



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: June 4, 2024

Subject: Letter of Clarification for 2024 Public Service Child Care and Out-of-School Time Program (NOFA) – N051024

To all prospective Applicants:

This Letter of Clarification is issued for the following reason:

- To remove the required document “HCD Conflict of Interest Form for Business Entities” and replace it with “HCD Conflict of Interest Form for Non-Federal Entities”.
- To remove the required document “Agreement and Certification Form”.
- To remove the “Certification Regarding Restrictions on and Notice of Location of Certain Facilities and Shelters” from the NOFA Application Checklist.
- To provide responses to the questions received from prospective Applicants prior to the deadline to submit questions:

	Question	Answer
1.	May we use these funds to serve students who are up to age 22 in Special Ed?	The City of Houston will allow applicants with programs serving individuals with intellectual and/or developmental disabilities (IDD) to submit an application benefiting clients up to 22 years of age. The applicable age range for programs serving IDD beneficiaries will be 0-22 years old. The age range for all other beneficiary types remains at 0-18 years old.
2.	May we use these funds to serve all HISD students regardless of residence, or must we keep track of each student’s residency to ensure that funding only goes to students who reside within the limit of City of Houston (since there are schools that are not technically located within the City limits but are part of HISD)?	City of Houston funding cannot serve students that reside outside the City of Houston’s City Limits. Applicants are expected to verify residency for CDBG funded program participants.
3.	Do mentorship programs qualify as afterschool programs?	A mentorship program could qualify as an after-school program as long as it meets the other criteria stated in the NOFA.

<p>4.</p>	<p>Can the evidence of capital be a combination of a collaboration? Meaning if your offering is a combination of our organization and maybe 2 other organizations can the capital be the total combined amount of the 2-3 organizations?</p>	<p>The grant will be awarded to one agency. You may have partnerships, but the grant will be awarded to one agency. That agency must provide the documentation of three months of capital.</p>
<p>5.</p>	<p>Can you provide explanation of the Agreement & Certification Form Application Fee?</p>	<p>This form is not applicable to this NOFA.</p>
<p>6.</p>	<p>Can a prospective project exclusively serve special populations like refugees and immigrants?</p>	<p>Yes, the applicant should provide justification for targeting the special population and ensure they still meet all other eligibility requirements to be served with CDBG funding.</p>
<p>7.</p>	<p>Does being a COH employee affect your application?</p>	<p>You will need to list your relationship to the City on a Conflict of Interest form. The form will be sent to the HCD Legal Team to determine if a conflict exists.</p>
<p>8.</p>	<p>Is being a Texas Workforce-approved agency that helps families apply for and receive tuition assistance for our preschool meet the NOFA's scoring criteria for S2?</p>	<p>The stated experience would be applicable to this section and the applicant should explain in detail their experience providing services, population served, length of time services are provided, goals and outcomes reached, and contract compliance/monitoring experiences.</p>
<p>9.</p>	<p>Our organization provides services for homeless families, including childcare. Are we required to provide services for others in the community and not just our residents?</p>	<p>Applicant would need to explain your activity need and targeted services. Applicant would need to explain who is being served and why services are limited to a specific population.</p>
<p>10.</p>	<p>For the purposes of avoiding supplanting, what counts as a program expansion?</p>	<p>Supplanting would not apply to a program that did not use CDBG funds to replace local or state monies to fund essential services typically offered by the local government entity. To utilize CDBG funds for a public service, the service must be either: – A new service; or – A quantifiable increase in the level of an existing service which has been provided by the state or another entity on its behalf through state or local government funds in the 12 months preceding.</p> <p>Specifically, the public services provision applies in the following manner:</p> <ul style="list-style-type: none"> • If a service is new, it may be funded. • If a service is existing, determine whether it was provided by or on behalf of the unit of local government with local or state funding. • If it was not provided by or on behalf of the local government with funding from the local government, it may be funded, • If it was provided by or on behalf of the local government with funding from the local government, states must determine whether the proposed service will be a quantifiable increase in the level of service. If it can be documented that the service is a quantifiable increase in the level of service, it may be funded.

