



houston
landbank

Request for Qualifications from Builders/Developers

June 2019 Addendum I Revised July 2019

Note: All changes to the original document are shown in redline for clarity.

Houston Land Bank (HLB), a local government corporation, seeks Statements of Qualifications from builders/developers wishing to acquire land from the HLB for development or redevelopment. The land bank's mission is to acquire vacant, abandoned, and deteriorated properties and convey those properties into productive use for the City of Houston. Our goal is to sell our inventory holdings to builders who would like to participate in the mission of the organization and to produce new affordable single-family housing and complementary community development projects to support small businesses, community engagement, and the City of Houston's Complete Communities initiative. HLB welcomes proposals from for-profit or non-profit organizations, including general contractors, community housing development organizations (CHODOs), and other interested and capable parties.

The goals of this effort are to:

- Qualify builders to be eligible for HLB lot sales
- Organize builders by capacity/expertise and potential program areas
- Encourage and support timely and efficient property development

This qualification process will establish a qualified pool of firms, 'The HLB Registry,' that will be eligible to purchase lots from the Land Bank through June 30, 2021. Given the variety of sizes and conditions of land parcels, their geographic distribution, and the broad variety of goals of this new organization (and related programs), a variety of builder/developer types are encouraged to apply. This qualification process will occur annually for interested builders. After successfully being approved for the Registry, Builders will need to provide updated information after two years in order to remain on the registry, as well as stay compliant with all contractual obligations. ***All builders interested in participating in lot acquisition through the Houston Land Bank must be qualified through this RFQ process in order to be eligible to purchase lots.***

Once a group of qualified builders/developers is identified, HLB will make lots available for acquisition. Programs and processes for acquiring lots from HLB are in development and will be announced in advance of availability.

To Respond:

Respondents must meet the criteria and approach as described below and provide a complete submission for consideration. Please submit qualifications, according to submission criteria below, to HLB via email at builders@houstonlandbank.org by 5 p.m. Central time on Friday, ~~July 26~~ August 16, 2019. Questions regarding this solicitation may be asked at the Builders Forum/Pre-Submittal Meeting or submitted via e-mail to

P.O. Box 131106, Houston, Texas 77219
281.655.4600

houstonlandbank.org

builders@houstonlandbank.org no later than Friday, ~~July 4~~August 2, 2019 at 5 p.m. Central time. HLB responses will be posted on the HLB website at www.houstonlandbank.org

Expected Timeline (subject to change):

- RFQ release: Monday, June 24, 2019
- [RFQ Amendment 1: Wednesday July 17, 2019](#)
- OPTIONAL Builders Forum/Pre-Submittal Meeting:
 - Monday, July 8, 2019, 3:30 PM at the City of Houston Permitting Center, 1002 Washington Ave., Houston.
 - [Tuesday, July 30, 2019, 3:30 PM at the City of Houston Permitting Center, 1002 Washington Ave., Houston](#)
- Deadline for submitting questions: Friday, ~~July 4~~August 2, 2019
- RFQ responses due: Friday, ~~July 26~~August 16, 2019 by 5 p.m. Central time
- Committee review: August-~~September~~-2019
- Notification of Eligibility: September 2019
- Lot Release Anticipated: September-~~October~~ 2019

Background:

Houston Land Bank (HLB) is the new name of the Land Assemblage and Redevelopment Authority (LARA), established as a local government corporation for the City of Houston in 1999 to facilitate the redevelopment of vacant and tax damaged residential real estate in target Houston neighborhoods. In the past year, LARA realigned its strategic activities to better serve neighborhood revitalization activity in the City of Houston and changed its name to reflect its core function. The Houston Land Bank's amended bylaws and articles of incorporation were passed by City Council in August 2018. The Board of Directors includes representatives appointed by the City of Houston, Harris County, and the Houston Independent School District.

The current HLB lot inventory was assembled over the past 20 years, typically at auction or by 'strike off' by the taxing entities presently represented on the HLB Board. The original and existing inventory exists in the 'HOPE' Neighborhoods that were a key focus of the City for many years, namely Settegast, Trinity Gardens, and Sunnyside. The Land Bank has approximately 525 lots in its inventory, with approximately 240 designated for the City of Houston's New Home Development Program. In order to provide additional affordable housing opportunities and more comprehensive community revitalization, the Land Bank intends to further assemble property for the HLB inventory through a variety of means, including direct acquisition. The HLB strives to be a strong, innovative partner in the equitable redevelopment of Houston neighborhoods, and as a good neighbor to the communities in which it is working.



