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IN THE COURT OF APPEALS OF NORTH CAROLINA

No. COA23-917

Filed 19 February 2025

Granville County, No. 22 CVD 716

OXFORD HOUSING AUTHORITY, Plaintiff,

v.

CHRISTINA CHURCH and JOLYN JEFFERSON, Defendants.

Appeal by defendants from order entered 9 March 2023 by Judge Caroline S. Burnette in District Court, Granville County. Heard in the Court of Appeals 6 March 2024.

No brief filed for plaintiff-appellee.

Legal Aid of North Carolina, Inc., by Sarah D'Amato, Celia Pistolis, Luis Juan Pinto, and Joseph Franklin Chilton, for defendants-appellants.

STROUD, Judge.

Defendants appeal from the trial court's order granting Plaintiff's claim for summary ejectment and awarding Plaintiff possession of the leased premises. Plaintiff's termination of lease notice did not comply with the lease agreement or federal law, and the trial court erred in granting summary ejection for Plaintiff.

I. Background

On 16 February 2021, Defendants Christina Church and Jolyn Jefferson (collectively “Tenants”) entered into a lease agreement with Plaintiff Oxford Housing Authority (“Landlord”) for a property unit in Granville County, North Carolina. Landlord operates as a Public Housing Agency (“PHA”) under Title 24, the “Housing and Urban Development (HUD)” section of the Code of Federal Regulations, allowing Tenants a federal subsidy to cover part of their rent. Under the lease agreement, Tenants were originally expected to pay Landlord monthly rent in the amount of \$43.00.

Under the lease agreement, Tenants were required to furnish accurate representations of income from all sources. The lease authorized Landlord to annually reevaluate Tenants’ income for the purposes of determining continued eligibility for federally subsidized housing assistance, and to determine if rent needed to be adjusted—either increased or decreased—based on changes in income. This reevaluation process is also prescribed by HUD guidelines. *See* 24 C.F.R. § 966.4(c) (2023).

If at any point Tenants experienced any changes in income before the next annual reevaluation, Tenants were required to make Landlord aware of such changes. When such changes are reported, Landlord would then contact the Tenants’ employer(s) to verify these changes in income. After verification, Landlord would then determine whether an interim alteration in rental obligations was appropriate. The lease agreement further outlines if Tenants fail to adequately report any changes

in income, such failures would be a violation of the lease agreement and would serve as grounds for terminating the lease.

If Tenants misrepresented their household income, or failed to furnish information requested by Landlord, Landlord was authorized to retroactively alter Tenants' rent obligations to the date this increase should have taken place and would automatically constitute an amendment to the lease agreement. If rent obligations were altered under these provisions, Landlord was also required to submit a written "Notice of Rent Adjustment" to Tenants.

In a letter dated 22 April 2022 addressed only to Defendant Church, Landlord stated Tenants' rent would increase from \$43.00 to \$168.00 per month, effective 1 May 2022, due to an "Interim Certification" as deemed appropriate by Landlord. During the trial court hearing on 23 February 2023, Mr. Xavier Wortham, Executive Director of the Oxford Housing Authority, testified this increase was due to Tenants having unreported income, which Mr. Wortham became aware of by a notice from the Department of HUD. After receiving this notice, Mr. Wortham requested Tenants provide further information as to their unreported income. Mr. Wortham testified Tenants did not provide this information and Landlord responded by beginning termination proceedings.

In a letter dated 11 July 2022, Landlord informed Defendant Church the lease would be terminated on 21 July 2022 due to nonpayment of rent. This letter also informed Defendant Church of her ability to submit a grievance about this matter.

On 21 July 2022, a letter addressed to both Defendant Church and Defendant Jefferson informed Tenants they had thirty days to vacate the property. This letter stated, in part, “[y]our lease is being terminated for repeated lease violations, failure to report income changes, failure to comply with rental obligations and repeated late payments.”

After receiving the 21 July 2022 letter from Landlord, indicating they must vacate the property, Tenants sent a handwritten letter to Landlord expressing their sincere apologies for the noncompliance and asked for an opportunity to fix the situation so they could maintain residence. On 3 August 2022, an informal hearing was conducted by Landlord in which Tenants were present to discuss the eviction proceedings. Following this hearing, Landlord sent another letter to Tenants dated 11 August 2022, informing Tenants the ultimate decision to terminate their lease would be upheld. A memo outlining this informal hearing and decision was added to Tenants’ file maintained by Landlord. In another letter dated 11 August 2022, Landlord again notified Tenants their lease agreement would be terminated, effective 21 August 2022, due to failure to pay rent.

