



PROCUREMENT DIVISION

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"The Capital City of the Palm Beaches"

**Addendum #1
RFP #09/10-106**

**Neighborhood Stabilization Program
Construction of Single Family Infill Housing on Vacant Residential Parcels**

Each recipient of this Addendum No. 1 to the Request for Proposal (RFP) who responds to the RFP acknowledges all of the provisions set forth in the RFP and agrees to be bound by the terms thereof. This addendum shall modify, clarify, change or add information and clarification and become part of the above referenced RFP.


SUBMITTED QUESTIONS

Question: In researching RFP 09/10-106 which I would like to apply for I see that it is required to have FHA/HUD Contractor Certification. I have researched the web site for HUD and can not seem to find where this certification exists or how to apply for it. There is a place to register for grants and some other building certifications but I could not find a Builder Certification per say. I would really appreciate it if you could give me better direction as to where I may apply for this certification with HUD.

Answer: The City of West Palm Beach has been advised by the Department of Housing and Urban Development (HUD) that they no longer certify Builders or Contractors. Builders or Contractors must be prepared to complete and comply with HUD form 92541 for each home that is constructed. A copy of HUD form 92541 is attached for review.

Proposers must acknowledge receipt of this Addendum Number One in the space provided below. This Addendum forms an integral part of the RFP documents and therefore must be executed. Failure to return this addendum with your proposal submittal may be cause for disqualification.

Issued By: City of West Palm Beach
Procurement Division
November 30, 2009

Signed By: 
Nora W. Laudermilk
Procurement Official

PROPOSER:

Signed By: _____

Print Name: _____

Title: _____

Date: _____

Builder's Certification of Plans, Specifications, & Site

**U.S. Department of Housing
and Urban Development**
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0496
(exp. 08/31/2012)

Property Address (street, city, State, & zip code)	Subdivision Name
Mortgagee's (Lender's) Name & Address (this is the lender who closed the loan)	FHA Case Number
	Phone Number

- 1. Site Analysis Information:** To be completed on all proposed and newly constructed properties regardless of LTV ratio.
- a. **Flood Hazards.** Are the property improvements in a Special Flood Hazard Area (SFHA)? Yes No
- 1) Provide the community number and date of the Flood Insurance Rate Map (FIRM) used to document your answer. Community Number _____ Map Date _____
- 2) Is the community participating in the National Flood Insurance Program and in good standing? Yes No
- 3) If "Yes" to 1a. above, attach:
 (i) a Letter of Map Amendment (LOMA) or;
 (ii) a Letter of Map Revision (LOMR) or;
 (iii) a signed Elevation Certificate documenting that the lowest floor (including basement) is built in compliance with 24 CFR 200.926d(c)(4).
- b. **Noise.** Is the property located within 1000 feet of a highway, freeway, or heavily traveled road? Yes No
 Within 3000 feet of a railroad? Yes No
 Within one mile of a civil airfield or 5 miles of a military airfield? Yes No
- c. **Runway Clear Zones / Clear Zones.** Is the property within 3000 feet of a civil or military airfield? Yes No
 If "Yes," is the property in a Runway Clear Zone / Clear Zone? Yes No
- d. **Explosive /Flammable Materials Storage Hazard.** Does the property have an unobstructed view, or is it located within 2000 feet, of any facility handling or storing explosive or fire prone materials? Yes No
- e. **Toxic Waste Hazards.** Is property within 3000 feet of a dump or landfill, or a site on an EPA Superfund (NPL) list or equivalent State list? Yes No
- f. **Foreseeable Hazards or Adverse Conditions.**
- (1) Does the site have any rock formations, high ground water levels, inadequate surface drainage, springs, sinkholes, etc.? Yes No
 (2) Does the site have unstable soils (expansive, collapsible, or erodible)? Yes No
 (3) Does the site have any excessive slopes? Yes No
 (4) Does the site have any earth fill? Yes No
 If "Yes," will foundations, slabs, or flatwork rest on the fill? Yes No
- If you marked "Yes" to any of the above questions in f, please attach a copy of the State licensed engineers' (soils and structural) reports, designs, and/or certifications showing compliance with HUD requirements to ensure the structural soundness of the improvements and the health and safety of the occupants. Refer to HUD Handbook 4145.1 and FHA Data Sheet 79g.

- Complete this section when seeking eligibility for Maximum Loan-to-Value Financing.** Items 2 and 3 must be checked.
2. HUD Minimum Property Standards in the Code of Federal Regulations at 24 CFR 200.926d.
3. HUD Handbook 4145.1, Architectural Processing & Inspections for Home Mortgage Insurance, including Appendix 8, Site Grading & Drainage Guideline.
4. Local/State Code Applicable Provisions
-
5. CABO One- and Two-Family Dwelling Code, as listed in 24 CFR 200.926b.
6. CABO 1992 Model Energy Code
7. Electrical Code for One- and Two-Family Dwellings, as listed in 24 CFR 200.926b. (current edition; NFPA 70A/1984).
8. This is a manufactured (mobile) home and was constructed in accordance with the Federal Manufactured Home Construction & Safety Standards (FMHCS). The label on the manufactured home shows compliance with the FMHCS. I hereby certify that the plans and specifications for all other construction (i.e., site, foundation) comply with the applicable building code or HUD requirement listed above, including para. 3-4, Handbook 4145.1, and the Permanent Foundations Guide for Manufactured Housing.

