

INTRODUCED: July 22, 2019

AN ORDINANCE No. 2019-195

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a Grant Contract between the City of Richmond and Housing Opportunities Made Equal of Virginia, Inc., for the purpose of making a \$485,140 grant to Housing Opportunities Made Equal of Virginia, Inc., from the funds appropriated to the Non-Departmental – Human Services line item to support the implementation of the Eviction Diversion Program.

Patron – Mayor Stoney

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: SEP 9 2019 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That the Chief Administrative Officer, for and on behalf of the City of Richmond, is hereby authorized to execute a Grant Contract between the City of Richmond and Housing Opportunities Made Equal of Virginia, Inc., for the purpose of making a \$485,140 grant to Housing Opportunities Made Equal of Virginia, Inc., from the funds appropriated to the Non-Departmental – Human Services line item to support the implementation of the Eviction Diversion Program. Such agreement shall be approved as to form by the City Attorney and shall be substantially in the form of the document attached to this ordinance.

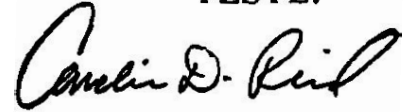
AYES: 9 NOES: 0 ABSTAIN: _____

ADOPTED: SEP 9 2019 REJECTED: _____ STRICKEN: _____

§ 2. This ordinance shall be in force and effect upon adoption.

A TRUE COPY:

TESTE:

A handwritten signature in black ink, appearing to read "Amelia D. Reed". The signature is written in a cursive style with a large initial 'A'.

City Clerk



CITY OF RICHMOND

INTRACITY CORRESPONDENCE

OFFICE OF THE CITY ATTORNEY

JUL 19 2019

RECEIVED

O&R REQUEST

DATE: July 18, 2019 **EDITION:** 1

TO: The Honorable Members of City Council

FROM: Office of Mayor Levar M. Stoney *[Signature]* 7/18/19

RE: Grant Contract for the Eviction Diversion Program

ORD. OR RES. No. _____

PURPOSE: Requesting authorization for the execution of the grant contract for the Eviction Diversion Program attached to the O&R, pursuant to the requirements of Text Amendment No. 3 of Ord. No. 2019-041.

REASON: To begin the implementation of the City's pilot Eviction Diversion Program, to which the City has allocated \$485,000 for operation via City partner and grant recipient, Housing Opportunities Made Equal of Virginia. The Eviction Diversion Program is aimed at addressing the eviction crisis in Richmond by annually reducing the number of evictions by 300-500, with a focus on assisting the City's most vulnerable residents.

RECOMMENDATION: Approval is recommended by City Administration.

BACKGROUND: There is a national eviction epidemic and Richmond leads the crisis with an eviction rate of 11.44% – the second highest among large U.S. cities. About 18,000 eviction lawsuits are filed every year and approximately 11,000 result in judgements of possession for the landlord. 9,400 turn into Writs of Possession authorizing the Sheriff to forcibly evict the tenant, which happens about 3,000 times a year. Thousands of other tenants involuntarily move before the Sheriff arrives.

Research shows that families with children are evicted at double the rate of families without children. 10 out of 18 Richmond elementary schools with eviction rates above the City average of 11.44% are unaccredited and six out of seven Richmond schools with eviction rates below the City average of 11.44% are fully accredited. Compared with their peers, homeless students and students with high rates of residential instability perform worse on standardized tests, have lower school achievement and delayed literacy skills. Evictions also disproportionately impact single parent households and communities of color.

Evictions can be devastating for families. Low-income tenants who fall behind in rent can quickly become trapped in a downward spiral and the experience can be traumatizing for children. Landlords also experience a loss in rent and other costs associated with lawsuits and filling vacant units.

This Eviction Diversion Program will help create a win for tenants, landlords, vulnerable communities and the City as a whole.