Landlord filed a claim for summary ejectment against Tenants in small claims court on 30 August 2022. On 6 September 2022, the magistrate judge entered a judgment granting Landlord’s claim for summary ejectment, granting Landlord possession of the property. Tenants timely appealed this judgment to the District Court, Granville County, and posted bond on 7 September 2022 to stay execution of

the magistrate judge's order. The trial court heard the case on 23 February 2023. Following this hearing, the trial court entered an order granting Landlord's claim for summary ejectment on 9 March 2023. Tenants timely appealed the trial court's order to this Court on 3 April 2023.

II. Standard of Review

"[A] trial court's findings of fact in a bench trial have the force of a jury verdict and are conclusive on appeal if there is competent evidence to support them[.]" *Biemann & Rowell Co. v. Donohoe Cos.*, 147 N.C. App. 239, 242, 556 S.E.2d 1, 4 (2001) (citation omitted). "However, conclusions of law reached by the trial court are reviewable de novo." *Id.* (citation omitted). "Under a *de novo* review, the court considers the matter anew and freely substitutes its own judgment for that of the lower tribunal." *State v. Williams*, 362 N.C. 628, 632-33, 669 S.E.2d 290, 294 (2008) (citation and quotation marks omitted). Also, "[i]n federally subsidized housing cases, the court decides whether applicable rules and regulations have been followed, and whether termination of the lease is permissible." *Charlotte Hous. Auth. v. Patterson*, 120 N.C. App. 552, 555, 464 S.E.2d 68, 71 (1995) (citation omitted).

III. Sufficiency of Notice

Tenants make two arguments on appeal regarding the sufficiency of the lease termination notice provided to them by Landlord. First, Tenants argue the notices of lease termination did not comply with the governing lease agreement, nor did they comply with federal HUD guidelines for subsidized housing. Second, Tenants argue

Landlord failed to provide them with their “Notice of Occupancy Rights” in conducting lease termination proceedings as prescribed by the Violence Against Women Act (“VAWA”). In making these arguments, Tenants contend the trial court erred in awarding summary ejectment in favor of Landlord without making sufficient findings as to Landlord’s compliance with notice requirements under the lease, federal HUD guidelines, and the VAWA. We agree with Tenants’ argument the termination notices did not comply with the lease agreement, nor federal guidelines, and reverse and remand to the trial court for dismissal. We do not, however, agree with the argument Landlord was required to provide Tenants a Notice of Occupancy Rights under the VAWA under these circumstances.

A. Notice Based on the Lease and Federal HUD Guidelines

Tenants first argue the trial court erred in granting Landlord’s claim for summary ejectment when Landlord failed to provide sufficient notice of the lease termination that complied with the lease agreement and both North Carolina and federal guidelines. Specifically, Tenants contend Landlord sent “four confusing notices in quick succession with conflicting information regarding lease termination”; “[t]wo of the four notices were not . . . sent to [Defendant] Jefferson”; “[t]hree of the four notices failed to give the amount of notice required by law”; and “[n]ot a single notice complied with the lease terms and state and federal law to inform the couple of their right to examine and copy documents related to the lease termination[.]” We agree.

In order to evict a tenant in North Carolina, a landlord must prove: (1) That it distinctly reserved in the lease a right to declare a forfeiture for the alleged act or event; (2) that there is clear proof of the happening of an act or event for which the landlord reserved the right to declare a forfeiture; (3) that the landlord promptly exercised its right to declare a forfeiture, and (4) that the result of enforcing the forfeiture is not unconscionable.

Our courts do not look with favor on lease forfeitures. When termination of a lease depends upon notice, the notice must be given in strict compliance with the contract as to both time and contents.

Lincoln Terrace Assocs., Ltd. v. Kelly, 179 N.C. App. 621, 623, 635 S.E.2d 434, 436 (2006) (citations and quotation marks omitted).

