



Date: November 16, 2018

To: Thomas J. Bonfield, City Manager
Through: Keith Chadwell, Deputy City Manager
From: Reginald J. Johnson, Director
Department of Community Development

Subject: Grant Contract between Legal Aid of North Carolina (LANC) and the City of Durham in the Amount of \$200,000 in Dedicated Housing Funds to Provide Legal Representation to City of Durham Residents Facing Eviction

Executive Summary

In the FY 2018-19 budget, the City Council authorized funding in the amount of \$200,000 to provide legal representation to qualified low-income Durham residents currently facing eviction. The authorization was in response to a proposal by Legal Aid of North Carolina (LANC) for outreach on eviction diversion. Since the budget approval, Department of Community Development (DCD) staff has worked diligently with LANC to refine its proposal and to prepare the necessary contract and scope of work for City Council consideration. This contract will enable LANC to engage two attorneys, a paralegal and an outreach coordinator to engage in legal representation. With this funding, LANC will be able to serve over 400 clients facing eviction, with the goal of preserving tenancy for at least half of the households served.

Recommendation

The Department of Community Development recommends that the City Council authorize the City Manager to execute a contract with Legal Aid of North Carolina in the amount of \$200,000 in Dedicated Housing Funds to provide legal representation to City of Durham residents who are facing eviction and to expand LANC's outreach on eviction diversion.

Background

During the FY19-20 departmental budget presentations, the City Council approved the allocation of grant funding in the amount of \$200,000 to be used to provide legal representation to qualified City of Durham residents who are currently facing eviction. The Department of Community Development received a proposal from LANC to provide these services as well as expand LANC's outreach on eviction diversion. LANC has agreed to match the City funds with \$140,000 in additional resources to be used for the Eviction Diversion program. Both the City and private funds will be used to cover the cost of two attorney positions, a paralegal, a community outreach coordinator, and office space. With this funding, LANC will be able to serve over 400 clients facing eviction, with the goal of preserving tenancy for at least half of the households served and enabling others to negotiate a move-out date with no eviction judgment.

Legal Aid of North Carolina (LANC) is a statewide, nonprofit law firm that provides free legal services in civil matters to low-income people in order to ensure equal access to justice and to remove legal barriers to economic opportunity. In August 2017, LANC, in partnership with the Duke Civil Justice Clinic, launched an Eviction Diversion Program to provide legal assistance to low income households facing eviction in Durham. The goal of the Eviction Diversion Program is to help clients avoid eviction judgments, which could prevent them from finding adequate, habitable, and affordable housing elsewhere, and when possible, to enable clients to remain in their current homes.

During the initial pilot year of the program, LANC served approximately 218 clients. To date, the most common solutions that have been negotiated with landlords are “pay and stay” arrangements and “move-out” agreements. In a pay and stay arrangement, the landlord agrees to a continuance of the case pending dismissal and the tenant agrees to pay a negotiated amount of back rent, usually less than the landlords’ original demand, by a certain date. In a move-out agreement, the tenant agrees to voluntarily move by a certain date and the landlord will then dismiss the case against him. Even though a move-out agreement does not preserve the tenancy, it allows the tenant to avoid an eviction judgment that hinders their ability to secure another affordable habitable home, and it allows the tenant more time to move, up to 2-3 months, as opposed to the less than 30 days that is typical in North Carolina eviction cases.

Issues and Analysis

Use of LANC to provide legal representation for City of Durham residents who are facing the prospect of being evicted from their homes will assist the City in meeting its neighborhood stabilization goals. Specifically, LANC will use City and matching funds to provide legal representation for qualified City of Durham residents facing eviction. The funds will also be used to expand outreach on eviction diversion, with the goal of increasing the number and sources of referrals and engaging clients who are earlier in the eviction process. To be eligible for LANC assistance in general, applicants must have a household income below 125% of the federal poverty threshold, or household income below 187.5% of the federal poverty threshold and meet a specific asset test.

Alternatives

The City Council could elect not to provide the requested funding for the LANC Eviction Diversion Program. If the program does not receive Dedicated Housing funds, it will not be able to increase the number of qualified City of Durham residents served. Approval of the project will represent another incremental step towards addressing Durham’s neighborhood stabilization needs.

Financial Impact

Dedicated Housing funds in the amount of \$200,000 are budgeted and available for this project and the MUNIS codes are 1940D014-728600-DFSH5.

Equal Business Opportunity Summary

This is a grant and was not reviewed by the Department of Equal Opportunity/Equity Assurance for compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting.