



October 12, 2021

To: All developers considering responses to CDBG-DR MHP Request for Proposals

From: Alan D. Flora, City Manager, City of Clearlake, CA

and

Kevin Ingram, City Manager, City of Lakeport, CA

Subject: Addendum #1 to CDBG-DR MHP Request for Proposals closing November 5, 2021

Addendum #1 to CDBG-DR MHP Request for Proposals includes the following questions posed by developers considering a response to this RFP. Please note that **bolded** language below represents a change to the original text of the RFP:

Question # 1: Are "off-site development" costs ineligible?

Answer: Yes. The State of California HCD CDBG DR-MHP Policies and Procedures Manual lists eligible activities for which grants funds can be spent (pg. 12). Off-site improvements are not listed as an eligible expense. At this time, HCD is narrowly interpreting "Construction, Reconstruction, or Rehabilitation costs" to pertain to Hard and Soft costs that can be directly attributed to construction on the parcel and of the building(s) in which the affordable housing units are located. This will hopefully prevent HUD monitoring and audits from deeming such an expense as ineligible and trigger project repayment of grant funds.

While DR-MHP cannot reimbursement off-site improvement costs, those costs may be included as part of the project's total development cost. HCD has indicated that they will add off-site improvements to the list of ineligible costs in the Policies and Procedures manual during the next scheduled revision to provide greater clarity.

Question #2: We are preparing our application for the CDBG-DR and the NOFA has listed the minimum sizes for bedroom square footage that are larger than we typically build.

We designed our bedrooms per TCAC standards which are:

Bedrooms	TCAC SF
1 Bedroom	450+
2 Bedroom	700
3 Bedroom	900

Can we use the TCAC minimum SF for our application or do we need to redesign to increase SF?

Answer: Both the City of Clearlake and the City of Lakeport have reconsidered the minimum square footage allowable for projects, and is making the following revision to the RFP to be consistent with the TCAC minimum standards:

Under the section on Project Requirements, beginning with the second paragraph of this section, and continuing through the bullets below this paragraph, will now read as follows:

The minimum number of bedrooms and bathrooms, and minimum square footage of completed housing units for rent is as follows:

- **Efficiencies and 1 bedroom – 450+ square feet**
- **2 bedrooms - 700 square feet**
- **3 bedrooms – 900 square feet**
- **4 or more bedrooms – 1,100 square feet**

A scoring advantage may still be gained for projects that exhibit these characteristics: Quality design; pleasing aesthetics; access to natural light and fresh air; usability of space; durability of fixtures, building components, hardware, and finishes; the inclusion of meaningful amenities; the adequacy of storage space; and the efficiency of traffic patterns.

Question #3: The application lists “Additional requirements for State Approval” on page 36 but I don’t see them or their descriptions or where do find any Forms for these items in the NOFA.

Are they required to submit for this application? If they are, can you point me in the right direction of where I can find these Forms?

Answer: No. Only the information in the “CDBG-DR Rental Project Developer RFP Checklist” is required at the point of submission to the City on, or prior to, November 5. Even some of that information is optional at the application stage, but needed for readiness to proceed points. These optional items are marked with one asterisk in the list.

The list of “Additional requirements for State approval” will not be required upon initial submission to the City, but will be required upon submission of a project to the State for approval. Necessary forms and information related to these will be provided to all applicants scoring high enough to pass the City’s initial scoring and underwriting.