Here, the lease provided, in relevant part:

[Landlord] may terminate this lease at any time and on any day of the month by giving written notice as set forth in Section 13 as follows:

A. Fourteen (14) days in the case of failure to pay rent.

....

C. Thirty (30) days in all other cases.

....

Such notice shall state the specific ground for the termination, shall inform the resident of his right to make such reply as he may wish, and of his right to request a hearing in accordance with the [Landlord's] Grievance Procedure. The Notice of Lease Termination shall inform the resident of his/her right to examine, and copy at resident's expense, documents directly related to the termination or eviction. At the time of lease termination, all charges shall become due and collectible. In case of

termination on other than the last day of the month, rent shall be prorated to the day of termination. Any failure by the [Landlord] to exercise its right of Termination in connection with any action or failure to act by the resident shall not be a waiver of any of its rights to terminate based upon any other actions or failures to act by the resident.

The notice requirements outlined above more or less mirror federal HUD guidelines in that Title 24 also requires a written notice of “14 days in the case of failure to pay rent” or “30 days in any other case[]” before a lease can be terminated. *See* 24 C.F.R. § 966.4(l)(3)(i) (2023).¹ Title 24 requires that

[t]he notice of lease termination to the tenant shall state specific grounds for termination, and shall inform the tenant of the tenant’s right to make such reply as the tenant may wish. The notice shall also inform the tenant of the right (pursuant to § 966.4(m)) to examine PHA documents directly relevant to the termination or eviction. When the PHA is required to afford the tenant the opportunity for a grievance hearing, the notice shall also inform the tenant of the tenant’s right to request a hearing in accordance with the PHA’s grievance procedure.

24 C.F.R. § 966.4(l)(3)(ii).

Here, Landlord gave Tenants two notices informing them of lease termination due to alleged nonpayment of rent; one on 11 July 2022 and another on 11 August 2022. Within both of these notices, Landlord informed Tenants their lease would terminate 10 days following these notices on 21 July 2022 and 21 August 2022,

¹ On 12 January 2025, Section 966.4 was amended to require notice of 30 days in instances of failure to pay rent, *see* 24 C.F.R. § 966.4(l)(3)(i) (2025), as opposed to the previous statutory requirement of 14 days applicable to this case.

respectively. However, these notices failed to comply with the lease agreement and HUD guidelines as Landlord was required to give notice of at least 14 days for failure to pay rent before the lease could properly be terminated. *See* 24 C.F.R. § 966.4(l)(3)(ii). These notices also failed to inform Tenants of their rights to examine and make copies of documents related to the termination of the lease, as required by the lease and HUD guidelines.

When cross-examined at the trial court hearing, Mr. Wortham acknowledged the lease agreement requires a notice of at least 14 days in instances of failure to pay rent before terminating a lease, and further acknowledged the notice provided to Tenants was only 10 days. When asked further as to why this notice showed the lease would be terminated in 10 days, as opposed to the required 14, Mr. Wortham testified the 11 July letter was a notice of late payment, not a notice of lease termination. He testified as follows:

Q. Okay. Was there a -- Can you though clarify to me why there was 10 days given here and this appears to be a lease termination?

. . . .

A. This [11 July letter] is a late notice that we give our residents when they don't pay their rent when it's due. And the rent is due on the first of the month. And if the rent is not paid on the first of [the] month, they get a late notice and by the 21st of that month or thereafter, and [if] we're still not paid, they receive a lease termination notice. So the letter you reference is a late notice letting them know that the rent has not been paid when it was due on the first day of the month.

Q. Okay. So it is a late notice, not a notice of lease termination like it says up at the top?

A. That's correct.

Landlord sent an additional communication to Tenants purporting to terminate their lease on 21 July 2022. In this letter, Landlord informed Tenants “[y]our lease is being terminated for repeated lease violations, failure to report income changes, failure to comply with rental obligations and repeated late payments.” As grounds for terminating the lease, this notice provided:

A letter was mailed on April 19, 2022 asking that you complete your recertification packet by May 15, 2022. You turned your packet in on May 19, 2022. I sent you a letter on June 8, 2022 requesting additional information to complete your recertification. As of today, July 19, 2022, this information has not been provided.

There was also a letter sent on July 7, 2021 and June 8, 2022 informing you that anyone who was not employed would be required to complete 8 hours of community service each month. This rental obligation has not been filled.

