



# The State Bar *of California*

---

**DATE:** August 6, 2020

**TO:** Members, Homelessness Prevention Committee

**FROM:** Christian Schreiber, Homelessness Prevention Committee Working Group  
James Meeker, Homelessness Prevention Committee Working Group  
Kim Savage, Homelessness Prevention Committee Working Group

**SUBJECT:** National Mortgage Settlement — \$31 million Homelessness Prevention (HP) Funding

---

## EXECUTIVE SUMMARY

Recognizing the need for stable housing for renters, Governor Gavin Newsom signed Assembly Bill No. 83 (Stats. 2000, ch. 15), amending Government Code section 12531 to allocate \$31,000,000 from the National Mortgage Settlement for grants to legal services organizations “to provide eviction defense or other tenant defense assistance in landlord-tenant disputes, including preeviction and eviction legal services, counseling, advice and consultation, mediation, training, renter education, and representation, and legal services to improve habitability, increase affordable housing, ensure receipt of eligible income or benefits to improve housing stability, and prevent homelessness.” The bill includes language defining how the funding is to be allocated. The statute allows up to \$1.55 million of these funds to be used for State Bar administrative costs, but the State Bar will endeavor, as always, to limit the amount of administrative costs charged against these funds so as to maximize available funding for programs.

Of the \$31 million identified for these services:

- \$22,087,500 (75% of the \$31 million fund after \$1.55 million set aside for administrative costs) will be distributed via formula to qualified legal services projects and support centers that were eligible for 2020 IOLTA grants and that currently provide eviction defense or other tenant defense assistance in landlord-tenant rental disputes. Each legal services project will receive a share of these funds equal to that legal services project’s 2020 IOLTA allocation divided by the total 2020 IOLTA allocation for all legal services projects eligible for this funding, with a minimum grant of \$50,000.
- \$7,362,500 (25% of the \$31 million fund after \$1.55 million set aside for administrative costs) will be disbursed through a competitive grant process to qualified legal services

projects and support centers to provide eviction defense or other tenant defense assistance in landlord-tenant rental disputes. These grants may not supplant existing resources or other services funded by Homelessness Prevention Grants. Preference shall be given to agencies that serve rural or underserved communities and that serve clients regardless of immigration or citizenship status.

## **BACKGROUND**

For additional context, the relevant portion of Government Code section 12531 has been included below for reference:

(e) (1) The funds in the National Mortgage Special Deposit Fund shall be allocated as follows:

(A) \*\*\*

(B) Thirty-one million dollars (\$31,000,000) to the Judicial Council for distribution through the State Bar to qualified legal services projects and support centers to provide eviction defense or other tenant defense assistance in landlord-tenant disputes, including preeviction and eviction legal services, counseling, advice and consultation, mediation, training, renter education, and representation, and legal services to improve habitability, increase affordable housing, ensure receipt of eligible income or benefits to improve housing stability, and prevent homelessness. These funds shall be allocated as follows:

- (i) Seventy-five percent shall be distributed to qualified legal services projects and support centers that currently provide eviction defense or other tenant defense assistance in landlord-tenant disputes as set forth in this subparagraph.
  - (I) To receive funds, a program shall be eligible for 2020 Interest on Lawyer Trust Fund Account (IOLTA) funding. Each eligible program shall receive a percentage equal to that legal services project's 2020 IOLTA allocation divided by the total 2020 IOLTA allocation for all legal services projects eligible for the funding.
  - (II) To ensure meaningful funding, a minimum amount of fifty thousand dollars (\$50,000) shall be allocated to an eligible program unless the program requests a lesser amount, in which case any funds that would have otherwise been allocated to the program shall be distributed proportionally to the other qualified legal services projects.
  - (III) These funds shall be distributed as soon as practicable and shall not supplant existing resources.
- (ii) Twenty-five percent shall be allocated through a competitive grant process developed by the Legal Services Trust Fund Commission of the State Bar to award grants to qualified legal service projects and support centers.
  - (I) The grant process shall ensure that a qualified legal service project or support center to receive funding demonstrate that funds received will be not used to supplant

existing resources and will be used to provide services to tenants not otherwise served by that qualified legal service project or support center.

- (II) The commission shall determine grant awards, and preference shall be given to qualified legal aid agencies that serve rural or underserved communities which serve clients regardless of immigration or citizenship status.
  - (IV) Any funds not allocated pursuant to this competitive grant process shall be distributed pursuant to clause (i).
- (2) No more than 5 percent of the allocations in subparagraphs (A) and (B) of paragraph (1) shall be spent for the administration of those services.

## **DISCUSSION**

To better inform the process of establishing the grant administration timeline and activities required to facilitate the disbursement of the \$31 million in HP funds, staff created a working group made up of several members of the HP Committee (Christian Schreiber, James Meeker, and Kim Savage). On July 29, 2020, staff met with this working group to solicit feedback on several key issues and decision points. Staff also received feedback from Bonnie Hough from the Judicial Council and Salena Copeland from the Legal Aid Association of California on the same issues which resulted in the following guidance and recommendations from the working group.

### **1. Budget bill language referencing ‘soon as practicable’ in releasing the grant funds**

Given the lack of specific guidance, the working group agreed with staff’s recommendation that a target date of January 2021 to release the grant funds would be reasonable. While acknowledging the compressed timeline, this schedule should allow for appropriate vetting of all formula and competitive grant applications and allow staff to administer this funding in conjunction with the annual grant cycle.

### **2. Grant term and distribution plan**

Grant periods of two to four years were discussed and consensus was reached on a three year grant period which should provide grantees ample time to launch, ramp up, and make course corrections to their proposed programs as needed to maximize the potential for success. Grants will be released in three, equal installments over the three year grant period (2021-2023), which will allow staff to review interim progress reports on an annual basis to ensure that each program is on track with its proposed delivery of services before release of the following year’s grant funds.

### **3. Minimum or maximum grant award for the competitive grant**

The preliminary recommendation was to not apply a minimum or maximum to the competitive grant award but given the lack of a unanimous agreement on this issue, further discussion may be warranted. The main argument against applying a minimum and maximum grant amount was to allow organizations to individually assess and request the funding required to successfully deliver on their proposed project. Alternatively, the main argument for applying a minimum and maximum grant amount was to provide some

targeted guidance given the limited competitive funding available so that organizations could shape their proposed projects within that funding framework. Staff is in agreement with the preliminary recommendation to not apply a minimum or maximum grant award.