FISCAL IMPACT / COST: \$485,000

FISCAL IMPLICATIONS: \$485,000 to divert 300-500 rent-due evictions in the City.

BUDGET AMENDMENT NECESSARY: None

REVENUE TO CITY: The Eviction Diversion Program can potentially serve as a cost-saving measure for the City and other entities.

DESIRED EFFECTIVE DATE: Upon adoption.

REQUESTED INTRODUCTION DATE: July 22, 2019

CITY COUNCIL PUBLIC HEARING DATE: September 9, 2019

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: Education and Human Services

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: None

AFFECTED AGENCIES:

RELATIONSHIP TO EXISTING ORD. OR RES.: Ord. No. 2019-041

REQUIRED CHANGES TO WORK PROGRAM(S):

ATTACHMENTS: Proposed Grant Contract

STAFF: Osita Iroegbu, Senior Policy Advisor, Mayor's Office

RICHMOND EVICTION DIVERSION GRANT CONTRACT

THIS GRANT CONTRACT is made this ____ day of ____, 2019 between the City of Richmond, a municipal corporation and political subdivision of the Commonwealth of Virginia (the "City"), and Housing Opportunities Made Equal of Virginia, Inc., a Virginia non-stock corporation, authorized to transact business in the Commonwealth of Virginia (the "Recipient").

STATEMENT OF PURPOSE

- A. Section 15.2-953(A) Code of Virginia authorizes the City to make gifts and donations to any charitable institution or association, located within their respective limits or outside their limits if such institutions or association provides services to residents of the locality.
- B. By Ordinance No. 2019-041 adopted May 13, 2019, funds in the amount of \$485,140.00 (the "Grant Funds") have been appropriated for a gift to the Recipient in the City's 2020 Fiscal Year Non-Departmental Budget.
- C. Ordinance No. 2019-041 requires the Recipient to enter into a grant contract with the City specifying the parameters of an eviction diversion program prior to the City's disbursement of the Grant Funds to the Recipient.

The City and the Recipient, intending to be legally bound, agree as follows:

I. Contact Information.

- A. The City's point of contact for purposes of this Contract is:

Osita Iroegbu
Senior Policy Advisor
Office of Mayor Levar M. Stoney
900 E. Broad St., Suite 201
Richmond, VA 23219
Osita.Iroegbu@richmondgov.com
804.646.4336

This point of contact is responsible for monitoring the Recipient's compliance with this Contract.

- B. The Recipient's point of contact for purposes of this Contract is:

Monica Jefferson
Vice President and Chief Operating Officer
Housing Opportunities Made Equal of VA, Inc.

626 E. Broad Street, Suite 400 Richmond, VA 23219
mjefferson@homeofva.org
804-354-0641, Ext. 252

- C. Either party may change the contact information set forth in this section by submitting a written statement that the party is making such a change and setting forth the contact information of the party's new point of contact to the other party's point of contact.

2. **Payment of Grant Funds.**

- A. The City shall pay the Grant Funds to the Recipient upon receipt of their quarterly invoice for payment and quarterly report.
- B. The Recipient shall return to the City all of the Grant Funds received by the Recipient if the requirements set forth in section 3 below are not fulfilled.
- C. If the Recipient has not expended any part of the Grant Funds after all of the requirements set forth in section 3 below are met, the Recipient shall certify in writing to the City's Chief Administrative Officer that all of the requirements set forth in section 3 have been fulfilled and the specific amount of the Grant Funds that the Recipient has not expended. If the City's Chief Administrative Officer agrees in writing that all of the requirements set forth in section 3 have been fulfilled, the Recipient may use the remaining portion of the Grant Funds for any lawful purpose.