Repeated late payments.

Failure to report income-The U.S. Department of HUD EIV Income Tool Validation databased indicated that [Defendant] Jefferson had unreported income from 10/31/22-1/21/22 with Executive Personnel Group.

This letter also informed Tenants that “[o]n or before August 22, 2022 you must vacate [the property].”

Because this notice of termination was not premised on failure to pay rent, it falls into the “other” category of grounds for lease termination, which requires notice

of at least 30 days under both the lease and federal guidelines. *See* 24 C.F.R. § 966.4(l)(3)(i)(C). Though this notice *did* comply with the notice requirement of at least 30 days, it *did not* inform Tenants of their right to examine and copy documents relating to the lease termination as required by the lease and 24 Code of Federal Regulations Section 966.4(l)(3)(ii). *See id.*

In *Lincoln Terrace*, this Court reversed a trial court’s granting of summary ejectment when the landlord did not strictly comply with the notice requirements outlined by the lease agreement and HUD guidelines. *See Lincoln Terrace Assocs.*, 179 N.C. App. at 627-28, 635 S.E.2d at 438. “[T]he sole evidence presented . . . regarding the Notice of Termination was in the form of testimony,” *id.* at 624, 635 S.E.2d at 436, and “[t]he only document submitted into evidence . . . was the Notice of Infraction, which did not fully comply with the lease requirements for termination of the lease agreement,” *id.* at 627, 635 S.E.2d at 438. This Court concluded:

As the findings of fact do not support the conclusion that [the] appellee properly complied with the requirements of the notice provision of the parties’ lease agreement, we find the trial court erred in granting summary ejectment against [the] appellant, as [the] appellee failed to show that the termination notice strictly complied with the terms of the lease.

Id. at 628, 635 S.E.2d at 438 (citing *Stanley v. Harvey*, 90 N.C. App. 535, 539, 369 S.E.2d 382, 385 (1988)).

Here, the trial court made no findings as to whether Landlord complied with the notice requirements contained within the lease and HUD guidelines before

beginning lease termination proceedings. The only finding of fact relating to the notice of lease termination, finding 7, states “[Tenants] were provided notices that their rent was past due.” This finding does not identify the required notice of 14 days for failure to pay rent, as prescribed by the lease agreement and federal HUD guidelines, nor whether Landlord complied with this requirement in purporting to terminate the lease. We reverse the trial court’s granting of summary ejectment and remand for dismissal.

B. Notice Under the VAWA

Tenants further argue Landlord operates as a federally subsidized housing authority, and “it is subject to the provisions of the Violence Against Women Reauthorization Act of 2022.” Tenants contend the trial court erred in granting summary ejectment when the notices given by Landlord did not provide Tenants with their “Notice of Occupancy Rights” under the VAWA. We disagree and conclude Landlord was not required to provide a Notice of Occupancy Rights under the VAWA in this situation.

In cases involving federally subsidized housing, whether a landlord has followed applicable federal rules and guidelines in termination of lease proceedings is a question of law we review *de novo*:

In federally subsidized housing cases, the court decides whether applicable rules and regulations have been followed, and whether termination of the lease is permissible. The construction of an administrative regulation is a question of law. On appeal, conclusions of

law drawn by the trial court from its findings of fact are reviewable de novo.

Raleigh Hous. Auth. v. Winston, 376 N.C. 790, 794, 855 S.E.2d 209, 212 (2021)

(citations, quotation marks, and brackets omitted).

The VAWA provides, in relevant part:

Each public housing agency or owner or manager of housing assisted under a covered housing program shall provide the notice developed under paragraph (1), together with the form described in subsection (c)(3)(A), to . . . tenants of housing assisted under a covered housing program—

. . . .

(c) with any notification of eviction or notification of termination of assistance[.]

34 U.S.C. § 12491(d)(2).

This Court recently noted

[a]lthough we are unable to find binding North Carolina authority addressing VAWA specifically, our Supreme Court has held a landlord’s non-compliance with regulations regarding the notice of termination in an eviction action in housing covered by a federally subsidized housing program merits reversal of judgment in favor of a landlord.

