



CITY OF HOUSTON

Housing & Community Development Department

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Date: June 17, 2024

Subject: Letter of Clarification for 2024 Single Family Stella Link Development Project

(NOFA) – N060724

To all prospective Applicants:

This Letter of Clarification is issued for the following reasons:

- To provide responses to the questions received from prospective Applicants prior to the deadline to submit questions:

	Question	Answer
1.	Was anything found in the ESA that would require a Phase 2?	It does not require any additional actions. Based on the laboratory testing results, lead concentrations in two surface samples exceeded the default groundwater protection PCL. However, the concentrations do not exceed direct contact PCL and/or the calculated site-specific PCL. No actions are needed with respect to the lead in the surface soil at the subject property. If soil is to be removed from the property during development activities, the soil in the areas of detected lead concentrations above the Texas-Specific Background Concentration should be properly characterized prior to transporting off-site for disposal.
2.	How many developers will be considered?	Only one developer will be awarded, but multiple builders can be used for the project.
3.	The 11.5 million for infrastructure, is this loaned to the developer, forgiven when obligations are met?	Yes
4.	The MWBE, Section 3 and possibly the Davis Bacon requirements would only apply to the amount of the \$11.5 million of funding used for the project?	Yes. Davis Bacon applies when there is \$2000.00 of federal dollars, regardless of the remaining funding sources. Yes, MWBE and Section 3 would apply for the amount being funded for the project.
5.	What is the capital liquidity requirement?	We are asking developers to have liquidity for at least the award amount, approximately \$11.5 million.

6.	How do I access the application as a homebuyer?	The sales agent, buyer's agent, mortgage company, or buyer will receive an ID number and instructions for uploading the documents required for HCD review. HCD will work to make this process accessible for the developer and the community.
7.	Is the \$12 million liquid or net worth?	Net worth
8.	One developer with multiple builders, who selects the builders? The City or the selected developer?	The Developer will select the Builder.
9.	Will you keep the future buyers updated regarding the progress and completion of the building of the homes and ready to apply?	No. The Developer is responsible for marketing and selling homes to eligible homebuyers. The developer shall communicate with potential homebuyers about the availability of the homes and refer potential homebuyers to HCD to verify eligibility. The City will place the development on the City's website for a marketing partnership for the development.
10.	Is the developer responsible to set funds aside to assist buyers?	Yes
11.	Has the noise study been conducted and if not, at what point will the study be conducted?	Yes, the site noise assessment has been conducted and will be available to you at https://houstontx.gov/housing/funding.html#nofa
12.	Is the property in a flood zone of any sort and are there any other requirements on the building like garages or anything like that that, other than the two-bedroom and four-bedroom selections?	The property is not located in a flood zone. We are seeking a mix of 2,3, and 4-bedroom homes with 2-bath and 2-car garages. The homes must be built resilient and energy-efficient based on resilient standards and green build standards.
13.	Is there a minimum number of homes that you would like to get out of this development?	<p>We currently do not have a set minimum number of homes. The property utilized \$13.9 million for acquisition and will be divided across the number of units proposed in this development. There is a maximum subsidy threshold from HUD of \$268,000 Housing Trust Fund (HTF) Value Limits ("95% limits") for the Houston-Harris County area, and 51% of the unit must be sold to 80% Area Median Income (AMI) and below.</p> <p>2023 Limits are subject to change when 2024 Limits are released from HUD for Harris County in the 2023 report updated July 1, 2023 (Row 2658 of the 2023 Report)</p> <p>Housing Trust Fund Homeownership Value Limits - HUD Exchange</p>
14.	So the site plan that you guys want to see with the green space and the mixed designs, is that going to be due on July 12th?	Yes, preliminary site designs are to be submitted with your application.
15.	Did you mention that the Davis Bacon and the MWBE is only required on the infrastructure or both infrastructure and the construction of homes?	The GLO has verbally notified the City that the Davis Bacon Act will apply to the entire development. The City is seeking further guidance and clarification from the GLO as to whether it includes building the homes or only preparing the site. Once the City receives that guidance, a Letter of Clarification will be published at https://houstontx.gov/housing/funding.html#nofa

16.	Would the grants that applies toward the development cost, would that be funded based on progress draws or would it be reimbursement?	The development agreement will spell out the draw terms on a reimbursement schedule for work completed and approved by HCD and GLO.
17.	On the buyer side, are you guys allowing grant assistance from your department on this project and or the community Land Trust?	The City is not providing any subsidy other than what is listed in the NOFA. No state, local, or federal dollars.
18.	Because a portion of this project is affordable and the other portion is market rate that that should be the subsidy that offsets for the buyers?	Yes, that is correct. The overall project subsidy is intended to make 51% of the units affordable while providing funding for the entire project.
19.	And then are we still allowed to use any other grant programs? Will buyers be able to layer grants?	Buyers are allowed to layer private sources of funding. Additional public funds are not allowed.
20.	Now you mentioned earlier that the developer/ builder will design the homes and be pre qualified based on the design. Would there be a minimum construction standard on top of that after the design has been approved or would the design stand on its own?	The proposed design is required to meet HCD Minimum Construction Standards.
21.	Would that be the code minimum standards or would that be the housing department minimum construction standards?	It will be the City of Houston's code standards and the City of Houston Housing and Community Department's minimum construction standards, which are also available as a supplemental document within the packet at https://houstontx.gov/housing/funding.html#nofa
22.	Is the developer responsible to set aside funds to assist buyers?	Yes

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

It is the applicant's responsibility to ensure that it has obtained all such letter(s). By applying for 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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