**4. Receipt of formula and RFP grants**

Applicants may apply for both a formula and a competitive grant award. Receipt of a formula allocation will not preclude a program from receiving a competitive grant; however, the Commission has discretion to determine RFP grant awards based on the total amount of funding a particular organization receives. Additional considerations will include if the project is innovative and/or the organization excels in providing a specific service.

**5. Allowance for subgranting**

It was recommended that subgranting be allowed to non-IOLTA-funded 501(c)(3) organizations or to other IOLTA-funded programs in an effort to encourage innovation and foster collaborations that could potentially yield more creative programs and better outcomes. IOLTA-funded programs that are both subgrantees of other programs and are also applying as a grantee must demonstrate that the sources will not fund the same activities. If an application involving subgrantees is approved, fully executed Memoranda of Understanding (MOU) between the grantee and subgrantee(s) must be submitted prior to disbursement of first-year award.

**6. Specific guidance for Qualified Legal Services Project (QLSP) vs. Support Center proposals**

In lieu of providing separate and unique guidance for QLSPs and support centers in the development of their proposals, it was recommended that this issue be deferred as a discussion item during the proposed convening session to be scheduled for HP grant applicants in September 2020.

**SCORING RUBRIC FOR EVALUATION OF COMPETITIVE GRANT PROPOSALS**

While Requests for Proposals (RFPs) issued by the LSTFC (including those for Bank Grants and Equal Access Fund Partnership Grants) have not historically employed the use of a formal scoring rubric in developing funding decisions, the Office of Access & Inclusion will be incorporating the use of a formal scoring rubric in all competitive grant evaluations starting in 2020. This was done in an effort to improve transparency and enhance consistency in the proposal evaluation process. Staff met with working group member James Meeker on July 31, 2020 to solicit and incorporate his feedback on the scoring rubric to be utilized in the evaluation of the competitive grant proposals.

The scoring rubric used in 2019 to evaluate the EAF HP \$5 million competitive grant proposals served as a model for the scoring rubric to be utilized to score the 2020 HP competitive proposals on seven criteria for a total possible score of 100 using the following guidelines and rationale:

Proposed services are unique and innovative (25 possible points)

Proposal offers a creative/innovative approach in the delivery of services to address an

unmet or underserved need.

Serving rural or underserved communities (20 possible points)

Proposed program serves rural or underserved communities and provides supporting explanations/data about how this will be achieved.

Serving clients regardless of immigration or citizenship status (20 possible points)

Proposed program serves clients regardless of immigration or citizenship status and provides supporting explanations/data about how this will be achieved.

Type and depth of partnerships (for subcontracts)(10 possible points)

Proposed program incorporates partnerships with another organization(s) that could assist in developing/delivering more creative programs and potentially better client outcomes. Organization provides examples of previous successful engagements in other partnerships/collaborations.

Organizational capacity (10 possible points)

Organization demonstrates current capacity or ability to quickly scale as needed to deliver on the proposed services and demonstrates a track record of success in delivering similar services in the past.

Historical performance (10 possible points)

In the past three years, organization demonstrates its ability to spend down grant funds, meet grant goals, and timely report on results/outcomes on other State Bar funded grants.

Potential sustainability (5 possible points)

Organization articulates how proposed services might continue beyond the grant period and how sustainability might be achieved beyond simply trying to secure additional funding to continue services.

## **REPORTING REQUIREMENTS**

The addition of \$31 million for homelessness prevention provides an excellent opportunity for legal services programs to demonstrate the efficacy of their work in addressing one of the most intractable problems in California. Demonstrating effective use of these funds is critical to support continued and/or additional funds for such purposes in the future. Grantees are required to report both quantitative and qualitative data describing the clients served and the work performed including outcomes achieved (main and economic benefits) tied to individual characteristics to demonstrate the impact/value of these additional funds.

### I. Financial Reporting Requirements

Organizations are required to submit an annual Expenditures Report, comparing project expenditures to the approved project budget. Variances exceeding 10 percent over budget must be reported to the State Bar as promptly as possible. A final Expenditures Report will

be due after the close of the grant period. As a reminder, these funds must be expended by the close of the grant period and carry-over requests are not permitted.

## II. Evaluation

Organizations are required to submit an annual Evaluation Report including the following:

- A.** What impact did this grant have in the community and for the people served?  
Describe the accomplishments in both quantitative and qualitative terms.
- B.** Was a separate evaluation of the project performed? If so, please describe the results of the evaluation and your assessment of the project. Include both the weaknesses and the strengths of the project (a discussion that includes how problems were dealt with will be more helpful than one that focuses exclusively on the project's successes).
- C.** What immediate (not already captured in main benefits reporting) and long-term impacts will result from the project?
- D.** Describe any plans to continue the project after the grant period.
- E.** Identify and provide the products produced during the project. This includes representative samples of completed work like training materials, copies of any mailing, fliers, newspaper releases, articles, or other media coverage. Also describe any future publication or distribution plans for materials resulting from grant activities. Provide the URL for websites.
- F.** Identify and provide materials that document impact and outcomes of the project, including data demonstrating the effect of services rendered (e.g., client satisfaction survey results, pre and post test results, number of cases including number of cases in which stipulations were reached, number of trials, outcome of trials, etc.).
- G.** If applicable, a report on any impact litigation and advocacy work including:
  - 1. Total number of impact litigation cases (include partner/co-counsel cases) both open and closed.
  - 2. Total number of advocacy activities both completed and ongoing.
  - 3. Narrative summary for individual cases and activities.

## III. Data Report

In addition to the qualitative information organizations are required to submit an annual an annual Benefits Report including the following:

- A. All benefits (outcomes) achieved for all cases according to the main benefit codes/definitions in the California Legal Aid Reporting Handbook;
- B. Demographic data of the clients served;
- C. Economic benefits for any main benefit code that resulted in an award recovered for the client or savings for the client;
- D. Activities and services provided that are not specific to an individual client but rather a large group of individuals.
- E. Case summary on all cases (attorney-client relationship) and other services (no attorney-client relationship) during the grant period.