L.I.C. Assocs. I, Ltd. P’ship v. Brown, 294 N.C. App. 577, 587, 904 S.E.2d 822, 828

(2024) (citing *Raleigh Hous. Auth.*, 376 N.C. at 797, 855 S.E.2d at 214). In *L.I.C.*, this

Court ultimately did not agree with the landlord’s contention the VAWA’s notice requirements were inapplicable because the purported lease violation was “unrelated

to domestic violence[.]” stating:

[W]e note [the t]enant’s affidavit stated she had changed the locks because her ex-boyfriend stole [her] keys to the Leased Premises and she had attempted several times to get [the l]andlord’s Property Manager to change the locks. After she was unable to get assistance from [the l]andlord, she changed the locks. We are thus unable to say, as [the l]andlord contends, that the changed locks violation was unrelated to domestic violence.

Id. at 598, 904 S.E.2d at 829 (quotation marks and footnote omitted). Unlike *L.I.C.*, here, Tenants do not argue they were entitled to receive Notice of Occupancy Rights due to domestic violence protections under the VAWA. Nor can we find anything in the record indicating any present or historical concerns of domestic violence. Tenants argue, more generally, that because Landlord operates as a public housing authority, they are automatically required to provide Notice of Occupancy Rights when initiating a lease termination on *any* ground, including nonpayment of rent. In advancing this argument, Tenants direct us to the California case of *DHI Cherry Glen Assocs., L.P. v. Gutierrez*, 46 Cal. App. 5th Supp. 1, 259 Cal. Rptr. 3d 410 (2019). There, the trial court concluded a landlord was not required to provide tenants with Notice of Occupancy Rights in instances of lease terminations due to nonpayment of rent as “[n]otices to pay rent are not premised on an act of domestic violence, dating violence, sexual assault, or stalking.” *Id.* at 7, 259 Cal. Rptr. 3d at 414. The California Appellate Division, however, held this finding to be “in error,” stating:

The plain and commonsense meaning of the statutory language contained in [24 C.F.R. § 5.2005 (2019)] requires

VAWA notices to be served with any notice of termination. There is no language in the statute that would support a meaning that the VAWA notices only need to be served with notices of termination that are premised on domestic violence. [The r]espondent was required to serve the VAWA notices on [the] appellant prior to filing a complaint for unlawful detainer against [the] appellant.

Id. at 11, 259 Cal. Rptr. 3d at 416 (citing 24 C.F.R. § 5.2005 (2019)). Tenants also identify a recent unpublished opinion from this Court which held the “trial court erroneously granted [the lessor] possession of the [p]remises[]” when the termination notice was “fatally deficient under the [VAWA]” where it did not include “a Notice of Occupancy Rights or a HUD-approved self-certification form under the [VAWA].” *Rosewood Ests. I, LP v. Drummond*, No. COA23-118, 290 N.C. App. 366, 891 S.E.2d 493, slip op. at 3 (2023) (unpublished) (citing 34 U.S.C. § 12491 (d)(2)(C)) (some brackets and quotation marks omitted).

This Court is not bound by caselaw from California. *See State v. Williams*, 232 N.C. App. 152, 157, 754 S.E.2d 418, 422 (2014) (“While we recognize that decisions from other jurisdictions are, of course, not binding on the courts of this State, we are free to review such decisions for guidance.” (citation and quotation marks omitted)). We are also not bound by unpublished opinions from this Court. *See* N.C. R. App. P. 30(e)(3) (“An unpublished decision of the North Carolina Court of Appeals does not constitute controlling legal authority.”). Even so, *Rosewood* is inapplicable to this case at hand as the parties in *Rosewood* executed a lease addendum “stating the [l]ease was subject to the provisions of the Violence Against Women and Justice

Department Reauthorization Act of 2005[.]” *Rosewood*, slip op. at 1. Here, there is no explicit mention of the VAWA and its specific notice requirements within the lease agreement between Tenants and Landlord.

We reject Tenants’ contention that the VAWA requires landlords to provide Notice of Occupancy Rights in *all* lease termination proceedings. The plain meaning and intent behind the VAWA is to protect housing applicants and tenants from housing discrimination based on domestic violence:

An applicant for or tenant of housing assisted under a covered housing program may not be denied admission to, denied assistance under, terminated from participation in, or evicted from the housing on the basis that the applicant or tenant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, if the applicant or tenant otherwise qualifies for admission, assistance, participation, or occupancy.

