

Hardy Yards WHDP NOFA Pre-Proposal Session

Ray Miller, Assistant Director
December 9, 2021



CITY OF HOUSTON
HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT



Introductions



Ray Miller

MULTIFAMILY
Assistant Director

City of Houston
Housing and Community
Development



Steve Harris

Multifamily
Division Manager

City of Houston
Housing and Community
Development



Olivia Bush

Multifamily
Administration Manager

City of Houston
Housing and Community
Development



Jeremiah Rivera

SINGLE-FAMILY HOME REPAIR
Management Analyst IV

City of Houston
Housing and Community
Development

Introductions



Tywana Rhone

FINANCE

Division Manager

City of Houston

Housing and Community

Development



Chrystal Boyce

COMPLIANCE & OPERATIONS

Division Manager

City of Houston

Housing and Community

Development



Maribel Rodriguez

COMPLIANCE & OPERATIONS

Administration Coordinator

City of Houston

Housing and Community

Development

Housing Keeping

- Please mute your microphone
- The pre-proposal conference is being recorded
- Send questions into your chat box
- Q&A



Agenda

- Procurement Procedures & Deadlines
- Hardy Yards Site
- Project Summary & Eligibility
- Selection Criteria
- Compliance Requirements
- Q&A



Procurement Procedures & Deadlines

Procurement Procedures



- All communication must be sent in writing to Tywana.Rhone@houstontx.gov
- **No direct contact with program area**
- Questions must be submitted by [December 31, 2021](#), by 5:00pm
- Final responses will be issued by [January 17, 2022](#)
- Application Due Date – [February 21, 2022 at 3:00 PM](#)



No Contact Period

- Neither Proposer(s) nor any person acting on Proposer(s)'s behalf shall attempt to influence the outcome of the award by the offer, presentation or promise of gratuities, favors, or anything of value to any appointed or elected official or employee of the City, their families or staff members.
- All inquiries regarding the solicitation are to be directed to the designated City Representative identified on the first page of the solicitation



No Contact Period

- With the exception of Proposer's formal response to the solicitation and written requests for clarification during the period officially designated for such purpose by the City Representative, neither Proposer(s) nor persons acting on their behalf shall communicate with any appointed or elected official or employee of the City, their families, or staff through written or oral means in an attempt to persuade or attempt to persuade or influence the outcome of the award or to obtain or deliver information intended to or which could reasonably result in an advantage to any Proposer from the time of issuance of the solicitation through the pre-award phase and up to the date the City Secretary publicly posts notice of any City Council agenda containing the applicable award



No Contact Period

- However, nothing in this paragraph shall prevent a bidder from making public statements to the City Council convened for a regularly scheduled session after the official selection has been made and placed on the City Council agenda for action, or to a City Council committee convened to discuss a recommendation regarding the solicitation.



2021 Estimated Timeline

Applications Due	February 21, 2022
Threshold Review Completed and Amendments Due	March 28, 2022
HCDD Underwriting and Project Review Committee	120 Days
Award Announcement	Mid-April, 2022
Housing Committee	Third Tuesday of each month
Document Preparation and City Council Approval	4 Weeks after Housing Subcommittee Approval



Reference Materials

- [Solicitation Files](#)
- [Harvey Single Family Development Program Guidelines](#)
- [HYWHDP NOFA](#)



Hardy Yards Site

Hardy Yards Site



Hardy Yards Site

- 10.7 acres
- Near North Main Street and Burnett intersection
- Adjacent to Burnett Transit Center
- Downtown view



Project Summary & Eligibility

Project Summary

- At least 51% at affordable prices for low-to-moderate income homebuyers
- City will convey land, finance a portion of infrastructure or construction costs
- Developer will build, market, sell homes



Project Summary

- Community Development Block Grant Disaster Recovery (CDBG-DR17)
- \$15,800,000 in land acquisition and due diligence
- \$4,200,000 for land infrastructure or home construction



Eligible Project

- No smaller than 2-bedroom and no larger than 4-bedroom
- Affordable Homes must be of equivalent size, quality, materials, and finishes as Market Rate Homes
- No perceptible concentrations of homes by income level
- New construction. City may consider site-built or pre-fabricated approaches
- Must meet all requirements in Hardy Yards Property Owners Association (POA) – Exhibit E



Eligible Project

- At least 200 homes
- At least 51% of homes built sold to households at or below 80% area median income (AMI)
- Affordable homes sold **ONLY** to households directly or indirectly impacted by Hurricane Harvey