		<ul style="list-style-type: none"> The regulations do not prohibit a state and UGLG from continuing to provide funding to a CDBG-funded public service at the same or decreased level in subsequent program years.
11.	This grant is not for small organizations?	This grant is for any size organization, but applicant will have to demonstrate financial capacity.
12.	What type of out-of-school time needs is the City looking to fill?	Any type of out-of-school care, summer programs, afterschool care, 24-hour care, etc. will be considered.
13.	How long does the City need these services?	This NOFA is for a 12-month term.
14.	Can leveraging be drawn from across your organization?	Yes, leveraging may be drawn from across your organization.
15.	What is required - a minimum \$25,000 on hand or \$25,000 line of credit?	Either one will be accepted. Applicants must demonstrate a minimum of 90-days operating capital, available for use, to cover the proposed program's operations.
16.	If you are expanding, will the application need to focus on data for the expanded demographic, current demographic, or both?	Both. Applicants should discuss the current population served and who they will serve by expanding their program with City funding.
17.	What is an Accounting System Certification?	In adherence to 2 CFR 200, the Accounting System Certification is an attestation by the CFO that the agency maintains an accounting system and internal control procedures that are adequate to safeguard the assets of the agency.
18.	Do we need to have a minimum of \$100,000 in the bank to qualify for funding?	No, \$100,000 is the minimum amount that may be requested for this NOFA.
19.	What is considered evidence of site control?	Deed, lease or executed agreement (MOU, etc) with the property owner where the services are being provided
20.	Can equipment be funded?	Please refer to 2 CFR 200.313 for the definition of equipment. Equipment is not typically covered, but if it is being used for the services provided, as a key element to providing the proposed services, you will need to provide a detailed explanation. Eligibility of the expense will be determined on a case-by-case basis.
21.	If we previously received CDBG funding through Childcare Council, do we need to show "new program" in order to qualify?	No
22.	Can completed portions of the applications be submitted?	No. Applicant will need to submit all parts of the application at the same time.
23.	If a program also services children outside of the City of Houston, does that disqualify you?	It does not disqualify an applicant; however, only expenses related to children served who reside within the City of Houston jurisdiction will be reimbursed for services. Agency will be required to demonstrate an approved allocation method for charging expenses based on the number of children served within the City of Houston and deemed eligible.
24.	If we serve both Early Childhood Education and After School - these can be combined into 1 proposal - correct?	Yes

25.	Does leverage include in-kind?	While we encourage in-kind leverage, for the Leveraging Contribution scoring criteria, we are looking at cash leverage. In-kind leverage can be documented in the budget under other sources of public or private funds. Applicants should clearly indicate sources of cash leverage funding and the total amount of cash leverage committed.
26.	What is the required documentation or support for childcare as an activity need?	You would discuss this in your project narrative and your scope of services.
27.	What about staff that live outside of the city of Houston but work for the nonprofit located within the city of Houston?	Staff can reside outside of the city of Houston.
28.	What level of evidence for the program is expected?	We are looking for data that demonstrates the need for the proposed services, program evaluation methods, and measures of success and evidence the services will be effective including how goals/outcomes of your program will be reached.
29.	Would our Articles of Formation with our address suffice for our certification of location?	No.
30.	Does it have to be only out-of-school activities to qualify?	Yes
31.	Can the program be for kids to use an online program at home?	No
32.	Does staff payroll qualify? If so, how much of the funding can be applied to payroll?	Yes, staff payroll associated with the proposed program qualifies. The applicant must present an allocation method if the staff is not working on the City supported activities full-time. This should also be noted in the budget by the percentage of the staff salary funded with City funds.
33.	What if you are a new childcare program only open a few months what evidence or data that could be use if you are still collecting?	You may include the data that you used as justification for opening the program and what evidence-based practices that you use to measure the outcomes of the newly provided services.
34.	Must the program be licensed under childcare licensing?	Yes
35.	Our program provides activities to students during the school hours but they take place outside of their zoned schools (schools transport the students to us). Would those activities still be considered as out-of-school?	Yes
36.	Can I already have a childcare center and apply	Yes
37.	What is the indirect rate for this opportunity?	Indirect costs, also referred to as project administration costs, should not exceed 15% of the total requested NOFA funding amount as stated in the submitted budget. The cap is calculated by multiplying the total amount of requested funding by 0.15 and ensuring the administration/indirect amount does not exceed the result.