**PROPOSED GRANT ADMINISTRATION TIMELINE**

The working group recommended approval of the following proposed timeline to guide the HP grant administration activities for the remainder of the year.

<b>Estimated Date(s)</b>	<b>Activity</b>
Late August/Early September 2020	Release Formula and RFP applications in SmartSimple
Early to Mid September 2020	Hold Convening session with grant applicants to maximize coordination and minimize duplication of efforts/projects
Early October 2020	Formula application demonstrating eligible activities & budget due. Competitive grant application & budget due.
October 2020	Staff & HP Committee Working Groups to review and score applications
Early November 2020	HP Committee to review & discuss applications; approve recommendations; discuss follow-up with programs
December 2020	LSTFC to approve HP Committee’s final funding recommendations
January 2021	Funds disbursed

**NEXT STEPS**

The HP Committee will meet on August 12, 2020 to review and approve the working group’s recommendations with respect to the formula and competitive grant application/RFP documents and the proposed grant administration timeline to facilitate the disbursement of funds in January 2021.

Staff will then begin working on the following activities:

1. Develop the HP formula and competitive grant applications in Smart Simple to enable release to applicants in late August/early September 2020.

2. In conjunction with the Judicial Council and LAAC, plan and schedule the virtual convening session to be held in September 2020 with potential HP applicants to ensure coordination and to reduce duplication of efforts in the proposed projects. Similar to the convening session held in February 2020 for all EAF HP grantees, this session will allow HP applicants to share information, discuss proposed projects, and discuss collaboration/partnership opportunities to more effectively deliver services.
3. Develop proposal evaluation teams comprised of staff and HP Committee members that will be tasked with reviewing the competitive grant proposals.
4. Develop budget templates in Smart Simple to allow final HP grantees to submit proposed project budgets in advance of receiving grant funds.

## **ATTACHMENTS**

1. EAF HP Formula Grant Application Questions
2. EAF HP Competitive Grant Application RFP
3. Assembly Bill No. 83 (Stats. 2020, Ch. 15)



# The State Bar of California

## National Mortgage Settlement \$31 million Homelessness Prevention Funding Formula Allocation Application

### Background

Recognizing the need for stable housing for renters, Governor Gavin Newsom signed Assembly Bill No. 83 (Stats. 2000, ch. 15), amending Government Code section 12531 to allocate \$31,000,000 from the National Mortgage Settlement funds for grants to legal services organizations “to provide eviction defense or other tenant defense assistance in landlord-tenant disputes, including preeviction and eviction legal services, counseling, advice and consultation, mediation, training, renter education, and representation, and legal services to improve habitability, increase affordable housing, ensure receipt of eligible income or benefits to improve housing stability, and prevent homelessness.” The statute included language to define how the funding was to be allocated and to further effectuate the purposes of the funding.

Consistent with the statute, approximately \$22,087,500 (75 percent less \$1.55 million in administrative fees) will be distributed to qualified legal services providers and support centers that meet the eligibility requirements and the remaining 25 percent (approximately \$7,362,500) will be disbursed through a competitive grant process.

The relevant portion of Government Code section 12531 has been included below for reference (**emphasis** added to the formula grant section):

- (e) (1) The funds in the National Mortgage Special Deposit Fund shall be allocated as follows:
- (A) \*\*\*
- (B) Thirty-one million dollars (\$31,000,000) to the Judicial Council for distribution through the State Bar to qualified legal services projects and support centers to provide eviction defense or other tenant defense assistance in landlord-tenant disputes, including preeviction and eviction legal services, counseling, advice and consultation, mediation, training, renter education, and representation, and legal services to improve habitability, increase affordable housing, ensure receipt of eligible income or benefits to improve housing stability, and prevent homelessness.

These funds shall be allocated as follows:

- (i) **Seventy-five percent shall be distributed to qualified legal services projects and support centers that currently provide eviction defense or other tenant defense**

assistance in landlord-tenant disputes as set forth in this subparagraph.

- (I) To receive funds, a program shall be eligible for 2020 Interest on Lawyer Trust Fund Account (IOLTA) funding. Each eligible program shall receive a percentage equal to that legal services project's 2020 IOLTA allocation divided by the total 2020 IOLTA allocation for all legal services projects eligible for the funding.
  - (II) To ensure meaningful funding, a minimum amount of fifty thousand dollars (\$50,000) shall be allocated to an eligible program unless the program requests a lesser amount, in which case any funds that would have otherwise been allocated to the program shall be distributed proportionally to the other qualified legal services projects.
  - (III) These funds shall be distributed as soon as practicable and shall not supplant existing resources.
- (ii) Twenty-five percent shall be allocated through a competitive grant process developed by the Legal Services Trust Fund Commission of the State Bar to award grants to qualified legal service projects and support centers.
- (I) The grant process shall ensure that a qualified legal service project or support center to receive funding demonstrate that funds received will be not used to supplant existing resources and will be used to provide services to tenants not otherwise served by that qualified legal service project or support center.
  - (II) The commission shall determine grant awards, and preference shall be given to qualified legal aid agencies that serve rural or underserved communities which serve clients regardless of immigration or citizenship status.
  - (III) Any funds not allocated pursuant to this competitive grant process shall be distributed pursuant to clause (i).
- (2) No more than 5 percent of the allocations in subparagraphs (A) and (B) of paragraph (1) shall be spent for the administration of those services.

### **Eligibility**

Grant proposals must be submitted via SmartSimple **by TBD**. Applicants must meet the following criteria to be eligible to submit a proposal:

- 2020 IOLTA-funded programs in California that currently provide eviction defense or other tenant defense assistance in landlord-tenant rental disputes,

including preeviction and eviction legal services, counseling, advice and consultation, mediation, training, renter education, and representation, and legal services to improve habitability, increasing affordable housing, ensuring receipt of eligible income or benefits to improve housing stability, and homelessness prevention.