Selection Criteria

Selection Criteria

- 70% quantitative & 30% qualitative
- Application score & ranking does not solely determine award status
- Selection panel will finalize and itemize list of applications and present to Mayor's Office for approval
- HCDD will recommend award at Housing Committee and to City Council



Selection Criteria

- Developer capacity, experience & likelihood to succeed in all areas
- Achieve objectives identified in the City's community outreach efforts
- Appropriate balance of Affordable Homes to Market-Rate Homes
- Appropriate home size, density, open space, number of bedrooms
- Overall design and build quality of homes
- Affordability value
 - Proposals providing range of affordability options based on income levels



Selection Criteria

- HCDD recognizes above-listed priorities may be difficult to achieve simultaneously
- Awarded proposal will NOT BE required to excel in all areas



Scoring

- Developer capacity: 50 points
 - Prior experience: 10 points
 - Houston experience, at scale: 10 points
 - Access to capital: 10 points
 - Financial strength: 10 points
 - Prior experience with affordable housing: 10 points
- Disaster resilience: 10 points
- Home attributes: 10 points
- Community attributes: 10 points
- Affordability value: 20 points



Developer Capacity (50 total points) – Relative Prior Experience (10 points)

- Applicant with greatest number of single-family homes developed will receive 10 points
- Other applicants awarded points proportionally



Developer Capacity (50 total points) – Relative Prior Experience (10 points)

- Developer A – 500 homes
 - $500/500 \times 10 = 10$ points
- Developer B -375 Homes
 - $375/500 \times 10 = 7.5$ points
- Developer C – 100 Homes
 - $100/500 \times 10 = 2$ points



Developer Capacity (50 total points) – Relative Prior Experience (10 points)

- HCDD will accept multifamily development based on units produced (rental) or sales (condo)
- Final outcomes rounded to hundredths place



Developer Capacity (50 total Points) – Houston/Harris County Experience

- 10 points = Headquartered in Harris County & \$100M in SF sales
- 8 points = **NOT** Headquartered in Harris County & \$100M in SF sales
- 6 points = Headquartered in Harris County & between \$50M & \$100M in SF sales
- 4 points = **NOT** Headquartered in Harris County & between \$50M & \$100M in SF sales

Developer Capacity (50 total Points) – Access to Capital (10 points)

- 10 points – Letters demonstrating past financing on similar scale projects indicating interest to finance
- 5 points – Letters demonstrating past financing on lesser but relevant scale projects indicating interest to finance

Developer Capacity (50 total Points) – Financial Strength (10 points)

- Financial statements demonstrating liquidity proportional to development cost
- Developer A: \$60M cost, \$30M liquidity
- $\$30\text{M}/\$60\text{M} \times 10 = \mathbf{5 \text{ total points}}$
- Maximum of 10 points

Developer Capacity (50 total Points) – Developer Affordable Housing Experience (10 points)

- Developer with greatest depth & range will receive 10 points
- Others will receive fewer points in proportion to City's determination compared to highest-ranked developer
- Criterion will be qualitatively scored



Disaster Resilience (10 Total Points) – IBHS Fortified Gold Standard (5 points)

- All applicants must commit to IBHS Fortified Gold standard



Disaster Resilience (10 Total Points) – Further Commitment to Resiliency (5 points)

- Projects will be assessed with proposed features to reduce risk of harm to residents and property in wake of natural disasters
- Examples: elevation, materials or construction specifications, power generation/back-up
- Identify what type of risk mitigation, how it reduces that risk
- Subjectively scored on four categories

Disaster Resilience (10 Total Points) – Further Commitment to Resiliency (5 points)

- Applicant may earn 0 to 1.25 points per category
- Category A – Reduce Harm to Homebuyers and Property
- Category B – Cost Benefit to Homeowners
- Category C – Impact on Persons with Disabilities
- Category D – Impact to Neighboring Properties

Attributes of Homes (10 Total Points) – Energy Star Requirements (5 points)

- All applicants must commit to EnergyStar requirements

Attributes of Homes (10 Total Points) – Further Commitment to Home Attributes (5 points)

- Projects will be assessed with proposed features to home features with enhanced outcomes
- Quality – homeowner comfort, safety, health, convenience, aesthetics
- Value – longevity, energy efficiency, lower replacement cost, maintenance cost
- Examples: Solar, layout & configuration of homes, window shading, appliances, flooring products, fixtures, wall soundproofing, natural light, smart home tech, water recycling

Attributes of Homes (10 Total Points) – Further Commitment to Home Attributes (5 points)

- Applicant may earn 0 to 2.5 points per category
- Category A – Quality
- Category B – Value

