

Housing and Income Stability for Economic Recovery in Buncombe County

RFP for Coronavirus State and Local Fiscal Recovery Funds

Pisgah Legal Services

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Application Form

Question Group

Buncombe County requests proposals for projects to help the community recover from and respond to COVID-19 and its negative economic impacts.

Buncombe County has been awarded \$50,733,290 in Coronavirus State and Local Fiscal Recovery Funds (Recovery Funding)i, as part of the American Rescue Plan Act. This infusion of federal resources is intended to help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery.

Buncombe County is committed to investing these funds in projects that:

- Align to county strategic plan and community priorities
- Support equitable outcomes for most impacted populations
- Leverage and align with other governmental funding sources
- Make best use of this one-time infusion of resources
- Have a lasting impact

Proposals shall be submitted in accordance with the terms and conditions of this RFP and any addenda issued hereto.

[Click here for the full terms and conditions of the RFP](#)

Coronavirus State and Local Fiscal Recovery Funds*

Name of Project.

Housing and Income Stability for Economic Recovery in Buncombe County

Amount of Funds Requested*

\$2,500,000.00

Recovery Fund Eligible Category*

Please select one:

Assistance to households

Brief Project Description*

Provide a short summary of your proposed project.

Pisgah Legal Services' project "Housing and Income Stability for Economic Recovery in Buncombe County" is a multi-dimensional proposal to meet the immediate needs of families during, and hopefully, after the pandemic to stabilize income and housing and to improve gaps and inequities that are exposed by the pandemic. ARPA funds will be used to provide free legal services to low-income residents to prevent

unnecessary foreclosures and evictions, recover from losses of income, and to advocate for increased affordable housing options. ARPA funds will also be used to help very small business owners and non-profits, particularly those owned and led by people of color, to cope with the pandemic's fallout. Pisgah Legal (PLS) will work with Just Economics to reach, engage and educate tenants in this difficult housing market. Just Economics works at the intersection of housing and wages, and Just Economics has direct experience working at a grassroots level with people living on low incomes.

Project Plan*

Explain how the project will be structured and implemented, including timeframe.

COVID exposed the vulnerability of low-income households to homelessness. During the early months of the pandemic, stay-at-home orders resulted in many families spending more time in unsafe and unstable housing. Many tenants and homeowners could not pay their housing costs and would have been displaced but for the CDC eviction and federal foreclosure moratoria. Some tenants were unable to move due to lack of affordable housing and unable to request repairs because they were behind on rent or risk of COVID exposure from repair professionals.

In the U.S., 8.8 million families were behind on rent as of March 2021 and 2.1 million families were behind on their mortgages. PLS will provide direct legal services to low-income renters and homeowners to prevent evictions and foreclosures. Foreclosure defense work is complex and can take years of litigation and appeals. PLS dealt with increased foreclosure cases for at least seven years following the 2008 Great Recession.

Just Economics has created an Affordable Housing Strategy Team with people who were housing insecure and will build on this work to create a larger tenant network. PLS and Just Economics will engage tenants about their rights and responsibilities and work together to protect those rights and improve rental housing conditions. The organizations will engage tenants regarding long-term affordable housing options.

As people lost their jobs and service gaps emerged, many low-income people created their own businesses to survive. Small non-profits struggled to sustain their work. PLS will work with new and existing small businesses and nonprofits to help them recover and thrive in the post-pandemic economy. Since 2016, PLS has provided free legal assistance to develop and grow local small businesses and nonprofits, primarily POC-owned, through our Community Economic Development program, while developing solutions for the affordable housing crisis, e.g. Asheville Buncombe Community Land Trust. The grant for this work expires soon. Just Economics will help here as well, as the largest voluntary living wage certification program in the country.

Year 1: We will focus on addressing the immediate needs of tenants, homeowners, businesses owners, and non-profits. Just Economics will hire a person to build the tenant network.

Year 2: Legal services will continue to address persistent landlord tenant, debt, foreclosure, small business and nonprofit issues. Just Economics and PLS will ramp up participation in the tenant network and work on to common rental housing applications, illegal lease provisions, improved housing conditions, and more affordable housing options.

Year 3: Debt and foreclosure issues created by the pandemic will persist. The disparity between local wages and escalating housing costs will likely threaten thousands of tenants with homelessness. We will focus on improving rental housing conditions and supporting additional housing in the community as housing costs continue to rise.

