

REQUEST FOR LEGISLATIVE ACTION

Version 6/10/19

REVISED - August 31, 2020

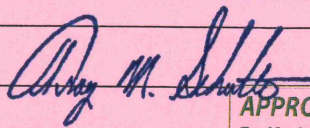
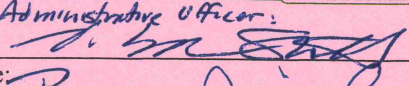
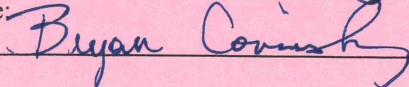
Completed by County Counselor's Office:

~~Res~~/Ord No.: 5391

Sponsor(s): Theresa Cass Galvin

Date: August 24, 2020

SUBJECT	<p>Action Requested <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Ordinance</p> <p>Project/Title: Appropriating \$1,500,000 in CARES Act funding to support a Jackson County eviction and foreclosure prevention program through the United Way of Greater Kansas City and authorizing the County Executive to enter into a cooperative agreement with the United Way for the use of these funds.</p>														
BUDGET INFORMATION <i>To be completed By Requesting Department and Finance</i>	<table border="1"> <tr> <td>Amount authorized by this legislation this fiscal year:</td> <td>\$1,500,000</td> </tr> <tr> <td>Amount previously authorized this fiscal year:</td> <td>\$0</td> </tr> <tr> <td>Total amount authorized after this legislative action:</td> <td>\$1,500,000</td> </tr> <tr> <td>Amount budgeted for this item * (including transfers):</td> <td>\$1,500,000</td> </tr> <tr> <td>Source of funding (name of fund) and account code number: FROM: 040-9999-32810 CARES Act Fund, Undesignated Fund Balance</td> <td>FROM ACCT: \$1,500,000</td> </tr> <tr> <td>TO: CARES Act Fund 040-5027-56790-United Way of Greater KC-Other Contractual Services</td> <td>TO ACCT: \$1,500,000</td> </tr> <tr> <td colspan="2"></td> </tr> </table> <p>* If account includes additional funds for other expenses, total budgeted in the account is: \$</p> <p>OTHER FINANCIAL INFORMATION:</p> <p><input type="checkbox"/> No budget impact (no fiscal note required) <input type="checkbox"/> Term and Supply Contract (funds approved in the annual budget); estimated value and use of contract: Department: Estimated Use:</p> <p>Prior Year Budget (if applicable): N/A Prior Year Actual Amount Spent (if applicable): N/A</p>	Amount authorized by this legislation this fiscal year:	\$1,500,000	Amount previously authorized this fiscal year:	\$0	Total amount authorized after this legislative action:	\$1,500,000	Amount budgeted for this item * (including transfers):	\$1,500,000	Source of funding (name of fund) and account code number: FROM: 040-9999-32810 CARES Act Fund, Undesignated Fund Balance	FROM ACCT: \$1,500,000	TO: CARES Act Fund 040-5027-56790-United Way of Greater KC-Other Contractual Services	TO ACCT: \$1,500,000		
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PRIOR LEGISLATION	Prior ordinances and (date): Prior resolutions and (date):														
CONTACT INFORMATION	RLA drafted by Troy Schulte, County Administrator at 881-1079														
REQUEST SUMMARY	This ordinance appropriates \$1,500,000 in CARES Act funding to provide support for a Jackson County eviction and foreclosure prevention program that will be administered the United Way of Greater Kansas City and several other regional partners. This program will also leverage another \$700,000 in private and philanthropic support for a total program effort of \$2.2 million in Jackson County. A copy of the proposal is attached to this RLA.														
CLEARANCE	<input type="checkbox"/> Tax Clearance Completed (Purchasing & Department) <input type="checkbox"/> Business License Verified (Purchasing & Department) N/A <input type="checkbox"/> Chapter 6 Compliance - Affirmative Action/Prevailing Wage (County Auditor's Office)														
COMPLIANCE	<input type="checkbox"/> MBE Goals <input type="checkbox"/> WBE Goals N/A <input type="checkbox"/> VBE Goals														
ATTACHMENTS	United Way proposal is attached.														

