

# Stella Link & Cityscape NOFA Pre-Application Conference

October 13, 2022



CITY OF HOUSTON  
HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT



# Introductions



**Derek Sellers**

**PLANNING & GRANTS REPORTING**

Deputy Director

City of Houston

Housing and Community

Development



**Olivia Christina Bush**

**LARGE TRACT DIVISION**

Division Manager

City of Houston

Housing and Community

Development



**Jeremiah Rivera**

**LARGE TRACT DIVISION**

Community Outreach Coordinator

City of Houston

Housing and Community

Development



**Andrea Smith**

**FINANCE**

Administration Manager

City of Houston

Housing and Community

Development

# Introductions



**Chrystal Boyce**

**COMPLIANCE & OPERATIONS**

Division Manager

City of Houston

Housing and Community

Development



**Tiffany Boyce**

**COMPLIANCE & OPERATIONS**

Contract Administrator

City of Houston

Housing and Community

Development



**Dawn Lee**

**LARGE TRACT DIVISION**

Administration Coordinator

City of Houston

Housing and Community

Development



**Nathan Washington**

**LARGE TRACT DIVISION**

Senior Project Manager

City of Houston

Housing and Community

Development

# Housing Keeping

- Please mute your microphone
- The pre-proposal conference is being recorded
- Send questions into the chat box
- Q&A





# Today's Agenda



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Funding & Solicitation Schedule

2

Stella Link & Cityscape Sites

3

NOFA Summary & Selection  
Criteria

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Compliance Requirements

5

Submitting an Application

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Key Resources / Q&A

# Funding & Solicitation Schedule

Andrea Smith

# Funding

- Approximately \$17,000,000
- Community Development Block Grant  
Hurricane Harvey Disaster Recovery (CDBG-DR) 2017
- Funds allocated by the US Department of Housing and Urban Development (HUD) to the Texas General Land Office (GLO)



# 2022-2024 Estimated Timeline

|   |                      |
|---|----------------------|
| Applications Due                              | November 16, 2022    |
| Threshold Review Completed and Amendments Due | December 16, 2022    |
| Award Announcement                            | Before Year-End 2023 |
| Legal Review & Underwriting                   | 120 Days             |
| City Council/Loan Closing                     | April 2023           |
| Construction Time                             | June 2023-July 2024  |





# Reference Materials

- [Harvey Single Family Development Program Guidelines](#)
- [Stella Link Solicitation Files](#)
- [New Homes for Stella Link \(Community Feedback\)](#)
- [Cityscape Solicitation Files](#)
- [New Homes for Cityscape \(Community Feedback\)](#)
- City of Houston Hurricane Harvey website:  
<https://recovery.houstontx.gov/>
- Texas GLO Hurricane Harvey website  
<https://www.glo.texas.gov/recovery/index.html>



# **Stella Link & Cityscape Sites**

Jeremiah Rivera

# 10301 Stella Link

- Alongside Stella Link Road, Willowbend Avenue, Highway 90
- Approximately 12.2 acres
- Up to 194 total homes\*
- Up to 99 attainable homes\*

