



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 8/7/2018

ALL

Item Creation Date: 4/2/2018

HCD18-40b Contractor Pool and Funding for New Home Development Program

Agenda Item#: 24.

Summary:

ORDINANCE authorizing and approving a form of Master Contractor Agreement for the City of Houston New Home Development Program ("NHDP") to be executed by the City of Houston, Texas, and each of the following contractors (a "Contractor"): **SLSCO, LTD.; PMG CONSTRUCTION, INC; THE BAPTISTE GROUP LLC; DSW HOMES, LLC; HOUSTON HABITAT FOR HUMANITY, INC; CROWN RIDGE BUILDERS, LLC; THOMPSON CONSTRUCTION GROUP, INC; BURGHLI INVESTMENTS INC dba BURGHLI HOMES; MAYBERRY HOMES, INC; REBUILDING TOGETHER-HOUSTON; JAMES W. TURNER CONSTRUCTION, LTD.; and BYRDSON SERVICES LLC dba EXCELLO HOMES**; authorizing and approving a form of NHDP Construction Tri-Party Agreement ("Tri-Party Agreement") to be executed by the City, a contractor, and **THE HOUSTON LAND BANK ("HLB")**, as the owner of the lots on which the new homes will be built for sale to persons who qualify for participation in the NHDP; authorizing the Mayor and the City Controller to execute a Master Contractor Agreement with each contractor and tri-party agreements with a contractor and HLB for construction of new homes for sale to persons who qualify for participation in the NHDP; providing \$6,665,326.00 of Federal Community Development Block Grant Funds for the aforementioned agreements; containing findings and provisions related to the foregoing subject; providing a maximum contract amount

Background:

The Housing and Community Development Department ("HCDD") requests that City Council authorize an ordinance approving (1) the form of the New Home Development Program Master Contractor Agreement to be executed between the City and each of the following contractors: **SLSCO, LTD.; PMG CONSTRUCTION, INC; THE BAPTISTE GROUP LLC; DSW HOMES, LLC; HOUSTON HABITAT FOR HUMANITY, INC; CROWN RIDGE BUILDERS, LLC; THOMPSON CONSTRUCTION GROUP, INC; BURGHLI INVESTMENTS INC dba BURGHLI HOMES; MAYBERRY HOMES, INC; REBUILDING TOGETHER - HOUSTON; JAMES W. TURNER CONSTRUCTION, LTD.; and BYRDSON SERVICES LLC dba EXCELLO HOMES**, (2) the form of the New Home Development Program Tri-Party Agreement to be executed between the City, a contractor, and the Land Assemblage Redevelopment Authority (LARA) dba Houston Land Bank, (3) the execution of above referenced Master Contractor and Tri-Party Agreements by the Mayor and City Controller, and (4) providing \$6,665,326.00 in previously appropriated Community Development Block Grant (CDBG) funds for the work to be performed under the Master Contractor and Tri-Party Agreements.

(1) HCDD requests City Council approval of the form of the Master Contractor Agreement for the New Home Development Program, which will govern the work to be performed by the contractors identified above, in the development of new single-family homes.

The City selected the 12 contractors listed above through a request for proposal (RFP) process for housing rehabilitation and construction services for single family homes (solicitation number: S67-T26361), issued on August 25, 2017 and revised on September 19, 2017. Council awarded the rehabilitation portion of the RFP on January 24, 2018 (Ord 2018-56). HCDD is now requesting that Council award the construction portion of the RFP. The RFP provides for a three-year contract term, with two, one-year options to renew.

(2) HCDD requests City Council approval of the form of the New Home Development Program Tri-Party Agreement to be used in the New Home Development Program. The Tri-Party Agreement will identify the roles and responsibilities of the City, LARA dba Houston Land Bank, and the named contractor in the development of specific single-family homes.

(3) HCDD requests City Council approve the execution of the Master Contractor and Tri-Party Agreements by the Mayor and City Controller.

(4) HCDD requests City Council approval of \$6,665,326.00 in CDBG funds for the development of homes through the New Home Development Program. These funds were previously appropriated for New Single-Family Home Development, as shown in table below. No new appropriation is requested with this action.

New housing construction is typically prohibited using CDBG funds, however, HCDD received waiver of this restriction from the U.S. Department of Housing and Urban Development (HUD) on October 13, 2017. This waiver (in effect until June 30, 2019), enables the City to use CDBG funding for new home construction to replace affordable homes that were lost due to the impacts of Hurricane Harvey.

| New Single-Family Home Development Appropriation / Budget Source Document | Funding Source | Amount | Ordinance |
|--|-------------------|--------|-----------|
|--|-------------------|--------|-----------|

| | | | |
|--|------|----------------|----------|
| Amendment #4 to Program Year 2016 Annual Action Plan | CDBG | \$2,591,277.25 | 2018-321 |
| Amendment #1 to Program Year 2017 Annual Action Plan | CDBG | \$4,074,048.75 | 2018-321 |
| Total | | \$6,665,326.00 | |

The Housing and Community Affairs Committee reviewed this item on May 15, 2018.

Keith W. Bynum, Deputy Director
On Behalf of:
 Tom McCasland, Director

Prior Council Action:

4/18/2018, (O) 2018-321

1/24/2018, (O) 2018-56

Amount of Funding:

\$6,665,326.00 - Federal Government - Grant Funded - Fund 5000 (CDBG)

Contact Information:

Roxanne Lawson

Phone: 832-394-6307

ATTACHMENTS:

Description

Agreement (revised)

EXHIBIT - Tri-Party Agreement

PCA 2018-0056

PCA 2018-0321

SAP

Financial Information

Grant Funding Verification-CN

Ordinance (finalized)

Type

Contract/Exhibit

Backup Material

Backup Material

Ordinance/Resolution/Motion

Financial Information

Financial Information

Backup Material

Ordinance/Resolution/Motion