housing, for very low-income and low-income families. Generally, HOME funds must be matched by nonfederal resources. State and local governments that become participating jurisdictions may use HOME funds to carry out multi-year housing strategies through acquisition, rehabilitation, and new construction of housing, and tenant-based rental assistance. Participating jurisdictions may provide assistance in a number of eligible forms, including loans, grants, advances, equity investments, interest subsidies and other forms of investment that HUD approves.

☀ **American Dream Downpayment Initiative (ADDI)**

The American Dream Downpayment Initiative Act was signed into law in December 2003. ADDI is a new component of the HOME Entitlement grant program and HCCSD incorporates these funds into the department's Downpayment Assistance Program. ADDI funds will be utilized in conjunction with HOME, CDBG, or Tax Increment Reinvestment Zone (TIRZ) funds to increase the amount available to eligible first-time homebuyers.

ADDI funds have a limit of \$10,000 or 6 percent of the purchase price of the home (whichever is greater.) HCCSD's Downpayment Assistance Program have been allocated these funds and will combine this grant award with HOME, CDBG, or TIRZ funds to bring a total award of \$14,900 for new homes.



Request for Proposals (RFP) Process Overview

Purpose Statement

The purpose for the Requests for Proposals (RFP) process is to ensure the integrity of the recommended project selection process and to coordinate the application process by identifying the community's needs, building a system to enhance affordable housing and economic development opportunities, promoting civic enrichment and human services programs, revitalizing the community, stabilizing the infrastructure of neighborhoods and selecting projects that will affectively address those needs.

Goals

- ✿ To administer an RFP process that is inclusive, open, competitive and fair to all eligible applicants and to ensure that the recommended projects meet HUD's requirements.
- ✿ To understand that residents in the HCCSD service areas have varying needs and that the RFP process provides a mechanism to select projects that will revitalize neighborhoods and community facilities, and ensure economic development opportunities while providing decent affordable housing according to the needs identified by the community.

Objectives

- ✿ To provide Commissioners Court with recommendations of projects and organizations that will best meet the goals and priorities of the Consolidated Plan.
- ✿ To ensure that the recommended projects are located throughout the HCCSD service area.
- ✿ To ensure the integrity of the process is not compromised.
- ✿ To ensure that the completion of all components of the RFP process is timely, expeditious and completed within the established time frame.

Funding Standards

Funding standards for recommended projects are provided through HUD Entitlement grant programs. The primary source for the HUD programs' policies and federal legislative provisions are in the U.S. Code of Federal Regulations (CFR) (CDBG 24 CFR Part 570; ESG 24 CFR Part 576; and HOME and ADDI 24 CFR Part 92)

Application Overview

According to HUD, grantees have the flexibility to determine which activities will be funded and how projects are selected for recommendation. Within the framework established by the rules and regulations, HCCSD must understand community needs, interests, and objectives in order to make effective choices about how to administer its programs and entitlement funds. Based on the analysis of the community, HCCSD can then make decisions about:



- What type of activities to fund?
- How the applications will be selected?
- Who will manage/oversee the implementation of the activities?

There are a variety of approaches that grantees use to select activities for funding. There are four basic models upon which the selection process can be based, including the Formal Application Process, Limited Application Process, Solicitation of Applications and the Unsolicited Application Process. HCCSD utilizes the Formal Application Process and the Unsolicited Application Process. These models are discussed below:

Formal Application Process

The Formal Application Process requires the submission of a formal application or proposals from the subrecipient. The process is undertaken once a year in conjunction with the County's planning and budgeting process. Upon the receipt of applications, all are evaluated based on explicit selection criteria. This process works best in the County due to its numerous and complex activities, numerous potential applicants with varying degrees of experience, limited funding and increasing competition. Due to politics or other community issues, the process requires standardized, consistent treatment of all requests for funding.

Unsolicited Application Process

The Unsolicited Application Process occurs once the Formal Application Process has been closed and is used to supplement the formal process. The Unsolicited Application Process allows HCCSD to accept additional applications to meet objectives that may not have been addressed during the Formal Application Process. The applications are evaluated based on the criteria used during the Formal Application Process.

The annual selection for funding community development projects is one of the most important activities HCCSD performs. Through a competitive RFP process, HCCSD awards organizations that serve residents from the County's service area, including unincorporated Harris County and its cooperative cities. Eligible program activities include social services, economic development, housing, and neighborhood infrastructure such as park projects, street improvements, and water systems.

Implementation

A three-phase approach is utilized in the HCCSD RFP Process:

Phase I: Planning Stage

The Planning stage includes the development of the Notice of Funding Availability (NOFA), applications, budgets, guidebook and evaluation sheets. During this time, staff reviews the current Consolidated Plan and CAPER to determine the status in meeting the measurable objectives and ascertain any gaps in services. Based on the findings, the Department can establish the RFP's funding priorities.



Phase II: RFP Issuance and Acceptance

Activities include:

- Creating and mailing NOFA;
- Issuance of the RFP;
- Conducting the Applicants' Conferences and Technical Assistance Week;
- Providing limited technical assistance;
- Accepting the applications (Purchasing Department); and Retrieving the applications from Purchasing Department

Phase III: Evaluation, Project Selection, & Approval

Upon receipt of the applications from the Purchasing Department, staff enters the application information into the RFP database. Development staff conducts the threshold review of all proposals to ensure eligibility. Ineligible projects are removed from the competitive process and the applicant is immediately notified of its ineligibility.