\*Subject to due diligence on awarded applicant

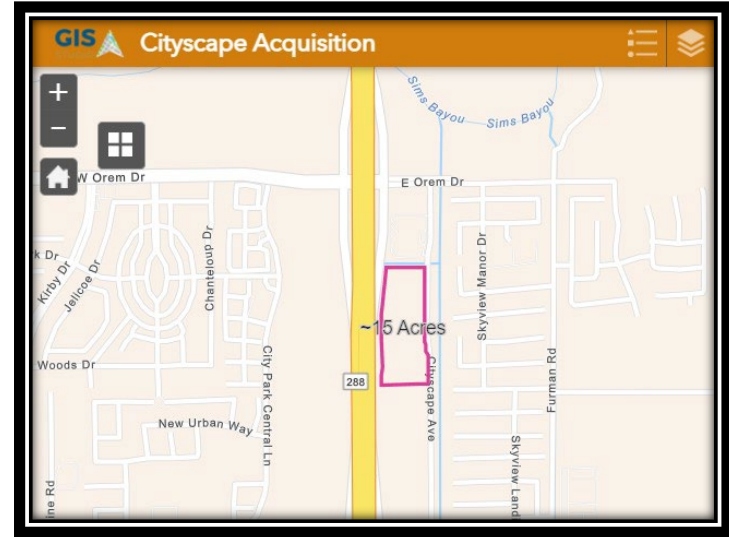


# NEW HOMES FOR STELLA LINK



# 12606 Cityscape Avenue

- Intersection of East Orem and Cityscape Avenue, alongside Highway 288
- Approximately 14.9 acres
- Up to 240\* total homes\*
- Up to 122\* attainable homes
- Neighborhood POA



\*Subject to due diligence on awarded applicant



# NEW HOMES FOR CITYSCAPE



CITY OF HOUSTON ★ HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT



# **NOFA Summary & Selection Criteria**

Jeremiah Rivera

# Project Summary

- At least 51% of homes sold at affordable prices for low-to-moderate (LMI) income homebuyers
- City will convey land, finance a portion of infrastructure or construction costs
- Developer will build, market, sell homes





# Project Summary

- Community Development Block Grant Disaster Recovery (CDBG-DR17)
- Stella Link
  - \$13,839,150.00 in land acquisition and due diligence
  - \$3,160,850.00\* for land infrastructure or home construction
- Cityscape
  - \$12,369,893.00 in land acquisition and due diligence
  - \$4,630,107.00\* for land infrastructure or home construction

\*Forgivable loan



# Eligible Project

- No smaller than 2-bedroom and no larger than 4-bedroom
- Affordable Homes must be of equivalent size, quality, materials, and finishes as Market Rate Homes
- No perceptible concentrations of homes by income level
- New construction. City may consider site-built or pre-fabricated approaches
- **Cityscape Only** – Refer to Property Owners Association (POA) – Exhibit



# Eligible Project

- At least 51% of homes built sold to households at or below 80% area median income (AMI)
- Affordable homes sold **ONLY** to households directly or indirectly impacted by Hurricane Harvey
- HCD will verify incomes based on current year HUD Income limits



# **Evaluation & Selection Process**

Jeremiah Rivera

# Evaluation Committee

- Evaluation committee to score applications based on listed criteria
- May issue letter(s) of clarification as necessary



# Threshold Criteria

- No officer, director or owner has been banned or debarred from doing business with HUD, GLO or the City
- Certificate of Account Status from Texas Comptroller
- Developer must have minimum of 5 years prior, proven development experience of 200 or more homes
- As applicable: current 501(C)3 tax exempt status



# Scoring

- Developer Capacity: 50 points
  - Prior experience: 10 points
  - Single-Family Home Development Experience: 10 points
  - Access to capital: 10 points
  - Financial strength: 10 points
  - Prior experience with affordable housing: 10 points
- Disaster Resilience: 10 points
- Energy Efficiency: 10 points
- Community Feedback & Priorities: 10 points
- Affordability Value: 20 points



# Developer Capacity (50 total points)

## 1 of 5: Prior Experience (10 points)

- Source: Application Content & Project Narrative: Company Bio
- Applicant with **greatest** number of single-family homes developed in prior 10 years will receive 10 points
- Other applicants awarded points **proportionally**



# Developer Capacity (50 total points)

## 1 of 5: Prior Experience (10 points)

- Developer A – 500 homes
  - $500/500 \times 10 = 10$  points
- Developer B – 375 Homes
  - $375/500 \times 10 = 7.5$  points
- Developer C – 100 Homes
  - $100/500 \times 10 = 2$  points

# Developer Capacity (50 total points)

## 1 of 5: Prior Experience (10 points)

- HCD will accept multifamily development based on units produced (rental) or sales (condo)
- Highest scoring developer may not score more than 5 points greater than second highest scoring developer
- Final outcomes rounded to hundredths place