3. **Scope of Services.** In consideration of the City's grant of the Grant Funds to the Recipient, the Recipient shall administer the Richmond Eviction Diversion Program (the "Program") in the City of Richmond. The parameters of the Program shall be as follows:

- A. **Purpose.** The purpose of the Program shall include (i) reducing the number of evictions of low-income persons from their residential dwelling units for the failure to pay small amounts of money under the rental agreement, in particular when such persons have experienced an event that adversely affected financial circumstances such as the loss of employment or a medical crisis in their immediate family; (ii) reducing displacement of families from their homes and the resulting adverse consequences to children who are no longer able to remain in the same public school after eviction; (iii) encouraging understanding of eviction-related processes and facilitating the landlord's and tenant's entering into a reasonable payment plan that provides for the landlord to receive full rental payments as contracted for in the rental agreement and for the tenant to have the opportunity to make current such rental payments; and (iv) encouraging tenants to make rental payments in the manner as provided in the rental agreement.
- B. **Tenant Eligibility Criteria.** A person shall be shall eligible to participate in the Program if he or she meets the following criteria ("Tenant Eligibility Criteria"):

1. Is a tenant in rental housing in the City of Richmond, Virginia;
2. Has a gross household income adjusted for family size at or below 80% of the Area Median Income as determined annually for the Richmond-Petersburg Metropolitan Statistical Area by the United States Department of Housing and Urban Development;
3. Has been issued a summons for unlawful detainer in the General District Court for the City of Richmond, Virginia;
4. Has no dispute with the landlord other than the nonpayment of rent;
5. Is in agreement with the landlord as to the Amount Due as of the return date on the unlawful detainer (the "Amount Due" shall include a) all amounts claimed in the summons for unlawful detainer filed against the tenant, including rent, damages, court costs, and attorney's fees, and b) the next month's rent and late fees, if such amounts have become due);
5. Appears in court on the first docket call of the case and requests to have the case referred into the Program;
6. Pays to the landlord or into the court up to 25 percent of the amount due on the unlawful detainer as amended on the first docket call of the case;
7. Provides sworn testimony that he is employed, or has other income, and has sufficient funds to make the payments under the court payment plan, or otherwise has sufficient funds to make such payments;
8. Provides sworn testimony explaining the reasons for being unable to make rental payments as contracted for in the rental agreement;
9. Has not been late within the last 12 months in payment of rent as contracted for in the rental agreement at the rate of either (i) more than two times in six months or (ii) more than three times in 12 months;
10. Has not exercised the right of redemption pursuant to Va. Code § 55-248.34:1 within the last six months;
11. Obtains agreement from the landlord to enter into a payment agreement with the tenant containing the provisions set forth in subsection C below and obtains an order of continuance from the court.

C. **Payment Agreement.** As a condition of receiving assistance under the Program, such assistance must be distributed in accordance with a payment plan set forth in a payment agreement ("Payment Agreement") entered into between an eligible tenant and a willing landlord, containing the following provisions:

1. All payments shall be (i) made to the landlord; (ii) paid by cashier's check, certified check, or money order; and (iii) received by the landlord on or before the fifth day of each month included in the plan;

2. The remaining payments of the amounts on the amended unlawful detainer after the first payments made on the first docket call of the case shall be paid on the following schedule: (i) 25 percent due by the fifth day of the month following the initial court hearing date, (ii) 25 percent due by the fifth day of the second month following the initial court hearing date, and (iii) the final payment of 25 percent due by the fifth day of the third month following the initial court hearing date; and

3. All rental payments shall continue to be made by the tenant to the landlord as contracted for in the rental agreement within five days of the due date established by the rental agreement each month during the course of the payment plan.

D. Counseling. In addition to satisfying all Tenant Eligibility Criteria and the executing a Payment Agreement, Recipient must ensure that an eligible recipient meet the following conditions prior to providing financial assistance under the Program:

1. The tenant must contact Recipient within seven (7) calendar days of the Return Date and set an appointment for a Financial Literacy Education and Housing Counseling session, covering such issues as budgeting, managing money, reading and understanding a lease, and rights and responsibilities as a tenant.