REVIEW	Department Director:		Date: 8/27/20
	Finance (Budget Approval): <i>If applicable</i>	APPROVED By Mark Lang at 3:49 pm, Aug 25, 2020	Date:
	Division Manager: Chief Administrative Officer:		Date: 8/27/2020
	County Counselor's Office:		Date: 8/27/20

Fiscal Information (to be verified by Budget Office in Finance Department)

- ☐ This expenditure was included in the annual budget.
- ☐ Funds for this were encumbered from the _____ Fund in ____.
- ☐ There is a balance otherwise unencumbered to the credit of the appropriation to which the expenditure is chargeable and there is a cash balance otherwise unencumbered in the treasury to the credit of the fund from which payment is to be made each sufficient to provide for the obligation herein authorized.
- ☐ Funds sufficient for this expenditure will be/were appropriated by Ordinance #
- ☒ Funds sufficient for this appropriation are available from the source indicated below.

Account Number:	Account Title:	Amount Not to Exceed:
040-9999-32810	CARES Act Fund, Undesignated Fund Balance	\$1,500,000

- ☐ This award is made on a need basis and does not obligate Jackson County to pay any specific amount. The availability of funds for specific purchases will, of necessity, be determined as each using agency places its order.
- ☐ This legislative action does not impact the County financially and does not require Finance/Budget approval.

Supplemental Appropriation Request Jackson County, Missouri

Funds sufficient for this appropriation are available from the source indicated below.

Date: August 25, 2020

Ord # 5391

Department / Division	Character/Description	From	To
040 CARES Act			
9999 -	32810 Undesignated Fund Balance	\$ 1,500,000	\$ -
5027 United Way of Greater KC	56790 Other Contractual Services	-	1,500,000
		<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>

APPROVED

By Mark Lang at 3:50 pm, Aug 25, 2020

Budget Office

JACKSON COUNTY EVICTION PREVENTION COLLABORATIVE
A PROPOSAL FOR PREVENTION OF COVID-19 RELATED EVICTIONS AND FORECLOSURES

Evictions in Jackson County: A Looming Crisis

An eviction crisis caused by the economic fallout of COVID-19 is looming in Jackson County and throughout the metro. Jackson County has 51,730 “cost-burdened” low- and moderate-income renter households—meaning they spend more than 30% of their monthly income on housing. This challenge is exacerbated by the fact that 40% of households in Missouri live with liquid-asset poverty, meaning they do not have the ability to weather a financial crisis, such as the sudden unemployment or lost wages brought on by the pandemic. (Cost-burdened figures for the County’s largest municipalities are featured in the table below.) Many of these households have been impacted by lost income from the economic impacts of COVID-19, whether through sudden unemployment, reduced work hours, illness, or unexpected childcare costs due to school closures.

With the COVID-19 eviction moratorium in Jackson County now lifted, advocates for low- and moderate-income households are expecting eviction court filings to affect far greater than 10,000 households in Jackson County over the next 12 months.

In response, the Greater Kansas City Coalition to End Homelessness and area service providers belonging to the MO-604 HUD Continuum of Care have launched the Kansas City

Partnership for Economic Relief. The aim of the partnership is to assist households financially impacted by the COVID-19 pandemic remain resilient, stable, and financially self-sufficient, using a strategic and regional approach. Members of the partnership recognize the whole community has been impacted by the pandemic and that households who have never sought emergency cash assistance in the past are now being challenged to do so, while households who were at-risk prior to the pandemic have become increasingly vulnerable in its wake. The capacity of the existing network of emergency assistance programs is not sufficient to address this crisis and must be bolstered through the deployment of additional resources.

The Partnership has joined forces with Mid America Regional Council, United Way and area nonprofit legal assistance organizations to launch an eviction prevention initiative, the purpose of which is to intervene on behalf of more than 2,000 metro area households (including at least

COST-BURDENED RENTER HOUSEHOLDS IN JACKSON COUNTY, MO (Municipalities with greater than 3,000 people)		
	# of Renters paying >30%	% of Renters paying >30%
Blue Springs, MO	2,084	38.5%
Buckner, MO	136	40.0%
Greenwood, MO	62	28.4%
Grain Valley, MO	663	38.8%
Grandview, MO	2,086	45.0%
Independence, MO	7,816	45.6%
Kansas City, MO	40,947	46.6%
Lee’s Summit, MO	3,760	47.2%
Oak Grove, MO	493	49.0%
Raytown, MO	1,891	46.4%
Sugar Creek, MO	286	67.7%
TOTAL	51,730	47.1%

U.S. Census Bureau: American Community Survey 2018 Five Year Avg.