# Developer Capacity (50 total Points) – 2 of 5: SF Home Development Experience (10 points)

- Source: Application Content & Project Narrative: Company Bio
- 10 points = 20+ years SF experience
- 7 points = 15-20 years SF experience
- 5 points = 10-14 years SF experience
- 3 points = 5-9 years SF experience
- 0 points = Less than 5 years SF experience

# Developer Capacity (50 total Points)

## 3 of 5: Access to Capital (10 points)

- Source: Conditional Letter of Commitment from Financial Institution
- 10 points – Letters demonstrating past financing on similar scale projects indicating interest to finance
- 5 points – Letters demonstrating past financing on lesser but relevant scale projects indicating interest to finance
- 0 points – Developer fails to submit letters

# Developer Capacity (50 total Points)

## 4 of 5: Financial Strength (10 points)

- Source: Financial Statements
- Financial statements demonstrating liquidity proportional to development cost
- Developer A: \$60M cost, \$30M liquidity
- $\$30\text{M}/\$60\text{M} \times 10 = \mathbf{5 \text{ total points}}$
- Maximum of 10 points



# Developer Capacity (50 total Points)

## 5 of 5: Developer Affordable Housing Experience (10 points)

- Source: Application Content and Project Narrative: Company Bio and Org Chart Supplement
- Developer with greatest depth & range will receive 10 points
- Others will receive fewer points in proportion to City's determination compared to highest-ranked developer
- Criterion will be qualitatively scored

# Disaster Resilience (10 Total Points)

- Source: Application Content and Project Narrative
- All applicants must commit to IBHS Fortified Gold standard
- 10 points – Home design adherence to and ability to qualify for IBHS Fortified Gold Standards Certification
- 7 points – Home design adherence to HCD Minimum Construction Standards for New Construction
- 5 points – Home design adherence to City of Houston Building Code



# Energy Efficiency (10 Total Points)

- Source: Application Content and Project Narrative
- All applicants must commit to EnergyStar requirements
- 10 points – Home design adherence to and ability to qualify for Energy Star Certification
- 7 points – Home design adherence to HCD Minimum Construction Standards for New Construction
- 5 points – Home design adherence to City of Houston Energy Conservation Code



# Community Feedback and Priorities (10 Total Points)

- Source: Application Content and Project Narrative
- 10 points – Incorporate 5 of 5 Community Feedback priorities
- 8 points - Incorporate 4 of 5 Community Feedback priorities
- 6 points - Incorporate 3 of 5 Community Feedback priorities
- 4 points - Incorporate 2 of 5 Community Feedback priorities
- 2 points - Incorporate 1 of 5 Community Feedback priorities
- 0 points - Incorporate 0 of 5 Community Feedback priorities
- Community feedback can be found at the [New Homes for Stella Link](#) and [New Homes for Cityscape](#) webpages respectively

# Affordability Value (20 Total Points)

- Source: Application Workbook
- Affordability Value = Total Homes Sales – Total Market Rate Sales
- Developer A applicant: Total Home Sales of \$69.1M, Market Rate Sales of \$54.4M
- Affordability Value: \$69.1M - \$54.4M = **\$14.7M**



# Affordability Value (20 Total Points)

- Applicant with most Affordability Value will receive 20 points; all others awarded points proportionally
- Developer A = \$14.7M
- Developer B = \$12.2M
- Developer B calculation –  $12.2/14.7 \times 20 = 16.6$  points



# Compliance Requirements

Chrystal Boyce

# Compliance Requirements



**Minority Women  
Owned Small  
Business  
Enterprise  
(MWSBE)**



**Section 3:  
Economic  
Opportunities**



**Pay or  
Play**



**Davis Bacon  
Labor  
standards**

# **MWSBE PROGRAM REQUIREMENTS**

2 CFR 200.321  
Chapter 15 Ordinance Part V

# MWSBE Compliance Requirements

- Construction projects will be advertised with a **29% MWBE** goal.
- MWBE Primes are allowed to meet advertised goals by self-performing up to 50% of the total contract goal(s). MWBE Primes will have to choose which goal they would like to receive credit for on construction projects (MBE or WBE). Once a goal type for participation is selected, the Primes participation credit will be capped at the proposed percentage or the approved goal, whichever is lower.
- The General Contractor shall make Good Faith Efforts to award subcontracts or supply agreements to MWSBEs to achieve goal requirements.
- Only firms certified through the City of Houston, Office of Business Opportunity can be used to meet MWBE goal requirements.
- For more information about the City of Houston MWSBE certification process, visit: <https://houston.mwdbe.com/>