All eligible projects are forwarded to the Planning section to begin conducting the environmental review as per the National Environmental Policy (NEPA) and assigned to the staff review team to complete an evaluation, conduct site visits, and present the findings to the Community Development Director and Director. All findings are reviewed and based on the project selection criteria, recommended projects are selected.

The selected projects are included in the AAP document. The Grants Coordinator's office presents the AAP to Commissioners Court for approval. Subsequently, the approved AAP is submitted to HUD for acceptance no later than 45 days prior to the start of the County's program year (March 1).

All selected applicants receive notification informing them that they have or have not been conditionally awarded funds and are entered into the Integrated Disbursement Information System (IDIS).

Annual Action Plan

Upon completion of the RFP Process, the selected projects are incorporated into the Annual Action Plan (AAP) to provide a summary of funding, both federal and non-federal, allocated towards community development activities throughout Harris County.



Contract Development

Contract development begins for social services while the final draft of the AAP is being prepared for submission to HUD, while contract development for CDBG, HOME, and ESG start at the beginning of the County's program year. This process begins by obtaining each selected project's scopes of services, measurable objectives and budget and includes:

- Requesting that all conditionally awarded organizations formally accept the conditional award in writing and provide a revised scope of services and budget, if revisions are applicable
- Completing all conditions for funding, including the submission of final plans, etc.
- Reviewing the submitted information
- Developing the information into a contractual agreement
- Presenting contracts to Commissioners Court for approval
- Grant file preparation and delivery to Grants Management



PHASE I: PLANNING

Prior to the commencement of the Request for Proposals process, Development requests input from CSD staff, as well as, applicants whom have participated in the prior year's process. A survey is distributed to CSD staff and followed up by a group meeting to discuss the outcomes of the process. Prior year applicants are contacted using an on-line survey to request an outside perspective of the process. Recommendations for change are reviewed and incorporated in the process as appropriate.

Development staff begins the Planning stage of the RFP process by evaluating the current Consolidated Plan and CAPER to assess any gaps in services and then prepare the Notice of Funding Availability (NOFA), applications, budgets, guidebook and evaluation sheets. The RFP's funding priorities are established based on HCCSD's status in meeting the measurable objectives established in the Consolidated Plan.

Preparation of all applicable documentation, including the NOFA, applications, budgets, guidebook and evaluation sheets, for the RFP should begin in early January to allow adequate review time.

Timeline

Each year, a timeline is prepared by the Development Manager to facilitate the planning process. The timeline includes RFP and AAP activities and is approved by the Director for distribution to all CSD managers and county departments involved in the process.

NOFA

The NOFA is prepared as a tri-fold that is mailed out and includes a brief summary of the process, the date of issuance, the application due date and the dates for all technical assistance. An adequate number of copies should be made to retain copies after they have been provided to everyone on the mailing list.

Applications

An application is prepared for each funding type, CDBG, ESG, and HOME; however, CDBG is divided further into a Public Service and General application due to the differences in the activities. All applications include the same questions necessary to acquire general information such as contact information, requested amount, leverage amount, etc; however, each application also addresses funding specific requirements.

Guidebook

The guidebook is completed to meet the needs of prospective applicants as they work to prepare their submission. The guidebook reviews the basics of the Consolidated Plan, the AAP and the RFP as well as any changes made from the previous year that impacts the RFP process. It also addresses more specific requirements, including:



- Income limits
- Harris County Tax policy
- Participant Eligibility Policy
- Deed of Trust and Intercreditor Agreement Policy/Regulatory Agreement
- Project Development Requirements for New Construction of Affordable Housing Projects including Site & Neighborhood Standards
- Affirmative Marketing
- Section 3 Requirements
- Housing Quality Standards
- Residential Property Standards
- Davis Bacon Labor Act
- Water & Wastewater Regionalization Policy

In addition, the guidebook provides the prospective applicants with information regarding funding specific requirements, monitoring, recordkeeping and HCCSD's expectations upon contract development. Copies of compliance documentation are included for further reference.

Evaluation Worksheets

The purpose of the evaluation worksheets is to provide staff with a tool to document their proposal review findings. It is important for staff to familiarize themselves with the worksheet before reviewing their assigned proposals.

The format of the evaluation worksheet follows the order of the application and is divided according to the same sections. The worksheet is based on a 100 point scoring system with each section having a subtotal – 75 for the narrative sections and 25 for the budget sections. Staff must review the entire proposal before assigning a score. Planning & Development staff are responsible for the narrative evaluation and the Finance representatives are responsible for the budget evaluation.

Two weeks prior to the issuance of the RFP, Development staff also begins coordinating with the Purchasing Department by submitting a complete set of applications for their review. Upon approval, a job number is issued by Purchasing for the RFP process and is included in each application. Development staff also works with Purchasing to establish publishing and submission deadline dates and discuss the RFP activities and key dates.



PHASE II: RFP ISSUANCE AND ACCEPTANCE

Application Guiding Principles

HCCSD allocates its HUD Entitlement funds based on community funding priorities that are stated in the most recent Consolidated Plan. To achieve this goal, the department issues an annual Request for Proposals to local organizations, governmental agencies and entities, and individuals.

Competition Principle

The RFP process is open and competitive. The primary goal of the RFP process is to ensure that all organizations are competing fairly for the County's CDBG, ESG, and HOME funds.

Organizations previously and currently funded are not guaranteed funding from one funding year to the next. To participate in the process, all potential applicants, including current subrecipients submit a complete application by the established deadline.