Statement of Need*

Describe the need that this project will address. Include data to demonstrate the need, and cite the source of the data.

As of March 2021, The Consumer Finance Protection Bureau warned that 2.1 million families are at least three months behind on their mortgage payments and 8.8 million are behind on their rent. Homeowners alone are estimated to owe almost \$90 billion in missed payments. The study found that:

- ☐ Black and Hispanic families are more than twice as likely to report being behind on housing payments than white families.

- ☐ While mortgage forbearance – the option to pause or reduce payments temporarily – has reduced foreclosures to historic lows, 2.1 million homeowners are more than 90 days behind on payments and are likely to experience severe financial hardship when payments resume. Of these families, an estimated 263,000 families are behind on paying their mortgages and not in forbearance, putting them at higher risk of foreclosure once federal and state moratoria end.

- ☐ 28 percent of manufactured home residents reported being behind on their housing payments, compared to 12 percent of single-family home residents, and 18 percent of residents in small-to-mid-sized multi-unit buildings.

In 2019, pre-pandemic, an estimated 32,569 households in Buncombe County were cost burdened (paying greater than 30% of their income for housing). This was 49% of the renter households and 21% of homeowners. With Buncombe's unemployment rate peaking at 17.7%, in April of 2020, one of the worst in the state, many of the families who were able to make their housing payments pre-pandemic fell behind and are paying down much debt.

Families need legal assistance during this challenging time. Pisgah Legal has opened 30% more cases for Buncombe County families with children since July 2020 than we had during the same period a year prior, including more than twice the number of legal cases related to housing and income. The eviction and foreclosure moratoria have suppressed and delayed demand for legal assistance. Much displacement of tenants and homeowners is predicted, starting in August.

Link to COVID-19*

Identify a health or economic harm resulting from or exacerbated by the public health emergency, describe the nature and extent of that harm, and explain how the use of this funding would address such harm.

In August 2020, NC DHHS Secretary Mandy Cohen stated, "Having a stable, safe place to live is fundamental to well-being and health. We continue to prioritize supporting people in meeting basic needs as part of our COVID response." The federal and state eviction and foreclosure moratoria were key tools to reduce the spread of COVID-19, but many tenants and property owners who have benefited from the moratoria still owe those back payments. Some landlords are evicting tenants as leases expire. Stable housing is key to employment, health, education, and general well-being. With COVID-19 disproportionately impacting the health and income of low-income households and people of color, these communities are also the ones at greatest risk of losing their housing when the moratoria end. According to the National Equity Atlas Study, of the NC renters who are behind on payments 90% are low-income and 65% are people of color.

Despite a health catastrophe and one of the worst economic downturns in modern history, startup business activity grew in the United States last year— from 3.5 million in 2019 to 4.4 million in 2020, a 24 percent increase. Business creation was up by an estimated 9% in Buncombe County in 2020 compared to 2019 based on Census data on business applications. Small businesses and nonprofits are dealing with new challenges: navigating employment laws, federal programs and grants, and, in many cases, increased demand. During the pandemic many small businesses and nonprofits were created out of necessity and are now need support to thrive and grow.

This funding will enable PLS to employ legal staff and sustain our volunteer lawyer program to (a) prevent unnecessary evictions and foreclosures, or at least to assist tenants and homeowners to transition to

more affordable housing options so that they do not become homeless, and (b) provide free legal services to develop and preserve small businesses and non-profits, particularly those who are POC-owned or led.

Population Served*

Define the population to be served by this project, including volume and demographic characteristics of those served.

This ARPA funding will help stabilize housing and income for low-income people in Buncombe County, with an emphasis on reaching communities of color who were disproportionately impacted by the pandemic. In 2019, an estimated 82,716 people in Buncombe County (33%) were living at or below 200% of federal poverty (\$43,400 for a family of three). That number has likely increased this past year. In 2020, the average income of a Pisgah Legal client was \$15,284.

Pisgah Legal Services (PLS) helps people like Liz (name changed), a single mother who lost her job due to COVID-19. Liz applied for unemployment insurance benefits (UIB) and was denied. PLS Attorney Thomas Lodwick was assigned to her case to appeal the decision. Because Liz wasn't receiving unemployment benefits and couldn't search for other work due to lack of childcare, she fell behind on her rent and her landlord filed for an eviction.