### **Proposed Grants:**

- Eligible programs will receive funds in a percentage equal to their 2020 IOLTA allocation divided by the total 2020 IOLTA allocation for all legal services projects and support centers eligible for this funding.
- A minimum grant of \$50,000 will be allocated to each eligible program unless the program requests a lesser amount, in which case the additional funds shall be distributed proportionally to the other qualified legal services projects and support centers.
- Accepting an allocation from the 75% formula allocation may preclude a program from receiving an additional allocation from the 25% RFP allocation unless the program is able to demonstrate that the funds received in the RFP allocation will not be used to supplant existing resources and will be used to provide services to tenants not otherwise served by the organization, including those served with the formula allocation funds.
- The final grant amount for each program receiving a formula allocation will remain fluid until eligibility for each program is finalized and programs confirm their intent to use the full formula allocation.

### **Formula Application**

A completed formula proposal will include the following components:

#### **Activities:**

1. **Application Profile.** Complete required fields, and enter counties served by this project. The Maximum Formula Amount field will have a prepopulated figure, and applicants may apply for a grant up to that amount per year for a three-year grant period.
2. **Qualifying Activities.** Describe in detail all qualifying activities, outcomes, evaluation, and organizational capacity.

**Budgets and Narratives:**

- 1. Grant Budget by Year (Three Years).** Provide information on how you propose to allocate homelessness prevention funds to the project. All three years must be completed.

Identify proposed staffing for the project for all three years. Staff should be identified based on their role within the project, e.g., “Managing Attorney” and “Housing attorneys” not “Lila Smith and Ron Wong.” Provide the total annual full-time equivalents (FTE) within each category for each year of the three-year grant period. Be mindful that the description of project staff, the budgets for staff and the project descriptions should tell a consistent picture. If your staffing pattern will be different during the different phases of the grant, provide the annual average in the charts, and explain in the narrative.

- 2. Budget Narrative.** Provide an explanation for each line item in the project budget, to describe the basis of allocated amounts, including whether the grant is being used to pay for specific items or is being allocated to line items on a percentage or formula basis. Please include in the budget narrative any significant in-kind support, such as use of court facilities or equipment.
- 3. Definitions to Complete the Budget Forms.**

**Personnel**

- 1. Lawyers.** Salaries and wages paid to staff attorney(s), whether full-time, part-time or temporary.
- 2. Paralegals.** Salaries and wages paid to staff paralegal(s) (including law graduates, legal assistants, and law students), whether full-time, part-time or temporary. Paralegals are persons working under the supervision and control of an attorney, whose duties consist primarily of such activities as intake interviewing, checking court records, legal research, and outreach and community work.
- 3. Other Staff.** Salaries and wages paid to all other staff, including administrative and support staff, whether full-time, part-time, or temporary.

**Subtotal.**

4. Employee Benefits. Fringe benefits and payroll taxes paid on behalf of employees, such as retirement, FICA, health and life insurance, workers' compensation, unemployment insurance, and other payroll-related costs.

Total Personnel

Non-Personnel

5. Space. The actual cost of office space or other space for staff and services funded by the proposed grant and costs for maintenance of that space. This may include rent, utility payments, maintenance/janitorial expenses.
6. Equipment, Rental and Maintenance. Lease or rental expenses for equipment (except telephone) to be used by the proposed project; a commensurate share of anticipated maintenance costs for that equipment.
7. Office Supplies. Basic office supplies, including materials used in copiers and other small equipment. Equipment purchases under \$1,000.
8. Printing and Postage. Outside printing and postage costs.
9. Telecommunications. Local, long-distance, cellular telephone service, and expenses incurred directly by the proposed project. Similar and related expenses for conference calls, videoconferencing or other telecommunication services should be included as well.
10. Technology. Expenses related to computer software purchases, subscriptions, updates, and online data management, or electronic research services (e.g., Lexis-Nexis, Westlaw).
11. Program Travel. Travel expenses incurred by staff or volunteers to provide services through the proposed project.
12. Training. Non-personnel costs associated with training or continuing education for staff members or volunteers who provide services through the proposed project. You may include the cost of travel to and from training events, per diem, conference registration fees or tuition, purchase or production of training materials, etc. Do not include expenses associated with training that you provide to the public or to other organizations.
13. Library. Expenses for the maintenance and expansion of office libraries required by the proposed project, including subscriptions to periodicals, books and update services.

14. Insurance. A share of professional liability insurance and bonding costs proportionate to staff who are funded by the proposed project. A share of other insurance for property and automobiles commensurate with their use by the proposed project.
15. Litigation. Court costs, witness fees, expert witness expenses, sheriff's fees, courthouse copying fees, and other expenses incurred in litigation on behalf of eligible clients.
16. Capital Additions. Equipment and other purchases over \$1,000 per item.
17. Evaluation. Expenses for gathering and analyzing information and data and reporting on the effectiveness of services provided through the project.
18. Contract Service to Clients. Payments to private attorneys, consultants or organizations to provide professional services to litigants through the proposed project. Itemize individual contracts. Identify the proposed contractor(s), the general nature of duties to be performed, the rate(s) of compensation and the contract amount.
19. Other. Expenses not included above. Itemize individual expenses in the budget narrative.

Total Non-Personnel

Administrative

20. Personnel. Portions of personnel and personnel-related costs supporting general office operations, rather than legal program expenses
21. Non-Personnel. Portions of non-personnel costs supporting general office operations, rather than legal program expenses

**Reporting Requirements**

The addition of \$31 million for homelessness prevention provides an excellent opportunity for legal services programs to demonstrate the efficacy of their work in addressing one of the most intractable problems in California. Demonstrating effective use of these funds is critical to support continued and/or additional funds for such purposes in the future. Grantees are required to report both quantitative and qualitative data describing the clients served and the work performed including outcomes achieved (main and economic benefits) tied to individual characteristics to demonstrate the impact/value of these additional funds.

## I. Financial Reporting Requirements

Organizations are required to submit an annual Expenditures Report, comparing project expenditures to the approved project budget. Variances exceeding 10 percent over budget must be reported to the State Bar as promptly as possible. A final Expenditures Report will be due after the close of the grant period. As a reminder, these funds must be expended by the close of the grant period and carry-over requests are not permitted.

