

Questions & Answers to the Eastex Freeway RFP

1. Is this HUD? **See RFP**
2. Is bonding required? **See RFP**
3. Is this Tax exempt? **See RFP**
4. Any regulatory requirements such as trash reconciliation or LEED? **TBD by the Developer**
5. Is there a specification manual we should reference, and is it negotiable? **See RFP / MOU**
6. Has an energy compliance review been performed? **Per the property standards provided**
7. How is storm water mitigated (through a detention pond)? **Detention will need to be determined by Developer. The Gensler renderings have it underground.**
8. Is there any offsite work or public right of way work to accompany these improvements? **NO**
9. Will there be solar panels? **TBD by Developer**
10. Will there be EV charging? **TBD by Developer**
11. Are there any known unknowns we should have allowances for? **NO**
12. Is there a particular breakdown in pricing required? **See RFP**
13. Has an accessibility review been completed for TAS? **NO**
14. Has the set been formally reviewed by a waterproofing consultant? **NO**
15. Is a primary power plan developed, and is that part of the GC's scope of work? **TBD by Developer**
16. Will natural gas be part of the design? Is there a primary natural gas plan? **See the utility letter**
17. What is the telecommunication design intent (i.e., Xfinity, Google Fiber, etc.) and is this part of the GC's scope of work? **TBD by Developer**
18. Is there a finish selection log for the units? **NO**
19. Is the contractor tasked with a design-build Fire Suppression system, or will the design be provided? **TBD by Developer** Has there been a flow test recently? **NO**
20. Our understanding is that Priority 2 4% tax credit developments do not normally get reached, what is HCHFC's experience with successfully closing other developments proposing Priority 2? **As discussed on the call**
21. Our understanding is that the structure will allow the property to be tax exempt, so does that include Pine Village PUD taxes? **Developer is responsible for PUD taxes and emergency services district taxes.**
22. HCHFC will purchase the land and contribute it to the development, with the only reimbursement obligation being the land lease fee of \$52,800 (\$20/unit x 220 units x 12 months), correct? **Correct**
23. What obligations does the Developer have in regard to completing the CDBG closing by July 31, 2026? **This does not affect the Developer.**
24. The 180-day closing deadline is precariously short to design plans and obtain permits prior to closing, so does HCHFC's process allow for flexibility in navigating this timing? **No**
25. Developer assumes responsibility for all pre-development costs which include design and plans, correct? **Correct**
26. What type of construction contract does HCHFC prefer to use? **Our in-house attorney will be reviewing the construction contracts**

27. What coordination will be required with Union Pacific Railroad regarding bringing the sanitary line to the site? **There is a new lift station that must be constructed by the Developer between Homestead Road and the UPRR. The force main from the lift station will need to cross under the UPRR and connect to the City of Houston wastewater line east of the UPRR. A permit from the UPRR will be required. It's all in the district engineer's report to the PUD Board regarding service to this tract of land.**
28. Will HCHFC consider allowing the Developer to be the GC? **Subject to the Executive Director input as to the GC.**
29. Can the remaining 20% apartments that are not at or below 60% AMI be market rate? **In accordance with Chapter 1372, Texas Government Code, the Texas Bond Review Board requires that Priority 2 projects include 80% of the units reserved for tenants earning 60% of the Area Median Income (AMI) or below and that rents for such units be limited to 30% of 60% of AMI. The Development Partner must comply, and cause the project to comply, with the applicable Federal Funding Source Requirements in Exhibit B as the Property was acquired using CDBG funding; provided, however, Development Partner is not anticipated to be a subrecipient or receive CDBG funding directly. In accordance with CDBG requirements, at least 51% of the units shall be affordable (i.e., reserved for households earning at or below 80% of AMI as published annually for Harris County by HUD.**
30. How is the Exclusive Negotiation Period with HCHFC handled? Can the fee schedule be negotiated? **Fees are not being negotiated now. The exclusive negotiation period is the time when both parties negotiate the MOU.**
31. What is the basis for the minimum number of units? **Based on the land size, Gensler laid out a minimum of 220 units with surface parking.**
32. Is financing limited to a PAB / 4% LIHTC execution? **We expect this to be 4% LIHTC and the gap will come from sources like sponsor loan, philanthropy, and TDHCA which are some examples.**
33. Are the sustainability requirements in addition to those required by TDHCA or other regulatory requirements? **No**
34. You note that the Developer is responsible for any funding gaps. Currently, there are significant gaps in most 4% executions, failing significantly deferred developer fees. Does the Sponsor have access to funding sources to participate in funding any gap? **The Developer is encouraged to source funds for any funding gaps.**
35. Does the sponsor bring with it an ad valorem tax exemption or any other tax exemptions? **The only taxes owed will be to the MUD District and Emergency Services District.**
36. Does the Sponsor anticipate a participation in the development economics? If so, what are those numbers? **YES, this is a General Partnership project per the MOU. HCHFC will participate in Developer Fee and Cash Flow Split.**
37. What is the anticipated ground lease amount? **See MOU for ground lease payment amount.**
38. Enunciate any ongoing / annual fees to the Sponsor. **See MOU**
39. Is the 99-year affordability period something that can be negotiated? **No**
40. Is the right of first refusal negotiable? **No**
41. Please clarify the due dates. It says 1/16/26 in Submission Requirements but says 2/6/26 in Process and Timeline. **Please review Process and Timeline in the RFP. Proposals are due February 6, 2026, by 2:00 PM CST.**