1,200 in Jackson County) through legal help, financial assistance and case management services.

Foreclosures Are Compounding the Housing Crisis

In addition to the crisis of eviction facing thousands of renters, for low-income homeowners, the rise in Coronavirus-caused unemployment is leading to a *foreclosure crisis*. The home mortgage delinquency rate, historically 1-2%, is now over 8% and climbing—the highest rate since the Great Recession decimated Jackson County a decade ago.

Foreclosures are brutal. They upend families, forcing children to change neighborhoods and schools, and leave some homeless, with vacant and abandoned homes in their wake. These disruptions affect the overall economy. Since the legal turmoil surrounding foreclosures can take years to resolve, the economic recovery is held back for everyone.

A Collaborative Approach to Addressing the Crisis

The focus of this proposal is to address the looming eviction crisis brought on by COVID-19 to deploy critically needed financial, legal and social services through a collaborative response of 8 Jackson County organizations and a broader network of collaborating partners. The collective work of these organizations will prevent evictions of thousands of area households by targeting resources to households facing legal action at the circuit court because lost income resulting from COVID-19 has caused them to fall behind on rent payments. By leveraging federal funds available through the CARES Act, coupled with local philanthropic support, the initiative will substantially mitigate the entry of new households into our local homelessness response system.

This collaborative initiative is conceived as an extension of the community's existing social service safety net that supports families experiencing housing instability on a daily basis. A network of emergency assistance programs providing food assistance, rent and utility assistance, prescription assistance, as well as case management support, plays a vital role in serving the community's low-income households. These programs are generally not able to provide the level of financial assistance needed to prevent an eviction once it has been filed with the court. Typical assistance amounts are \$500 to \$800. But when an eviction is filed in Jackson County, the typical amount owed is between \$1,500 and \$3,000. To help the families facing eviction during the COVID-19 crisis, this collaborative initiative proposes the creation of a special assistance fund that will enhance the existing financial assistance programs and couple them with the legal assistance and "housing navigator" services provided by specially trained case managers.

Collaborating Partners:
Mid America Regional Council
Greater Kansas City Coalition to End Homelessness and its member organizations
United Way of Greater Kansas City and Kansas City 211
Heartland Center for Jobs and Freedom

Legal Aid of Western Missouri
University of Missouri Kansas City Law School
Community Services League
Metro Lutheran Ministry

Without this intervention, households facing eviction would find it virtually impossible to qualify for a lease in a new rental property for years to come, leaving many homeless or “doubled-up” with friends and family, requiring many to turn to the County’s homeless services providers. This housing instability would make returning to work difficult and have negative impacts on the health and mental health of affected household members and result in poor academic outcomes for the children in those families.

This effort is needed in part because the existing network of rent assistance and legal aid programs is not designed to serve households who have made it to the point of eviction due to multiple months’ worth of unpaid rent. Most rent assistance programs are typically unable to offer the amount of financial assistance required to prevent the eviction in these cases, and legal aid programs are best suited to serve households where factors beyond unpaid rent are at play. By bringing together the services of the legal assistance providers with those of social service providers—and creating a vehicle for rapid and substantial financial help—this unique collaborative approach will rescue more than 1,200 Jackson County households from the harmful consequences of eviction.

Funding from the County’s CARES Act allocation, coupled with substantial resources from the philanthropic sector, would support a collaborative response to the COVID-19 related eviction crisis. The table below provides an overview of the proposed financing and use of funds as part of this initiative.

Jackson County has two community organizations experienced in assisting residential tenants facing eviction: Legal Aid of Western Missouri and the Heartland Center for Jobs and Freedom. These organizations frequently partner with University of Missouri-Kansas City School of Law to involve law students in this work as clerks and as student attorneys licensed under the court’s student–practice rules. Once a tenant has an eviction on their record, securing new housing becomes extremely difficult. The trauma, physical health and education and employment impacts of eviction are well-documented. Stable housing is an important goal to rebuilding and growing the region’s economy and helping families in immediate need.