## II. Evaluation

Organizations are required to submit an annual Evaluation Report including the following:

- A.** What impact did this grant have in the community and for the people served? Describe the accomplishments in both quantitative and qualitative terms.
- B.** Was a separate evaluation of the project performed? If so, please describe the results of the evaluation and your assessment of the project. Include both the weaknesses and the strengths of the project (a discussion that includes how problems were dealt with will be more helpful than one that focuses exclusively on the project's successes).
- C.** What immediate (not already captured in main benefits reporting) and long-term impacts will result from the project?
- D.** Describe any plans to continue the project after the grant period.
- E.** Identify and provide the products produced during the project. This includes representative samples of completed work like training materials, copies of any mailing, fliers, newspaper releases, articles, or other media coverage. Also describe any future publication or distribution plans for materials resulting from grant activities. Provide the URL for websites.
- F.** Identify and provide materials that document impact and outcomes of the project, including data demonstrating the effect of services rendered (e.g., client satisfaction survey results, pre and post test results, number of cases including number of cases in which stipulations were reached, number of trials, outcome of trials, etc.).
- G.** If applicable, a report on any impact litigation and advocacy work including:
  1. Total number of impact litigation cases (include partner/co-counsel

cases) both open and closed.

2. Total number of advocacy activities both completed and ongoing.
3. Narrative summary for individual cases and activities.

### III. Data Report

In addition to the qualitative information organizations are required to submit an annual an annual Benefits Report including the following:

- A. All benefits (outcomes) achieved for all cases according to the main benefit codes/definitions in the California Legal Aid Reporting Handbook;
- B. Demographic data of the clients served;
- C. Economic benefits for any main benefit code that resulted in an award recovered for the client or savings for the client;
- D. Activities and services provided that are not specific to an individual client but rather a large group of individuals.
- E. Case summary on all cases (attorney-client relationship) and other services (no attorney-client relationship) during the grant period.

### Project Assurances:

By accepting grant funds, programs agree to:

- Use funds only for stated purposes: eviction defense or other tenant defense assistance in landlord-tenant rental disputes, including preeviction and eviction legal services, counseling, advice and consultation, mediation, training, renter education, and representation, and legal services to improve habitability, increasing affordable housing, ensuring receipt of eligible income or benefits to improve housing stability, and homelessness prevention.
- Not use funds to supplant existing resources, meaning that these funds cannot replace existing funds used to provide these same services and must be used to provide services to tenants not otherwise served by the program.
- Comply with all reporting requirements specific to this grant.

If you have any questions, please contact:

Greg Shin  
Office of Access & Inclusion  
State Bar of California  
greg.shin@calbar.ca.gov  
(213) 765-1505

Christine Holmes  
Office of Access & Inclusion  
State Bar of California  
christine.holmes@calbar.ca.gov  
(415) 538-2535

DRAFT



# The State Bar of California

## National Mortgage Settlement \$31 million Homelessness Prevention Funding **Competitive Grant Application - Request for Proposal**

### Background

Recognizing the need for stable housing for renters, Governor Gavin Newsom signed Assembly Bill No. 83 (Stats. 2000, ch. 15), amending Government Code section 12531 to allocate \$31,000,000 from the National Mortgage Settlement for grants to legal services organizations “to provide eviction defense or other tenant defense assistance in landlord-tenant disputes, including preeviction and eviction legal services, counseling, advice and consultation, mediation, training, renter education, and representation, and legal services to improve habitability, increase affordable housing, ensure receipt of eligible income or benefits to improve housing stability, and prevent homelessness.” The bill includes language defining how the funding is to be allocated.

Consistent with the statute, approximately \$22,087,500 (75 percent less \$1.55 million in administrative fees) will be distributed to qualified legal services providers and support centers that meet the eligibility requirements and the remaining 25 percent (approximately \$7,362,500) will be disbursed through a competitive grant process.

The relevant portion of the Government Code section 12531 has been included below for reference (**emphasis** added to the competitive grant section):

(e) (1) The funds in the National Mortgage Special Deposit Fund shall be allocated as follows:  
(A) \*\*\*

(B) Thirty-one million dollars (\$31,000,000) to the Judicial Council for distribution through the State Bar to qualified legal services projects and support centers to provide eviction defense or other tenant defense assistance in landlord-tenant disputes, including preeviction and eviction legal services, counseling, advice and consultation, mediation, training, renter education, and representation, and legal services to improve habitability, increase affordable housing, ensure receipt of eligible income or benefits to improve housing stability, and prevent homelessness.

These funds shall be allocated as follows:

(i) Seventy-five percent shall be distributed to qualified legal services projects and support centers that currently provide eviction defense or other tenant defense assistance in landlord-tenant disputes as set forth in this subparagraph.

(l) To receive funds, a program shall be eligible for 2020 Interest on Lawyer Trust Fund

Account (IOLTA) funding. Each eligible program shall receive a percentage equal to that legal services project's 2020 IOLTA allocation divided by the total 2020 IOLTA allocation for all legal services projects eligible for the funding.

- (II) To ensure meaningful funding, a minimum amount of fifty thousand dollars (\$50,000) shall be allocated to an eligible program unless the program requests a lesser amount, in which case any funds that would have otherwise been allocated to the program shall be distributed proportionally to the other qualified legal services projects.
  - (III) These funds shall be distributed as soon as practicable and shall not supplant existing resources.
- (ii) Twenty-five percent shall be allocated through a competitive grant process developed by the Legal Services Trust Fund Commission of the State Bar to award grants to qualified legal service projects and support centers.**
- (I) The grant process shall ensure that a qualified legal service project or support center to receive funding demonstrate that funds received will be not used to supplant existing resources and will be used to provide services to tenants not otherwise served by that qualified legal service project or support center.**
  - (II) The commission shall determine grant awards, and preference shall be given to qualified legal aid agencies that serve rural or underserved communities which serve clients regardless of immigration or citizenship status.**
  - (III) Any funds not allocated pursuant to this competitive grant process shall be distributed pursuant to clause (i).**
- (2) No more than 5 percent of the allocations in subparagraphs (A) and (B) of paragraph (1) shall be spent for the administration of those services.