Right to Accept or Reject Applications

HCCSD reserves the right to accept or reject any and all proposals received as a result of this invitation. In addition, HCCSD reserves the right to negotiate with all qualifying applicants 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. The Director may require that applicants selected for funding participate in negotiations and resubmit any cost, technicality, or other revisions of their proposal.

Funding Period

The funding period for selected projects is for one year beginning on March 1 of the proceeding year.

Construction projects are considered multi-year projects, and unless otherwise noted. Approved construction projects will receive funds throughout program year for approved projects. Should subrecipient wish to receive additional funds for approved project, the subrecipient must remain eligible and submit an RFP for each subsequent program year.

Mailing List

The mailing list for receipt of the RFP is comprised of government, precincts, small cities, all area community service and homeless service providers, Community Housing Development Organizations, and organizations that have previously applied for funds or are interested in applying for grant funds.



Inclusion on Mailing List

Individuals and organizations may request placement on the list throughout the year either by phone, e-mail, or written correspondence.

Maintaining the list is an on-going process. In the event that a potential applicant has missed the RFP deadline, the organization will be added to the mailing list for the next RFP process.

Notice of Funding Availability (NOFA)

The NOFA is mailed approximately two weeks prior to the issuance of the RFP to provide notice to the community of the upcoming application process and is mailed to all agencies included in the mailing list.

Issuance of RFP

Simultaneously, efforts are coordinated with Purchasing to publish in the Houston Chronicle, local community and minority focused publications and upload the applications, guidebook and budget forms onto the Purchasing website and link them to the HCCSD website.

Technical Assistance

Prior to and throughout the duration of the application process, HCCSD provides technical assistance to applicants. The types of technical assistance available are:

HUD Entitlement Grant Training

During the course of the program year, the Department offers HUD Entitlement Grant training to interested organizations and individuals. Development staff provides eligibility and other pertinent program-specific information.

Applicants Conference

The Department offers an Applicants Conference for each program to prospective applicants. During the conference, HCCSD staff reviews the basics of each program, introduces the purpose and overview of the process, provides instruction for the completion of the RFP, and answers questions regarding the RFP.

Technical Assistance Week

After the Applicants Conferences, HCCSD Development staff will meet with organizations that have completed the majority of their proposal(s) and have scheduled an appointment. During a prescribed time period, applicants can contact the Development staff at rfp@csd.hctx.net or (713) 578-2030 to schedule an appointment. Appointments must be confirmed via email.



Limited Technical Assistance

After the Applicants Conferences, HCCSD staff is available to offer limited technical assistance to potential applicants. HCCSD staff may answer questions that will assist in the completion of an application. HCCSD staff is not available to author an organization's application. In addition, HCCSD staff will not convey program ideas, assist an organization to develop a project, review and correct the applicant's budget, or provide a preliminary evaluation of an application. Only general information will be presented to the applicant.

RFP Submission Requirements

Submitted Documentation to Purchasing

Each applicant is required to:

- Submit no more than three (3) applications in response to the Requests for Proposals. Applicants submitting more than one application should prioritize each application (Priority 1, Priority 2, Priority 3)
- Bind **only** with binder clips. **Insert labeled tabs between each section.**
- **Submit five (5) copies (two originals and three copies) of each proposal.** Indicate whether the proposal is an original or a copy on the Offerors Note Cover Sheet. The most recent Financial Audit or Certified Financial Statement is required and should be attached to all copies. All proposals must:
 - ✓ Include all exhibits and attachments in their entirety as outlined on the Application Checklist.
 - ✓ Include the job number on the outside of each sealed envelope. Each copy of the proposal must be in an individually sealed envelope and clearly marked with the job number and "Original" or "Copy".
 - ✓ Adhere to page limits and be submitted in a 12-point font. All proposals must be completed on computer using Microsoft Excel.
- All originals **must** be signed in **blue** ink.
- Submit applications no later than the established deadline to the Harris County Purchasing Department, 1001 Preston, Suite 670, Houston, Texas 77002.
- All organizations applying for funding through HCCSD must complete the application and include all applicable documentation. Incomplete applications will not be considered for funding.
- **Late proposals will NOT be accepted.**



General RFP Document Requirements

The RFP must specify the format and content of the proposal applications. In general, the RFP must provide a clear and detailed picture of the County's community development needs, the short- and long-term goals of the community development program and the populations to be covered. It must be comprehensive and include detailed descriptions of eligibility, access to records requirements, and monitoring expectations.

The RFP should also include measures of performance, sanctions for non-performance, methods and standards of payment to subrecipients, requirements for the management of funds, and banking and accounting requirements. The RFP should also request the organization's financial condition, licensing requirements, and other project-related experience.

Further, the RFP should also include definitions and levels of service and should indicate the timeframe and transition requirements for implementing the program.

The RFP process must be carefully documented and be able to withstand legal challenge. Because the RFP is often incorporated into a contract, the RFP provisions should be drafted in precise language, therefore, not subject to different interpretations. The HCCSD contact person and submission information, including the RFP deadline, should be stated in the RFP document.

All applicants must use the current Harris County Request for Proposals application to be considered for funds. Applications or forms from previous years will NOT be considered for funding. Self-prepared applications or forms will NOT be considered for funding.

RFP Project Budget and Financial Reporting

All applicants must provide an explanation of the proposed expenses for a 12-month period, unless otherwise noted. This information is used to determine the eligibility of the proposed expenditures.

Budget

The applicant must stipulate the amount of funds requested for the project. In addition, applicants must identify commitments for leverage and match funds and provide letters of commitment for these funds.