34 U.S.C. § 12491(b)(1). Also, under the VAWA, the Notice of Occupancy Rights required to be provided “[w]ith any notification of eviction or . . . termination” must be served in conjunction with a domestic violence certification form. *See* 24 C.F.R. § 5.2005(a). This certification form requires the “applicant or tenant” to state they are “a victim of domestic violence, dating violence, sexual assault, or stalking[.]” *See id.* The requirement that these documents be served in unison further advances the theory that landlords are *not* required to provide Notice of Occupancy Rights when the lease termination is not related to concerns of domestic violence. We do not agree with Tenants’ claim Landlord was required to provide Notice of Occupancy Rights

under the VAWA when the lease termination was based on non-payment of rent and there is no indication that either Tenant had any concerns regarding domestic violence.

For the foregoing reasons, we reverse the trial court's granting of summary ejectment in favor of Landlord because there was no competent evidence to show Landlord provided proper notice of lease termination under the lease agreement and HUD guidelines, and we remand to the trial court for dismissal. We do not, however, reverse on grounds Landlord was required to provide a Notice of Occupancy Rights under the VAWA in unison with its notice of lease termination.

IV. Grievance Procedures

Finally, Tenants contend the trial court erred in granting summary ejectment without making any findings Landlord complied with or completed the applicable grievance procedures before bringing its claim for summary ejectment. We agree.

Under federal guidelines, public housing entities operating federally subsidized housing, such as Landlord, are required to implement and follow an administrative grievance procedure:

The Secretary shall by regulation require each public housing agency receiving assistance under this chapter to establish and implement an administrative grievance procedure under which tenants will—

- (1) be advised of the specific grounds of any proposed adverse public housing agency action;
- (2) have an opportunity for a hearing before an impartial

party upon timely request within any period applicable under subsection (l);

(3) have an opportunity to examine any documents or records or regulations related to the proposed action;

(4) be entitled to be represented by another person of their choice at any hearing;

(5) be entitled to ask questions of witnesses and have others make statements on their behalf; and

(6) be entitled to receive a written decision by the public housing agency on the proposed action.

42 U.S.C. § 1437d(k). Further, when a public housing agency is required to maintain and provide grievance procedures in lease termination proceedings, “the tenancy shall not terminate . . . until the time for the tenant to request a grievance hearing has expired, and (if a hearing was timely requested by the tenant) *the grievance process has been completed.*” 24 C.F.R. § 966.4(l)(3)(iv) (emphasis added).

Federal guidelines regarding the grievance process allow landlords the opportunity to first conduct an informal meeting with tenants to resolve the matter:

Any grievance shall be personally presented, either orally or in writing, to the PHA office or to the office of the project in which the complainant resides so that the grievance may be discussed informally and settled without a hearing. A summary of such discussion shall be prepared within a reasonable time and one copy shall be given to the tenant and one retained in the PHA’s tenant file. *The summary shall specify the names of the participants, dates of meeting, the nature of the proposed disposition of the complaint and the specific reasons therefor, and shall specify the procedures by which a hearing may be obtained if the complainant is not satisfied.*

24 C.F.R. § 966.54 (emphasis added).

Under federal guidelines and Tenants’ lease agreement, grievance procedures must be followed except in instances which the eviction is premised on “criminal activity” or “drug-related criminal activity.” *See* 24 C.F.R. § 966.51(a)(2)(i). Nothing in the record suggests, nor did the trial court find, that Landlord initiated lease termination proceedings on grounds of any criminal or drug-related activity. Thus, Tenants were entitled to due process rights guaranteed under the grievance procedure, and their lease could not terminate until these procedures had expired or been fully completed under 24 Code of Federal Regulations Section 966.4(l)(3)(iv).

Tenants argue “[t]he trial court did not mention 24 C.F.R. § 966.4 (l)(3)(iv), made only indirect reference to the grievance process, and did not satisfy its obligation to determine whether the applicable federal grievance rules and regulations had been followed.”