### **Eligibility**

Grant proposals must be submitted via SmartSimple **by TBD**. Applicants must meet the following criteria to be eligible to submit a proposal:

- Qualified legal services projects and support centers in California that will provide eviction defense or other tenant defense assistance in landlord-tenant rental disputes, including preeviction and eviction legal services, counseling, advice and consultation, mediation, training, renter education, and representation, and legal services to improve habitability, increase affordable housing, ensure receipt of eligible income or benefits to improve housing stability, and homelessness prevention. (Note: Unlike the formula funding provided for these purposes, this RFP is open to all IOLTA-funded QLSPs and SCs, whether or not they currently provide the types of tenant assistance defined by the Budget Act).

- If programs received an allocation from the formula funding, they must demonstrate that the funds from the competitive grant will not be used to supplant those resources, or other existing resources (meaning that these funds cannot replace existing funds used to provide the same services) and will be used to provide services to tenants not otherwise served by the organization.

Pursuant to the terms of Government Code section 12531, preference will be given to organizations that serve rural or underserved communities and that serve clients regardless of immigration or citizenship status.

There will be no minimum or maximum funding amount for these grants.

### **Award Information**

The Legal Services Trust Fund Commission (LSTFC) or a delegated body of the LSTFC will distribute up to \$7,362,500 using a competitive RFP process. Final award decisions will be made in December 2020.

### **Selection Criteria**

The exact dollar amount of grant awards will vary depending on the number and quality of applications received, an assessment of needs for funding of the project, and the extent to which a proposal addresses the intent of this funding, as set forth in statute. Grant award decisions are final and there is no appeals process.

A successful response to the RFP will:

- Identify with specificity the purposes for which the granted funds will be used that align with the areas set forth statute.
- Demonstrate how granted funds will not be used to supplant existing resources, including the Homelessness Prevention formula funding (meaning that these funds cannot replace existing funds used to provide these same services), and must be used to provide services to tenants not otherwise served by the qualified legal service project or support center.
- Highlight how clients in rural or underserved communities, will be served or services will be offered regardless of immigration or citizenship status as preference will be given to projects meeting that criteria. Rural or underserved communities include rural or underserved geographical locations in addition to specific underserved populations who may not be served as part of the formula funding.

- Demonstrate how the QLSP or SC will track main benefits related to the programs supported by granted funds separately as these benefits will not be reported as part of the IOLTA/EAF Case Summary Reporting or Main Benefits., with correlating demographic data information for the clients served.
- The following scoring rubric will be used to evaluate all proposals:

<b><u>Points</u></b>	<b><u>Criteria</u></b>
25	Proposed services are unique, innovative, and address an unmet or underserved need
20	Proposed services serve rural or underserved communities
20	Proposed services serve clients regardless of immigration or citizenship status
10	Type and depth of partnerships (for subcontracts)
10	Existing organizational capacity or demonstrated ability to quickly scale to launch and manage proposed services
10	Strong historical performance in ability to spend down grant funds, ability to meet goals for prior grants, timely submission of reports, and ability to successfully start-up new services
5	Potential sustainability/continuation of proposed services after the completion of the grant period
<b>100</b>	<b>Total</b>

**Requirements/Next Steps:**

<b><u>Estimated Date(s)</u></b>	<b><u>Activity</u></b>
Late August/Early September 2020	Release Formula and RFP applications in SmartSimple
Early to Mid September 2020	Hold Convening session with grant applicants to maximize coordination and minimize duplication of efforts/projects
Early October 2020	Applications due
October 2020	Initial review and scoring of applications
Early November 2020	HP Committee meeting to review and approve funding recommendations
December 2020	LSTFC to approve funding recommendations
January 2021	Funds disbursed

**Application Questions:**

- Describe how your proposal for legal services will be used for eviction defense or other tenant defense assistance in landlord-tenant rental disputes. Such assistance can include, but is not limited to, preeviction and eviction legal services, counseling, advice and consultation, mediation, training, renter education, and representation, and legal services to improve habitability, increasing affordable housing, ensuring receipt of eligible income or benefits to improve housing stability, and homelessness prevention. Please describe how your proposed services using this competitive grant will not supplant existing resources and will be used to provide services to tenants not otherwise currently served.
- Briefly explain your organization's ability to carry out the program, including any experience implementing similar programs. How will you ensure quality? Describe the staffing and supervisory structure for the project.
- Who is the targeted population being served and what are the overall goals for the specified project or activities? What other populations do you anticipate being served by the project in addition to the target population? Quantify the outcomes whenever possible.
- How will you ensure that the target demographic is served?
- If approved for funding, do you have any plans to subcontract with another organization(s). If so, please provide details about the organization(s), including their experience and staffing, their intake/evaluation capacity to ensure compliance, the proposed subcontract work, any experience working on joint projects, how their work will supplement and improve the work your organization will provide, and subcontract amount.
- Describe how you will evaluate or monitor the effectiveness of the project/activities and the progress toward achieving the goals and objectives stated above. If proposing a subcontract, describe how you will ensure that subgrantee(s) will provide quality services and comply with all requirements. Grant recipients will be required to track and report certain project activities and outcomes like main benefits related to homelessness prevention, with correlating demographic data information for the clients served to demonstrate how the services delivered with these grant funds affected the target population.
- Please provide a breakdown of your funding request if you plan on subcontracting.
- Is there any other organization currently providing your proposed services or serving this population in your area? If so, are there any distinguishing characteristics about

your proposed services and/or are you targeting an unmet need? How, if at all, do you plan to collaborate with that organization?

- Is there potential for the program to continue beyond the grant period? Describe any plans for continuing and growing the project beyond the period of the grant. Is the project replicable or scalable?

### **Competitive Project Budget:**

**Grant Budget by Year (Three Years).** Provide information on how you propose to allocate homelessness prevention funds to the project. All three years must be completed.

Identify proposed staffing for the project for all three years. Staff should be identified based on their role within the project, e.g., “Managing Attorney” and “Housing attorneys” not “Lila Smith and Ron Wong.” Provide the total annual full-time equivalents (FTE) within each category for the one-year grant period. Be mindful that the description of project staff, the budgets for staff and the project descriptions should tell a consistent picture. If your staffing pattern will be different during the different phases of the grant, provide the annual average in the charts, and explain in the narrative.