Much of the CARES Act rental support requires that a tenant demonstrate an ability to pay the rent in the future, typically through income (employment or UIB). As Liz was still waiting on her appeals hearing, Thomas had to advocate for her to be able to receive the financial support. Thomas then negotiated with the landlord to dismiss the eviction and waive fees that had been added for late rent. Thomas also helped Liz complete the forms required for her to qualify for the CDC Eviction Moratorium, so she could not be evicted during the moratorium. Finally, nearly six months after Liz had initially filed, Thomas successfully represented her at the appeals hearing, securing the unemployment benefits Liz and her child need to stay housed and stay safe during the pandemic. Liz could not have done these things on her own, and she and her child could have been out on the street, increasing risk of exposure to Covid-19 and a multitude of other harms.

Results*

Describe the proposed impact of the project. List at least 3 performance measures that will be tracked and reported. If possible, include baselines and goals for each performance measure.

Prevent unnecessary evictions and foreclosures, and preserve and increase safe and affordable housing for individuals and families.

Educate tenants so that they know their rights and assist them to advocate for more affordable housing, existing rights, and safe housing conditions.

Support grassroots organizations and small business recovery and development to increase household incomes so they can afford housing, health insurance, childcare and other necessities.

Evaluation*

Describe the data collection, analysis, and quality assurance measures you will use to assure ongoing, effective tracking of contract requirements and outcomes.

Pisgah Legal Services will document and evaluate the number of foreclosure, eviction, and debt-related cases we handled during the grant period. We will assess both the problem code as the cases are opened and the outcomes when cases are closed. We estimate helping more than 2,400 people each year.

We will help at least 50 businesses and nonprofits with legal assistance during the three-year period.

We will create a strong tenant network that will educate and engage 500 - 1,000 tenants annually through workshops, targeted mailings, on-line support and tenant meetings.

Equity Impact*

How will this effort help build toward a just, equitable, and sustainable COVID-19 recovery? How are the root causes and/or disproportionate impacts of inequities addressed?

According to a Pew Research study released in September 2020, lower-income adults were harder hit by the pandemic. Forty-six percent of lower-income adults said they had trouble paying their bills during the pandemic, compared to 20% of middle-income adults. Low-wage workers and communities of color were disproportionately impacted by COVID-19 both in terms of their income and health. According to the Brookings Institute, low-wage workers and communities of color faced higher risk of dying from COVID-19. In Buncombe County, rates of infection were much higher for Black and Latinx individuals than White.

According to the National Equity Atlas, 90% of the renters that were behind on their rent were low-income and 65% were People of Color. Over the past year, 34% of the Buncombe County client households Pisgah Legal helped with housing and consumer debt issues identified Black, Hispanic, Asian, Native American or Mixed Race. We anticipate that this trend will continue as we implement this project. We will continue to focus on small businesses and nonprofits led by people of Color.

Through partnerships with Just Economics as well as other business support networks, we will provide free legal support and improve gaps and inequities moving forward.

Project Partners*

Identify any subcontractors you intend to use for the proposed scope of work. For each subcontractor listed, indicate:

- 1.) What products and/or services are to be supplied by that subcontractor and;
- 2.) What percentage of the overall scope of work that subcontractor will perform.

Also, list non-funded key partners critical to project.

Funded Partner:

Pisgah Legal Services will subcontract with Just Economics to build a tenant network in Buncombe County. They will be responsible for communicating with tenants about their needs and providing information produced by PLS about their rights. They will work to develop a common rental housing application and advocate for landlords to adopt it. They will refer legal issues to PLS.

Pisgah Legal Services and Just Economics will meet at least bi-monthly to discuss trends and structural changes that can lead to better conditions for tenants.

Just Economics has a grassroots structure that PLS lacks. This was identified as a gap in our work during the pandemic as we worked to get information out to people with low incomes in our community. The Just Economics portion of the budget is 6%.

Though the partnership with Just Economics will be centered on the tenants' network, Just Economics and PLS will also collaborate on support for small businesses. Just Economics has a network of approximately 400 businesses paying a living wage and is engaged in development of new economic models for businesses. PLS' Affordable Care Act health insurance enrollment expertise will benefit these businesses, also.