After receiving the 21 July 2022 letter from Landlord, Tenants sent a handwritten letter to Landlord requesting an opportunity to remedy the situation and prevent their lease from being terminated. On 3 August 2022, an informal hearing was conducted between the parties. Following this meeting, on 5 August 2022, Landlord informed Tenants the decision to terminate the lease would be upheld, and that Tenants had until 22 August 2022 to vacate the property. Tenants contend, however, that Landlord did not fully comply with the grievance process because

Landlord failed “to provide the couple a summary of [the informal meeting] with specific reasons for its decision and the procedures by which a fair hearing could be obtained if the tenants were not satisfied with the decision,” as required under 24 Code of Federal Regulations Section 966.54. Landlord did prepare a memo briefly summarizing the informal meeting, but this memo was not delivered to Tenants, nor did it identify the next steps of the grievance process in allowing Tenants to request a hearing to be decided by an impartial party.

In federally subsidized housing cases, tenants are afforded “substantial procedural due process rights” and “cannot be evicted unless and until certain procedural protections have been afforded [them.]” *Goler Metro. Apartments, Inc. v. Williams*, 43 N.C. App. 648, 650, 260 S.E.2d 146, 148 (1979) (citations omitted). Further, trial courts have the responsibility of “decid[ing] whether applicable rules and regulations have been followed, and whether termination of the lease is permissible.” *Charlotte Hous. Auth.*, 120 N.C. App. at 555, 464 S.E.2d at 71 (citations omitted).

In *Roanoke Chowan Regional Housing Authority v. Vaughan*, this Court held adequate due process protections had been afforded to the tenants, even when their notice of lease termination did not explicitly inform them of their grievance process rights. 81 N.C. App. 354, 359-60, 344 S.E.2d 578, 582 (1986). In *Vaughan*, though the tenants were not explicitly informed of their grievance process rights in the termination notice, this Court held the tenants were otherwise on notice of these

rights as the grievance procedures were posted “in the project’s office at all times,” and were included in the governing lease agreement. *See id.* at 359, 344 S.E.2d at 582. However, this Court also determined the “[d]efendants [could not] claim injury resulting from the omission of a statement in the letter of notice of termination informing [the] defendants of their right to request a grievance hearing when they received the benefit of a full jury trial in state court.” *Id.* at 359, 344 S.E.2d at 581-82.

Unlike the defendants in *Vaughan*, Tenants here were not afforded a trial in the trial courts as they *had* elected to pursue their grievance procedure rights through the established administrative process. Under 24 Code of Federal Regulations Section 966.53, a “[g]rievance shall mean any dispute which a tenant may have with respect to PHA action or failure to act in accordance with the individual tenant’s lease or PHA regulations which adversely affect the individual tenant’s rights, duties, welfare or status.” 24 C.F.R. § 966.53(a). The handwritten letter by Tenants sent to Landlord constitutes a grievance as challenging the adverse effects of their lease termination. Landlord was required to provide Tenants with a summary of their informal meeting and should have informed Tenants of their ability to request a formal hearing if unsatisfied by the decision from the informal meeting, *see* 24 C.F.R. § 966.54, before the lease could properly be terminated. *See* 24 C.F.R. § 966.4(l)(3)(iv). Landlord commenced its summary ejectment action on 30 August 2022, before Tenants’ due process protections under the grievance procedures had been

fully exercised.

The trial court found that “[o]n August 3, 2022, [Tenants] met with [Landlord]’s representatives . . . to attempt to resolve the matter. [Tenants] stated they would bring the necessary information to certify their income and they would bring the unpaid rent. They failed to do either.” This finding fails to identify the applicable grievance procedures, and further fails to identify whether Landlord complied with the such procedures. In addition, the record does not include competent evidence which could support these findings. We reverse the trial court’s order and remand for dismissal.

V. Conclusion

Landlord failed to provide Tenants with sufficient notice required by the parties’ lease agreement and federal guidelines in purporting to terminate the lease. Tenants were also not afforded their full procedural due process rights under the grievance procedure prior to Landlord filing its claim for summary ejectment. We reverse the trial court’s order granting of summary ejectment in favor of Landlord and remand for dismissal. We do not, however, reverse and remand on grounds Landlord was required to provide Tenants a Notice of Occupancy Rights under the VAWA.

REVERSED AND REMANDED.

Judges CARPENTER and FLOOD concur.

Report per Rule 30(e).