Financial Management Questionnaire

All applicants are required to describe the applicant's fiscal management practices as part of a questionnaire. The questionnaire includes information about the organization's fiscal management, including financial reporting, record keeping, accounting systems, payment procedures, and audit requirements. In addition, the questionnaire inquires about the applicant's financial capacity.



Budget Forms

All applicants must submit those sections that are applicable to the proposed project. Expenditures must be based on the 12 month program year, unless otherwise noted.

Indirect Costs apply to the individuals and expenditures related to the management of the program. This amount should not exceed the cap stated in the RFP. Direct Costs apply to the individuals and expenditures related to the implementation of the program.

Leveraged and Matching Funds

All applicants are required to provide the details of any leveraged and matching funds, stating both the amount and source(s) of funding.

Although match is not required for CDBG projects, financial leverage, of no less than 10 percent of the total project cost, must be provided. HCCSD will not fund any project at 100 percent of the total project cost. Projects are evaluated and scored in accordance with the percentage of leveraging.

For programs requiring match, applicants are required to state the organization's strategy for funding match and addressing unexpected match shortfalls. HCCSD encourages that organizations should plan ahead to meet match needs and be creative when looking for matching contributions. HCCSD also requests that funded organizations establish or update their organization's system for calculating and tracking both match obligations and match credits.

It is required that all HOME applicants provide a 25 percent match and all ESG applicants provide a 100 percent match, unless otherwise noted.

Letters of Commitment

Applicants must provide letters of commitment that are dated within 6 months of the application submission date. All letters must include the committing organization's letter head, date, amount of match, and an authorized signature.

Attachments

The information submitted in the attachments varies for each grant program; however, all applicants are required to submit the following information:

Organizational Budget

(Not Applicable to Municipalities and County Departments)

A summary of applicant's institutional/organizational budget based on applicant's fiscal year.

Non-Profit or corporate status

(Not Applicable to Governmental Entities)

Non-Profit Charter



Articles of Incorporation
Corporate designation letter

Financial Audit (Not Applicable to Governmental Entities)

Applicant's most recently completed certified financial statement or financial audit. If an audit has not been performed or completed, the applicant must state why, describe plans to complete an audit in the near future, and attach a copy of most recent certified financial statements.

Job descriptions and resumes of current or proposed program staff.

Facsimile and electronic copies will not be accepted. All submissions not received by the deadline will not be accepted. No exceptions.

Information Not Requested

Applicants are required to submit only information related to the proposed project considered for funding and may not submit additional information not requested on the RFP. Additional information (i.e. property appraisals, legal description of property, occupancy permits, etc.) may be requested by HCCSD at a later date. Applicants are to be concise and not to exceed the space requirements per each exhibit. The RFP is designed to provide HCCSD with sufficient information to determine eligibility for each evaluation criteria. Highly rated applications are those where the applicant conveys a precise understanding of the identified needs and a clear proposal for meeting those needs and scope of services.

Final Assembly of Application

The application must be assembled in the order shown on the Application Outline found on the Application Checklist. The applicant must use a standard, white, 8 ½" by 11" letter-sized paper, 11 or 12 point font, tabs and binder clips on the original and each copy of the application for submission.

Failure to assemble the application according to the instructions may jeopardize the application's competitiveness.

RFP Deadline

The application must be complete upon initial submission and must be received by the Harris County Purchasing Department by the established deadline. All organizations applying for funding through HCCSD must complete the application and include all applicable documentation. Incomplete applications will not be considered for funding. Each application must be submitted on HCCSD's forms and inserted in a sealed envelope with the job number on the outside of each envelope.

Handling of Submitted Applications

Upon the receipt of the submitted applications from Purchasing, Development staff divides the applications according to grant program: HOME, ESG, CDBG General, and



CDBG Public Services. The applications are then numbered for internal use. Development staff proceeds with the review of all applications. A memo is prepared for the Director and Director of Community Development reporting the total number of applications received, amount requested by funding source, and missing applications from expected renewal applicants. The Development and Direct Services Assistant Director and Development Manager maintain control of all applications throughout the evaluation process.



PHASE III: RFP EVALUATION, PROJECT SELECTION AND APPROVAL

Staff Review Team Qualifications and Responsibilities

HCCSD staff selected to review applications are considered to be independent in their decision-making process, uninfluenced by outsiders, either within the Department or out. Considering that the selected HCCSD staff is responsible for evaluating all eligible applications, each member must have a working knowledge of the applicable grant programs, be able to facilitate and conduct site visits, attend orientation and all meetings, and submit the findings to management.

The team is comprised of management and professional staff from Planning and Development, Finance, Grants Management, and other county departments (i.e., PID, PHES). The members are responsible for assessing the contents of the submitted applications. Only the projects that have been deemed eligible following the threshold review are forwarded to the staff review team.

Prior to the full evaluation of the applications, an orientation on the assessment forms and application must be provided for all staff assisting with the evaluations. After the conclusion of the orientation, group assignments are announced and applications and copies of the assessment forms are distributed to staff.

Staff is allotted six weeks to review the applications and conduct site visits. In addition, staff provides suitable expert analyses, covering factors likely to be pertinent to the applicant selection decision, to the Director and Director of Community Development.

Staff Code of Conduct – Lobbying and Conflicts of Interest

No employee or County Commissioner can participate in the selection, award, or administration of a contract procured by federal funds, if a real or apparent conflict of interest would be involved. Such a conflict would develop when the employee or Commissioner or his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the partners indicated herein, has a financial or other interest in the firm selection for an award.

