



MEMORANDUM

To: Mayor and Members of the City Council

From: Montre' Freeman, City Manager

Date: November 23, 2022

Re: Consideration – Renew Hugh Cale Resource Center Subrecipient Agreement with Legal Aid of North Carolina

BACKGROUND:

Legal Aid of North Carolina (LANC) is a non-profit 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.”

“LANC focuses and prioritizes its resources and work on substantive issues that can have the greatest impact on household economies and helping its clients escape poverty. LANC lawyers concentrate their practices on preventing homelessness, protecting victims of interpersonal violence and human trafficking, maximizing consumer protection, combating arbitrary decisions on public benefits, fighting unemployment, advancing disaster recovery efforts, and supporting community economic development.” They assist “seniors, victims of discrimination, veterans, victims of the School-to-Prison Pipeline, and migrant laborers, among others.”

LANC has recently received private philanthropic funding which will allow them to improve their presence in Elizabeth City and Pasquotank County. They estimate that about 12,000 people in the City and County are eligible for their legal services.

Prior to setting up their office last year in the Hugh Cale Center, Legal Aid of North Carolina had no office in Elizabeth City. The closest office was in Ahoskie, NC. They moved into the spot vacated by the Albemarle Hospital Foundation in the Hugh Cale Resource Center, which it had occupied since early 2015.

LANC requested space to place at least two attorneys and at least one support staff member in the Hugh Cale Resource Center. These positions are full-time and provide legal services to the residents of Pasquotank County and Elizabeth City. The primary focus is to reduce homelessness and housing instability for citizens. They also provide services to victims of domestic violence and assist residents with other issues involving public benefits and expand access to statewide legal resources.

LANC specifically requested to occupy the space formerly occupied by the Albemarle Hospital Foundation, which consists of three offices located on the Road Street side of the facility as show in Exhibit #1. The space has a separate entrance for privacy and confidentiality purposes of clients. They also requested periodic use of a shared conference space located in the building. In addition, they have benefitted from periodic use of the larger training room located in the common area of the building for community education events. Use of the common area spaces would be coordinated with the lead agency.

The Food Bank of the Albemarle serves as the lead agency responsible for ensuring the Hugh Cale facility is managed appropriately. They oversee the operation of the Center and utilize four offices within the Center.

ANALYSIS:

Legal Aid of North Carolina is a qualified 501(c)(3) organization. Their client base is low- and moderate-income households, of which they estimate there are 12,000 households in the combined City/County area which would qualify for their services. LANC representatives have reviewed a sample Sub-recipient Agreement and are amenable to executing the usual and customary sub-recipient agreement.

Attached is the original proposal submitted by Legal Aid of North Carolina describing their services, the populations they serve, and the benefits of having staffed offices in Elizabeth City.

Also attached is the proposed Sub-recipient Agreement with Legal Aid of North Carolina. It proposes that they occupy the three offices outlined on Exhibit #1. They will have exclusive rights to use those three offices and will coordinate with Food Bank of the Albemarle to use the common area conference room and/or training room. They will also pay their share of the alarm, phone and internet system.

STAFF RECOMMENDATION:

If Council desires, this item may be moved forward to the Regular Session for consideration.

By motion, authorize renewing the Sub-recipient Agreement with Legal Aid of North Carolina for use of the Hugh Cale Resource Center, and execution of the attached contract.

Attachments:

LANC Scope of Work and Proposal
Proposed Sub-Recipient Agreement

LEGAL AID OF NORTH CAROLINA

Request for Space in the Hugh Cale Resource Center for the Provision of Free Legal Services to Low- and Moderate-Income Households

LANC requests space to place at least two attorneys and at least one support staff person in the Hugh Cale Building, on a full-time basis, to provide high quality, direct legal services to the residents of Pasquotank County and Elizabeth City. Our ability to locate in Elizabeth City will significantly expand our ability to provide services and meaningful outreach, including to the Spanish-speaking population,

LANC Background

Legal Aid of North Carolina is a statewide non-profit law firm and a 501(c)(3) organization that provides free civil legal services to poor families and households in all 100 counties to uphold the principle of equal access to justice and to provide economic opportunity to the most vulnerable members of our communities. LANC provides a wide variety of legal services, including informational outreach, education clinics, and individual counsel and direct representation in courts at every level, state and federal, trial and appeal.

