



# REQUEST FOR INFORMATION

## MASTER LEASING - LANDLORD HOUSING UNIT SELECTION

RFI-13DMD-2024-1

March 21, 2024

**RFI RELEASED**

April 30, 2024

**RESPONSES DUE**



## INTRODUCTION

Master leasing is a strategy that engages landlords in the movement to find housing for sheltered and unsheltered individuals experiencing homelessness. Typically, a county or city government, service provider, or not-for-profit organization master leases apartments and subleases units to unsheltered individuals. The master leaser accepts risk from damage and/or vacancy in exchange for greater access to housing and fewer limitations on who gets to participate in housing. Master leasing is an effective strategy for individuals with high barriers to housing access, such as eviction or criminal histories, which may preclude them from renting directly from most local landlords. This strategy makes it possible to house persons directly off the street often with no other rental options. Some programs pair this model with rental assistance, allowing for flexibility in participant payment while they connect with services.

The City of Indianapolis is soliciting information from landlords interested in master leasing some of their vacant units as part of the supportive housing development pipeline in Indianapolis. Through a partnership with the Mayor's Office, the Department of Metropolitan Development is looking to master lease 138 vacant units for unsheltered individuals and families as part of a total 200 units of permanent supportive housing to be developed.

As part of the process, the Department of Metropolitan Development is looking to foster relationships with landlords and work with them to master lease vacant units to support unhoused individuals and families. We encourage any individuals and organizations interested in partnering with the DMD to complete this RFI in order to collaborate and build a stronger relationship.

This master leasing project is intended to support members of the Indianapolis community who may otherwise face barriers to obtain and maintain safe, decent, and affordable housing. This project is not intended to replace current residents from a landlord's rental portfolio, but rather to find homes for homeless individuals and families by utilizing vacant units.

Please note that a limited number of units are being sought out through this project and that the completion of this RFI does not guarantee your vacant units will be selected for this housing project.

## CONTACT

Rodney Stockment, Policy Director for Homelessness  
Department of Metropolitan Development  
[rodney.stockment@indy.gov](mailto:rodney.stockment@indy.gov)



## **TIMELINE + SUBMISSION**

The submission timeline for the first round of this RFI will end on April 30th at 5pm EST. All responses should be submitted electronically via email to Rodney Stockment at Rodney.Stockment@indy.gov. Please put 'Master Leasing' in the subject title of the email. If you feel that you will need more time to complete your RFI response, please reach out to Rodney Stockment to discuss. You do not have to respond to every item, but we encourage you to respond as completely as possible.

## **PROJECT BACKGROUND**

On any given night, slightly over 1,600 individuals experience homelessness in Indianapolis:

- 20 percent of individuals are experiencing chronic homelessness.
- 22 percent of individuals are unsheltered.
- Nearly 17 percent report having a substance abuse disorder.
- 24 percent report having a mental illness.
- 60 percent are African American.
- Families make up 26 percent of those experiencing homelessness.

## 01. GENERAL INFORMATION

This partnership with the Mayor's Office is one component of a larger Equitable Housing Strategy. The goal is to develop the necessary housing infrastructure and service systems that will end, not manage, homelessness. This project will contribute to that goal by developing 138 units of supportive housing. In recent years, permanent supportive housing has gained national recognition as a successful combination of affordable housing and flexible services that can help individuals with special needs who are experiencing homelessness live more stable, productive lives. According to the New York City Housing Preservation and Development Agency ([www.nyc.gov/site/hpd/services-and-information/supportive-housing.page](http://www.nyc.gov/site/hpd/services-and-information/supportive-housing.page)), the implementation of permanent supportive housing has a positive impact on individuals with disabilities, as well as saving public dollars. Similarly, Washington D.C. has also seen positive results with their Permanent Supportive Housing program. The 2022 Point in Time (PIT) count saw a drop in chronic homelessness from 50 percent to 44 percent, which is believed to have been due to permanent supportive housing development and pandemic-specific housing efforts ([www.dcfpi.org/all/bringing-it-all-home-how-dc-can-become-the-first-major-city-to-end-chronic-homelessness-and-provide-higher-quality-services/](http://www.dcfpi.org/all/bringing-it-all-home-how-dc-can-become-the-first-major-city-to-end-chronic-homelessness-and-provide-higher-quality-services/)). Indianapolis is striving to implement a similarly effective permanent supportive housing pipeline and network.

The units selected through this program will be master leased for 5 years, and risk of damages and payment for vacancy will be taken on by the City of Indianapolis or service providers working with the city on this master leasing project, which guarantees payment and lowers risk to landlords for selected units throughout that timeline of 5 years. It is required that landlords are in good standing with the city, have all of their proper licenses in place and all bills and taxes paid, and are in no trouble with the law.

Permanent supportive housing refers to permanent housing units, typically rental apartments, linked with flexible community-based services. Permanent supportive housing is specifically intended for persons experiencing homelessness who may struggle to adjust and stabilize during the transition into permanent housing, with ongoing services available even after individuals adjust. Service providers will be paired with tenants in this program to help them adjust and stabilize in their new homes. Services include counseling, mental health and addiction support, financial and career assistance, and anything else that may be applicable and beneficial to the lives of this program's participants. By helping individuals and families move out of expensive systems of emergency and long-term care and back into their own homes and communities, permanent supportive housing not only improves the lives of its residents, but also generates significant public benefits.