Additional funding for these three organizations will allow them to respond to the increasing demand for housing court services, stabilize housing for hundreds of households and avoid costly evictions.

The collaborative partners in this initiative are also seeking support from the Kansas City Regional COVID-19 Response and Recovery Fund and will pair the private funds obtained through that source with any public funds received from Jackson County and other metro area counties. CARES Act funding will be spent first in order to comply with Federal requirements

pertaining to the timing of the use of the funds. Organizers of the collaborative will seek \$700,000 to assist Jackson County residents and expect to have a decision on this request by early August. In addition to leveraging philanthropic resources, this proposal also envisions strategically leveraging other Federal funding streams such as Emergency Solutions Grant and Emergency Food and Shelter Program funds, to maximize the number of households served through this initiative. There are several million dollars available in the community over the next 12 months for rent assistance. While most of those resources will be used for homeless prevention among households that have not yet had an eviction filed against them, it is expected that several hundred thousand dollars could be leveraged to assist households facing legal action and assisted through this initiative.

Proposed Jackson County Eviction Prevention Initiative Budget Overview	
Revenue	
Jackson County CARES Act Funding - Proposed	\$1,500,000
Philanthropic Sources – Proposed (foundations, corporations, United Way)	\$400,000
Federal Funding Leverage (estimated from ESG, EFSP, etc.)	\$300,000
TOTAL:	\$2,200,000
Expenses	
Eviction Prevention Assistance	\$1,553,500
Legal Assistance	\$454,500
Case Management & Coordination	\$125,000
Expanded 211 call center capacity to assist with screening	\$10,000
Fund Administration at 3.5%	\$57,000
TOTAL:	\$2,200,000

Resources obtained through this proposal will create the infrastructure needed to deploy additional support from the private sector, enabling the prevention of hundreds—even thousands—more evictions than envisioned in this proposal.

Expanded Capacity for Preventing Evictions During the COVID-19 Crisis

The purpose of this proposal is to leverage CARES Act funding to add staff capacity to the collaborating partner organizations, including attorneys, case managers, and a legal services coordinator; to provide financial assistance to prevent eviction and preserve housing (or obtain new housing when needed); and to connect affected households to the social services they need. CARES Act funding will be invested across the collaborating organizations in this initiative to:

- (1) Increase the capacity of the Heartland Center for Jobs and Freedom by funding 1 and ½ full-time equivalent defense attorney capacity to represent tenants facing eviction in court. This support will complement a recent commitment of funds to pay for one dedicated housing-focused attorney at the Heartland Center and two dedicated housing-focused attorneys at Legal Aid of Western Missouri. (LAWMO is not seeking funds as a

part of this proposal, but Jackson County housing clients of LAWMO *will* benefit from the eviction prevention financial assistance proposed under this plan.)

- (2) Expand the self-help eviction defense program operated by the Heartland Center for Jobs and Freedom so that all tenants appearing in court on eviction matters throughout Jackson County have access to free legal advice. This will be achieved in part through the addition of one full-time equivalent coordinator who will train and support volunteers, law students and case managers in the use of legal self-help tools designed to prevent eviction.
- (3) Leverage resources of the UMKC School of Law to expand service to tenants through the deployment of a) 4 Truman fellows, recent graduates and licensed attorneys who would each work at least 10 hours per week, b) UMKC law students serving tenants facing eviction and c) a $\frac{3}{4}$ FTE supervising attorney who would both supervise the cases take by the fellow attorneys and law students, as well as take on an average of one case per week.
- (4) Establish an eviction prevention fund administered by United Way of Greater Kansas City to enable efficient payment of past due rent to landlords who are suing tenants for eviction and, on a limited basis, assist households in finding new housing options when remaining in their current housing is infeasible. These funds will allow the legal service organizations to negotiate binding settlement agreements with landlords' attorneys based on the payment of rent (usually discounted) or to otherwise secure the dismissal of the eviction case, keeping tenants housed and keeping their records clean. The fund would operate independently of the legal service organizations, but the legal service organizations would act as intermediaries between the tenant, landlord, and United Way providing rent payment.