LANC focuses and prioritizes its resources and work on substantive issues that can have the greatest impact on household economies and helping its clients escape poverty. LANC lawyers concentrate their practices on preventing homelessness, protecting victims of interpersonal violence and human trafficking, maximizing consumer protection, combating arbitrary decisions on public benefits, fighting unemployment, advancing disaster recovery efforts, and supporting community economic development. We have special projects that assist seniors, victims of discrimination, veterans, battered immigrants, victims of the School-to-Prison Pipeline, and migrant laborers, among others. Outside of our direct legal work, LANC is one of the state's lead agencies on ACA enrollment, Ombudsman, foreclosure prevention, and HOPE rental assistance.

There are approximately 3.4 million people in North Carolina eligible for our services. Each year, we receive over 250,000 discrete calls requesting our legal services. In response, we open over 25,000 legal cases and serve another 30,000 households in our clinics and with our ZOOM and web outreach. Our small office in Ahoskie serves an eleven-county area of the northeast part of the state. In the year prior to the pandemic, that office opened almost 600 cases, not including cases concerning domestic violence. Although we have clients from all the northeast counties, only about 10%-12% of our litigation involved households and residents living directly in Pasquotank County.

Our non-dv legal work is not supported by any court fees, direct state funding or a legislative appropriation. Our work in the northeast is supported entirely by outside funding. However, we recently received private funding from interested community members from the county and

we now hope to combine this philanthropy with other resources to significantly improve our presence in Elizabeth City and Pasquotank County.

Poverty

The poverty rate in Pasquotank County is approximately 15.7%. Childhood poverty runs at about 22%. Seniors fall at about 10%. The rate suggests that about 6200 people fall at or below the poverty line (roughly \$22,000, family of three) in the county; half of these live in Elizabeth City. This means that about 12,000 people are eligible for our legal services. The median income is roughly \$55,700. The 80% low-income upper limit falls at \$44,600; the very low-income baseline is \$27,850; and extremely low-income is below \$16,710. (Across the state, about 38% of LANC clients earn less than \$10,000 per year.)

According to data from the NC Housing Coalition, a modest two-bedroom in the county costs about \$876 each month. To reasonably afford such a unit, a family needs to earn about \$35,000 each year. A very low-income family can afford a monthly rent only below \$696. There are approximately 15,000 rental units in the county. Fully 5500 (38%) of these renter households are cost-burdened, meaning they are paying more than 30% of their income to their housing costs. More than half of these are having difficulty affording their units. (Many of our clients often pay 70%, or more, of their income towards their housing costs.) These numbers explain much of the affordability basis for evictions in the county.

Housing instability and substandard housing conditions exacerbate the stress and debilitating mental health concerns that are endemic to those in poverty. These impacts are especially injurious to childhood development. But Legal Aid of North Carolina can help temporize and significantly reduce this invidious dynamic of housing instability.

The Eviction Diversion Project

LANC desires to place at least two attorneys and at least one support staff person in the Hugh Cale Building, on a full-time basis, to provide high quality, direct legal services to the residents of Pasquotank County and Elizabeth City. The primary focus will be to reduce homelessness and housing instability by providing legal counsel and representation to tenants experiencing landlord-tenant and eviction issues, such as failure to pay rent and dangerous and hazardous housing conditions. LANC is a community partner in the state's ERAP HOPE rental assistance project and will assist landlords and tenants seeking appropriate access to these funds. As part of this effort, LANC hopes to increase its presence in the courthouse to provide advice and counsel to residents already facing summary ejection.

Our physical presence in the Hugh Cale Building, however, will mean that county residents will have greater awareness of our entire network of legal services. To the extent possible, we also will provide access to victims of domestic violence, assist residents with issues involving public benefits, and generally expand access to our statewide legal resources.

The Agreement

LANC proposes to occupy the small suite of three offices formerly (we believe) occupied by the hospital foundation, unless a larger suite, more suitable for community education events, becomes available. LANC would coordinate with other occupants on the use of common areas of the building. LANC will keep the premises in good order, provide routine maintenance, and pay its share of common building services, such as pest control, alarm, phone, and internet services. In the alternative, LANC can provide these services on its own. LANC is prepared to execute the usual and customary sub-recipient agreement with Elizabeth City.

