



CITY OF HOUSTON

Housing & Community Development Department

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Date: October 20, 2022

Subject: Letter of Clarification for Large Tract CDBG DR 17 Stella Link Notice of Funding Availability (NOFA) - T32510

To all prospective Applicants:

This Letter of Clarification is issued for the following reasons:

- To make the following revisions to the Notice of Funding Availability (NOFA) T32509 on Page 19, Paragraph 1:
 - Replace “Applicant shall make good faith efforts to award subcontracts and supply agreements in at least **34% (23%MBE, 11%WBE)** of the HCDD investment for all federally and non-federally funded construction contracts in excess of \$1,000,000 to certified MWBEs” with “Applicant shall make good faith efforts to award subcontracts and supply agreements in at least **29% (21%MBE, 8%WBE)** of the HCDD investment for all federally and non-federally funded construction contracts in excess of \$1,000,000 to certified MWBEs.
- To provide responses to the questions received from prospective Applicants prior to the deadline to submit questions:

	Question	Answer
1	Did that last slide mean to say that a developer would be chosen by the end of 2022 (I think it said 2023)?	Yes. Developer Selection will be made by the end of 2022, this year.
2	What was the acreage for the stella link site?	The Stella Link is 12.22 acres
3	Will we get these slides?	Yes, the slides and the recording of this presentation will be available at https://houstontx.gov/housing/funding.html#nofa
4	Are there certain goals to meet in regards to MBE, WOMBE, HUB, Section-3?	Both developments will be subjected to MWSBE, Section 3 and Pay or Play compliance requirements.

5	In the Community feedback slides there is a mention to a "Stella Link Preliminary Community Design Document." Are there design guidelines or examples that we can access?	In the presentation, we did go over what the scoring would be and if the community design document and guidelines are required.
6	Where can the required application forms and documents be accessed? They are not in the link provided in the NOFA.	These can be accessed at https://houstontx.gov/housing/funding.html#nofa
7	If a proposal is submitted with the Highest Affordability Value, however, they do not meet the Developer Capacity Qualifications, will their value still be used to score the remaining qualified applicants against?	The minimum Developer experience is a threshold requirement.
8	If an application is submitted as a collaborative effort, will developer capacity be the combined experience of both?	The combined experience of the Co-Developers will be considered
9	Is the developer capacity for new construction only? Can it include rehab?	Developer experience is measured based on experience developing single family homes. Rehab projects will be considered to add to the Developers breathe of knowledge in new construction.
10	The NOFA states funds must be expended by aug 2024. Is this specific to only the cdbg portion of funds?	August 31, 2024. Yes, the CDBG portion of the funds must be expended before August 2024. CDBG funds were disbursed to acquire the land for each development site. The remaining funds are provided to the awarded Developer as a forgivable loan. The City expects that the forgivable loan will be used to mitigate the horizontal construction and environmental mitigation costs. These expenses should be expended during the first or second phase of the construction timeline.
11	Is there any consideration for property taxes on the land during development? Will the developer be responsible for the full property taxes from the date of conveyance or is there a deferred tax provision for x years during the development?	There are property tax code exemptions for Developers during construction for low to moderate income Homebuyers. Developers will be responsible pursuing any exemptions after the land is conveyed.
12	Does the city have possession of the \$3.x Million funds? Are the \$3.x million of cdbg funds in the nofa contingent on the glo releasing them?	The GLO has approved the full \$17 million for each project i.e. Stella Link and Cityscape.
13	Is there a projected price point for the 51% affordable homes for the 80% and below AMi?	In the NOFA package, we will provide a supplemental form (NOFA Application Workbook) which is based on the current AMI levels for the City of Houston and that will also be based on the household size, 2, 3 and up to 4 bedroom homes. That chart will show you what the average price point for your homes, so you would base it off of that additional attachment to the NOFA application.
14	What is the stance regarding garages? Covered parking? Mandatory, optional?	Garages are not required but encouraged. Community feedback requested garages for community safety
15	Does Davis Bacon applies even though it's Single Family development?	Yes, Davis Bacon has already been determined to apply

16	In determining the price point of homes for 80% AMI, how does any down payment assistance received by the homebuyer apply to the sales price?	The City is investing \$17,000,000 in the Stella Link and Cityscape developments of affordable single-family homes for low-to-moderate Homebuyers. With the contribution, the awarded Developer will price each affordable home to the Homebuyers' mortgage pre-approval award amount up to \$135,000. With this method, no additional down payment assistance is needed.
17	Follow up to the David Bacon question, just to confirm, is it going to apply to both the horizontal and the vertical construction? So is the project being treated more as a Multi-Family, all inclusive construction project, and the individual homes that are being sold are not going to be individual, like separate. In the single family world, we usually do not have Davis Bacon but when we do Multi-Family we do. It seems like a mixture of both.	Yes, it will apply to both. The reason why it became applicable is because it was one tract of land. You are building 200 homes on one tract of land. The threshold is 8 or more, so we consider that as being applicable to Davis Bacon.

This Letter of Clarification will be considered part of the solicitation referenced on the first page of this document.

It is the responsibility of the Applicant to ensure that it has obtained all such letter(s). By submitting application on this project, Applicants shall be deemed to have received all Letter(s) of Clarification and to have incorporated them into their applications.

Thank you,

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