HCCSD employees or County Commissioners can not solicit nor accept gratuities, favors, or anything of monetary value from applicants, contractors, or subcontractors.

Threshold Review

Development staff review all submitted applications to determine initial eligibility based on completeness of the application and compliance with HUD regulations for the CDBG, HOME, and ESG programs. The established factors and criteria listed in the RFP and the RFP guidebook are considered as the proposals are evaluated. Projects deemed ineligible are presented to the Director and Director of Community Development for confirmation in the form of a memo that includes total number of applications received, number of applications deemed ineligible, requested funding source, and potentially



controversial applications. Organizations that submitted projects deemed as ineligible are notified in writing of the findings. Projects deemed eligible are forwarded to selected HCCSD staff for a complete review.

Environmental Review

Upon completion of the Threshold Review, eligible projects and necessary documentation are forwarded to Planning in order to begin the preliminary environmental determination and complete all required forms to prepare the project for publication. A Notice of Intent to Request Release of Funds (NOI/RROF) is published for a 15 day review period. After the required public review is complete, a RROF packet is prepared and submitted to HUD for their review. The process of implementing the environmental review requirements may take as long as 180 days.

Evaluation Process and Factors

The goal of the RFP evaluation process is to ensure the selection of the best applicants for Community Development or services that are most advantageous to the County, considering mission suitability, relevant experience, past and current performance, and other factors.

It is the goal of the Department to ensure fairness, impartiality, and freedom from outside influence; protect confidential and proprietary information contained in project proposal requests; and ensure that the work of the Staff Review Team is adequately staffed and efficiently performed.

Primary Evaluation Factors

While evaluating the proposals for initial eligibility, staff should use the following established threshold factors and criteria. The criteria must be included in the RFP and incorporated into the evaluation worksheet.

- Does the project meet at least one National Objective or applicable program objective?
- Does the project address a measurable objective outlined in the current Harris County Consolidated Plan?
- Is the project located with the HCCSD service area and/or serve Harris County service area residents?
- Does the project require matching funds, and if so, are the funds eligible and secured?
- Does the organization have prior history with Harris County HUD entitlement funds? Are there any outstanding monitoring findings?
- Does the proposed project fall within the category of explicitly ineligible activities?
- Is the application complete?

Organizational Requirements

- Must be in service area or provide services to HCCSD service area residents.
- Organizational status must be one of the following:



- Governmental agency/entity
 - Non-profit
 - For-profit (for CBDO or HOME projects only)
-
- Strong evidence of financial and organizational capability
 - Acceptable financial statement or audit
 - Minimum of three (3) years in operation
 - Have other funding sources
 - Have a diversified funding base
 - Adequate number of qualified staff
 - Evidence of stable organizational leadership and staff
 - Has a management information system
 - Evidence of current liability insurance

Financial Requirements

- The applicant must have the financial capacity that will ensure that the organization can meet the Department's standards;
- Financial reporting must be accurate, current, and complete;
- Subrecipients must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to the grant award and authorizations, obligations, unobligated balances, assets, liabilities, spending or expenditures, and income. Most of this information is stated in the applicant's financial audit;
- Effective internal control and accountability must be maintained for all grant cash, real and personal property, and other assets. Subrecipients must adequately safeguard all such property and must assure that it is used solely for authorized purposes.
- Budget controls, including actual expenditures or outlays, must be compared with budgeted amounts of the grant. Financial information must be related to performance and productivity data, including the development of unit cost information whenever appropriate or specifically required in the grant agreement. If unit cost data are required, estimates based on available documentation will be acceptable whenever possible.
- Applicable Office of Management and Budgets (OMB) cost principles, HUD program regulations, and the typical terms of grant agreements should be utilized in determining reasonableness and allowable costs.



- Applicants are required to maintain accounting records that affirms source documentation, such as cancelled checks, paid bills, payrolls, time and attendance records, contract award documents, etc.
- Applicants must have the capacity and systems in place to adequately manage the grant funds.

RFP Site Visits

All applicants and organizations are subject to a site visit based on their past experience and performance. Development staff will contact applicants to schedule an appointment. The following applications must receive a site visit:

- New applicants;
- Previously funded organizations that have not received HCCSD funding within the last three years;
- CDBG general projects; and
- HOME construction projects
- ESG rehabilitation, construction, or conversion projects

Site Evaluation Factors

Agency Operations

- Administrative Policies and Procedures
- Intake Procedures – Forms and formal intake system
- Staff experience
- Staff/client ratio – Current staff and if there is a need for additional staff as requested
- Daily activities
- Supplies and equipment
- Adequacy of transportation (if applicable)
- Food pantry (if applicable)
- Other programs currently operating at/out of facility
- Quality, organization, and cleanliness of facility
- Facility security – (if applicable, i.e., battered women's shelter).

Financial Operations

- Accounting System
- Grants Management System
- Financial Policies and Procedures

Proposed Construction Site - confirm if there is a proposed construction site.

Site Visit Evaluation Questions

Did your site visit experience support your application review to date?

The visit should confirm those expectations garnered from reading the proposal. If there are significant differences between the organization described in the



proposal and the reality of the site visit, the evaluator must explore the causes of those differences.

Did the agency respond to site visit questions satisfactorily?

Effective organizations typically view questions as an opportunity to educate and inform. Therefore, it is reasonable to assume that the evaluation questions will be answered in a prompt and forthright manner. Organizational representatives should be able to respond readily to questions related to the program. Request further clarification if there is a lack of understanding about the projects' proposed activities.