38.	Will a Negotiated Indirect Cost Rate Agreement be accepted?	A Negotiated Indirect Cost Rate Agreement (NICRA) will be accepted and should be noted in the budget if proposed. Applicants that choose to use a NICRA for Indirect/Administration costs must provide documentation of the approved NICRA including the federal agency that approved the negotiation rate, date of approval, and the time period for approved use.
39.	What is the project execution start and end dates?	Project start and end date is dependent upon many factors, including but not limited to: completing the NOFA review/selection process, verification of program policy and procedures, development of a subrecipient agreement, public notice requirements, environmental review, availability of funding, presentation of new projects to City Council Committees and obtaining City Council approval to execute a subrecipient agreement. The target date for agreements selected from the NOFA to start is Fall 2024 with an agreement term of twelve (12) months.
40.	Are Community Centers eligible to receive funding based on our out of school programming?	Eligible costs under this NOFA could support staff, program supplies and a portion of operation costs associated with a community center where services to qualifying youth are to be provided. The location of services must be within the city of Houston. Only costs related to the eligible program activities would be acceptable. Specific project details would further determine applicability, however costs associated with construction, rehabilitation or equipment purchases for the operation of a community center are not eligible under this NOFA.
41.	What type of documentation of City of Houston residency will be accepted?	Documentation to verify City of Houston residency will be determined by the applicant as part of the proposed program's intake procedures. Residency within the City of Houston city limits can be viewed and addresses verified using the following link to the City of Houston City Limits Address Verification tool: City of Houston City Limits Address Verification Inclusion of a printout or screenshot of the beneficiary address shown within the city limits of Houston in the program file would be one form of acceptable documentation.
42.	What tracking and eligibility requirements must be documented as part of this funding?	Tracking elements or project performance measures will be dependent upon the specifics of the proposed program and the agreed upon Scope of Services. Data to meet HUD's reporting standards and requirements will be mandatory. Eligibility requirements are discussed on page 3 of the NOFA and must comply with the stated national objective, eligible activity, City of Houston residency, and beneficiary criteria for HUD's CDBG program.
43.	What is the reporting cadence and requirements?	Required reporting will be explained in the subrecipient agreements for selected applicants. See page 22 of the NOFA for more information. In general, monthly performance, quarterly financial and annual performance/financial reporting will be required.
44.	In regards to the question regarding lump sums. The solicitation No: N051024 provided referenced lump sum options on page 22 of 26, Section 8.e.v.	There were no changes regarding the referenced award payment section on page 22, "v. Award payment method (reimbursable or lump sum payment(s))." As previously stated, selected subrecipients would submit a monthly reimbursement