42. Please clarify all required transaction fees for this deal relating to HCHFC as the issuer and the CDBG funding requirements. **Issuer Bond Closing Fee: 1% of the Bond Amount issue. Please review the MOU template as attached on the RFP website in the Due Diligence Room. For now, CDGB requirements must be met including Section 3, DBRA, No Waiver yet on BABA and certified payroll requirements. More to come on this during the interview process.**
43. Will federal procurement be required? – Section 6 of the RFP mentions the Development Partner will not be considered a subrecipient, but Schedule 4 of MOU suggests procurement requirements? I believe the HFC procuring the development partner should satisfy the procurement requirement? **Yes, but it is still local government funds, so the developer needs to use some form of procurement method that prevents fraud, waste and abuse. Developers should have a procurement policy they can provide that is submitted to the County and HFC for verification. This is a very standard practice, especially for CDBG projects. Also, CFR 200 is not required.**
44. Will the Development Partner and Master GC have to comply with BABA? If BABA does apply, will waivers be considered for any major trades that are typically sourced outside of America? (cabinets, electrical gear, etc.) **We anticipate BABA will not be required but cannot verify that just yet. If it is required, the County would consider waivers, but the developer would need to submit the waiver requests themselves. In other words, the County cannot waive BABA requirements without HUD approval.**
45. Will Davis Bacon and/or Section 3 be required? Will there be certified payroll requirements? **We anticipate the project type will not require Section 3 and DBRA compliance. Developers should, however, have the experience and capacity to provide this compliance if necessary and should clarify how they approached these requirements in their proposals.**
46. Have all of the CDBG funds been dispersed? If not, how much remains? **YES**
47. Do the CDBG funds (\$2,870,100) need to be shown as part of the sources and uses? **No, we need your sources and use. Note that the County and HFC are subject to property disposition requirements under CDBG. So, developers do not have to show the CDBG funds as a source but should be prepared to account for repayment of the acquisition funds in the form of ground lease payments over the life of the project on the “use” side of their project budgets.**
48. Is there an updated engineering report addressing the emergency interconnect with the COH and the generator improvements for Water Plant #1 discussed in the utility will serve letter? **All information that we have has been provided.**
49. Does the HCHFC intend to assist with the acquisition or condemnation of the lift station parcel or is that entirely our / the Developer’s responsibility? **It is not our responsibility.**
50. Have there been any discussions with the landowner where the proposed lift station is to be located? **No**
51. Will the HFC accept in-house prepared financial statements for the Financing Strategy points? **This will need to be checked with our financial folks, STIFEL.**
52. Does the County agree with the Gensler parking design? In our initial review, it seems the design is under-parked. We would look at ways to increase the parking capacity in order to deliver the minimum 220 units. This would potentially necessitate a single-story podium or other structured parking considerations. **RESPONSE FROM GENSLER:**

1. We do NOT want to see a partial parking podium for the additional costs and the expanded GAP on their final proposal.
 2. We noted the limited parking in our initial study.
 3. The layout provided is only an example of the site utilization. You can certainly increase parking and adjust the actual layout and room count.
 4. There is room to increase the total parking without a structure, and a developer would/should be able to consider that on their own.
 5. We can identify possible additional spaces in the current plan. Additional parallel spaces, more double-sided rows where we have green space.
53. Can you expand on your timing expectations? The schedule on the website says the Developer partner will be chosen in April. The Engineering report letter for the MUD says an agreement with the MUD along with submission of plans, specs and a recorded plat must be completed by July 9, 2026 for the analysis in the letter to remain valid. Is that timeline feasible? Is the County doing anything to move that process along prior to a developer selection? **Please review the “Will Serve Letter” in the Due Diligence Room. The letter dated 11-18-25 typically in our experience has a “life of 12 months”. If the developer is seen to make progress a year’s extension is given.**
54. Similar schedule questions around the bond and TC applications and how that aligns with design, permitting, etc. **Discussed on the call**
55. We are assuming that no further CDBG funds, other than those used in the acquisition, are available? I thought there were no funds remaining, but I saw a reference to an outside spending date in the RFP timeline provided. **Correct, no further CDBG funds available.**
56. Related to the question above, will there be an acquisition cost that the development is expected to pay as a lump sum for the ground lease? **See MOU for ground lease payment.**
57. Are there any preliminary thoughts on lease fee or other fees to HCHFC? **See MOU for ground lease payment.**
58. Are there redacted or sample MOUs available for review? **MOU is included in due diligence room.**
59. Does HCHFC anticipate being a part of the Developer Entity (ie. A joint developer entity)? **HCHFC plans to be the General Contractor and the General Partner.**

Planning Department Contact Information: HCDPlanComments@harriscountytexas.gov

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