Did you receive sufficient information to help you understand who the client is and how clients are served?

In many instances, the evaluator may not have the opportunity to observe clients. Programs that provide counseling, mental or physical health care, protective shelter or similar services must preserve client confidentiality. However, both the funding proposal and the site visit should provide sufficient information to create a clear picture of the type of clients who benefit from these services. Presuming proper records are being kept, the evaluator should have general knowledge about the age, gender, income level (homeless or low- income), location, and ethnicity of clients.

The evaluator must determine how clients learn about services, whether clients can easily access services via mass transportation or other means, and how cost of services is determined. The evaluator should know how many clients use the current services, and whether service levels have changed.

Did the program staff appear to be knowledgeable about the program?

It is likely that the Executive Director or a Board Member will take the lead during your site visit. However, if possible, the evaluator should engage in conversation with other staff members. The evaluator should be assured that program staff is well versed in agency matters in general, and especially knowledgeable about the program being reviewed. Questions regarding program age, staff tenure, client barriers to service, funding issues, program components (counseling, housing, health care, job training, etc.), types of resources needed (transportation, medical professionals, medicine, computers, clothing, etc.), distinctive program features, and qualifications required for effective staffing would be appropriate. Responses should give the evaluator a good sense of staff knowledge and enthusiasm about the program.

Helpful Site Visit Guidelines

- Proposals should be read by HCCSD staff prior to site visits. In addition, staff should compose a list of questions for organizational staff, including any clarifications or additional information needed.
- Complete one site visit review form per visit.



- As a courtesy, call the organization to schedule your visit at least one week prior to the day of the site visit; after scheduling please call a day before to confirm. If possible, the organization should have an administrator, a programmatic staff member and a financial staff member available to answer questions. It will be important for the organization to have someone available who is familiar with the proposal.
- At least two HCCSD staff must attend each site visit. A spokesperson should be designated to introduce Harris County staff to the organization's personnel. Harris County badges should be worn on all visits.
- Please allow the contact person to lead the site visit. Use this as an opportunity to tour the program/facility.
- During the staff's final review of all proposals, the Site Visit report should be considered and the team's final score reflective of its findings.

Other Evaluation factors

Other factors are used to determine the eligibility and quality of a proposed project, including:

- ❑ Priorities of the Consolidated Plan
- ❑ Completeness of proposal
- ❑ Benefits to the project beneficiaries
- ❑ Project narrative elements: Need and community impact, goals, scopes of services, measurable objectives, strategic/work plan, and benchmarks
- ❑ Construction Work Plans, Schedules, Key Project Personnel, Cost Estimates
- ❑ Relocation Policy (if applicable)
- ❑ Marketing Plans and Surveys
- ❑ Financial resources – other funding sources, amount available to administer program, amount of match/leveraging, and 90 days of working capital
- ❑ Total HCCSD requested amount compared to the total project cost
- ❑ Programmatic (Direct) versus Administrative (Indirect) costs
- ❑ Innovativeness or uniqueness of project – avoid duplication of services/programs
- ❑ Project evaluation process
- ❑ Organizational capacity – has sufficient staff and staff capacity to carry out the Board's policies, organization's duties and responsibilities to administer, monitor, and evaluate the proposed program and awarded grant funds, and perform accountability functions as are necessary to the administration of HUD funds.
- ❑ Proposed outputs and outcomes
- ❑ Size and diversity of applicant's Board of Directors, if applicable
- ❑ Reasonableness of proposed project budget, including matching funds and administrative costs.
- ❑ Matching funds sources (ESG and HOME)
- ❑ Years of program experience
- ❑ Years that the applicant has been in existence
- ❑ If an applicant had not received funding from HCCSD in the past five years.
- ❑ Unit cost per client (CDBG Public Services and ESG Essential Services)
- ❑ Cost Factors outlined in OMB Circulars A-87, A-122, and A-21.



- ❑ Geographic distribution – must cover the whole service area, not one area
- ❑ The applicant's conceptualization of the problem sought to be resolved.
- ❑ Soundness of Program Design and Delivery of Services/Activities

Scoring and Project Selection

A scoring system included as part of the evaluation worksheets is utilized by staff participating in the review of applications. The weight assigned to each criterion reflects its relative importance in the overall evaluation. Staff evaluates each proposal based upon a number of issues and assesses a score and provides comments upon completion of the evaluation.

Prior to the selection of an applicant for a specific project, HCCSD personnel can not reveal any information concerning the evaluation to anyone who is not also participating in the same evaluation proceedings. Following the selection of projects, information concerning the proceedings of the RFP and data developed by staff will be made available to others within Harris County only when the requester demonstrates a need-to-know for a HCCSD purpose. These will be made available to persons outside the HCCSD, including other Government agencies, only when such disclosure is concurred by the County Attorney.

Upon conclusion of the evaluation period, staff presents its finding to the Development Manager. The findings are then incorporated into the Proposal Review Report, which details the recommendations to fund projects. The Assistant Director reviews the report as well as a memorandum that summarizes the findings before it is then forwarded to the Director and Director of Community Development. The transmittal of this document completes the project evaluation phase.

Approval of the recommended projects is made by the Director. It is the Director's task to determine which projects would prove most advantageous to Harris County. The Director determines the selection of recommended projects based on several variables:

- ✿ Findings and recommendation from staff
- ✿ Priorities of the Consolidated Plan, including evaluation through the CAPER
- ✿ Duplication of programs
- ✿ Geographic distribution of projects
- ✿ Funds available for allocation

In addition, the director determines the relative quality and suitability of what is being offered by each applicant and the likelihood of it being delivered, including the level of effort required by the applicant to accomplish a particular project.