**SUB-RECIPIENT AGREEMENT
BETWEEN
THE CITY OF ELIZABETH CITY
AND
LEGAL AID OF NC
FOR PROVIDING SERVICES IN
HUGH CALE RESOURCE CENTER**

THIS AGREEMENT entered into this _____ day of _____ 2021 by and between the City of Elizabeth City and Legal Aid of North Carolina; hereafter also referred to as Sub-recipient.

WHEREAS, the Hugh Cale Resource Center was built with U.S. Department of Housing and Urban Development CDBG funds distributed to the City of Elizabeth City by North Carolina Department of Commerce, Division of Community Assistance (DCA); and

WHEREAS, the City of Elizabeth City wishes to engage Legal Aid of North Carolina, in order that Sub-recipient implement approved activities listed below to help low-income members of the community;

NOW, THEREFORE, it is agreed between the parties hereto that:

I. Statement of Work

Legal Aid of North Carolina will be responsible for providing an array of free civil legal services to low- and moderate-income households of Elizabeth City and Pasquotank County at the Hugh Cale Resource Center (524 South Road Street) for the period December 1, 2021 to November 30, 2022. Legal Aid of North Carolina will receive no direct financial compensation from the City for the services provided in Hugh Cale Resource Center. The occupation of the Hugh Cale Resource Center requires the occupants to provide these services, free of charge, for the period mentioned above. The programs and services will include the following activities eligible under the Community Development Block Grant Program. It is understood and acknowledged that Hugh Cale Resource Center will have multiple tenants.

Program Delivery

Legal Aid of North Carolina will provide a variety of direct legal services to low- and moderate-income households of Elizabeth City and Pasquotank County at the Hugh Cale Resource Center. Legal Aid of North Carolina will use the space at the Hugh Cale Resource Center for offices for various ongoing programs of the organization, including, but not limited to: preventing homelessness; protecting victims of interpersonal violence and human trafficking; maximizing consumer protection; combating arbitrary decisions on public benefits; fighting unemployment; advancing disaster recovery efforts; supporting community economic development; special projects that assist seniors, victims of

discrimination, veterans, battered immigrants, victims of the School-to-Prison Pipeline, and migrant laborers; ACA enrollment; foreclosure prevention; HOPE rental assistance. and other civic and/or legal or program services or initiatives as approved by its Board of Directors. Legal Aid of North Carolina shall have exclusive right to the area so noted in Exhibit No. 1. Legal Aid of North Carolina may provide additional programs with approval from the City.

II. Limitations in programs/services and use of the Hugh Cale Resource Center

The Hugh Cale Resource Center may not be used at any time including weekends for any activity that is not listed above without written permission of the Office of City Manager. It is understood and acknowledged that Hugh Cale Resource Center will have multiple tenants. Legal Aid of North Carolina may not rent or lease any part of the building. The Hugh Cale Resource Center may not be used for any religious activity at any time. The City of Elizabeth City will sign sub-recipient agreements with other organizations to provide services in the Hugh Cale Resource Center and requires that Legal Aid of North Carolina communicate and coordinate its activities with the City and other organizations that use the building, specially, during hours not mentioned in the Program Delivery Section (above).

It shall be the responsibility of Legal Aid of North Carolina to open/secure/close their area as shown on Exhibit No.1. The City will provide the Legal Aid of North Carolina with keys to all offices/rooms that have been assigned to them. Keys to the perimeter doors and common area will not be provided to Legal Aid of North Carolina; use of the common areas must be coordinated with the lead agency, Food Bank of the Albemarle. Legal Aid of North Carolina shall equally share the cost of the alarm system, telephone utility, and internet access with other sub-recipients; each will be provided access codes to the alarm system. If the City utilizes the facilities after Legal Aid of North Carolina normal hours of responsibility, the City shall assume the responsibility for opening/securing/closing the facility.

III. Service Schedule

Legal Aid of North Carolina shall staff the Hugh Cale Center Monday – Friday from 8 a.m. to 5 p.m., excluding holidays. If the Legal Aid of North Carolina decides to utilize the Center after 5:00 p.m., it must provide a letter requesting such use one week in advance and coordinate this with the lead agency, Food Bank of the Albemarle.