The central fund for rental payments will make it more efficient for legal service programs to refer tenants for quick response to settle cases. United Way will rapidly issue checks and deliver them to the appropriate destination, whether to the Kansas City or Independence courthouses or office of the landlord who brought the case.

While the primary purpose of the fund is to assist households facing eviction—and who have had a claim filed against them by a landlord—other cases, where a claim has not yet been filed but is imminent will also be considered within the scope of the fund.

- (5) Leverage the expertise of the HUD-funded homeless Continuum of Care organizations through the deployment of two case managers offering “housing navigator” services and connections to other social services, based on the households' unique needs.

These housing case managers will be hosted at two leading social service organizations—Metro Lutheran Ministry, (serving Kansas City) and Community Services League (serving Eastern Jackson County) and coordinated under the leadership of the Greater Kansas City Coalition to End Homelessness. The housing navigators will help participants access social

services, mental health services, and offer problem-solving support aimed at ensuring continuing housing stability after their case is settled. In some cases, this may mean helping a tenant who has avoided a judgment find a new, more appropriate housing situation.

Expanded Capacity for Home Foreclosure Prevention

Legal Aid of Western Missouri will provide foreclosure prevention and loan modification legal services for low-income and vulnerable individuals in Jackson County.

Support in the amount of \$130,000 in CARES Act funding will help those at risk of becoming homeless due to the coronavirus stay in their homes by assisting with foreclosure prevention and defense, loan modifications and bankruptcy protection.

Legal Aid has expanded its efforts to defend *tenants* facing eviction as the crisis has unfolded—partly funded by the City of Kansas City—but Legal Aid has not had the resources to make a similar effort with low-income *homeowners* facing foreclosure.

Saving the homes of low income, elderly and disabled homeowners from foreclosure is a Legal Aid priority. Through litigation in state and federal courts, Legal Aid challenges deficiencies in the foreclosure process and frequently stops foreclosure sales or sets aside legally invalid sales.

Legal Aid also negotiates directly with loan servicers to pursue loss mitigation options, including loan modifications to reduce interest rates and payments.

Legal Aid is the only nonprofit agency in Jackson County that provides free legal assistance to homeowners who are facing the loss of their homes as a result of foreclosures.

Occasionally, foreclosures are unavoidable; in these cases, Legal Aid provides legal advice to clients that often includes explanation of the foreclosure process, guidance on how to secure long-term housing after foreclosure, and advice about potential tax and other consequences of foreclosure. If Legal Aid does not represent these clients, in all likelihood, no one else will.

Legal Aid attempts to provide representation to every low-income client who has a viable legal basis for stopping the foreclosure on their home. Without the professional assistance Legal Aid provides, these clients and their families would likely become homeless. While a homeless shelter might provide housing for an individual for a few days or weeks, the work that Legal Aid does secures housing for our clients for months and, in many cases, years to come, giving Jackson County homeowners an opportunity to weather this coronavirus crisis.

An important aspect of this initiative is rooted in the reality that, for many households facing an eviction, a positive outcome often includes the need to relocate to new housing. This is often because housing conditions are substandard, the housing costs are excessive and a smaller or more energy-efficient housing unit is called for, or because the landlord-tenant relationship is deteriorated beyond repair. In these cases, extensive support from a housing navigator is

essential as the client must find new housing and/or deal with social service needs that impact the participants ability to be a successful tenant. In these instances, two things are paramount: keep the eviction-related judgement off the participant's record and receiving the case management supports necessary to a successful transition.

Jackson County Eviction Prevention Initiative – Projected Case Capacity	
Below are estimates on the caseload that will be assisted through this collaborative eviction prevention initiative. The cases may vary from these projections based on complexity and cost of paying down past-due rent.	
UMKC Fellows	175
UMKC Supervising Attorney	32
UMKC Legal Clinic	104
Existing Heartland Ctr. Attorney	150
New Heartland Ctr. Attorney (1.5 FTE)	225
Existing Legal Aid of Western Missouri Staff Attorneys	300
New Heartland Ctr. Coordinator	208
TOTAL EVICTION CASES:	1,275

A Note About the Timeframe of this Initiative

This initiative is envisioned as a 12-month-long effort, as the economic effects of the COVID-19 are anticipated to extend well beyond the peak of the crisis. The staffing and budget for the initiative were built around this one-year timeframe. However, the collaborative partners understand that there are timeline restrictions on the use of CARES Act funding and that funds may need to be expended by December 31, 2020. The timeline for the deployment of the CARES Act funding can be accelerated to accommodate this timeline, both in terms of staffing costs and financial assistance. In addition, because this plan anticipates substantial philanthropic support, use of private funding can be delayed until after CARES Act funds have been expended, the lengthen the duration of the effort.

