

**AN ORDINANCE TO AMEND CHAPTER 2 OF THE CITY CODE RELATED TO THE FUNCTIONS OF THE DEPARTMENT OF REAL ESTATE & HOUSING ALLOWING THE DEPARTMENT TO SPEND NEIGHBORHOOD STABILIZATION FUNDS AS WELL AS GRANT FUNDS TO ASSIST IN SETTLING EVICTION PROCEEDINGS**

# 0221

Sponsor:

Council  
Member  
Willauer

**WHEREAS**, Council wishes to promote housing stability by helping eligible City of Wilmington residents who are tenants in eviction proceedings; and

**WHEREAS**, low income tenants may be represented in Court by an attorney or qualified tenant advocate employed by one of the state's legal aid agencies with; and

**WHEREAS**, tenants may be able to avoid eviction by entering into repayment plans, lease alterations, or agreed move-out terms, so families can stay stable, and landlords can get paid; and

**WHEREAS**, in fiscal year 2025 council approved \$2.5 million dollars for the city's Neighborhood Stabilization Fund; and

**WHEREAS**, the City, by and through the Department of Real Estate and Housing, wishes to make Neighborhood Stabilization Funds available to qualified tenants if funding is available.

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF WILMINGTON HEREBY ORDAINS:**

**SECTION 1.** Chapter 2 of the City Code is hereby amended with the underlined language as follows:

**Sec. 2-277. - Functions generally**

The real estate and housing department shall have the power, and its duties shall be to perform the following functions:

[...]

- 4) Eviction Prevention. The department shall make funds available to qualified individuals who are involved in rental eviction proceedings before a court of competent jurisdiction and are clients of one of the state's three Legal aid agencies: Delaware Volunteer Legal Services (DVLS), Community Legal Aid Society, Inc. (CLASI), or Legal Services Corporation of Delaware (LSCD). The Department may access grant funds, and the City's Neighborhood Stabilization Fund for the purpose of Eviction Prevention.

**SECTION 2.** Chapter 2 of the City Code is hereby amended with the underlined language as follows:

**Sec. 2-279. – Eviction Prevention Funds**

- a) In addition to the requirements of this code, the director is authorized to enter into any necessary memorandums of understanding, and to promulgate policies and procedures for making neighborhood stabilization funds available for eviction prevention.
- b) The department shall serve as the point of contact between legal aid agencies and the City.
- c) Neighborhood stabilization funds may only be disbursed by the department if available in the current budget period and may only be used for a one-time payment to a landlord. Funds may not be used for regular monthly rental payments.

d) The department may make neighborhood stabilization funds available only if all of the following conditions are met:

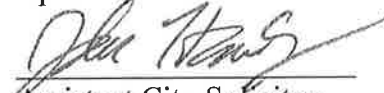
1. The rental unit is within the corporate limits of the City of Wilmington,
2. The tenant is a named party in a landlord-tenant action in a court of competent jurisdiction,
3. The tenant is represented by a qualified tenant advocate or an attorney who is employed by a legal aid agency,
4. The tenant is facing an action for eviction or summary possession due to non-payment of rent,
5. The tenant's household has an income of less than 350% of the Federal Poverty Line.
6. The court proceedings can be settled between the parties by entering a written repayment plan, lease amendment, or negotiated move-out terms, and
7. The qualified tenant advocate or attorney submits a written request for funds to the department

**SECTION 3.** This Ordinance shall be effective upon its passage by City Council and approval by the Mayor.

First Reading .....April 16, 2026  
Second Reading .....April 16, 2026  
Third Reading .....

Passed by City Council,

Approved as to form:  
April 15, 2026

  
Assistant City Solicitor

\_\_\_\_\_  
President of City Council

ATTEST: \_\_\_\_\_  
City Clerk

Approved this \_\_\_ day of \_\_\_\_\_, 2026.

\_\_\_\_\_  
Mayor

**SYNOPSIS:** This Ordinance allows the Department of Real Estate and Housing to use Neighborhood Stabilization Funds and grant funds to make one time payments to help qualified tenants avoid eviction.

**FISCAL IMPACT STATEMENT:** The Office of Management & Budget has reviewed and analyzed this ordinance that authorizes the use of existing Neighborhood Stabilization Fund and grant resources, subject to availability, to support eviction-prevention assistance for qualified tenants involved in eviction proceedings.

Currently, eviction-prevention programs are funded by the State of Delaware and administered through DVLS, CLASI, and LSCD. The Department of Real Estate and Housing has indicated that the City would implement the program by entering into a contract with one of these legal aid agencies to provide eviction-prevention services on the City's behalf. Because each of these agencies is already structured to administer such assistance, the City's administrative burden and related administrative costs would be de minimis.

This ordinance does not appropriate additional funds, does not authorize a recurring monthly

rental subsidy, and is not expected to have a direct impact on General Fund expenditures. Any fiscal impact will be limited to available Neighborhood Stabilization Fund and grant resources, and will depend on the funding levels approved by the Mayor and Council, as well as the number of eligible renters served and the amount provided to each renter.

The following table provides illustrative cost scenarios associated with implementation of the proposed eviction-prevention assistance program.

**Illustrative Fiscal Impact Scenarios for Eviction-Prevention Assistance Program**

Number of Renters Assisted	\$500 per Renter	\$1,000 per Renter	\$1,500 per Renter	\$2,000 per Renter	\$2,500 per Renter	\$3,000 per Renter
100	\$50,000	\$100,000	\$150,000	\$200,000	\$250,000	\$300,000
200	\$100,000	\$200,000	\$300,000	\$400,000	\$500,000	\$600,000
300	\$150,000	\$300,000	\$450,000	\$600,000	\$750,000	\$900,000
400	\$200,000	\$400,000	\$600,000	\$800,000	\$1,000,000	\$1,200,000
500	\$250,000	\$500,000	\$750,000	\$1,000,000	\$1,250,000	\$1,500,000