IV. National Objectives/regulations

Legal Aid of North Carolina certifies that the activities carried out with funds provided under this Agreement will meet the CDBG National Objective under 24 CFR 570.200 - 24 CFR 570.913:

- 1) Benefit low/moderate income persons

The Sub-recipient will be responsible for maintaining performance records to show the levels of accomplishment and meeting the CDBG program regulations and National Objective.

V. Budget/Finance

Legal Aid of North Carolina will provide an annual audit report and/or financial compilation report to the City prepared by a certified public accountant on or before March 31st of each year. Legal Aid of North Carolina will provide an annual budget which will cover the programs that will be offered in the Center by July 1st of each year.

VI. Reports

Legal Aid of North Carolina will be required to submit a monthly progress report to the City by the 15th of every month outlining accomplishments. The report should include the number of individual clients and the types of services provided to these individuals with a brief explanation (within the bounds of confidentiality requirements) The City may change the format and content of the report according to changing requirements of the City Council or North Carolina Department of Commerce. The programs and activities inside the Hugh Cale Resource Center will be monitored by the City of Elizabeth City. All disputes will be settled by the City, with the City's decision to be final as to all such disputes.

If Legal Aid of North Carolina is suspended/terminated by any federal or State agency, the Sub-recipient must inform the City within ten (10) days of date of the suspension/termination notice, and such suspension or termination would be grounds for City's immediate termination of this sub-recipient Agreement.

VII. Program Income

Legal Aid of North Carolina may not charge the individuals that receive services in the Hugh Cale Resource Center but may charge for services rendered outside of the facility. The programs provided in the Hugh Cale Resource Center should generate no income, excluding grants from outside agencies.

VIII. Reversion of Assets

Hugh Cale Resource Center will be returned to the City at the end of this agreement unless the City of Elizabeth City decides to extend the agreement. All assets including the building must be returned to the City in good condition.

IX. Other Conditions

Legal Aid of North Carolina recognizes the City of Elizabeth City as the only legitimate owner of the Hugh Cale Resource Center. As long as Legal Aid of North Carolina occupies the Hugh Cale Resource Center it will make no request directly or indirectly to assume ownership of the building, and it will not support such a request by others.

X. Notices

Communication and details concerning this contract shall be directed to the following contract representatives:

City of Elizabeth City
City Manager
City of Elizabeth City
P.O. Box 347
Elizabeth City, NC 27907
Phone: (252) 337-6864
Fax: (252) 335-2503

Legal Aid of North Carolina/Sub-Recipient/Coordinator
George R. Hausen, Jr., Esq.
Executive Director
224 S. Dawson Street
Raleigh, NC 27601
Phone: (252) 919-856-2130
georgeh@legalaidnc.org

XI. General Conditions

A. General Compliance

The Sub-recipient agrees to comply with the requirements of Title 24 of the Code of the Federal Regulations, Part 570 (the Housing and Urban Development Regulations concerning Community Development Block Grants (CDBG)). The Sub-recipient, also, agrees to comply with all other applicable Federal, State and Local laws, regulations and policies governing the funds provided under this contract.

B. "Independent Contractor"

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Sub-recipient shall at all times be an "independent contractor" with respect to the services to be performed under this Agreement. The City shall be exempt from payment of all Unemployment Compensation Insurance associated with Sub-recipient's operations, as the Sub-recipient is an independent sub-recipient.

C. Hold Harmless

The Sub-recipient shall hold harmless, defend and indemnify the City of Elizabeth City from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the Sub-recipient's performance or nonperformance of the services or subject matter called for in this Agreement.

D. Workers' Compensation

The Sub-recipient shall provide Workers' Compensation Insurance coverage for all of its employees involved in the performance of this contract.

E. Insurance and Bonding

The Sub-recipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees and shall furnish evidence of such insurance coverage to the City.

F. Grantor Recognition

The Sub-recipient shall insure recognition of the role of the City of Elizabeth City in providing services through this contract.

G. Amendments

The City or Sub-recipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of both organizations, and their governing body. Such amendments shall not invalidate this Agreement, nor relieve or release the City or Sub-recipient from its obligations under this Agreement.

H. Suspension and termination

The City of Elizabeth City may terminate this agreement without cause after providing Legal Aid of North Carolina with a 180 days' notice.

The City of Elizabeth City may immediately terminate this agreement in case of violation of any HUD or State of North Carolina regulations including 24 CFR 570.

