



**Date:** December 23, 2021

**To:** Wanda S. Page, City Manager  
**Through:** Keith Chadwell, Deputy City Manager  
**From:** Reginald J. Johnson, Director  
Community Development Department  
**Subject:** Amendment to Contract #18353, Three Year Grant Contract with Legal Aid of North Carolina (LANC) to Provide Legal Representation to Residents Facing Eviction

### **Executive Summary**

On June 21, 2021, the City Council authorized the City Manager to execute a three-year contract with Legal Aid of North Carolina (LANC) in the amount of \$1,545,450 to provide legal assistance to qualified low-income Durham residents currently facing eviction. Under the terms of this contract, LANC is expected to serve over 620 clients at risk of eviction annually. Also, LANC must preserve tenancy for at least half of the households served and enable others to negotiate a stay in place, or move-out date, with no eviction judgment.

With the end of the federal eviction moratorium in August 2021, and the continued rise in rental housing prices in Durham, low-income renters face growing housing challenges; including the risk of eviction. Consequently, the Community Development Department is proposing to increase funding to LANC in years 2 and 3 of the current contract in the amount of \$530,000 per year. This increase in funding will allow LANC to create a dedicated team of staff and attorneys at the Durham County Courthouse. The purpose of the staff will be to provide legal assistance to clients at every small claims calendar call, when Summary Ejectment (eviction) cases are heard. In order to better serve Spanish speaking clients, LANC will ensure that additional staff hired for the courthouse team include additional bilingual paralegals and, if possible, bilingual attorney(s).

The Department recommends amending LANC's current contract with the City to increase the budget by \$530,000 in each of years 2 and 3, which correspond to calendar years 2022 and 2023. The source of funds will be City general funds. Total contract value will increase by \$1,060,000, from \$1,545,450 to \$2,605,450. This funding increase will allow LANC to serve an additional 500 clients each year in years 2 and 3 of the contract.

### **Motion**

To authorize the City Manager to amend Contract #18353 with Legal Aid of North Carolina to provide legal representation to residents facing eviction to increase the budget by \$1,060,000, funded with City general funds, increasing the total contract value from \$1,545,450 to \$2,605,450.

### **Background**

LANC is a statewide nonprofit law firm that provides free legal services in civil matters to low-income people to ensure equal access to justice and remove legal barriers to economic opportunity. 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, when possible, enable clients to remain

in their current homes and help clients avoid eviction judgments. If not avoided, eviction judgements could prevent clients from finding adequate, habitable, and affordable housing elsewhere.

On June 21, 2021, the City Council authorized the City Manager to execute a three-year contract with Legal Aid of North Carolina, in the amount of \$1,545,450, to provide Legal Assistance to qualified low-income Durham residents currently facing eviction. Both City and private funds will be used to cover the cost of: five attorney positions, two paralegals, one community outreach coordinator, and administration and office space. Under the terms of this contract, LANC is expected to serve over 620 clients at risk of eviction annually. Also, LANC operates with the goal of preserving tenancy for at least half of the households served and enabling others to negotiate a stay in place or move-out date with no eviction judgment.

With the end of the federal eviction moratorium in August 2021, and the continued rise in rental housing prices in Durham, low-income renters face growing housing challenges; including the risk of eviction. Consequently, the Community Development Department is proposing to increase funding to LANC in years 2 and 3 of the current contract in the amount of \$530,000 per year. This increase in funding will allow LANC to create a dedicated team of staff and attorneys at the Durham County Courthouse, which will include: one supervising attorney, four staff attorneys, and three housing navigators/paralegals.

With this additional staffing, LANC will maintain a daily presence at the Durham County Courthouse at every small claims calendar call (when Summary Ejectment cases are heard). Both attorneys and staff will be present at the Courthouse on a daily basis. LANC will conduct onsite eligibility screening for eviction diversion services to serve clients immediately. In addition to providing legal assistance, LANC staff will also provide referrals to available resources for rental assistance and other support services. LANC's Courthouse Eviction Prevention team will operate separately from City-funded LANC emergency rental assistance staff who will be present in the courthouse during the first half of 2022.

In order to better serve Spanish-speaking clients, LANC will ensure that additional staff hired for the courthouse team include additional bilingual paralegals and, if possible, bilingual attorney(s). Currently, about 10% of the clients to LANC's eviction diversion project identify as Hispanic. It is projected that the increased availability of bilingual staff may lead to an increase in the number of Spanish-speaking clients.

The Department recommends amending LANC's current contract with the City, to increase the budget by \$530,000 in each of years 2 and 3, which correspond to calendar years 2022 and 2023. The source of funds will be City general funds. The total contract value will increase by \$1,060,000, from \$1,545,450 to \$2,605,450. This funding increase will allow LANC to serve an additional 500 clients each year in years 2 and 3 of the contract.

### **Issues and Analysis**

The proposed contract amendment will enable LANC to establish a dedicated courthouse presence to serve low-income tenants at imminent risk of eviction. 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. The aforementioned federal poverty thresholds do not exceed 80% of the area median income (AMI).

### **Alternatives**

The City Council could elect not to increase funding for the LANC Eviction Diversion Program. In this case, LANC would not be able to establish a daily courthouse presence or increase the number of clients served. LANC would continue to provide eviction diversion assistance under the terms of the current contract.

**Financial Impact**

The proposed amendment would increase total contract amount by \$1,060,000, increasing the contract value from \$1,545,450 to \$2,605,450. The current contract is funded with FY2020-21, FY 2021-22 and FY 2022-23 Dedicated Housing Funds. The amendment would be funded with City general funds in the Community Development Department’s operating budget. See summaries below.

**Current Contract – Dedicated Housing Funds**

<b>FISCAL YEAR</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>TOTALS</b>
FY 2020-21	\$ 500,000	\$ -	\$ -	\$ 500,000
FY 2021-22	\$ -	\$ 515,000	\$ -	\$ 515,000
FY 2022-23	\$ -	\$ -	\$ 530,450	\$ 530,450
<b>TOTALS:</b>	<b>\$ 500,000</b>	<b>\$ 515,000</b>	<b>\$ 530,450</b>	<b>\$ 1,545,450</b>

**Proposed Contract Amendment – General Funds**

<b>FISCAL YEAR</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>TOTALS</b>
FY 2020-21	\$ 0	\$ -	\$ -	\$ 0
FY 2021-22	\$ -	\$ 530,000	\$ -	\$ 530,000
FY 2022-23	\$ -	\$ -	\$ 530,000	\$ 530,000
<b>TOTALS:</b>	<b>\$ 0</b>	<b>\$ 530,000</b>	<b>\$ 530,000</b>	<b>\$ 1,060,000</b>

**Total Contract Value: \$2,605,450**

**Equal Business Opportunity Summary**

The Department of Equity & Inclusion did not review this item for compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting because the project was grant funded.

**Contractor Workforce Diversity & Hiring Practices**

Due to the nature of this agenda item, obtaining Contractor Workforce Diversity & Hiring Practices information is not applicable.

**Attachments**

Amendment