



# Memo

To: Tracey Douglas, City Administrator  
Ron Brooks, City Treasurer

Thru: Jeff Ulysse, Acting CBED Director

From: David Cristeal

Date: April 11, 2025

Re: Award of \$58,705.00 to Partners for Economic Solutions (PES) for the purpose of providing financial feasibility for affordable housing preservation and expansion consulting services.

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## **Introduction & Background:**

The preservation and expansion of rental housing affordability is a necessary strategy to help low wage renter families remain in Hyattsville. In July of 2024, staff applied for a MWCOG HAPP grant to evaluate and recommend strategies to preserve and/or expand affordability of 4 rental communities in West Hyattsville. In October of 2024, the Metropolitan Washington Council of Governments (MWCOG) awarded a Housing Affordability Planning Program (HAPP) grant of \$59,000 to the City for this purpose. In February of 2025, the City issued RFP# CED02282025 seeking consulting services to implement the HAPP grant and make recommendations that further its affordable housing goals and policies. In response to the City's RFP, two consultants provided bids that met the requirements that were then reviewed by staff. Upon completion of the staff review, the recommendation is to award a Contract to PES in the amount of \$58,705.00 to complete the work.

## **Discussion:**

The City received the HAPP grant to hire a consultant who will evaluate, provide funding feasibility strategies, and an implementation process for strengthening or expanding the affordability of four (4) transit and amenity rich naturally occurring affordable housing (NOAH) communities. These 4 communities are adjacent to recent and continuing development of market rate townhomes and apartments. If redeveloped into either market rate housing type, over 1,000 households living in these 4 apartment communities would be permanently displaced.

Specifically, the City's RFP described the following work tasks that would be completed by a recommended Consultant:

- Survey four (4) existing rental properties, gathering and preparing information on property conditions, investment history, rent history and updating market assumptions, tenant demographic information, and current and planned land use and zoning.
- Develop both preservation and redevelopment scenarios. This set of activities would include financial analysis and strategies with a focus on gap financing needed to provide deeply subsidized units (i.e. at 30%, 40% and 50% Area Median Income (AMI), or below a standard 60% AMI Low Income Housing Tax Credit (LIHTC) or 80% AMI workforce level).
- Assess potential challenges to both preservation and redevelopment scenarios; surveying sources of funding, including gap financing, legal and land use planning and zoning implications, and considering mitigating measures in the event of temporary displacement. Consider the conversion of market affordable rental to market affordable ownership (i.e. condominium or cooperative model).
- Provide a roadmap/blueprint for identifying future preservation/redevelopment sites in the specified target areas and implementation models/strategies. Detailed description of potential roles for City, County, State and federal partners. The feasibility analysis will also consider the effects of current and planned land use and zoning on the 4 properties. Identification of roadblocks and challenges to full and partial preservation funding strategies.

In response to the City's February 28, 2025, RFP, 2 consulting firms, submitted proposals:

1. Turquoise American LLC dba Delaware Consultants, based in Newark, DE; and,
2. Partners for Economic Solutions (PES) and Kramer Consulting Services (KCS); based in Washington, DC.

A review team of 4 staff members representing 3 City Departments reviewed the 2 applications. Based on this review, the staff team chose to interview one of the firms (PES). After the interview with PES, the staff team met to discuss their written and oral responses. Based upon this review, the staff team's consensus was to recommend awarding the City contract with them for the services as advertised in the RFP.

The staff team highlighted the following strengths of the PES/KCS team:

- Decades long, successful affordable housing and planning financial feasibility work with local governments throughout the DMV region (including previous work for the City of Hyattsville). References that included Prince George's County, Arlington County, and the City of Alexandria provided glowing reviews.
- A talented and capable staff team that includes both affordable housing, financial feasibility and property condition and construction cost expertise.
- A realistic work plan that can be completed in reasonable timeframe and cost (under the HAPP grant amount).

**Recommendation & Next Steps:**

That the Mayor and City Council authorize the City Administrator to sign a contract in the amount of \$58,705 with PES to complete the work as outlined in RFP # CED02282025.

The City Attorney and Treasurer have favorably reviewed the Contract between the City and PES (see attached). After the Contract has been signed, staff will work with PES to implement it and complete the work:

1. Work with PES to complete the work as defined in RFP # CED02282025.
2. Share interim and final report with the City Council.

**Attachments:**

Draft Contract between City of Hyattsville and PES.