**Budget Narrative.** Provide an explanation for each line item in the project budget and describe the basis of allocated amounts, including whether the grant is being used to pay for specific items or is being allocated to line items on a percentage or formula basis. Please include in the budget narrative any significant in-kind support, such as use of court facilities or equipment.

Use the following definitions to complete the budget forms.

#### Personnel

1. **Lawyers.** Salaries and wages paid to staff attorney(s) or provisionally licensed attorneys, whether full-time, part-time or temporary.
2. **Paralegals.** Salaries and wages paid to staff paralegal(s) (including law graduates, legal assistants, and law students), whether full-time, part-time or temporary. Paralegals are persons working under the supervision and control of an attorney, whose duties consist primarily of such activities as intake interviewing, checking court records, legal research, and outreach and community work.
3. **Other Staff.** Salaries and wages paid to all other staff, including administrative and support staff, whether full-time, part-time, or temporary.

**Subtotal.**

4. Employee Benefits. Fringe benefits and payroll taxes paid on behalf of employees, such as retirement, FICA, health and life insurance, workers' compensation, unemployment insurance, and other payroll-related costs.

Total Personnel

Non-Personnel

5. Space. The actual cost of office space or other space for staff and services funded by the proposed grant and costs for maintenance of that space. This may include rent, utility payments, maintenance/janitorial expenses.
6. Equipment, Rental and Maintenance. Lease or rental expenses for equipment (except telephone) to be used by the proposed project; a commensurate share of anticipated maintenance costs for that equipment.
7. Office Supplies. Basic office supplies, including materials used in copiers and other small equipment. Equipment purchases under \$1,000.
8. Printing and Postage. Outside printing and postage costs.
9. Telecommunications. Local, long-distance, cellular telephone service, and expenses incurred directly by the proposed project. Similar and related expenses for conference calls, videoconferencing or other telecommunication services should be included as well.
10. Technology. Expenses related to computer software purchases, subscriptions, updates, and online data management, or electronic research services (e.g., Lexis-Nexis, Westlaw).
11. Program Travel. Travel expenses incurred by staff or volunteers to provide services through the proposed project.
12. Training. Non-personnel costs associated with training or continuing education for staff members or volunteers who provide services through the proposed project. You may include the cost of travel to and from training events, per diem, conference registration fees or tuition, purchase or production of training materials, etc. Do not include expenses associated with training that you provide to the public or to other organizations.
13. Library. Expenses for the maintenance and expansion of office libraries required by the proposed project, including subscriptions to periodicals, books and update services.

14. Insurance. A share of professional liability insurance and bonding costs proportionate to staff who are funded by the proposed project. A share of other insurance for property and automobiles commensurate with their use by the proposed project.
15. Litigation. Court costs, witness fees, expert witness expenses, sheriff's fees, courthouse copying fees, and other expenses incurred in litigation on behalf of eligible clients.
16. Capital Additions. Equipment and other purchases over \$1,000 per item.
17. Evaluation. Expenses for gathering and analyzing information and data and reporting on the effectiveness of services provided through the project.
18. Contract Service to Clients. Payments to private attorneys, consultants or organizations to provide professional services to litigants through the proposed project. On Form D, itemize individual contracts. Identify the proposed contractor(s), the general nature of duties to be performed, the rate(s) of compensation and the contract amount.
19. Other. Expenses not included above. Itemize individual expenses in the budget narrative.

Total Non-Personnel

Administrative

20. Personnel. Portions of personnel and personnel-related costs supporting general office operations, rather than legal program expenses
21. Non-Personnel. Portions of non-personnel costs supporting general office operations, rather than legal program expenses

**Reporting Requirements**

The addition of \$31 million for homelessness prevention provides an excellent opportunity for legal services programs to demonstrate the efficacy of their work in addressing one of the most intractable problems in California. Demonstrating effective use of these funds is critical to support continued and/or additional funds for such purposes in the future. Grantees are required to report both quantitative and qualitative data describing the clients served and the work performed including outcomes achieved (main and economic benefits) tied to individual characteristics to demonstrate the impact/value of these additional funds.

I. Financial Reporting Requirements

Organizations are required to submit an annual Expenditures Report, comparing project

expenditures to the approved project budget. Variances exceeding 10 percent over budget must be reported to the State Bar as promptly as possible. A final Expenditures Report will be due after the close of the grant period. As a reminder, these funds must be expended by the close of the grant period and carry-over requests are not permitted.

## II. Evaluation

Organizations are required to submit an annual Evaluation Report including the following:

- A.** What impact did this grant have in the community and for the people served?  
Describe the accomplishments in both quantitative and qualitative terms.
- B.** Was a separate evaluation of the project performed? If so, please describe the results of the evaluation and your assessment of the project. Include both the weaknesses and the strengths of the project (a discussion that includes how problems were dealt with will be more helpful than one that focuses exclusively on the project's successes).
- C.** What immediate (not already captured in main benefits reporting) and long-term impacts will result from the project?
- D.** Describe any plans to continue the project after the grant period.
- E.** Identify and provide the products produced during the project. This includes representative samples of completed work like training materials, copies of any mailing, fliers, newspaper releases, articles, or other media coverage. Also describe any future publication or distribution plans for materials resulting from grant activities. Provide the URL for websites.
- F.** Identify and provide materials that document impact and outcomes of the project, including data demonstrating the effect of services rendered (e.g., client satisfaction survey results, pre and post test results, number of cases including number of cases in which stipulations were reached, number of trials, outcome of trials, etc.).
- G.** If applicable, a report on any impact litigation and advocacy work including:
  1. Total number of impact litigation cases (include partner/co-counsel cases) both open and closed.
  2. Total number of advocacy activities both completed and ongoing.
  3. Narrative summary for individual cases and activities.

### III. Data Report

In addition to the qualitative information organizations are required to submit an annual an annual Benefits Report including the following:

- A. All benefits (outcomes) achieved for all cases according to the main benefit codes/definitions in the California Legal Aid Reporting Handbook;
- B. Demographic data of the clients served;
- C. Economic benefits for any main benefit code that resulted in an award recovered for the client or savings for the client;
- D. Activities and services provided that are not specific to an individual client but rather a large group of individuals.
- E. Case summary on all cases (attorney-client relationship) and other services (no attorney-client relationship) during the grant period.

