



**Date:** December 19, 2022

**To:** Wanda S. Page, City Manager  
**Through:** Keith Chadwell, Deputy City Manager  
**From:** Reginald J. Johnson, Director, Community Development Department  
**Subject:** Contract with Housing for New Hope, Inc. for the Provision of Landlord Engagement Services

### **Executive Summary**

The City of Durham issued a Request for Proposals (RFP) on April 25, 2022 for supportive services in non-congregate emergency shelter, rapid rehousing services and a landlord engagement program. The RFP requested that the landlord engagement services be for up to three years.

The goal of the landlord engagement program is to maintain relationships with landlords currently working with the homeless system and to recruit new landlords and secure new rental units for households exiting homelessness. Households exiting homelessness often have multiple barriers to securing rental housing including lower credit scores, lower incomes, justice involvement, as well as other health concerns that make them less competitive in the rental market. The landlord engagement program will promote collaboration and reduce duplication of work between homeless service providers.

The Community Development Department is requesting the City Council to authorize the City Manager to execute a three-year contract with Housing for New Hope, Inc. for the provision of landlord engagement services. The first year of the landlord engagement contract will end June 30, 2023 and the contract can be extended one year at a time, through June 30, 2025. The second and third year of the contract would be based on performance.

### **Motion**

To authorize the City Manager to execute a contract with Housing for New Hope, Inc. in the amount of \$450,000, funded with program income from prior affordable housing bonds and Dedicated Housing Funds, to provide landlord engagement services until June 30, 2025.

### **Background**

In early 2022, Durham Continuum of Care (CoC) members expressed concerns that there is a need to retain current landlord partners and increase the number of rental units available for people exiting homelessness. This request was made formally to the Homeless Services Advisory Committee (HSAC) on February 23, 2022. The HSAC approved a recommendation to the City and the County that \$4.1 million be allocated for non-congregate shelter, rapid rehousing, and landlord engagement activity.

The City of Durham issued a Request for Proposals (RFP) on April 25, 2022, for the provision of services in non-congregate shelter, rapid rehousing services, and landlord engagement assistance. An evaluation committee composed of City, County, and HSAC representatives reviewed the proposals received. Based on the committee's recommendations, Housing for

New Hope is being recommended for a contract for up to three years in the amount of \$150,000 per year, \$450,000 total. The first year of the landlord engagement contract will end June 30, 2023 and the contract can be extended one year at a time, through June 30, 2025. The second and third year of the contract would be based on performance.

**Issues and Analysis**

Durham’s housing market during the pandemic has experienced rapid inflation in housing costs. As a result, exiting homelessness has become increasingly difficult as rents rise and rental property owners are less willing to accept less than highly qualified renters into their units.

In an effort to reduce the impact of these two issues, homeless service providers and the HSAC recommended that funds from the City be used to extend to launch a new landlord engagement program.

The goal of the landlord engagement program is to maintain relationships with landlords currently working with the homeless system and to recruit new landlords and secure new rental units for households exiting homelessness. Households exiting homelessness often have multiple barriers to securing rental housing including lower credit scores, lower incomes, justice involvement, as well as other health concerns that make them less competitive in the rental market. The landlord engagement program will promote collaboration and reduce duplication of work between homeless service providers.

**Alternatives**

The City Council could choose not to approve funding this landlord engagement contract. Should this contract not be executed the homeless service providers will continue trying to recruit and build relationships with landlords in an uncoordinated fashion. The City Council could authorize less funding for the contract which would reduce the scope of the project. If funding is not authorized or the scope of the project is reduced it would be expected that it will take longer for households to exit homelessness and we will continue to see a reduction of landlords willing to work with higher barrier households.

**Financial Impact**

FY2022-2023 Dedicated Housing Funds and program income from prior affordable housing bonds are available and have been budgeted to this contract. The amounts from each source are in the table below.

<b>Funding Source</b>	<b>MUNIS Code</b>	<b>Amount</b>
Program Income	3410D900-728600-DB170	\$329,800.00
Dedicated Housing Fund	1940D014-728600-DFSA4	\$120,200.00

**Equal Business Opportunity Summary**

The Finance Department reviewed the proposal submitted by Housing for New Hope and determined that it is in compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting.

This is a project in which there were no subcontracting opportunities identified by the Community Development Department. In the absence of subcontracting opportunities, there were no MUBE or WUBE goals set.

**Contractor Workforce Diversity & Hiring Practices**

Housing for New Hope completed the required Workforce Diversity Questionnaires. The questionnaires are an attachment to this memo.

**Attachments**

- Workforce Diversity Questionnaires
- Landlord Engagement Contract
- Landlord Engagement Scope of Work