# **SECTION 3 PROGRAM REQUIREMENTS**

**24 CFR PART 75**



# Section 3 Compliance Requirements

All contractors or subcontractors with a covered contract in excess of \$100,000 will be subject to Section 3 requirements.



If contracting or employment opportunities arise, contractors are required to meet the following Numerical Goal Requirements:

10% of the dollar amount of “hard cost” (construction) should be directed to Section 3 Business Concern(s).

3% of the dollar amount of “soft cost” (non-construction) should be directed to Section 3 Business Concerns.

30% of new employment should be directed to Section 3 Workers.

# Section 3 Business & Worker Eligibility Criteria:

## Section 3 Business Concern

A Section 3 Business Concern is a business that can provide evidence they meet one of the following:

- 51% or more of business is owned and controlled by low and very low income persons;
- Over 75 percent of the labor hours performed for business over the prior three month period are performed by Section 3 workers
- A business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8 assisted housing.

## Section 3 Worker

A Section 3 Worker is any worker who fits, or when hired within the past five years fit, at least one of the following categories, as documented:

- The worker's income for the previous or annualized calendar year is below the income limit established by HUD; or
- The worker is employed by a Section 3 business concern; or
- The worker is Youth Build participant.

# Section 3 Certification Process

- To receive credit towards numerical goal requirements, businesses and residents must be certified through the City of Houston, Housing and Community Development Department.
- The certification process takes 7 to 14 days once application requirements are met.
- To complete the online application to certify as a Section 3 Business Concern, click the following link: <https://hccdsection3.gob2g.com/>
- Section 3 Worker applications may only be submitted, through the following email: [hcdsection3@houstontx.gov](mailto:hcdsection3@houstontx.gov)
- For more information about HCD Section 3 certification process, visit [www.houstontx.gov/housing/compliance.html](http://www.houstontx.gov/housing/compliance.html)



# Section 3 Labor Benchmark



25%



- 25 % of the total number of labor hours worked **MUST** be performed by certified Section 3 Workers.
- The benchmark for Targeted Section 3 workers is set at 5 percent or more of the total number of labor hours worked by all workers on a Section 3 project. This means that the 5 percent is included as part of the 25 percent threshold.

# **PAY OR PLAY (POP) PROGRAM REQUIREMENTS**

**Executive Order 1 – 7 and Ordinance 2007 - 534**

# Covered Contracts

Subcontracts valued at or above \$200K including contingencies, amendments, and supplemental terms;

Professional Service,  
Construction and Service  
contracts



# Covered Employees

The program applies to employees of a covered contractor or subcontractor, including contract labor, who are:

- Over the age of 18
- Work at least 30 hours per week
- Work any amount of time under a covered City contract or sub-contract.



# Pay Option

- “Pays” by contributing **\$1.00** per covered employee per regular hour for work performed under the contract with the City;
- Funds are deposited in the Contractor Responsibility Fund.





# Play Option

“Plays” by providing health benefits to covered employees. Health benefits must meet or exceed the following standards.

Employer contributes no less than 75% of the monthly premium towards the total premium cost of the covered employee per month.

The employee contribution if any, will be no greater than 25% of the monthly premium cost.

# Pay or Play Workforce Provisions

- All Section 3 Workers and Apprentices MUST receive Pay or Play incentives.