Community Attributes (10 Total Points)

- Applicant may earn 0 to 2 points per category
- Category A – Community Amenities
- Category B – Community Commercial/Retail
- Category C – Community Green Space Design
- Category D – Preserving the Near Northside
- Category E – Community Mobility & Safety



Affordability Value (20 Total Points)

- Aggregate difference in pricing between sales of Affordable Homes and sales prices of Market Rate Homes
- Developer A proposal: Affordable aggregate selling price of \$54.4M, Market Price of all homes \$69.1M
- Affordability Value: $\$69.1\text{M} - \$54.4\text{M} = \mathbf{\$14.7\text{M}}$

Affordability Value (20 Total Points)

- Proposal with most Affordability Value will receive 20 points; all others awarded points proportionally
- Developer A = \$14.7M
- Developer B = \$12.2M
- Developer B calculation – $12.2/14.7 \times 20 = 16.6$ points

Compliance Requirements

Compliance Requirements



**Minority Women
Owned Small
Business
Enterprise
(MWSBE)**



**Section 3:
Economic
Opportunities**



**Pay or
Play**



**Davis Bacon
Labor
standards**

MWSBE PROGRAM REQUIREMENTS

2 CFR 200.321
Chapter 15 Ordinance Part V

MWSBE Compliance Requirements

- Construction projects will be advertised with a **34% MWBE** goal.
- The General Contractor shall make Good Faith Efforts to award subcontracts or supply agreements to MWSBEs to achieve goal requirements.
- Only firms certified through the City of Houston, Office of Business Opportunity can be used to meet MWBE goal requirements.
- For more information about the City of Houston MWSBE certification process, visit: <https://houston.mwdb.com/>



SECTION 3 PROGRAM REQUIREMENTS

24 CFR 135.92

Section 3 Compliance Requirements

All contractors or subcontractors with a covered contract in excess of \$100,000 will be subject to Section 3 requirements.



If contracting or employment opportunities arise, contractors are required to meet the following Numerical Goal Requirements:

10% of the dollar amount of “hard cost” (construction) should be directed to Section 3 Business Concern(s).

3% of the dollar amount of “soft cost” (non-construction) should be directed to Section 3 Business Concerns.

30% of new employment should be directed to Section 3 Residents.



Section 3 Business & Worker Eligibility Criteria:

Section 3 Business Concern

A Section 3 Business Concern is a business that can provide evidence they meet one of the following:

- 51% or more of business is owned and controlled by low and very low income persons;
- Over 75 percent of the labor hours performed for business over the prior three month period are performed by Section 3 workers
- A business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8 assisted housing.

Section 3 Worker

A Section 3 Worker is any worker who fits, or when hired within the past five years fit, at least one of the following categories, as documented:

- The worker's income for the previous or annualized calendar year is below the income limit established by HUD; or
- The worker is employed by a Section 3 business concern; or
- The worker is Youth Build participant.

Section 3 Certification Process

- To receive credit towards numerical goal requirements, businesses and residents must be certified through the City of Houston, Housing and Community Development Department.
- The certification process takes 7 to 14 days once application requirements are met.
- To complete the online application to certify as a Section 3 Business Concern, click the following link: <https://hccdsection3.gob2g.com/>
- Section 3 Worker applications may only be submitted, through the following email: hcdsection3@houstontx.gov
- For more information about HCD Section 3 certification process, visit www.houstontx.gov/housing/compliance.html



Section 3 Labor Benchmark



25%



- 25 % of the total number of labor hours worked **MUST** be performed by certified Section 3 Workers.
- The benchmark for Targeted Section 3 workers is set at 5 percent or more of the total number of labor hours worked by all workers on a Section 3 project. This means that the 5 percent is included as part of the 25 percent threshold.

PAY OR PLAY (POP) PROGRAM REQUIREMENTS

Executive Order 1 – 7 and Ordinance 2007 - 534

Covered Contracts

Subcontracts valued at or above \$200K including contingencies, amendments, and supplemental terms;

Professional Service,
Construction and Service
contracts



Covered Employees

The program applies to employees of a covered contractor or subcontractor, including contract labor, who are:

- Over the age of 18
- Work at least 30 hours per week
- Work any amount of time under a covered City contract or sub-contract.



Pay Option

- “Pays” by contributing **\$1.00** per covered employee per regular hour for work performed under the contract with the City;
- Funds are deposited in the Contractor Responsibility Fund.



Play Option

“Plays” by providing health benefits to covered employees. Health benefits must meet or exceed the following standards.

Employer contributes no less than 75% of the monthly premium towards the total premium cost of the covered employee per month.

