



The State Bar *of California*

Date: June 19, 2019

To: All 2019 IOLTA Grantee Programs

From: Hellen Hong, Director, Office of Access & Inclusion

Subject: EAF Homeless Prevention Funding

EAF HOMELESS PREVENTION FUNDING

BACKGROUND

Recognizing the need for stable housing for renters, Governor Gavin Newsom included \$20 million in his May Revision to the 2019-2020 budget for grants to legal services organizations to provide legal assistance to renters with landlord-tenant disputes, including counseling, renter education programs and preventing evictions. The Legislature approved this funding request, and included language in the 2019-2020 budget bill (AB 74) to effectuate the purposes of the funding and further define the types of services eligible for this new funding. The budget is awaiting the Governor's signature. In the meantime, and in anticipation of the Governor's signature, the State Bar of California and the Judicial Council are working collaboratively to enable all eligible 2019 IOLTA-funded programs to receive a grant from this fund as soon as practicable. The plan being developed will finalize the eligibility requirements, fund distribution formula, grant timelines, and follow-up reporting requirements.

Approximately \$14,850,000 million (75% of the \$20 million fund less \$150,000 in administrative costs) will be distributed to qualified legal services providers and support centers that meet the eligibility requirements and the remaining 25% (approximately \$5 million) will be disbursed through a competitive grant process. The current timeline plans for the \$14.85 million to be distributed approximately on September 16, 2019, although every effort will be made to release the funding as soon as possible, with the requirement that the grant be fully spent down by June 30, 2021.

Please note that this information is preliminary and subject to change pending the finalization of the funding details.

The budget bill language has been included below for reference:

6. Of the amount appropriated in Schedule (5), \$20,000,000 shall be distributed by the Judicial Council through the State Bar of California pursuant to Provision 1 to qualified legal services projects and support centers to provide 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. Of this amount, \$150,000 shall be available, upon order of the Department of Finance, for administrative costs of the Judicial Council and the State Bar. The remaining funds shall be allocated as follows:

- a) 75 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 rental disputes, as set forth in Provision 6. To expedite the distribution of this percentage of the \$20,000,000, eligible programs shall be limited to those found eligible for 2019 IOLTA funding. Each eligible program shall receive a percentage equal to that legal services project's 2019 IOLTA allocation divided by the total 2019 IOLTA allocation for all legal services projects eligible for this funding, except that to ensure that meaningful funding is provided, a minimum amount of \$50,000 shall 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. These funds shall be distributed as soon as practicable after the effective date of this act and shall not supplant existing resources.
- b) 25 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 to provide eviction defense or other tenant defense assistance in landlord-tenant rental disputes, as set forth in Provision 6, to meet the needs of tenants not addressed by the formula provided in subdivision (a). The grant process shall ensure that any qualified legal service project or support center that received funding pursuant to subdivision (a) may only receive funding pursuant to this subdivision if that qualified legal service project or support center demonstrates that funds received under this subdivision will be not be 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. The commission shall make the grant award determinations. In awarding these grants, preference shall be given to qualified legal aid agencies that serve rural or underserved communities and that serve clients regardless of immigration or citizenship status. Any funding not allocated pursuant to this competitive grant process shall be distributed pursuant to subdivision (a), except that there shall be no minimum funding amount for these funds.

7. Funds appropriated in Provision 6 are available for encumbrance and expenditure until June 30, 2021.

Eligibility:

- 2019 IOLTA-funded programs in California that **currently** provide 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.

Proposed Grants:

- Eligible programs will receive funds in a percentage equal to their 2019 IOLTA allocation divided by the total 2019 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 first 75% tranche may preclude a program from receiving an additional allocation from the 25% tranche 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.
- The final grant amount for each program will remain fluid until eligibility for each program is finalized and programs confirm their intent to use to full formula allocation.
- Incomplete spend down of the initial grant funds by programs may necessitate a second round of fund distribution around October 2020.

Requirements/Next Steps:

- To qualify for a potential grant, respond to an initial survey released by the State Bar later this week so that the State Bar can confirm which organizations currently provide services described in the budget bill language to determine eligibility and interest in applying for the funding. The survey will also request a brief narrative on how your program would plan to use these funds. This will allow us to calculate the preliminary allocations.
- A follow-up communication will be sent approximately one week later, with the estimates of the formula distribution for eligible programs interested in receiving the funding. Programs will need to review the allocation and inform the State Bar if they are requesting something less than the formula allocation so that a final allocation can be run.

- After the Legal Services Trust Fund Commission (LSTFC) or a delegated body of the LSTFC approves the distribution formula of eligible programs, the final allocation amounts will be sent to programs in July. Programs will be given 3 weeks to submit (form to be determined):
 - A slightly more detailed narrative describing how they intend to use the funds; and
 - A budget
- The State Bar will provide either amendments to the 2019 IOLTA/EAF grant agreements or a new grant agreement detailing, among other things, that programs must:
 - Ensure that the funds do not supplant existing resources;
 - Track grant funds and spend down activity separately from all other grant funds;
 - Separately track and report clients served (including demographic data) and main benefits achieved for matters funded with this funding; and
 - Report to the State Bar at the conclusion of the grant period.
- Approximately 9-12 months (exact timing to be determined) after the disbursement of the funds, submit required reporting to show progress against original plan/budget and timeline.

Restrictions and Assurances:

By accepting grant funds, programs agree to:

- Spend down all granted funds by June 30, 2021.
- 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.
- Assure that funds received will be not be used to supplant existing resources (meaning that these funds cannot replace existing funds used to provide these same services), and will be used to provide services to tenants not otherwise served by that qualified legal service project or support center. These funds should be used to expand services and not replace other existing funding.
- Respond timely to all reporting requirements specific to this grant.

If you have any questions, please do not hesitate to contact:

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