# POP Additional Information

- HCDD provides POP related help, POP forms and all POP related updates through their website <http://houstontx.gov/obo/popforms.html>



# **DAVIS-BACON AND RELATED ACTS (DBRA)**

**CFR 29 Part 1, 3 & 5**

# Davis-Bacon and Related Acts

- Davis-Bacon is a federal regulations which includes numerous related acts.
- Applies to federally-assisted contracts in excess of \$2,000 for construction, alteration, and/or repair, including painting and decorating. Federal assistance is provided through: Grants, Loans, and Loan Guarantees
- Requires contractors and subcontractors to pay their laborers no less than the local prevailing wages and fringe benefits, determined by the United States Department of Labor (U.S. DoL)



# Davis-Bacon and Related Acts

## **Contract Work Hours and Safety Standards Act(CWHSSA)**

- Establishes the regulation of time and a half after 40hrs.
- Establishes the \$29 per day liquidated damages penalty for unpaid overtime

## **Fair Labor Standards Act(FLSA)**

- Establishes minimum wage, overtime pay, record keeping, and youth employment standards affecting employees in the private sector and in Federal, State, and local governments.

## **Copeland (Anti-Kickback) Act**

- Anti-Kickback provision prohibits the kickback of fees, wages, commissions or granting of gifts by employees or contractors to work or benefit from project federal funds.
- Requires submission of certified weekly payrolls (every 7 days).
- Regulates allowable and disallowable employee payroll deduction wages

## **DOL Code of Federal Regulations-29**

- Part 1 Determination of Wage Decisions
- Part 3 Copeland Act Provisions
- Part 5 Labor Standards Provisions for Contracts

# City of Houston Workforce Protection Measures

The COH-WPM are additional workforce requirements enforced by DBRA.

## Safety Training

- OSHA 10 for all construction workers
- OSHA 30 for all construction supervisors
- At least one supervisor with OSHA 30 certification must always be present onsite while work is under progress by construction workers.

## Hourly Base Rate

- Any individual performing work regardless of job designation or employment status must receive a minimum hourly wage of no less than the higher of
- (1) \$15 per hour or
- (2) equal/greater than the prescribed Federal Prevailing Hourly Wage Rate.

## Apprentice Hours

- 20% of all labor hours must be performed by Apprentices certified by the Department of Labor.



# DBRA Requirements- for Competitively Bidding for a General Contractor

Once the Owner/ Developer is granted an award and is ready for soliciting bids for a General Contractor(GC); ensure the Bid Advertisement makes reference of the DBRA requirements prior to posting. In addition, Application must include the DBRA language and the applicable General Wage Decision(s).

- The Request for GWD form must be completed and submitted to DBRA for the processing and issuance of the applicable wages.
- The selected GC must be cleared from any federal debarments and exclusions prior to any construction contract award. The Request for Contractor Clearance form must be completed and submitted to DBRA for processing and approval of the Contractor.
- Construction Contract must incorporate the DBRA Language-Contract Packet(Labor Standards Provisions/HUD 4010) and the prescribed General Wage Decision(s).

*The Contract packet(Labor Standard Provisions/HUD 4010), Request for General Wage Decision form and Request for Contractor Clearance form are available in the City of Houston's Housing and Community Development Department website.*





# DBRA Compliance Requirements

- Both the Owner and the GC will be responsible to ensure all subcontractors and lower tier sub-contractors comply with the DBRA requirements.
- Sub-contractors and lower tier sub-contractors must be cleared by the GC from any federal debarments or exclusions prior to any contractual agreement.
- Subcontract Agreements/Purchase Orders must incorporate the DBRA language-Contract Packet (Labor Standards Provisions/HUD 4010) and the prescribed General Wage Decision(s).
- Proof of OSHA 10/30 must be provided prior to workers starting work on site.
- Construction workers must be classified and paid the applicable hourly prevailing wages based on the trade being conducted.
- Construction workers must be paid weekly (every 7 days).
- Certified Payroll must be submitted weekly (every 7 days).
- Initial compliance documents and payroll-supporting documents must be submitted as required and upon request.



