

Determining Allocations

Consolidated Plan Priorities

In the PY2003-2007 Consolidated Plan, CEDD developed priorities for funding based upon the analysis of data and community participation in development of the plan. Needs throughout the county were extensive and, as a result, a number of areas were designated “high-priority.” CEDD continues to place a priority on projects utilizing additional public and/or private resources. Specifically, CEDD has taken measures to ensure that the matching requirements for HOME and ESG programs have been met, largely through private funds and Tax Increment Reinvestment Zone (TIRZ) funds. In total, CEDD proposes to assist 48 qualifying projects for \$12,377,793. Planning and administration costs for Harris County have been allocated \$2,782,127.

Proposal Review and Project Selection

Overview

Selection of the community development, homeless and housing projects for funding is one of the most crucial activities CEDD performs. Each year, the CDBG, HOME, and ESG entitlement funds are distributed through a competitive Request for Proposals (RFP) process to local public and private organizations that serve low- and moderate-income residents from unincorporated Harris County and its community development cooperative cities.

It should be noted that CEDD received new funding this year as a result of the American Dream Downpayment Initiative Act, which was signed in December 2003. CEDD received an allocation of \$236,366 ADDI funds for PY2004. These funds will be incorporated into the present Mortgage Assistance Program (MAP) and therefore were not part of the PY2004 RFP process. ADDI funds will be utilized in conjunction with either HOME, CDBG or TIRZ funds to increase the amount available to eligible first-time homebuyers.

All proposals were reviewed and evaluated by the Project Eligibility Review Team (PERT) and Proposal Review Teams (PRT). The PERT members reviewed the projects for initial eligibility and the PRT evaluated and scored the entire proposals. The PERT was comprised of professional, managerial and executive staff from the Planning & Development Division. The PRT was comprised of professional, managerial and executive staff from the department’s Planning and Development, Grants Management and Direct Services, and Finance divisions and a representative from the county’s Grants Coordinator’s Office.

PY2004 RFP Process

Overview. Every September the department initiates the allocation of funds through its RFP process. This activity serves as an organized method to evaluate and select projects that will deliver services in Harris County’s HUD service area.

Planning Activities. During the early days of planning, staff developed a timeline to target dates for the completion of critical activities. Staff assigned to the RFP used ideas, suggestions and comments from prior years' RFP processes to make recommended changes to the PY2004 Application and Guidebook. In addition, Development staff sought input from Grants Management and Finance staff to ensure a streamlined process from the award to the contract development phase. This collaborative effort began with a roundtable discussion on September 3, 2003. At this meeting, staff were presented with the PY2004 timeline and asked for input based on experience with prior processes.

Issuance of RFP. On September 26, 2003, the Notice of Intent was mailed to over 400 individuals and organizations on the RFP mailing list. Organizations receiving the Notice of Intent were asked to respond to CEDD to request the PY2004 RFP. In addition to the notification by mail, a public notice was placed in the Houston Chronicle on Saturday, October 18th to announce the availability of funds. Organizations who were not on the RFP mailing list were asked to call the CEDD office to request an application. Upon receipt of these requests, staff mailed an electronic version of the RFP on CD-Rom. As previously stated, the CD included the application kits for all Harris County HUD entitlement grant programs, including CDBG (non-public service), CDBG (public service), HOME and ESG. Also, for the public's convenience, the RFP was placed on the County Purchasing Department's website, which could also be accessed through CEDD's website.

Applicants Conferences. CEDD hosted four Applicants Conferences on November 12-13, 2003, for organizations interested in applying for HUD entitlement funds through Harris County. These conferences were held in the Auditorium at CEDD's office, 8410 Lantern Point. The conferences were separated into program areas (CDBG non-public services, CDBG public services, HOME and ESG).

During these conferences, CEDD staff provided PowerPoint presentations outlining program guidelines and instructions on completing the applications. Staff from Development, Planning, Grants Management and Finance were available to answer questions about grant program guidelines, including eligible and ineligible program activities, and provide instruction on the completion and submission of the application.

Submission of Proposals. On Tuesday, December 8, 2003, 111 proposals were submitted to the Harris County Purchasing Office at 1001 Preston Avenue by the 2:00 P.M. deadline. Proposals received after the deadline were not accepted. Upon receipt, each was assigned a file number and logged into the PY2004 RFP database. Upon completion of data entry, applications were assigned and distributed to the PERT members for an initial eligibility review.

Proposal Evaluation Process

Overview. The proposal evaluation process included the assistance of professional, managerial and executive staff from Development, Planning, Grants Management, and Finance. The review process was divided into two phases, the initial threshold review (Phase I) and the proposal review (Phase II). The purpose of Phase I is to determine

initial eligibility based on HUD regulations for the CDBG, HOME and ESG programs and adherence to the RFP's instructions. Phase II provides a forum for staff persons with expertise in different areas to provide an objective review of all proposals and discuss their findings in a cooperative setting. It is through these two phases of review that staff is best suited to make funding recommendations.