If this proposal is awarded funding, the collaborative partners will seek guidance from the leadership of Jackson County on this issue.

Conclusion

The goal of this collaborative effort is to be strategic in the use of all funds allocated to anti-eviction anti-homelessness foreclosure prevention activities, to maximize the impact of those programs, to deliver services swiftly and efficiently as possible, and to remove unnecessary barriers to access and to minimize duplication of effort across the system. Providing tenants

with access to legal counsel keeps tenants housed. When funding for rental assistance is married with legal representation and supported by social services, when needed, the positive impact of legal assistance is even greater.

For more information on this collaborative proposal, please contact Jim MacDonald, Chief Community Investment Officer, United Way of Greater Kansas City at 816-559-4659 or jim.macdonald@uwgkc.org.

Proposed Budget for Use of Jackson County CARES Act**Funding for Eviction and Foreclosure Prevention****Initiative**

\$1,500,000 proposed in CARES Act funds; \$400,000 request of COVID-19 Response Fund is pending. (An additional estimated \$300,000 in other federal funds will be leveraged in serving households helped by this initiative.)

Item	Jackson County	Private Funds	Description
Legal Services			
Eviction Defense Attorney at Heartland Center for Jobs and Justice	81,000		Full time Eviction Defense Attorney at \$65,000 competitive salary to ensure diverse and well-qualified applicant pool. Includes 26% benefits and administration.
Staff Attorney, Eviction Defense Support at Heartland Center		42,000	50% Staff Attorney time dedicated to eviction defense support, including support of Eviction Self-Help Program. Includes 26% benefits and administration.
Two staff attorneys at Legal Aid of Western Missouri	130,000		2.0 FTE staff attorneys focused on foreclosure prevention work
Eviction Defense Coordinator at Heartland Center	35,000		Full-time Self-Help Eviction Program Coordinator to administer expanded program and manage volunteers and interns. Includes 26% benefits and administration.
Director of Legal Services at Heartland Center	16,500		25% Director of Legal Services time dedicated to eviction defense support, including training and program oversight of Eviction Self-Help Program. Includes 26% benefits and administration.
Two UMKC post-graduate fellow attorneys		80,000	Four Truman Fellow attorneys - recent graduates working in post-graduate fellowship program working minimum of 320 each.
UMKC Supervising attorney	73,000		Supervising attorney, ¼ FTE, to coordinate and train fellows and law student interns and directly handle one case per week.
Case Management and Housing Navigator Services			
Two housing navigators, necessary technology	100,000		Two FTE contract housing navigators plus necessary technology and supervision. The navigators, in collaboration with legal service providers, will be trained on eviction legal self-help and assist tenants in need to mitigate or prevent eviction, including emergency rental relief.
Fund Administration, Coordination, Planning, Intake and Referral			
Planning, convening and coordination support by Greater Kansas City Coalition to End Homelessness		25,000	Staff time dedicated to planning, convening, coordination of housing navigator and case management services, design and implementation of screening, intake and referral services.
Funds for expanded capacity of 211 call center to assist with screening and intake	12,000		Expanded capacity of United Way 211 hourly call specialists to support screening and intake of eligible households in the eviction prevention services.
Eviction prevention fund to be housed at United Way of Greater Kansas City (UWGKC)	1,000,000	253,000	Emergency rental relief fund to be used for tenants who are at risk of eviction or are facing eviction in the courts. These funds will be used to prevent or halt the eviction process.
Administrative support at 3.5%	52,500		Costs association with administration of the initiative and assistance fund, including, contract management, accounting, audit, documentation management, etc.
TOTAL	1,500,000	400,000	