# DBRA

- The Davis Bacon and Related Acts along with the City of Houston Workforce Measures will be applicable to all construction activities throughout the life of the project regardless of the size and nature of the construction work.

# **Complaints and Appeals**

# Contact Information

Hotline: 832-394-6388

Email: [hcddcomplaintsappeal@houstontx.gov](mailto:hcddcomplaintsappeal@houstontx.gov)

Physical Address:

HCDD

2100 Travis Street, 9<sup>th</sup> FL

Houston, Texas 77002

Attention: Complaints/Appeals Team

Hours of Operation: Monday – Friday 8 A.M. – 5 P.M.



# Submitting an Application

Andrea Smith

# Application Procedures



- All communication must be sent in writing to [Andrea.Smith@houstontx.gov](mailto:Andrea.Smith@houstontx.gov) and [Linsi.Broom@houstontx.gov](mailto:Linsi.Broom@houstontx.gov)
- **No direct contact with program area**
- Questions must be submitted by **Tuesday, October 18, by 5:00pm**
- Application Due Date – **November 16, 2022, at 3:00 PM**



# Websites, forms, and portal

- City of Houston Housing Website  
[www.houstontx.gov/housing](http://www.houstontx.gov/housing)
  - NOFA
  - Forms
  - Application portal
- City of Houston Hurricane Harvey website:  
<https://recovery.houstontx.gov/>



# No Contact Period

- Neither Applicant(s) nor any person acting on Applicant(s)'s behalf shall attempt to influence the outcome of the award by the offer, presentation or promise of gratuities, favors, or anything of value to any appointed or elected official or employee of the City, their families or staff members.
- All inquiries regarding the solicitation are to be directed to the designated City Representative identified on the first page of the NOFA.





# No Contact Period

- With the exception of Applicant's formal response to the solicitation and written requests for clarification during the period officially designated for such purpose by the City Representative, neither Applicant(s) nor persons acting on their behalf shall communicate with any appointed or elected official or employee of the City, their families, or staff through written or oral means in an attempt to persuade or attempt to persuade or influence the outcome of the award or to obtain or deliver information intended to or which could reasonably result in an advantage to any Applicant from the time of issuance of the solicitation through the pre-award phase and up to the date the City Secretary publicly posts notice of any City Council agenda containing the applicable award.



# No Contact Period

- However, nothing in this paragraph shall prevent an Applicant from making public statements to the City Council convened for a regularly scheduled session after the official selection has been made and placed on the City Council agenda for action, or to a City Council committee convened to discuss a recommendation regarding the Application.



# Key Resources

Jeremiah Rivera & Nathan Washington

# HCD Key Resources

- [New Homebuyer Interest Survey](#)
- HCD Website, Contact Lists & Webinars
- Income-Eligibility Team



CITY OF HOUSTON | HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT

## NEW HOMEBUYER INTEREST SURVEY

**NEW HOMES FOR HOUSTON**

The City of Houston Housing and Community Development (HCD) Large Tract Division will be building new attainable single-family homes priced up to \$425,000\*. We partnered with local Developers to build energy-efficient, disaster-resilient homes throughout the City. Pre-sales will begin in Fall 2022. Complete the New Homebuyer Interest Survey and the City will let you know when new Homes are available for sale.

*\*Price based on household size and Area Median Income.*

**HOW TO PARTICIPATE**

- Scan the QR code below to visit the New Homebuyer Interest Survey and learn more about each development!
- Complete the Survey, and the City and our developer partners will contact you when homes are ready for purchase!

SCAN TO TAKE SURVEY!



# CoH Key Resources

- [Developer Participation Contract \(DPC\)](#)
- [Impact Fee Exemption](#)
- Expedited Permit Process
- Dedicated Portal Access

DEPARTMENT OF HOUSTON PUBLIC WORKS  
Developer Participation Contracts



## DPC Project Management Manual



# Comments & Questions





2100 Travis Street, 9th floor, Houston, TX 77002  
832-394-6200 | [www.houstontx.gov/housing](http://www.houstontx.gov/housing)



@HoustonHCDD