2. The tenant must attend and participate in the scheduled Financial Literacy Education and Housing Counseling session which will be offered by Recipient on a weekly basis.

E. Financial Assistance. Recipient shall be responsible for disbursement of the Grant Funds in the form of financial assistance to eligible tenant meeting all requirements under the Program, in accordance with the following:

1. Recipient may disburse to eligible tenants, as financial assistance under the Program, up to 50% of the amount due to the landlord in accordance with tenant's Payment Agreement.

2. Within ten (10) calendar days of tenant's participation in the Financial Literacy Education and Housing Counseling session, Recipient shall issue the financial assistance check (or checks, as may be applicable) payable to the landlord.

E. Recipient's Additional Responsibilities. Recipient shall provide the following services in administering the Program:

1. Recipient shall issue to eligible tenants an extensive list of other services and programs which may be of assistance to the tenant, including but not limited to food assistance, other rental assistance, utility assistance, SSI/disability applications, and workforce development/employment and mental health case management services.
2. Recipient's shall monitor clients to ensure that eligible participants complete the payment plan and all other obligations of the Payment Agreement.
3. Recipient shall work with Richmond Redevelopment and Housing Authority and Richmond Public Schools to identify families who have major housing challenges and suggest appropriate resources which may provide financial assistance.
4. **Performance Measures.** The City will use the following performance measures to evaluate whether the Recipient has performed the services required by this Contract in a manner that achieves the City's purpose in providing the Grant Funds to the Recipient:
 - A. Did Recipient administer the Program in accordance with the parameters set for in Section 3 of this Agreement?
 - B. Did Recipient assist from 300 to a maximum 500 eligible tenants in diverting eviction?
 - C. Did Recipient promote and provide Financial Literacy Education and Housing Counseling to 300 - 500 eligible tenants?
5. **Reporting.** The Recipient shall furnish the City's point of contact with a written report on its use of the Grant Funds no less frequently than once per Quarter and upon the expenditure of all of the Grant Funds. The Recipient shall submit the following reports on a quarterly basis:
 - A. Non-Departmental Financial Invoice
 - B. Non-Departmental Quarterly Program Report
6. **Acknowledgement of Donation.** The Recipient shall, in connection with any programs, events, or other matters funded in whole or in part with the Grant Funds, acknowledge the City of Richmond as a donor, contributor, or sponsor. This acknowledgement must be included on any promotional materials, brochures, publications, websites, or other visible locations. The City has the right, upon request, to review and approve any such acknowledgement. Further, the City has the right, in its sole discretion, to require the removal of its name from any such promotional materials, brochures, publications, websites, or other visible locations.

7. **Compliance Monitoring.** The City's point of contact shall monitor the Recipient's compliance with this Contract. In addition to the reports required by Section 5, the Recipient shall furnish the City's point of contact with any information reasonably requested by the City's point of contact in order to enable the City's point of contact to determine whether the Recipient is meeting or has met the performance measures set forth in this Contract.

8. **Recipient's Representations and Warranties.** The Recipient represents and warrants as follows:
 - A. The Recipient is and will be for the duration of this Contract a charitable institution or association as detailed in a Section 15.2-953(A) of the Code of Virginia.

 - B. The Recipient's signatory below is duly authorized by the Recipient to enter into this Contract and thereby bind the Recipient to this Contract's terms and conditions.

9. **Audit.** Pursuant to Section 2-187 of the Code of the City of Richmond, the Recipient shall, as a condition of receiving monies from the City, be subject to periodic audits of its finances and expenditures of such City monies by the City Auditor on demand and without notice.

[SIGNATURES ON NEXT PAGE]

Effective as of the date first written above.

RECIPIENT:

CITY:

By: _____
Monica L. Jefferson
Housing Opportunities Made Equal of VA, Inc.

By: _____
Selena Cuffee-Glenn
Chief Administrative Officer

APPROVED AS TO FORM:



Assistant City Attorney