



Date: August 1, 2022

To: Wanda S. Page, City Manager
Through: Keith Chadwell, Deputy City Manager
From: Reginald J. Johnson, Director
Subject: Tri-Party Agreement with the North Carolina Housing Finance Agency and the North Carolina Homebuilders Association for the Construction Training Partnership

Executive Summary

Since 1995, the North Carolina Home Builders Association (NCHBA) and the North Carolina Housing Finance Agency (NCHFA) have partnered with local governments to offer the North Carolina Construction Training Partnership (CTP) with the dual objective of training low-income residents for jobs in the construction industry and providing assistance for affordable housing efforts. In January, NCHFA and NCHBA invited the City of Durham to become a CTP partner.

Under the terms of the proposed triparty agreement, NCHBA will organize and offer two training classes over the next 12 months for up to 16 students in all. Each class will run for eight weeks and include a combination of classroom theory and hands-on construction training, which may include work on an actual affordable construction site. The City’s role is to provide funding for this construction training, in the amount of \$71,400. NCHFA will provide the City with \$65,000 in funds that can be used to support affordable housing construction.

Motion

To authorize the City Manager to execute a Tri-Party Agreement with the North Carolina Housing Finance Agency (NCHFA) and the North Carolina Homebuilders Association (NCHBA) and to provide \$71,400 in City Dedicated Housing Funds to NCHBA for the Construction Training Program;

To authorize the City Manager to execute all administrative requirements and contractual documents necessary for implementation of the Construction Training Program to include documents related NCHFA’s financial contribution to the City’s affordable housing work; and

To adopt the City of Durham/NCHFA grant project ordinance in the amount of \$65,000.

Background

Since 1995, the North Carolina Home Builders Association (NCHBA) and the North Carolina Housing Finance Agency (NCHFA) have partnered with local governments to offer the North Carolina Construction Training Partnership (CTP) with the dual objective of training low-income residents for jobs in the construction industry and providing assistance for affordable housing efforts. In January, NCHFA and NCHBA invited the City of Durham to become a CTP partner.

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Graduation rate from CTP programs in other cities is 80%, and approximately two-thirds of training participants secure jobs. The Community Development Department (CDD), which would be funding the Durham program, is working with staff from the Office of Economic and Workforce Development (OEWD) to craft a post-training employment support program designed to increase employment success rate. OEWD would also take the lead in the recruitment of participants, with a particular focus on serving residents who are participating in the City's Workforce Innovation and Opportunity Act (WIOA) programs, and/or who live in Durham Housing Authority properties.

The current agreement is for 12 months. Both NCHFA and NCHBA have indicated a willingness to renew this agreement on an ongoing basis, based on the success of the Durham program.

Issues and Analysis

Forever Home, Durham, the City's \$160 million affordable housing investment, included the goal of leveraging the City's investment in housing production to create employment opportunities for low-income Durham residents. Construction training was envisioned to be a key part of this strategy.

The COVID-19 pandemic slowed the rollout of construction training, both by complicating the delivery of in person training and diverting City staff capacity to COVID-19 response. CDD and OEWD have been assessing multiple avenues for delivering construction training, of which the CTP is the first to be ready to move forward.

One of the key challenges with all training programs is building a bridge from training to stable employment. An eight-week training program by itself is not necessarily enough to connect trainees to good jobs. For this reason, CDD and OEWD staff are proposing to augment CTP with a post-training employment support phase. The details are still being developed, but this phase is expected to include a combination of wage subsidies to incent employer participation and case management support for trainees as they navigate the workforce. This employment support phase would be funded with Forever Home, Durham resources targeted for construction training. To the extent feasible, OEWD will also utilize WIOA funds for eligible participants.

The implementation of the CTP program will enable the City to test the effectiveness of post-training supports and use this knowledge to inform the development of other construction training programs.

Alternatives

City Council could choose not to approve this agreement and the associated expenditure of City funds. In this case, the Construction Training Partnership program would not be implemented in Durham. City staff would continue to work on other construction training proposals.

Financial Impact

Under the terms of this agreement, the City will provide \$71,400 to NCHBA to pay for the delivery of the CTP program. Dedicated Housing Funds in the amount of \$71,400 are budgeted and available for this purpose.

In addition, the City will receive \$65,000 in funding from the North Carolina Housing Finance Agency for program-related new construction and rehabilitation activities. The City intends to provide these funds to the affordable housing developer that provides the job site where trainees will get hands on experience. These funds will be used to cover affordable housing construction or rehabilitation-related expenses. City staff are currently in discussion with potential developer partners for the program. The City will execute a separate contract with the developer partner for the NCHFA funds.

Equal Business Opportunity Summary

The Finance Department did not review this item for compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting.

Contractor Workforce Diversity & Hiring Practices

Due to the nature of this agenda item, obtaining Contractor Workforce Diversity & Hiring Practices information is not applicable.

Attachments

Tri-Party Agreement