Builder or Builder's Agent: I hereby certify that the site analysis information above is true and accurate to the best of my knowledge and belief and that the plans and specifications were designed to mitigate any foreseeable hazards or adverse conditions. On all properties eligible for maximum LTV financing, I further certify that I have personally reviewed the plans, specifications, and site information submitted herewith. Based upon my review, I hereby certify that such plans, specifications comply with the applicable building code specified above as well as complying with the HUD construction requirements listed above. An "X" marked in the blank by each numbered item indicates that provisions from the marked code apply.

9 a. Name of Builder's Company or Builder's Agent (type or print)	10 a. Name & Title of Builder or Builder's Agent (type or print)
b. Street Address	b. Signature of Builder or Builder's Agent Date (mm/dd/yyyy)
c. City, State, & Zip Code	c. Telephone Number (include area code)

11. **Affirmative Fair Housing Marketing Plan (AFHMP)** Did you sell five (5) or more houses in the last twelve (12) months or do you intend to sell five (5) or more houses within the next twelve (12) months with HUD mortgage insurance? Yes No

If "Yes," check either a, b, c, or d below.

- a. I am a signatory in good standing to a Voluntary Affirmative Marketing Agreement (VAMA).
- b. I have an AFHMP which HUD approved on (mm/dd/yyyy) _____.
- c. I have a contract with _____ to market this house.
- d. I certify that I will comply with the following: (a) Carry out an affirmative program to attract all minority and majority groups to the housing for initial sale or rental. Such a program shall typically involve publicizing to minority persons the availability of housing opportunities regardless of race, color, religion, sex, handicap, familial status or national origin, through the type of media customarily utilized by the applicants; (b) Maintain a nondiscrimination hiring policy in recruiting from both minority and majority groups; (c) Instruct all employees and agents in writing and orally in the policy of nondiscrimination and fair housing; (d) Conspicuously display the Fair Housing Poster in all Sales Offices, include the Equal Housing Opportunity logo, slogan and statement in all printed material used in connection with sales, and post in a prominent position at the project site a sign which displays the Equal Opportunity logo, slogan or statement, as listed in 24 CFR 200.620 and appendix M to part 200. I understand that I am obliged to develop and maintain records on these activities, and to make them available to HUD upon request.

Builder: I hereby certify that the site analysis information is true and accurate to the best of my knowledge and belief. On all properties eligible for maximum LTV financing, I further certify that the plans and specifications submitted herewith have been reviewed by the individual signing above and that the individual has the knowledge and experience necessary to determine whether such plans and specifications comply with the HUD/FHA requirements set forth at 24 CFR 200.926d and with other applicable HUD requirements as determined in accordance with 24 CFR 200.926(d)(1) and (2). Any subsequent changes to these plans and specifications shall comply with the aforementioned requirements. Upon sale or conveyance of the property, the undersigned will promptly furnish to lender a Warranty of Completion of Construction, form HUD-92544 on all properties eligible for maximum LTV financing.

12 a. Name of Builder's Company (type or print)	13 a. Name & Title of Builder (type or print)
b. Street Address	b. Signature of Builder Date (mm/dd/yyyy)
c. City, State, & Zip Code	c. Telephone Number (include area code)

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1012; 31 U.S.C. 3729, 3802).

This form must be complete and legible and must be reproduced to include both sides of the document.

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

Executive Order 11988 and HUD environmental regulations (24 CFR Part 51) require builders who build newly constructed properties to ensure that the property is not affected by: flood hazards, noise, runway clear zones, explosive/flammable materials storage hazards, toxic waste hazards, and other foreseeable hazards that may affect the site. HUD requires this information to determine whether the site/location factors would adversely affect the dwelling or homeowner. A response is required whenever a builder builds new properties. Confidentiality is not applicable.

Instructions for Builder's Certification, form HUD-92541

To obtain maximum loan to value financing (high ratio loan) for a new property, a builder must:

- a. Become a certified builder in accordance with HUD requirements and certify that the plans and specifications for the home meet HUD requirements prior to the beginning of construction; or
- b. Have the plans and specifications for the home approved by HUD prior to the start of construction; or
- c. Provide a HUD accepted ten year protection (warranty) plan.

If the property is eligible for maximum loan to value financing on the basis of a, b, or c above, then the builder must complete Items 1 - 12 on this form. The builder or its agent may complete Items 9 and 10.