	states “v. Award payment method (reimbursable or lump sum payment(s)).” Did something change regarding this process after this document was created and if so, is there an updated version? Please advise.	request to the City of Houston, with required supporting documentation, for review and approval before disbursement of funds. Programs associated with this NOFA will operate on a reimbursement basis only. The City of Houston will not issue “lump sums” or cash advances. The language cited is in relation to what the Contractor or Subrecipient must provide the City for reporting and does not denote that this NOFA will utilize lump sum payment(s).
45.	If, after our applications are submitted, we have a reasonable amount COH children in our program will we be required to add additional children to the program to meet certain number of enrollees?	This NOFA does not have a specified minimum number of beneficiaries to be served by a proposed program. The proposed number of beneficiaries will be evaluated in relation to the stated activity need, the targeted population, benefit to eligible participants, cost reasonableness, and effectiveness of the program in meeting the stated outcomes. If an applicant is selected to move forward with an award, the applicant can propose reasonable modifications to the number of beneficiaries during development of the subrecipient agreement which includes the Scope of Services. Modifications require approval by the City of Houston and the award amount may be reduced if there is a significant reduction in the number of beneficiaries compared to the NOFA submission.
46.	How many kids are considered as expanding?	There is not a set number of “kids” or beneficiaries for a project to be considered as “expanding”. Expansion of an existing program, as noted on page 4, applies to programs provided by or on behalf of the City of Houston with local or state funding. If the existing program is not provided by or on behalf of the City of Houston, it would be eligible to apply for this NOFA. If the proposed program is funded by local or state funds, then the applicant would need to demonstrate that the proposed service will be a quantifiable increase in the level of service to be eligible.
47.	Where can I find the “Certification Regarding Location of Facilities and Shelters” form that is mentioned in the checklist?	This form is not applicable for the current NOFA.
48.	Are there any page or word limits for the sections of the project narrative?	No, there are no stated page limitations for this NOFA.
49.	Pg. 5 references the Scoring Criteria - Are there any guidelines for composing the required narrative responses (e.g., specific questions that should be answered in each narrative response) other than the description that is listed in the scoring criteria beginning on page 5?	Please refer to the NOFA Application Checklist for a guide as to what to include in the narrative, as well as what is discussed in the scoring criteria.
50.	Regarding the above NOFA, is there a cap on allowable indirect costs charged to the grant? If so, how is the cap calculated? For example, % of total budget request? % of direct program costs?	Indirect costs, also referred to as project administration costs, should not exceed 15% of the total requested NOFA funding amount as stated in the submitted budget. The cap is calculated by multiplying the total amount of requested funding by 0.15 and ensuring the administration/indirect amount does not exceed the result.

51.	Can we use eligibility for free lunch from H.I.S.D. as the primary evidence that a student is low income?	Due to Houston ISD Nutrition Services only requiring Free/Reduced Price Meal Applications to determine individual eligibility status at nine (9) campuses, HCD would not accept H.I.S.D free/reduced lunch data as the primary evidence of low-moderate income eligibility. Programs serving this population, if not targeting a CDBG presumed-benefit population, would need to verify participant income and City of Houston residency status through their own program intake process to ensure program eligibility.
52.	In past HCDD NOFAs, applicants received a table/document to fill out for "List of Board of Directors, Owners, Officers." For this NOFA, do we simply provide our own document?	Yes, you can provide your list in your own format.
53.	There are some areas around the City of Houston that have a different city name like Humble, Pearland, or Spring that are still considered the City of Houston. Is there a boundary map that depicts what areas are classified as within Houston City Limits?	The City of Houston City Limits can be viewed and addresses verified using the following link to the City of Houston City Limits Address Verification tool: City of Houston City Limits Address Verification
54.	During the submission time for funding, we will have new kids entering our program. At what point do we add them to our budget and document their projected cost on the requested funding documents?	Applications and budgets should cover the number of beneficiaries and staff required for eligible activities that would begin in approximately Fall 2024 and operate for 12 months if selected, per the NOFA timeline.
55.	How do we provide proof of funding the non-City of Houston kids attending the program?	Applications should include documentation that the applicant has a minimum of 90 days (25%) funding to cover the proposed program's operations. The amount should cover 90 days of all program operations, not just the portion that is eligible for reimbursement by the City of Houston. The City of Houston will only review reimbursement requests for costs associated with serving eligible program participants.
56.	What amount would we need to show in the bank or on a LOC, if about 60% of our kids live within the City of Houston?	Applications should include documentation that the applicant has a minimum of 90 days (25%) funding to cover the proposed program's operations. The amount should cover 90 days of all program operations, not just the portion that is eligible for reimbursement by the City of Houston.
57.	How would reimbursement work based off the percentage of kids that live within the City of Houston?	Requests for reimbursement may use an established allocation method, to be reviewed and approved by Public Services staff, to determine the percentage of the cost incurred serving eligible City of Houston residents and non-eligible beneficiaries. For example, if a program staff member spends 50% of their time serving eligible City of Houston beneficiaries and 50% for non-City beneficiaries, then up to 50% of their time could be requested for reimbursement. More details would be provided prior to program kick-off, during review of the allocation methodology and submission of the first reimbursement request.
58.	How do you define reimbursement and lump sums? And how do you determine which method is used?	Selected subrecipients would submit a monthly reimbursement request to the City of Houston, with required supporting documentation, for review and approval before disbursement of