Non-Funded Partners:

Pisgah Legal Services regularly partners with On Track Financial Education, Homeward Bound, Eblen Charities, ABCCM, Council on Aging, Buncombe HHS and others on housing related work. We will partner with organizations such as Mountain BizWorks, Carolina Small Business Development Fund's Western Women's Business Center, AB Technical College's Small Business Development Center, and Non-Profit Pathways to provide basic information to non-profit and small business leaders.

One of our most important partners is the Buncombe County Bar Association and member attorneys. Pisgah Legal Services has roughly 300 volunteer attorneys who donate their time to help low-income clients and expand our attorney capacity to meet urgent needs.

Capacity*

Describe the background, experience, and capabilities of your organization or department as it relates to capacity for delivering the proposed project and managing federal funds.

Founded in 1978, Pisgah Legal has very capable Board and staff leadership. We have substantial volunteer capacity and expertise as well. The executive director of PLS, Jim Barrett, is one of the longest-serving executive directors in WNC, with almost 28 years as ED and ten additional years as a housing and community development attorney. Jim has helped PLS grow from a staff of fifteen to a current staff of 92. He received several awards, including the local non-profit management excellence award, induction into The Order of the Long Leaf Pine Society, the N.C. Bar Association's Deborah Greenblatt Award, and, most recently, the NC Justice Center's Lifetime Champion of Justice Award.

Managing Attorney Robin Merrell, with more than 20 years of experience at Pisgah Legal Services, oversees the organization's housing and Community Economic Development programs. Robin works closely with County leaders and staff to meet goals shared by the County and PLS.

Just Economics and Pisgah Legal have a history of working together in various capacities on issues related to living wages, worker owned cooperatives, transit improvements, and affordable housing policy work.

PLS is experienced at administering large and small amounts of federal funds from a variety of federal agencies. These include CDBG, VOCA, VAWA, HCCBG, and HHS funds.

Budget*

Provide a detailed project budget including all proposed project revenues and expenditures, including explanations and methodology. For all revenue sources, list the funder and denote whether funds are confirmed or pending. For project expenses, denote all capital vs. operating costs, and reflect which specific expenses are proposed to be funded with one-time Buncombe County Recovery Funds.

Download a copy of the budget form [HERE](#). Complete the form, and upload it using the button below.

PLS Recovery-Funds-budget FINAL.xlsx

Special Considerations*

Provide any other information that might assist the County in its selection.

The urgent need for legal services to help people keep their homes by to prevent unnecessary evictions and foreclosures is obvious. It may be less obvious how legal assistance helps very small businesses and developing non-profits recover from the effects of the pandemic, how preserving and creating jobs can depend on free legal support. This proposal overlaps with the “Small Business and Non-profit Support” priority as well.

PLS’ Community Economic Development Program supports job creation efforts and increases in affordable housing. We have helped small, mostly BIPOC businesses and non-profits, and affordable housing initiatives, in Buncombe County for the past four years. The grant funding for that work expires soon just as the pandemic has increased demand for these legal services.

Technical legal expertise can be as essential to a business’ or nonprofit’s success as anything because of the complexities of the business environment: employment and tax laws; contract drafting, review and negotiation; non-profit rules and regulations; corporate law; complex loan and grant applications; and more. A start-up or fledgling business or non-profit cannot afford legal counsel, yet whether one uses a sole proprietorship, partnership, LLC, or corporation to structure the business makes all the difference. Failure to incorporate a business or purchase workers’ compensation insurance or understand a contract or pay FICA withholding can ruin a business and cause one to lose their home. The ability to grow a business or non-profit affects whether more people have jobs, whether they can earn a living wage, and afford decent housing.

Funding for this work has been difficult to obtain. COVID Recovery Funding is a natural fit to enable this work to continue at a time when it will be needed more than ever. These services are targeted to benefit BIPOC-owned and led small businesses and non-profits, so funding two attorneys for this work addresses County Racial Equity Plan goals.

File Attachment Summary

Applicant File Uploads

- PLS Recovery-Funds-budget FINAL.xlsx

List expenses here			\$	-		
List expenses here			\$	-		
List expenses here			\$	-		
			Total	\$	3,394,000.00	