In making the selection, the Director considers all factors pertinent to the choice, and makes the necessary trade-off judgments, as may be required, among the scores, past performance and other factors, i.e., innovativeness/uniqueness of the project, seriousness of the problems, if the project meets the community needs.



RFP Notification Letters

If a project is not recommended for funding, the applicant shall receive a written notification letter within five to ten business days via formal letter following the Director's decision. If the project is recommended for a conditional award of funds, the Development Section shall prepare a thirty (30) day Public Notice that will be published in the local newspaper as part of the current year Annual Action Plan's public notification. Upon the conclusion of the 30-day public review, the approved projects are presented to Commissioners Court for approval. Following approval by Commissioners Court, a conditional award letter is sent to the applicant.



ANNUAL ACTION PLAN DEVELOPMENT

Applying the vision and strategies set by the Consolidated Plan, HCCSD uses its annual RFP process to allocate its available resources in an efficient and effective manner. Entitlement resources consisting of the Community Development Block Grant (CDBG) Program, Emergency Shelter Grants (ESG) Program, and HOME Investment Partnership (HOME) Program, are allocated and reported within the Annual Action Plan (AAP). In addition, the AAP reports on the competitive grants awarded to the County, such as Continuum of Care Homelessness Assistance grant funds, and recognizes grants for which the County will apply during a single program year. County and State funds allocated to community development efforts, as well as private funds “leveraged”, are also reported. Finally, the AAP reports other activities and resources that affect the community needs and are implemented during the program year.

Regulatory Guidance

Regulatory guidance for the development of an AAP is found in the Consolidated Plan regulation at 24 CFR Part 91.

The AAP is made up of seven elements and a series of appendices:

1. An executive summary and introduction
2. A discussion of resources available
3. A description of how allocations are determined
4. A summary and brief analysis of how resources are proposed to be allocated
5. A strategy for implementing activities and monitoring appropriate use of those resources
6. A description of other community development efforts
7. A listing of certifications and summary of citizen participation
8. Appendices
 - Allocation Manager
 - Summary of Program Income
 - Geographic Distribution
 - Measurable Objective progress report
 - AAP public notice and comments
 - Listing of Proposed Projects

Other elements of the AAP include Standard Form 424 (SF-424) or the standard application and Funding Sources Table.



The following provides a detailed outline of procedures and forms requiring the Director's review or signature:

Court Order and SF-424s

Included with the Annual Action Plan Introduction are the signed and dated **Court Order** and SF-424s. The Court Order documents Commissioners Court approval of the Action Plan. The SF424s are the applications for funding for each of the entitlement programs. The SF424s are generated through the HUD's Consolidated Planning software program (Community 2020).

Certifications

The AAP requires several certifications to be signed by the Director. These certifications are included in the **Certifications and Citizen Participation** section of the AAP. The certifications are provided in template documents utilizing standard language provided by HUD. They include the following:

General Certifications:

- Affirmatively Further Fair Housing
- Anti-displacement and Relocation Plan
- Drug Free Workplace
- Anti-Lobbying
- Authority of Jurisdiction
- Consistency with plan
- Section 3 – Fair Housing and Equal Opportunity

Specific CDBG Certifications:

- Citizen Participation
- Community Development Plan
- Following a Plan
- Use of Funds
- Excessive Force
- Compliance with Anti-discrimination laws
- Lead Based Paint
- Compliance with Laws

Specific HOME/ADDI Certifications:

- Tenant Based Rental Assistance
- Eligible Activities and Costs
- Appropriate Financial Assistance

ESG Certifications

- Major rehabilitation/conversion
- Essential Services
- Renovation
- Matching Funds



- Homeless Persons Involvement
- Consolidated Plan

HUD reviews the AAP for consistency with regulatory requirements and with the goals and objectives of the Consolidated Plan. During the review, HUD also forwards comments and changes, as needed. Upon HUD's approval, a letter accepting the AAP, grant agreements and funding approval forms are forwarded to HCCSD. Both the grant agreements and funding approval forms are submitted to the Grant Coordinator's Office for submission to Commissioners Court for acceptance of the funds. Following approval by Commissioners Court, the grant agreements and funding approval forms are submitted to the County Judge or Director for signature.



UNSOLICITED APPLICATION PROCESS

Throughout the year, organizations may need to request immediate funding for projects. HCCSD is unable to accept immediate requests during the annual RFP process, which may begin in April and end in November. Upon closing of the annual RFP process and publishing of the Public Notice of Projects Recommended for Funding, if funding is available, HCCSD will accept unsolicited applications for qualified projects that address the primary objectives of the CDBG, ESG, or HOME programs.

If an organization meets the established criteria for the program funds available, the organization may obtain and submit an unsolicited application.

Goals Overview

The specific goal of this process is to fund a limited number of qualified housing community and economic development proposals that address the primary objectives of the CDBG, ESG, or HOME programs and are responsive to Harris County's five-year Consolidated Plan. The unsolicited application process therefore assists the Department by:

- allowing funding of eligible projects whose timing of funding needs cannot be met by applying during the Annual RFP process;
- providing a constant pool of eligible projects that may be funded when previously awarded projects fail to proceed or are terminated due to poor performance;
- expediting the expenditure of funds in a timely manner; and
- meeting the goals and objectives in the Consolidated Plan.