		funds. Programs associated with this NOFA will operate on a reimbursement basis only. The City of Houston will not issue “lump sums” or cash advances.
59.	How do update budgets and cost with the City as our program expands and takes on new members?	Selected subrecipients may request a budget revision, normally around 6 months after the program begins operations, to address modifications to existing line items. Budget revisions can only move funding between existing line items in the approved budget and must be reviewed and approved by the City of Houston to be effective. Budget revisions cannot add funding to a subrecipient agreement, modify the scope or modify the agreement term.
60.	Are there any demographic guidelines that programs can implement? Ex. Age, grade, gender. If our model is geared more towards middle and high school age kids, will we have to open it up to elementary age kids or younger. If we are geared more towards male youth, will we have to, or be able to, introduce female youth mentoring groups as well?	Programs should benefit youth ages 0-18 years old unless the program is benefiting individuals with intellectual or developmental disabilities (IDD). IDD programs can serve beneficiaries up to 22 years old. Programs may propose to serve an eligible age range or certain school grades. Applicants do not have to serve all ages. Applicants will need to explain the demographics in which they are serving or plan to serve.
61.	Job descriptions and resumes are not required at this time, but may be requested later—is that correct?	That is correct, but an organizational chart must be provided illustrating where the proposed project fits into the current structure.
62.	Do mentorship programs qualify as afterschool programs?	A mentorship program could qualify as an afterschool program as long as it meets the other criteria stated in the NOFA.
63.	T5. Evidence of site control document. - We are in 2 phases of expanding. Phase 1 is leasing an additional space next door to our current location to expand services. Phase 2 is major! We have been approved by bank to buy land and build a center but currently working with realtor to locate the land. Do you need bank approval letter or should we only include details about phase 1. Please advise.	Please provide the lease for the current space. Will any services for the proposed grant period (Fall 2024 – Fall 2025) take place in the new space? If so, provide the bank approval letter.
64.	For Item T6- Do you need three months of bank statements?	Three months of bank statements with an uncommitted balance equal to or greater than 90-days of operational costs would satisfy T6. Documentation of an available line of credit is another option. T6 requires certification from the organization’s Board of Directors.
65.	Certificate of Occupancy? We are under new management and the owner is working on occupancy certificate. Will this be an issue?	As long as you can provide proof of site control (as explained in question 1. then no)
66.	What documents are needed for leveraging?	It depends on the source of your leverage. If it is another grant, then that grant agreement or award letter. If it is funds already in your bank account, then a bank statement, etc. You should also submit a Leveraging narrative that describes your leveraging plan and calculation.

67.	Does the staff (admin and direct program staff) have to reside within the City of Houston boundaries to be included in the budget for the grant?	Staff, administrative or direct program staff, does not have to reside within the City of Houston's City Limits to included in the application budget.
68.	Will the deadline be extended due to the power outages?	The City does not plan to extend the due date.

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

It is the responsibility of the Applicant to ensure that it has obtained all such letter(s). By submitting application on 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