



**Date:** January 8, 2015

**To:** Thomas J. Bonfield, City Manager  
**Through:** Keith Chadwell, Deputy City Manager  
**From:** Reginald J. Johnson, Director  
Department of Community Development  
**Subject:** Fourth Amendment to Contract for Emergency Solutions Grant & Dedicated Housing Fund Rapid Rehousing Services with Housing for New Hope

### **Executive Summary**

In February 2013, Council authorized the City Manager to execute a contract with Housing For New Hope (HNN) to provide Emergency Solutions Grant (ESG) and Dedicated Housing Funds for Rapid Rehousing Services. Council approved a Contract with HNN as a Sub-recipient for a scope of services under Attachment A of that Contract, with the Contract structured in such a way that it could be extended for a period of two additional years. The Contract has been amended previously to extend the contract term, and make language changes required by the federal Emergency Solutions Grant. This fourth amendment provides for the addition of reallocated ESG funds to the existing contract from 2014-15 that were unable to be allocated to the original subgrantee to whom the funds were awarded. These funds need to be expended by June 30, 2015 to avoid being recaptured by the Department of Housing & Urban Development.

### **Recommendation**

The Department of Community Development recommends that City Council authorize the award and expenditure of Emergency Solutions Grant (ESG) funds to continue the provision of rapid rehousing services by Housing for New Hope, Inc. The Department of Community Development recommends Council authorize the City Manager to execute this Contract Amendment with Housing For New Hope for rapid rehousing services increasing the maximum compensation from Five Hundred Forty-Seven Thousand One Hundred Seventy Five Dollars (\$547,175.00) to Five Hundred Fifty Eight Thousand Two Hundred Fifty Seven Dollars (\$558,257) in combined ESG and Dedicated Housing Funds.

### **Background**

In 2009, President Obama signed the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act. The HEARTH Act has shifted the response to homelessness from one that simply manages the issue at the program level to one that prevents and ends homelessness at the system level. As a result, Rapid Rehousing (RRH) has been identified as a program model that is both cost effective and efficient at ending homelessness. The City of Durham initially implemented RRH in 2009 through stimulus funding from the Homeless Prevention and Rapid Rehousing Program (HPRP). Housing for New Hope was the subrecipient for the HPRP funding implementing Durham's first RRH model. As a result of the success of HPRP nationally, the Department of Housing and Urban Development (HUD) revised regulations for its ESG program requiring funding for the RRH

program type for a minimum portion of the total funding. No new services will be funded by this Amendment. The Amendment will continue existing services through June of 2015 under this Amendment.

**Issues and Analysis**

Housing for New Hope is one of two service providers responding to the issuance of a notice of funding availability in September 2014 for the unspent 2013-14 ESG funds that were originally allocated for Rapid Rehousing. HNH has demonstrated experience and capacity to implement RRH.

As compared to other homeless housing models currently available in Durham in response to homelessness, RRH is proving effective in ending peoples' homelessness. City investment in continuing the RRH contract with Housing for New Hope is a cost effective approach to addressing homelessness in Durham.

**Alternatives**

The alternative to amending the Housing For New Hope contract would be for City staff to go through another Request For Proposals/Request For Qualifications process for 2013-2014 funding. However, the fact that these are federal funds that at risk of recapture if they are unspent by June 30, 2015, we feel the best option for the City is to move forward with this contract amendment with Housing For New Hope, Inc.

**Financial Impact**

The requested Emergency Solutions Grant (ESG) necessary to provide homeless and rapid rehousing services are budgeted and available.

**SDBE Summary**

Not applicable.