Evaluation Activities. During Phase I of the review process, staff members were assigned to either a CDBG, HOME or ESG PERT. During this time, PERT members reviewed all proposals assigned to his or her team and determined eligibility based on the CDBG/HOME/ESG Threshold Evaluation Worksheets. At the conclusion of Phase I, the team members met to discuss their findings. These discussions resulted in the disqualification of 30 proposals (14 CDBG, 9 HOME, 7 ESG). The teams' findings were compiled into one document and presented to the Director for his review. Upon the conclusion of Phase I, letters were mailed to the organizations whose proposals were found to be ineligible. These letters included the reason(s) for disqualification and were signed by the Director.

Phase II commenced with a PRT orientation conducted by Development staff. During this meeting, staff discussed the review process, team assignments, project assessment instruments, and their responsibilities as PRT members. Each team member was provided copies of all proposals assigned to his or her team, accompanied by an RFP timeline, objective evaluation instruments, and score sheets for individual and team comments. Team members were encouraged to meet regularly and conduct site visits when necessary. This phase of the review process concluded with the roundtable discussion of the teams' findings and recommendations. Executive, management and professional staff members participated in this meeting.

Evaluation Factors

While evaluating the proposals for initial eligibility, the PERT used the following established threshold factors and criteria. These criteria were included in the RFP and incorporated into the evaluation worksheets.

- Does the project meet at least one National Objective or applicable program objective?
- Does this project address a Measurable Objective outlined in the PY2003-2007 Harris County Consolidated Plan?
- Is this project located within the Harris County service area and/or serve Harris County service area residents?
- Does this project require matching funds, and, if so, are the funds eligible and secured?
- Does the organization have prior history with Harris County entitlement funds? Are there any outstanding monitoring findings?
- Did the proposed project fall within the category of explicitly ineligible activities?

The PERT evaluated each proposal based upon these criteria, made recommendations accordingly and justified these recommendations in the roundtable discussions.

Findings

While evaluating the proposals, the PRT used established evaluation criteria. These criteria were included in the RFP and incorporated into the evaluation worksheets. Each question on the objective review worksheets was assigned a point value. Scores were based on the following criteria:

- Priorities of the Consolidated Plan
- Completeness of proposal
- Diversity of funding base
- Availability of working capital
- Need and community impact
- Measurable goals and objectives
- Program administration and operational expenses
- Organizational capacity
- Financial capacity
- Duplication of services
- Geographic distribution of projects
- Past and current performance

If applicable:

- Construction – work descriptions, plans, schedules and cost estimates
- Relocation policy
- Marketing plans
- Other program required information (i.e.: Davis-Bacon policy, Affirmative Marketing Plan, participation of a homeless or previously homeless person in policy and decision making, and Minority Outreach Plan.)

The PERT evaluated and scored each proposal based upon these criteria, made recommendations accordingly and justified these recommendations in the roundtable discussions.

Selection of Projects

Following the completion of Phase II in early February, executive and professional staff from the Planning and Development section developed the *Project Allocation Manager* and *Proposal Review Team Report* for presentation to the Director for review and approval. Upon his final recommendations, the proposed projects were assembled into the PY2004 Annual Action Plan. The development of the Annual Action Plan was managed by CEDD Development staff and includes all proposed projects.

The public review of the PY2004 AAP was held from March 13 – April 13, 2004, with public hearings taking place on April 1st and 13th. A public notice summary was placed in the Houston Chronicle, including a list of recommended projects and proposed expenditures. The general public was notified of the availability of the draft document at the CEDD office.

The Harris County PY2004 Annual Action Plan was presented to the Harris County Commissioners Court for approval on April 13, 2004.

Contract Development Activities

Once the recommended projects are submitted in the Annual Action Plan, conditionally awarded applicants begin the contract negotiation process. At that time revised budgets and statements of work are submitted and processed for contract drafting by the Grants Management section.

PY2004 RFP Process Evaluation

Following the submission of the PY2004 AAP, Development staff will conduct two or more activities to properly evaluate the CEDD RFP process and plan for the PY2005 process. Tentative evaluation tools include:

(1) Staff Evaluation – An RFP Feedback committee will be assembled to analyze the 2004 RFP process. This committee will be comprised of professional staff from Administration, Development, Planning, Grants Management, and Finance sections. The goal of the committee is to identify positive and negative aspects of the previous process and recommend suggestions for improvement.

(2) Technical Assistance Workshops – Staff will provide five workshops prior to issuing the PY2005 RFP, including CDBG General, CDBG Public Service, HOME, ESG and Grant Writing. These workshops will educate prior or potential applicants on program areas and requirements. The Grant Writing workshop will provide practical tips on grant writing, which will help applicants in applying for HUD funds as well as any others that will benefit their agency.

These activities will facilitate improvements to the annual RFP process and make it more efficient and accessible for the applicants.