## 02. PURPOSE OF REQUEST FOR INFORMATION

The purpose of this RFI is to seek information about potential landlords to participate in master leasing project for the elected 138 units of housing. This master leasing project would create a relationship between landlords and an agency which would then place unsheltered individuals and families in these selected units.

Racial inequity is a powerful and consistent influence in housing and homelessness. A high number of people of color experience homelessness and institutionalization within this country. The committee overseeing this project believes that it is essential to recognize structural racism and address the policies that maintain these disparities. As part of this commitment, the RFI asks additional questions to help support beginning and continuing these important conversations early in the process. It is not expected to have fully formed responses, but the committee does expect that landlords be committed to working in collaboration with the services providers and City to ensure that proposed projects are responding to the disproportionate impact of homelessness for people of color in their identified communities.

## 03. KEY PROGRAM ELEMENTS

### POPULATION FOCUS

The selected landlord(s) will provide supportive housing to individuals and families experiencing homelessness referred from the city's Continuum of Care which includes the Coordinated Entry System. Part of this effort focuses on housing reentry and a portion of the units through this master leasing project will be designated for people leaving corrections facilities. This project may prioritize placement in units for individuals who have a pattern of homelessness, a history of high-cost utilization of crisis services, health or behavioral health challenges, and/or frequent interaction with the criminal justice system.

### ROLE OF LANDLORD

The organization holding the lease, whether the City of Indianapolis, a service provider, or a non-profit group, will act as an intermediary between the individuals living in these supportive housing units and the landlord of those units. The landlord will interact with tenants, but the organization holding the lease will be the main point of contact if there are any issues with tenants in the program. The goal is for things to run smoothly, but tenants attempting to stabilize and rebuild their lives will struggle. The other role of the landlord is to be understanding and communicative with tenants and the master lease holder in the case of these situations.

## 04. RFI RESPONSE COMPONENTS

Respondents should address the following:

### A. Lease Status

The respondent should identify whether the master lease will be a triple net agreement or not. A triple net agreement is a type of master lease where the lessee assumes all responsibility for maintenance, repairs, taxes, and insurance. If higher risk is taken on by the lessee, more favorable rent prices will be pursued for supportive housing tenants.

### B. Property Background, Capacity, and Commitment to Racial Equity

Provide brief background on the property's history, mission, core values and goals. Describe you and your property's overall approach to understanding and addressing racial equity to ensure fair housing opportunities for all. Please describe any strategies to address inequity that you are involved in or considering.

### C. System Transformation

In addition to finding and orchestrating housing for unsheltered individuals and families, this project is interested in improving the system through which the network of landlords, agencies, and communities in need of housing are connected, coordinated, and funded. We are interested in your thoughts on current challenges and ideas about how to address them. The challenges and potential solutions that you identify in this section can be broader than your specific property and experience.

- i. **Challenges**—what are the pain points or challenges that you see with the current agency-landlord network building system and the tenant placement system in Indianapolis? How do or could these challenges impact your organization and/or your supportive housing project?
- ii. **Solutions**—What ideas do you have that would help to address the challenge(s) you identified? Is there a new staff role needed at your property or in the community more broadly?

#### **D. System Transformation**

This project will utilize fair market rents as defined by the US Department of Housing and Urban Development (HUD), currently priced per month at \$1,145 for one-bedroom, \$1,349 for two-bedroom, \$1,758 for three-bedroom, and \$2,126 for four-bedroom apartments, with utilities included, for the leases taken on through this master lease program. Please state how many units are available for this master leasing project and what the rent prices will be. When deciding prices, please take into account whether or not a triple net agreement will be present and factor in utility estimates. Please note that HUD updates Fair Market Rents annually and these rent changes will be accounted for by the City of Indianapolis.

#### **E. Property Management**

Who is the property manager and how do you see your current property management structure integrating with the master leasing of these units?

#### **F. Property Proximity**

How far is the property from the closest access to transit, grocery store, and service center? Examples of service centers include but are not limited to mental health care providers, physical health care providers, food banks, and laundromats. Please specify the distance to each of these locations. For scattered site projects, please respond with the distance of each building being submitted for this project to the requested locations.

## 05. CONDITIONS OF RESPONSE SUBMISSION

- All costs incurred in the preparation and presentation of a submitted response, in any way whatsoever, shall be wholly absorbed by the prospective contractor. Any material submitted by the prospective contractor that is to be considered confidential must be clearly marked as such.
- The City of Indianapolis will be entitled to retain all submissions received in response to this RFI without pay or compensation. Submitting parties are advised that the City is subject to the Indiana Access to Public Records Act, and that any documents or other records provided to the City may, by law, be subject to disclosure.
- Any material respondent considers confidential should be marked as such. However, the final determination on the confidentiality of the material shall be determined by the City under the Indiana Public Access Laws.
- Please note that responding to this RFI is not a guarantee of selection for this master leasing project.

Under penalty of perjury, I certify that the information presented in this application is true and accurate to the best of my knowledge. The undersigned further understand(s) that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of an agreement.

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Signature

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Date

Questions?

Please submit all questions to [Rodney.Stockment@indy.gov](mailto:Rodney.Stockment@indy.gov)