



CITY OF HOUSTON

Housing & Community Development Department

John Whitmire

Mayor

Michael C. Nichols
Director
2100 Travis, 9th Floor
Houston, Texas 77002

T. (832) 394-6200
F. (832) 395-9662
www.houstontx.gov/housing

Date: September 27, 2024

Subject: Letter of Clarification (1) for 2024 Multifamily Notice of Funding Availability (NOFA) – N091824

To all prospective Applicants:

This Letter of Clarification is issued for the following reasons:

- To make replace the application workbook with a new version. The correct version should be named "2024_HOME_MF_NOFA_II_Workbook_92724.xlsx".
 - Question #16 added to the 'Declaration of Principal Owners, Officers and Directors' section of the Applicant Information worksheet.
 - Scoring calculation removed from the MF Building Resilience worksheet.
 - Census Tract information updated on the Site Information worksheet.
- To provide responses to the questions received from prospective Applicants prior to the deadline to submit questions:

	Question	Answer
1.	School Ratings. What ratings apply. 24 A-F ratings remain pending subject to change based on judicial ruling. May we use the ratings that applied at the time of the tax credit award?	Yes
2.	When does the loan payments commence?	The loan payments will commence at the end of the approved construction period. During the permanent term, Borrower will be required to pay the lesser of 1.00% annually on the outstanding balance of the loan or 50% of net cash flow proceeds until maturity, and the loan will accrue at a fixed rate of 1.00% per annum. In event of default outstanding principal balance and all accrued interest will, at the option of HCD, become

		immediately due and payable. The default interest rate will be 10%.
3.	Are the loan payments subject to Net Cash Flow, and if so will Net Cash Flow be defined?	Payments will be subject to Net Cash Flow (defined in the City's Loan Agreement) for the property.
4.	Are 64 units the minimum number of units to qualify? Will a property address in Hiram Clarke 77045 qualify?	Yes, the minimum number of units is 64. Yes, all property addresses in the City of Houston qualify.
5.	Loan Payments commence at the end of the approved construction period or interest accrues?	Interest accrues.
6.	What determines the end of the construction period?	The time of performance - 24 months after closing. The director can extend in writing two times up to six month each.
7.	Please provide the web address to find certified MBE/WBE firms.	For more information about the City of Houston MWSBE certification process and to review the online certified directory, visit: https://houston.mwdbe.com/
8.	Does interest start accruing 24 months after closing unless extended by the Director?	If the director extends, loan servicing will use the latest date. You will have to extend if construction isn't 100% complete even if you have drawn all city funding.
9.	Do you have a list of builder/contractors that have successfully completed NOFA process?	Houston Area Community Development Corporation, Houston DMA Housing II, LLC, HTG Rushmore, LLC, and TE Affordable Manager, LLC
10.	For qualified projects, will projects in unincorporated Houston ETJ qualify? If not, will there be consideration if there are plans to annex the site to the City of Houston proper?	Development sites located in the ETJ does not qualify. Annexed sites such as Kingwood (District E), Missouri City (District K), Katy (District A), and Clearlake (District E) will qualify.
11.	Is there a minimum percentage of net cash flow we should assume must go toward the HOME loan annual interest payment?	Borrower will be required to pay the lesser of 1.00% annually on the outstanding balance of the loan or 50% of net cash flow proceeds until maturity, and the loan will accrue at a fixed rate of 1.00% per annum.
12.	Can a Phase I Environmental Site Assessment dated within the last 12 months be submitted with the NOFA application, and updated during underwriting?	Yes, and you can submit an ESA dated within the last 12 months and then update it during the environmental review process or during the NOFA process.
13.	Is the \$1500 application fee refundable if not chosen?	We will only deposit the check if you pass threshold, and the application is scored. If your application is not scored, we will destroy your check.
14.	Is there a way a project under construction qualifies if it meets all other requirements?	A project that is under construction does not qualify under this NOFA.

15.	What is the minimum and maximum amount of unit or homes that qualify for the multifamily program	The minimum is 64. We have not established a maximum.
16.	Do you have any upcoming workshops or programs, or departmental contacts for persons new to the process or system?	No, not currently. However, HCD NOFA Team hopes to host sessions like this in the future.
17.	Is 5th ward an option?	Yes
18.	How is the City verifying the CRA designation?	The CRA must have a plan and council action.
19.	Are we required to submit any recycling reports for materials being thrown away during construction?	No
20.	Are we able to apply if we recently closed on construction financing, but there was a gap in funding?	A project that has closed on construction is not eligible.
21.	Are we able to apply if we receive funding from Harris County's ARPA NOFA and it is a source in the deal?	You are not eligible if you have closed.
22.	Do you have to qualify under Section 3 as a business and/or worker in order to apply for NOFA?	It is not necessary to possess a Section 3 Business and/or Worker Certification in order to submit an application for the referenced NOFA.
23.	On the website it says, " New construction of properties or demolition and reconstruction of 64 units or more. Smaller properties may be considered if the application demonstrates housing of a special need populations." Could the smaller property determination be elaborated more on whether under 64 units is acceptable under certain circumstances?	If the development is Permanent Supportive Housing, we may consider a smaller development on a case-by-case basis.
24.	The census tract our development is located in does not show up in the drop-down menu on the Excel application workbook. Could this be fixed please to include CT 48201433507?	The Application Workbook has been corrected on the website. Please re-download the document from https://houstontx.gov/housing/funding.html#nofa
25.	Could you explain the MF Building Resilience tab of the application workbook? Is this a threshold requirement or a scoring requirement? Does the score only count if it meets the minimum of each section and hit the 12 points?	The MF Building Resilience worksheet in the Application Workbook has been modified to exclude the scoring function of the worksheet. Please re-download the document from https://houstontx.gov/housing/funding.html#nofa . The MF Building Resilience worksheet is not a threshold requirement and is used for scoring the application only.

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,

Linsi Broom
Staff Analyst
Finance
832.393.0506