The City of Elizabeth City, in accordance with 24 CFR 85.43, reserves the right to suspend or terminate this agreement if the sub-recipient materially fails to comply with any term of the award and that the Agreement may be terminated for convenience in accordance with 24 CFR 85.44.

The City of Elizabeth City may, in its discretion, amend this Agreement to conform to Federal, State or local government guidelines, and polices. If such amendments result in a change in the scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both the City of Elizabeth City and Sub-recipient.

Legal Aid of North Carolina may terminate this agreement after providing 180 days written notice to the City.

I. Compliance with Requirements and all Applicable Laws

Sub-recipient shall procure, maintain and comply with all permits, licenses, and other authorizations required for the use of the premises by Sub-recipient for its intended purposes. Sub-recipient shall join in the application for any permit or authorization with respect to any legal requirements if such joinder is necessary.

Sub-recipient shall be responsible for procuring and maintaining all necessary local, state, and federal permits associated with or necessary as a consequence of Sub-recipient's occupation or use of the premises. Additionally, Sub-recipient shall comply with all federal, state, and local laws or ordinances pertaining to the occupation or use of the premises by Sub-recipient during the Agreement term. Any noncompliance by Sub-recipient with any federal, state, or local law or ordinance shall be grounds for the termination of this Agreement by City without any further notice to Sub-recipient. Sub-recipient shall further comply with all provisions of the Unified Development Ordinance in effect within the city limits of the City of Elizabeth City, and any non-compliance by Sub-recipient with the Unified Development Ordinance shall be grounds for the termination of this Agreement by City without any further notice to Sub-recipient.

J. Maintenance, Alterations and Additions

Sub-recipient will keep the premises in good order and condition and shall be responsible for the upkeep of their exclusive right areas(s) so noted in Exhibit No. 1. It is the intention of the City and Sub-recipient that Sub-recipient use the premises for the purposes stated herein in "I. Statement of Work" for individuals in the Elizabeth City and Pasquotank County North Carolina area.

Except for routine maintenance, Sub-recipient shall not make any additions or improvements to the premises without the expressed written consent of the City. No structural changes to the interior or exterior of the buildings on the premises shall be made without the prior written consent of the City.

Sub-recipient shall not store, or allow to be stored, upon the premises any hazardous, flammable, or toxic materials of any kind, and Sub-recipient's non-compliance with this requirement shall be grounds for immediate termination of this Agreement.

Sub-recipient shall indemnify and hold harmless the City and the City's successors in interest, for any and all loss, including reasonable attorney's fees, occasioned by Sub-recipient's failure to comply with local, state, or federal laws or ordinances associated with

the use, storage, or removal of any and all hazardous or dangerous materials and petroleum products on or about the premises. Sub-recipient shall also indemnify and hold harmless the City and the City's successors in interest, for any and all loss, including reasonable attorney's fees, occasion by Sub-recipients use or occupation of the premises

K. Insurance

Sub-recipient will maintain with insurers authorized to do business in North Carolina liability insurance associated with the premises, which insurance coverage shall be in a limit of not less than \$500,000.00 per occurrence. Sub-recipient shall provide City with proof of such insurance coverage within thirty (30) days of the commencement of the Agreement term, and Sub-recipient shall further provide proof of such insurance coverage to Sub-recipient by November 15th of each year during the term of this Agreement.

Sub-recipient shall indemnify and hold harmless City and City's successors in interest, for any and all claims arising out of or from Sub-recipient's use of the premises.

L. Surrender of Premises

Upon the expiration or earlier termination of this Agreement, Sub-recipient shall return the premises to City in good order and condition, except for ordinary wear and tear, and except for the results of any casualty damage caused through no fault of Sub-recipient. Sub-recipient shall remove from the premises on or prior to such expiration or earlier termination all of Sub-recipient's property situate thereon and shall repair any damage caused by such removal. No hazardous, flammable, or toxic materials of any kind whatsoever shall be left on the premises by Sub-recipient upon the expiration or earlier termination of this Agreement.

M. Severability

If any provision of this Agreement or any application thereof shall be invalid or unenforceable, the remainder of this Agreement and any other application of such provision shall not be affected thereby.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have executed this contract as of the date first written above.