### **Restrictions and Assurances:**

By accepting grant funds, programs agree to:

- Use funds only for stated purposes: eviction defense or other tenant defense assistance in landlord-tenant rental disputes, including pre-eviction and eviction legal services, counseling, advice and consultation, mediation, training, renter education, and representation, and legal services to improve habitability, increasing affordable housing, ensuring receipt of eligible income or benefits to improve housing stability, and homelessness prevention.
- Not use funds to supplant existing resources (meaning that these funds cannot replace existing funds used to provide these same services including the formula funding if applicable) and must be used to provide services to tenants not otherwise served by the qualified legal service project or support center.
- Comply with all reporting requirements specific to this grant.

If you have any questions, please contact:

Greg Shin  
Office of Access & Inclusion  
State Bar of California  
[greg.shin@calbar.ca.gov](mailto:greg.shin@calbar.ca.gov)  
(213) 765-1505

Christine Holmes  
Office of Access & Inclusion  
State Bar of California  
[christine.holmes@calbar.ca.gov](mailto:christine.holmes@calbar.ca.gov)  
(415) 538-2535

Relevant language included below for Agenda item IV. C. Discuss Distribution and Administration \$31 million in National Foreclosure Settlement Funding.

**Assembly Bill No. 83**  
**CHAPTER 15**

An act to amend Sections 12531, 14664, 65400, and 65583.1 of the Government Code, to amend Sections 18865.4, 37001, 50216, 50217, 50218, 50219, 50220, 50221, 50470, 50515.03, 50661, and 50675.1 of, to add Sections 50218.5, 50220.5, 50220.6, 50222, and 50675.1.1 to, and to add and repeal Section 50675.1.2 of, the Health and Safety Code, to amend Sections 12206, 17058, and 23610.5 of the Revenue and Taxation Code, and to amend Section 8256 of the Welfare and Institutions Code, relating to housing, and making an appropriation therefor, to take effect immediately, bill related to the budget.

[Approved by Governor June 29, 2020. Filed with Secretary of State June 29, 2020.]

**SECTION 1.**

Section 12531 of the Government Code is amended to read:

**12531.**

(a) The Legislature finds and declares that California, represented by the California Attorney General, entered a national multistate settlement with the country's five largest loan servicers. This agreement, the National Mortgage Settlement stemmed from successful resolution of federal court action (Consent Judgment, United States v. Bank of America (No. 1:12-cv-00361, Banzr. D.C. Apr. 4, 2012)). The National Mortgage Settlement is broad ranging, with California's share of this settlement estimated to be up to eighteen billion dollars (\$18,000,000,000). Of this amount, approximately four hundred ten million dollars (\$410,000,000) will come directly to the state in costs, fees, and penalty payments.

(b) There is hereby created in the State Treasury the National Mortgage Special Deposit Fund. Notwithstanding Section 13340, all moneys in the fund are hereby continuously appropriated, and shall be allocated by the Department of Finance.

(c) Direct payments made to the State of California as civil penalties pursuant to the National Mortgage Settlement shall be deposited in the Unfair Competition Law Fund as required by the settlement.

(d) Direct payments made to the State of California pursuant to the National Mortgage Settlement, except for those payments made pursuant to subdivision (c), shall be deposited in the National Mortgage Special Deposit Fund.

(e) (1) The funds in the National Mortgage Special Deposit Fund shall be allocated as follows:

(A) Three hundred million dollars (\$300,000,000) to be administered by the California Housing Finance Agency for both of the following purpose:

(i) Providing housing counseling services that are certified by the federal Department of Housing and Urban Development to homeowners, former homeowners, or renters.

(ii) (I) Providing mortgage assistance to qualified California households.

(II) Mortgage assistance to borrowers who own residential properties with four or fewer units who face foreclosure are eligible under this clause.

(B) Thirty-one million dollars (\$31,000,000) to the Judicial Council for distribution through the State Bar to qualified legal services projects and support centers to provide eviction defense or other tenant defense assistance in landlord-tenant disputes, including preeviction and eviction legal services, counseling, advice and consultation, mediation, training, renter education, and representation, and legal services to improve habitability, increase affordable housing, ensure receipt of eligible income or benefits to improve housing stability, and prevent homelessness. These funds shall be allocated as follows:

(i) Seventy-five percent shall be distributed to qualified legal services projects and support centers that currently provide eviction defense or other tenant defense assistance in landlord-tenant disputes as set forth in this subparagraph.

(I) To receive funds, a program shall be eligible for 2020 Interest on Lawyer Trust Fund Account (IOLTA) funding. Each eligible program shall receive a percentage equal to that legal services project's 2020 IOLTA allocation divided by the total 2020 IOLTA allocation for all legal services projects eligible for the funding.

(II) To ensure meaningful funding, a minimum amount of fifty thousand dollars (\$50,000) shall be allocated to an eligible program unless the program requests a lesser amount, in which case any funds that would have otherwise been allocated to the program shall be distributed proportionally to the other qualified legal services projects.

(III) These funds shall be distributed as soon as practicable and shall not supplant existing resources.

(ii) Twenty-five percent shall be allocated through a competitive grant process developed by the Legal Services Trust Fund Commission of the State Bar to award grants to qualified legal service projects and support centers.

(I) The grant process shall ensure that a qualified legal service project or support center to receive funding demonstrate that funds received will be not used to supplant existing resources and will be used to provide services to tenants not otherwise served by that qualified legal service project or support center.

(II) The commission shall determine grant awards, and preference shall be given to qualified legal aid agencies that serve rural or underserved communities which serve clients regardless of immigration or citizenship status.

(III) Any funds not allocated pursuant to this competitive grant process shall be distributed pursuant to clause (i).

(2) No more than 5 percent of the allocations in subparagraphs (A) and (B) of paragraph (1) shall be spent for the administration of those services.

(f) Notwithstanding any other law, the Controller may use the funds in the National Mortgage Special Deposit Fund for cashflow loans to the General Fund as provided in Sections 16310 and 16381.