If the builder does not meet the criteria listed above for maximum loan to value financing, then the loan to value financing will be limited to 90 percent (low ratio loan). For these cases, the builder must complete Items 1, 9 and 10 on this form. The builder, not the builder's agent, must complete Items 9 and 10.

Item 1. Site Analysis: All builders must answer all the questions in this item even when the improved area procedure is required. An addendum may be added, if necessary, to provide a full explanation about any of the site conditions listed.

- a. **Flood Hazards:** HUD prohibits new construction in Special Flood Hazard Areas unless there is a Letter of Map Amendment (LOMA), a Letter of Map Revision (LOMR), or an Elevation Certificate in accordance with 24 CFR 200.926d(c)(4) provided to the lender.
- b. **Noise:** Self-explanatory.
- c. **Runway Clear Zones/Clear Zones:** If the property is located in a Runway Clear Zone / Clear Zone, the lender must require, as a condition of borrower approval, that the borrower will sign a statement acknowledging receipt of the notification required by 24 CFR 51.303(a)(3).
- d. **Explosive/Flammable Materials Storage Hazard:** Self-explanatory.
- e. **Toxic Waste Hazards:** Self-explanatory.
- f. **Foreseeable Hazards or Adverse Conditions:** Self-explanatory.

Items 2 - 8: If the lender desires the property to be eligible for maximum financing (a high-ratio loan), the certified builder/certified builder's agent **must** complete these items as follows:

- 2. & 3.** Place an "X" in the box in Items 2 and 3. The certified builder must complete Items 4 thru 8 as follows:
 - 4.** The local/State code in Item 4 is the HUD accepted code for a locality as identified by a mortgagee from a list provided by HUD.
 - a. A "fully accepted code" is indicated by placing a "X" in the first space, identifying the code in the second space and placing the word "All" after "Applicable Provisions."
 - b. A "partially acceptable code" is indicated by naming the unacceptable portion as shown in the example: "All except materials standards."

The additional requirements needed from the Table in 24 CFR 200.926c, to supplement a partially acceptable local code, must be shown in Item 4.

If a local code has been changed since last accepted by HUD, a builder is required to submit for HUD review, a copy of such changes to the Code. Include all applicable service codes, appendices, and a copy of the statute, ordinance, regulation or ordinance making such changes.

- 5.** When the whole CABO Code is used as the HUD referenced code in jurisdictions with "no code" or an "unacceptable code," place an "X" in the box in Item 5 and place the word "All" in the space.

6. Place an "X" in the box on line 6, because builders must comply with this energy code.

7. Place an "X" in the box on line 7, because the Electrical Code for One and Two Family Dwellings, NFPA 70A/1984 is required in conjunction with the CABO Code.

8. If the dwelling is a manufactured (mobile) home, place an "X" in the box in Item 8. Properly complete lines 4 through 7 for all "foundation and site work."

Items 9 & 10. The builder or the builder's agent must complete and sign these items. If the builder's agent completes and signs these items the builder's agent is certifying that builder's agent has the knowledge and experience to determine whether the plans and specifications comply with HUD/FHA requirements set forth in 24 CFR 200.926d and with other applicable HUD requirements in 24 CFR 200.926(d)(1) and (2). The builder's agent is further certifying that the information about the site is accurate to builder's agent's best knowledge and belief.

Item 11. If a builder has sold or intends to sell five (5) or more newly constructed properties within a twelve (12) month period, the builder is required to have one of the following:

- a. Be in good standing to a Voluntary Affirmative Marketing Agreement (VAMA); or
- b. Have a HUD approved Affirmative Fair Housing Marketing Plan (AFHMP); or
- c. Have a contract with a Marketing Agent to implement its approved AFHMP; or a contract with a Marketing Agent with signatory to a National Association of Realtors VAMA; or
- d. Certify to the requirements which are hereby listed, taken from 24 CFR 200.620.

Items 12 & 13. The builder must complete and sign Items 12 and 13. The certification is self-explanatory. All changes to the original form must be initialed and dated by the builder.

Appraiser / Direct Endorsement Lender's Responsibility

Fee Appraiser / Direct Endorsement Staff Appraiser. The fee appraiser / DE staff appraiser must receive a fully executed form HUD-92541 before performing the appraisal on proposed or under construction properties or properties less than one year old.

The appraiser must review Item 1 and note in the Appraisal Report any discrepancies between the information in Item 1 and the actual conditions observed on site. The appraiser must take into consideration the effects of any site conditions on the value of the property.

Direct Endorsement Underwriter. The DE Underwriter must review the Appraisal Report and the Builder Certification as part of the underwriting process, taking into consideration the effect of any site conditions on the value of the property. Page 1 of this form must be complete and legible. Only the builder or the builder's agent is authorized to complete or change this form. The DE Underwriter cannot change and/or modify this certification form.

MCRV/CRV Submissions

Form HUD-92541 is required on all newly constructed properties and must be in the HUD Case Binder on all conversions from VA.