Please note that prior experience with LARA is not required in order to submit a qualification package. All prior LARA builders in good standing are eligible to respond to this solicitation.

Builder Categories

In order to organize the various specialties and qualifications of builders, both for- and not-for-profit, HLB plans to organize builders in the categories listed below. You will be asked to select which of the following categories you are most aligned with in your qualification response cover letter (you may ~~select~~ identify as more than one category, and HLB reserves the right to designate builders/developers to a different category than the one(s) suggested by respondents after reviewing submittals):

1. Master Community Builder: Capacity to support development of small to mid-size development districts in larger geographic areas or on larger parcels, based on track record of completed clusters of single-family homes, and demonstrated business experience of more than seven years.
2. Established Builder: Capacity for building on 5-10 land parcels at a time, based on track record, and demonstrated business experience of more than three years.
3. Startup Builder: Capacity for building on 1-4 land parcels at a time and demonstrated business experience of three years or less in the applying company, and with demonstrated additional experience as a part of another builder's crew or team. Each Startup Builder must identify a Mentor Builder who will provide guidance and capacity-building advice to the Startup Builder. A Mentor Builder must meet the standards above for Established or Master Community Builder and must submit qualifications as a part of or separate from the Startup Builder application.
4. Rehab/Reconstruction services (single family and multi-family).
5. Neighborhood Commercial Builder: (smaller-scale commercial development responsive to community needs and plans)

Please note that there are few lots/opportunities for categories 4 and 5, and therefore these may not constitute a large percentage of Builders qualified.

Qualification Process and Evaluation Criteria:

An evaluation committee will review and score submissions in accordance with the evaluation criteria listed below. After initial evaluation of responses, the committee may develop a shortlist of proposers meeting the technical competence requirement and request that proposers on the shortlist participate in an interview/presentation to gather more information on their capacity to perform. Scores may be recalculated based on the results of the requested interview/presentation.

Evaluation criteria are to include:



- Responsiveness of Submittal (Pass/Fail): Submittals must be complete, responsive and enable the evaluation committee to adequately assess the respondent's capabilities and experience.
- Qualifications (30 points):
 - Relevant qualifications of lead respondent
 - Subcontractors/partners' qualifications (including Mentor Builder if applicable)
 - Organization chart
- Experience and Track Record (30 points):
 - Past performance on similar construction/development projects since January 2014 (past experience with LARA, HLB or the City of Houston is not required to be qualified in this round, but if you were a LARA builder, you must address your track record in the past five years). You must include details regarding performance against budget and schedule included in any contract terms.
 - Experience working with qualified low- and moderate-income home buyers, and related financial and educational programs.
 - Experience meeting goals for engagement of minority- or woman-owned business enterprises (MWBEs), historically underutilized businesses (HUBs), or local small businesses with similar designations.
 - Experience with local hire and other local community supported activities.
 - Scattered-site development experience.
 - Professional references (include three).
- Capacity to perform (40 points)
 - Ability to provide quality construction/buildings in support of neighborhood values and plans.
 - Innovation in building materials and systems to ensure that homes constructed on property conveyed by HLB are affordable to buyers earning no more than 120 percent of the Houston area median income (AMI).
 - Capacity to execute when awarded lots, within contract specified timeframe.
 - Sample pro forma for typical home construction (see explanation below under "Requested Structure of Responses").
 - If a Startup Builder, demonstrated relationship with Mentor Builder and plan for execution.
- Interviews will be conducted of a short list of builders based on the criteria above, primarily to confirm capacity to perform. Scores may be recalculated after the interviews.

Submittal Process:

Interested builders/developers must submit a response to this RFQ by 5 p.m. Central time on Friday, ~~July 26~~ **August 16**, 2019 via e-mail to builders@houstonlandbank.org. Responses must be submitted in a single PDF format and include the information below. Incomplete or late responses will not be considered.



Requested Structure of Responses:

Responses are limited to no more than 20 pages (8.5x11) , except supporting documents such as resumes, financial statements, and certifications which can be added as addendum, and must include:

- Cover letter, including
 - Contact information including your name, business name, physical address, e-mail address, phone number, and website address (if your company has a website)
 - Introduction—150 words or less: How is your business aligned with the mission of the Houston Land Bank?
 - Builder Status: For-profit, non-profit, CHODO, any other appropriate designation.
 - Proposed Builder Category (Select as many categories as you are eligible for from the list above; note that HLB reserves the right to reclassify builders/developers based on review of submittals).
 - Geographic Experience: Where have you built, and where are you planning to build?
 - Neighborhood Presence: How do you work with and participate in communities where you build?
 - Any experience working with LARA/City of Houston in the past, including any ongoing projects not yet completed. Anything not yet completed must be accompanied by your most recent builder update report and any explanation for why the project was delayed from original contract agreements.
- Statement of Qualifications:
 1. Personnel: Please provide a brief organizational summary and review of relevant experience for the individual submitting the response and for the corporation or firm identified as lead, along with professional bio and review of relevant experience for any anticipated subcontractors/partners.
 - a. Leadership Team (Resume summaries for lead organizational staff can be addendum, but the listing of the leadership team must be in the main document)
 - b. Organizational chart as proposed to complete work (this should reflect subcontractor participation if applicable, including related brokers/realtors and agencies/partners).
 - c. If you are a startup applicant, please propose 'mentor' builder with more experience and identify relationship between organizations.
 2. Service Approach: Please respond in a brief paragraph your availability, capacity, and experience in the execution of affordable housing. We will be qualifying builders who will be able to build on lots within a short time frame from award, and need to understand how quickly a company can mobilize at lot purchase. Additionally, please



explain your approach to quality control and design/materials, and any innovative strategies you are working with to align cost to affordability goals.

3. Recent and Demonstrated Experience: Please provide a written response and examples to address the following points (no more than five examples from past five years):
 - a. Quality buildings executed recently (may be residential or commercial), please provide at least 3 illustrative examples
 - b. Successful quality and cost control planning strategies and results. Please provide at least one illustrative example.
 - c. Producing quality homes at affordable pricing. Please provide at least one illustrative example
 - d. Working with qualified low- to moderate-income homebuyers. Please provide at least one illustrative example
 - e. Working with local community/neighborhood groups and local hiring/sourcing
 - f. Meeting or exceeding code requirements for health/safety, energy efficiency, and other building quality measures, including experience with strategies to protect property against fire and flooding risk
 - g. Please identify other construction/development that your firm is currently involved in (e.g., if you also serve as a contractor to another builder).
4. References: Please provide 3 references of your work performance with contact information for each (including names, phone numbers, email addresses) who can speak to your construction/development performance. References from regulatory authorities based on work performed for that entity (e.g., city, county or state governments) are preferred. Letters of support from other organizations or elected officials are not preferred.
5. Financials: Financial statements can be added as addendum to the 20 page document, but you must describe your financial capacity to execute projects in your main document and outline the financial statements that you are submitting.
 - a. Letter of support from at least one financial institution from which you have secured or plan to secure construction financing **AND**
 - b. Last three years' tax returns for corporations, or IRS 990's for Non Profit Corporation **OR** if Startup Builder, sole proprietorship or managing member partner, last two years' personal tax return statements including an income statement, cash flow statement and balance sheet, entities for which corporate financials are not available, **AND**
 - c. A full disclosure of any events, liabilities or contingent liabilities that could affect the respondent's financial ability to perform **OR**
 - d. Other financial information sufficient for HLB, in its sole judgment, to determine whether the respondent is financially solvent or adequately capitalized. If you are self-financed, please detail your financial capacity, and demonstrated track record for financing projects in lieu of 5a above.
6. Insurance & Bonding Capacity: Demonstration of coverage or ability to obtain same; prior to conveying any lots, commissioning any construction, or otherwise executing



a contract with a selected builder/developer, HLB will require evidence of insurance and ~~will also~~ may require the builders/developers to maintain performance and payment bonds in an amount equal to the value of the construction project.

7. ~~Certifications~~ We welcome certifications, awards and other related distinctions-HUB, MWDBE, Better Builder, etc. If City of Houston MWDBE, please provide Statement of Certification and Compliance.

8. Sample pro forma: Please provide a typical construction budget for a sample home of approximately ~~1,100-1,320~~ 1,000-1,320 square feet with at least two bedrooms and one bathroom on a single-family lot. The sample pro forma should identify cost strategies that support and/or challenge the ability to achieve project at a price point that is available to low- and moderate-income buyers. Additionally it should list typical sources, including any expected bank financing. If you are applying only for commercial construction, you should provide current market pricing information for construction and leasing costs for the types of projects that you have recently completed, and you are not required to submit the template proforma.

PLEASE SEE ATTACHED TEMPLATE FOR PROFORMA

The Houston Land Bank reserves the right to reject incomplete or inadequate responses, and to cancel this request for qualifications at any time. Changes to this request for qualifications will be posted at www.houstonlandbank.org. Updates will be sent to builders/developers who have registered their contact information with the Houston Land Bank.