City of Elizabeth City
A NC Municipal Corporation

By: _____
Bettie J. Parker
Mayor

ATTEST:

April Onley, CMC/NCCMC
City Clerk

[SEAL]

Legal Aid of North Carolina

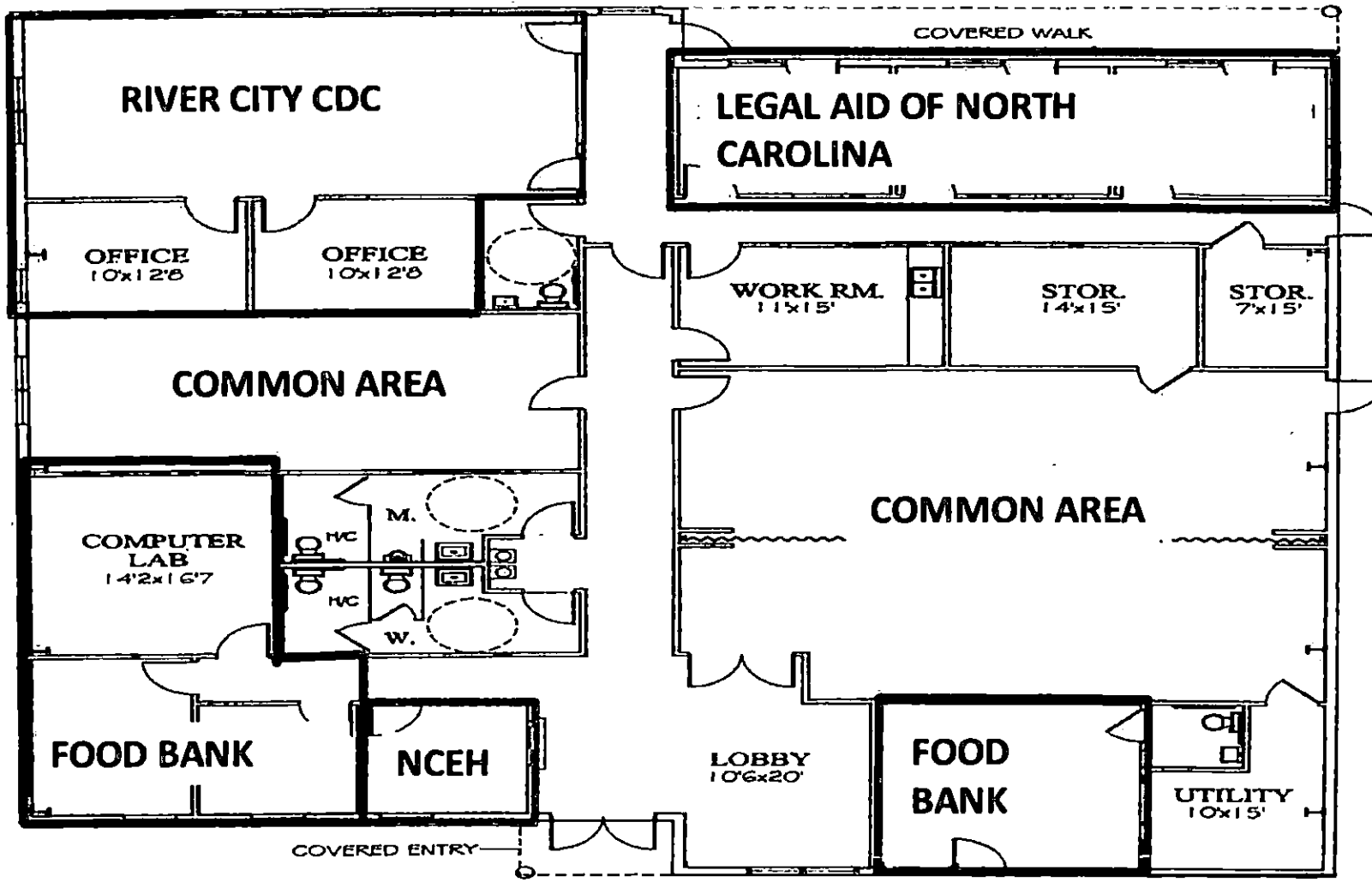
By: _____

Witness

By: _____

Chairman of the Board

Witness



FLOOR PLAN

HUGH CALE BUILDING
ELIZABETH CITY, NC

EXHIBIT #1