

LEGAL SERVICES TRUST FUND COMMISSION BANK GRANTS COMMITTEE MEETING

Meeting Summary and Action Notes

Friday, March 13, 2020

1:00 p.m. – 3:00 p.m.

Videoconference and Conference Call Meeting

180 Howard Street, Room 8A, San Francisco, CA 94105

845 South Figueroa Street, Room 2C, Los Angeles, CA 90017

Committee Members

Amin Al-Sarraf
Herman Debose
James Meeker
Richard Reinis
Kim Savage, Chair

Liaisons

Zach Newman (LAAC)

Staff

Erica Carroll (In person)
Christine Holmes (In person)
Doan Nguyen

I. ROLL CALL

Roll call was taken, and a quorum was established.¹

II. CALL FOR PUBLIC COMMENTS

No comments were offered by members of the public.

III. CONSENT

The Committee approved (Reinis moved, Meeker seconded) the Action Summary from the November 22, 2019 meeting. The motion was approved by unanimous roll call vote.

IV. BANK COMMUNITY STABILIZATION AND REINVESTMENT (BCSR) GRANTS

A. Update on Western Center on Law & Poverty's Letter Regarding its 2020 to 2022 Bank Grant Application

Committee Chair, Kim Savage, reported a meeting was held on February 3 to discuss Western Center on Law and Poverty's (WCLP) 2020 bank grant application with Paul Tepper (Western Center on Law and Poverty), and the following representatives from the support centers that partnered with WCLP on the project proposal: Shamus Roller (National Housing Law Project), Mike Rawson (The Public Interest Law Project), and Jennifer Cesario (California Rural Legal Assistance Foundation). Mr. Tepper expressed a desire to speak with the Legal Services Trust Fund Commission after several conversations with staff and sent a letter on January 9 to request such an opportunity. In addition to Kim, Herman Debose and staff members, Erica Carroll, Christine Holmes, and Doan Nguyen were present for the meeting on February 3.

¹ All committee members participated via phone. On March 12, Governor Newsom issued Executive Order N-25-20 to enhance state and local government's ability to operate in response to the COVID-19 pandemic. The Order suspended certain provisions of the Bagley-Keene Open Meeting Act which allowed committee members to call in and participate in the meeting telephonically without providing a call-in location 10 days in advance.

Committee members noted to Mr. Tepper and the representatives from the support centers that the Committee received many strong applications and the final decisions were difficult to make. There is no appeal process for bank grant awards; however, the Committee members wanted to provide WCLP and the partnering support centers an opportunity to share feedback about the process and where there could be more clarity in the future. They requested the Commission take a more careful look at support centers and how they fit into the funding process. Staff informed them that all programs are encouraged to contact staff with questions prior to submitting a proposal. Staff also recognized the key role support centers have in the legal aid community in California and the Commission will benefit from the discussion around support centers during the codification process.

B. Discuss and Approve 2020 Budget Revisions for Recommendation to the Legal Services Trust Fund Commission

Senior Program Analyst, Christine Holmes reported that staff spoke with One Justice and Legal Aid at Work (LAAW) regarding their projects' subgrantee, the Legal Aid Society of San Bernardino (LASSB). Both One Justice and LAAW were provided the opportunity to revise their 2020 budget given LASSB's operational challenges. LAAW chose not to revise their budget and would continue their project with LASSB as a subgrantee. LAAW also noted it has a strong partnership with LASSB and LAAW staff are present at many of the joint clinics. OneJustice decided to revise its budget, however; through its IOLTA funded programs, it will support LASSB in addressing its organizational challenges.

OneJustice's budget revision request eliminates the subgrant to LAASB and shifts most of the funding to OneJustice staff time. The Committee asked for clarification about whether the scope and description of the project has changed. Staff reported that OneJustice did not significantly modify its activities but describes the need for increased staff time to allow for better development of remote clinic activities and to teach pro bono management to its three remaining inland empire subgrantees. The staff recommendation is to approve the budget revision.

The Committee adopted staff's recommendation to approve (Reinis moved, Debose and Al-Sarraf seconded) the OneJustice 2020 Bank Grant budget revision. The motion was approved by unanimous roll call vote.

C. Discuss and Approve Redistribution Options from Discontinued or Unused Bank Grant Funds

Christine reported that the Office of Access & Inclusion (OAI) has on hand \$339,106 in discontinued or unused Bank Grant funds that had initially been approved for distribution under the 2018 to 2020 Bank Grant Request for Proposal (RFP). In the past, discontinued or unspent funds were added to the total unallocated Bank Grant funds for future distribution rather than redistributed immediately. There is no established policy for redistributing the funds. Staff presented the Commission with three options as outlined in the March 6, 2020 memorandum shared prior to the meeting. The options presented were: (1) add funds to the remaining Bank Grant funds for future distribution;

- (2) redistribute to 2018 grantees or applicants; and
- (3) redistribute to 2020 grantees or applicants.

Staff explained the third option would require approval from the Board of Trustees (BOT) because it involves a change to the already-approved policy. The staff recommendation as stated in the memo was option one.

The Committee discussed the difference between past practice and policy and considered the challenges of presenting a policy change to the BOT for a relatively small amount to redistribute. Staff reiterated its recommendation from the memorandum that distribution policy changes would be better explored through the codification process. The Committee also inquired about the schedule for releasing the next request for proposals (RFP). Staff noted there were no current plans to release an RFP for 2021 funding per discussion from the previous Committee meetings. The Committee indicated an interest in discussing the possibility of releasing the next RFP sooner. The discussion was tabled for the next Committee meeting.

The Committee adopted staff's recommendation (Debose moved, Al-Sarraf seconded) to keep with past practice and hold the funds for future distribution. The motion was approved by unanimous roll call vote.

D. Review and Discuss 2016 through 2018 Bank Grant Evaluation Data

Christine reported that the Office of Access & Inclusion may receive additional discretionary funds to distribute from the National Mortgage Settlement. California received \$410 million in the 2012 national settlement with Ally, Bank of America, Citigroup, J.P. Morgan Chase and Wells Fargo. Most of the money, \$331 million, was used by then-Governor Jerry Brown and legislators to repay housing bonds. After a series of court challenges, the state had to repay the funds. The \$331 million, originally set aside for statewide homeowner help, is now held in a trust fund. Some of the funding will go toward legal services. The Department of Finance is undergoing a one-year planning period to determine how to distribute the \$331 million and which organization should distribute the funds.

Christine reported that staff are preparing a report on the activities and services provided through the bank grants. She then presented a PowerPoint on the project data collected from the programs through various evaluation reports including some highlights from 2016 through 2018 bank grant projects. 2019 evaluations had been submitted the week prior to the meeting and the data would be incorporated into the report. Staff noted the quantitative data provided often required additional follow-up to understand the program's methodology and didn't always align well with the project work, particularly for community development projects.

The Committee provided feedback on ways to present the data in the report and how to address some of the challenges with the data. The Committee also expressed interest in reviewing the evaluations

which staff noted is available to all members through SmartSimple. The report will be shared with the Committee at the next meeting which was scheduled for June 26, 2020.