The employee contribution if any, will be no greater than 25% of the monthly premium cost.

Pay or Play Workforce Provisions

- All Section 3 Workers and Apprentices MUST receive Pay or Play incentives.

POP Additional Information

- HCDD provides POP related help, POP forms and all POP related updates through their website <http://houstontx.gov/obo/popforms.html>



DAVIS-BACON AND RELATED ACTS (DBRA)

CFR 29 Part 1, 3 & 5

Davis-Bacon and Related Acts

- Davis-Bacon is a federal regulations which includes numerous related acts.
- Applies to federally-assisted contracts in excess of \$2,000 for construction, alteration, and/or repair, including painting and decorating. Federal assistance is provided through: Grants, Loans, and Loan Guarantees
- Requires contractors and subcontractors to pay their laborers no less than the local prevailing wages and fringe benefits, determined by the United States Department of Labor (U.S. DoL)



Davis-Bacon and Related Acts

Contract Work Hours and Safety Standards Act(CWHSSA)

- Establishes the regulation of time and a half after 40hrs.
- Establishes the \$27 per day liquidated damages penalty for unpaid overtime

Fair Labor Standards Act(FLSA)

- Establishes minimum wage, overtime pay, record keeping, and youth employment standards affecting employees in the private sector and in Federal, State, and local governments.

Copeland (Anti-Kickback) Act

- Anti-Kickback provision prohibits the kickback of fees, wages, commissions or granting of gifts by employees or contractors to work or benefit from project federal funds.
- Requires submission of certified weekly payrolls (every 7 days).
- Regulates allowable and disallowable employee payroll deduction wages

DOL Code of Federal Regulations-29

- Part 1 Determination of Wage Decisions
- Part 3 Copeland Act Provisions
- Part 5 Labor Standards Provisions for Contracts

City of Houston Workforce Protection Measures

The COH-WPM are additional workforce requirements enforced by DBRA.

Safety Training

- OSHA 10 for all construction workers
- OSHA 30 for all construction supervisors
- At least one supervisor with OSHA 30 certification must always be present onsite while work is under progress by construction workers.

Hourly Base Rate

- Any individual performing work regardless of job designation or employment status must receive a minimum hourly wage of no less than the higher of
- (1) \$15 per hour or
- (2) equal/greater than the prescribed Federal Prevailing Hourly Wage Rate.

Apprentice Hours

- 20% of all labor hours must be performed by Apprentices certified by the Department of Labor.



DBRA Requirements- for Competitively Bidding for a General Contractor

Once the Owner/ Developer is granted an award and is ready for soliciting bids for a General Contractor(GC); ensure the Bid Advertisement makes reference of the DBRA requirements prior to posting. In addition, the Bid Packet/Proposal must include the DBRA language and the applicable General Wage Decision(s).

- The Request for GWD form must be completed and submitted to DBRA for the processing and issuance of the applicable wages.
- The selected GC must be cleared from any federal debarments and exclusions prior to any construction contract award. The Request for Contractor Clearance form must be completed and submitted to DBRA for processing and approval of the Contractor.

Construction Contract must incorporate the DBRA Language-Contract Packet(Labor Standards Provisions/HUD 4010) and the prescribed General Wage Decision(s).

The Contract packet(Labor Standard Provisions/HUD 4010), Request for General Wage Decision form and Request for Contractor Clearance form are available in the City of Houston's Housing and Community Development Department website.



DBRA Compliance Requirements

- Both the Owner and the GC will be responsible to ensure all subcontractors and lower tier sub-contractors comply with the DBRA requirements.
- Sub-contractors and lower tier sub-contractors must be cleared by the GC from any federal debarments or exclusions prior to any contractual agreement.
- Subcontract Agreements/Purchase Orders must incorporate the DBRA language-Contract Packet (Labor Standards Provisions/HUD 4010) and the prescribed General Wage Decision(s).
- Proof of OSHA 10/30 must be provided prior to workers starting work on site.
- Construction workers must be classified and paid the applicable prevailing wages based on the trade being conducted.
- Construction workers must be paid weekly (every 7 days).
- Certified Payroll must be submitted weekly (every 7 days).
- Initial compliance documents and payroll-supporting documents must be submitted as required and upon request.

DBRA

- The Davis Bacon and Related Acts along with the City of Houston Workforce Measures will be applicable to all construction activities through out the life of the project regardless of the size and nature of the construction work.

Comments & Questions





2100 Travis Street, 9th floor, Houston, TX 77002
832-394-6200 | www.houstontx.gov/housing



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