Eligible applicants include government organizations, universities, civic organizations, and agencies involved in the community revitalization process, other not-for-profit organizations, and profit-making organizations.

Level and Duration of Funding

The level of funding for the unsolicited application process is determined by the amount of unexpended balances available under each program. Limitations for grants are as follows:

- The maximum funding for an unsolicited application will be based on the amount of funds available and at the discretion of the Director. Proposals requesting funding in excess of the amount available will be disqualified and will not be reviewed.
- In general, the maximum grant period is one year. Construction projects are considered multi-year projects, and unless otherwise noted, may receive funds to be expended beyond a period of one year.



Program Specific Requirements

When determining the availability of funding for unsolicited applications, HCCSD will also consider the minimum and maximum allowable spending caps, including the following:

CDBG Public Services

- Public services (15% maximum)

ESG

- Operations (10% maximum)
- Homeless Prevention (30% maximum)
- Essential Services (30% maximum)

HOME

- CHDO set-aside (15% minimum)
- Pre-development loans (10% maximum of CHDO set-aside)
- CHDO operating (10% maximum of HOME allocation)

Application Requirements and Procedures

A modified version of the annual RFP application serves as the template for the unsolicited application. The Unsolicited Application form will be made available on the CSD website following completion of CSD annual RFP process and if unallocated funds remain available.

As with the RFP application, applicants must submit five (5) copies (two originals and three copies) of the application. All sections of the application must be complete and include the following:

Application Review

The initial eligibility review is conducted by the Development Manager upon receipt of the application. A letter following this screening will notify applicants submitting ineligible or unacceptable proposals of the reasons for their disqualification.

Following the initial eligibility review, if applicable, a copy of the qualified application will be forwarded to Planning to begin the environmental review process. Assigned HCCSD staff with knowledge in the proposal subject area will then evaluate eligible applications. The same criteria listed on pages 20-25 will be used to identify those projects that will be presented to the Director for consideration.

Approval/Denial of Project Award

Upon completion of the evaluation of the application, the Development and Direct Services Assistant Director and Development Manager present the findings to the Director of Community Development. The findings are then presented in the form of a Memorandum to the Director with recommendations to either award the project or deny funding based on the evaluation of the application. The Memorandum shall be



accompanied by the Evaluation checklist and evaluation comments. If the recommendation involves a Housing Project utilizing HOME funds, a copy of the Project Development Requirements checklist shall also be attached to the Memorandum or letter. Upon receipt of the Recommendation Memorandum, the Director shall review the recommendation and supporting documentation and make the final decision on the award or denial of funds.

If a project is not recommended for funding, the applicant shall receive a written notification letter within five to ten business days following the Director's decision. If the project is recommended for a conditional award of funds, the Development Section shall prepare a thirty (30) day Public Notice that will be published in the local newspaper to amend the current year Annual Action Plan to add a new project. Upon the conclusion of the 30-day public review, the project and the amended Annual Action Plan will be presented to Commissioners Court for approval. Following approval by Commissioners Court, a conditional award letter shall be sent to the applicant.

During the public review period for projects recommended for funding, Planning is provided with all the necessary documentation to make the preliminary environmental determination and complete all required forms to prepare the project for publication to complete the environmental review process. A Notice of Intent to Request Release of Funds (NOI/RROF) is published for a 15 day review period.

Contract Development

Within 30 days of receiving notice of the conditional award, the subrecipient should submit a conditional award acceptance letter with a current revised budget and scope of work. Upon receipt, Development reviews and forwards the budget to Finance to determine if the information submitted is accurate and in compliance with all accounting principals. After Finance approves the budgets, Development forwards all updated budgets and scopes of service to Grants Management for preparation of the agreements.

Timetables

In general, the unsolicited application process may remain open from mid-November until the end of March. HCCSD reserves the right to adjust the timeframe for accepting unsolicited proposals as needed to accommodate completion of the Annual RFP process or based on the availability of funds. Upon submission of an unsolicited application, the review process can vary between four to five months depending on the number of funding requests submitted. The following schedule has been established for the unsolicited application process:



<ul style="list-style-type: none"> • Acknowledgment of submission 	Upon receipt of application
<ul style="list-style-type: none"> • Initial eligibility review completed by Development Manager. • Letter of denial sent to Applicant if project is not eligible. • Assign staff to evaluate eligible application. • Environmental Review and Request for Release of Funds Process is initiated, if applicable. 	Within first week
<ul style="list-style-type: none"> • Application forwarded to assigned staff to complete the evaluation. 	Second-Fourth week
<ul style="list-style-type: none"> • Development Assistant Director and Development Manager present evaluation findings to Director. 	Fifth week
<ul style="list-style-type: none"> • Director makes decision to either approve or deny funding for the application. • Letter of denial sent to applicant if project is not recommended for funding. 	Sixth week
<ul style="list-style-type: none"> • If application is recommended for funding, Development prepares 30 day notice and publishes in the newspaper. 	Seventh-Tenth week
<ul style="list-style-type: none"> • Commissioners Court approval of conditional grant award. • Conditional Award Letter sent to Applicant. 	Eleventh-Fourteenth week
<ul style="list-style-type: none"> • Final program adjustments and contract developed 	Twelfth-Sixteenth week
<ul style="list-style-type: none"> • Contract presented to Commissioners Court for approval. 	Seventeenth-Eighteenth week
<ul style="list-style-type: none"> • Contract Period begins 	Nineteenth week