

**Legal Services Trust Fund Commission
Bank Grants Committee Meeting
Meeting Summary and Action Items**

**Monday, July 20, 2020
10:00 a.m. – 2:00 p.m.
Zoom Conference Call**

OPEN SESSION

Chair Kim Savage called the meeting to order at 10:00 a.m.

I. ROLL CALL

Roll was taken and quorum was established. All members were present on Zoom or by phone.

Commission Members

Chair Kim Savage
Amin Al-Sarraf
Herman Debose (Absent)
James Meeker
Richard Reinis (Absent)

Board Liaison

Debbie Manning

Liaison

Salena Copeland (LAAC)

Public

None

State Bar Staff

Christine Holmes
Brady Dewar
Doan Nguyen
Greg Shin

II. CALL FOR PUBLIC COMMENT

Chair Savage invited members of the public on any items on the agenda. No public comment was made.

III. CONSENT

A. Approval of Meeting Summary and Action Items from March 13, 2020 Meeting

The Bank Grants Committee (Committee) approved by unanimous roll call vote the Action Summary from the March 13, 2020 meeting (Al Sarraf moved, Meeker seconded).

III. BANK COMMUNITY STABILIZATION AND REINVESTMENT (BCSR) GRANTS

A. Discuss and Approve 2019 and 2020 Budget Revisions for Recommendation to the Legal Services Trust Fund Commission

B. Discuss Carry-Over and Budget Revision Policy for 2018 through 2020 Bank Grants

Senior Program Analyst Christine Holmes noted the two agenda items regarding budget revisions will be discussed together. Holmes provided an overview of the budget revision process for bank grants. The three governing authorities that dictate how to process budget revision requests include: 1) the grant agreement; 2) the General Grant Provisions, and 3) Functional Matrix approved by the Board of Directors which provides the Commission authority to approve requests over 25 percent and Staff the authority to approve requests between 10 percent and 25 percent.

Holmes noted that programs report project expenses in accordance with the approved yearly budgets as part of their annual bank grant evaluation. They also report on the status of the project including successes, challenges, and lessons learned. Fiscal and program staff review the evaluation to determine compliance with the grant agreement and other governing authorities, and if the project is on schedule to meet its stated goals and objectives.

The 2019 annual bank grant evaluation was due on March 6, 2020. Staff reviewed the evaluations and identified seven programs that had material deviations and needed to submit budget revisions for grant year 2019. Staff reviewed and approved the budget revision requests for the following grantees whose deviations were between 10 percent and 25 percent: 1) Affordable Housing Advocates, 2) Central California Legal Services, 3) Family Violence Law Center, and 4) Greater Bakersfield Legal Assistance.

The remaining three programs had budget revisions that required approval by the Commission:

1. **California Rural Legal Assistance, Inc.'s** (CRLA) budget deviation was 28.31 percent and due mostly to not spending down personnel expenses. CRLA reported that it was still on schedule to meet project goals and added an additional staff attorney to the project 2020.
2. **Legal Assistance for Seniors'** (LAS) budget deviation was 33.4 percent and due mostly to not spending down personnel expenses. LAS reported that it had increased personnel time in the first two months of 2020 and was working on developing a homeownership preservation presentation. LAS also reported it was on schedule to meet project goals.
3. **Impact Fund's** budget deviation was 43 percent and due almost solely to unspent funds for subgrants. While Impact Fund had reported being on schedule with some project goals, it also reported there being lower levels of impact litigation activity in the central valley than anticipated. It reported actively recruiting subgrantees in 2020 and the potential for increased impact litigation due to the expiration of ground water pollution permits for large dairy farms. Impact Fund also noted that it will likely request a carry-over in order to hold an in-person Clean Water Forum in 2021.

The staff recommendation was to approve all three program's 2019 budget revision requests. Staff noted that any remaining unspent funds at the end of the grant period, December 31, 2020, will be returned to the State unless a carryover is requested and approved. The Committee discussed Impact Fund's ability to spend down funds even if allowed to spend down funds in 2021.

The Committee adopted the staff recommendation by unanimous roll call vote to approve the 2019 budget revisions for California Rural Legal Assistance, Inc., Legal Assistance for Seniors, and Impact Fund (Meeker moved, Al Sarraf seconded).

Holmes discussed the carry-over process for bank grants noting the grant agreement sets a six-month spend down period for approved carryover of unspent bank grant funds. The COVID-19 pandemic has had a significant impact on programs providing services due to state and local shelter-in-place orders. Several programs have inquired about carry-over requests to be spent down over the full 2021 year. Staff anticipate more inquiries and requests in the coming months.

Staff recommended the Committee pass similar motions to what the Commission passed at its June 26 meeting regarding 2020 IOLTA budget revisions and carry-overs. The Commission resolved to (1) maintain a flexible and generous approach to carryover requests for 2020 grant funds, in particular by allowing larger amounts to be carried over and by permitting spenddown over all of 2021, and (2) maintain a flexible and generous approach to budget revision requests.

The Committee approved the staff recommendation by unanimous roll call vote to maintain a flexible approach to carry-over requests for 2018 Bank Grants with grant periods ending in 2020, in particular by allowing larger amounts to be carried over and by permitting spenddown over all of 2021; and, to maintain a flexible approve to budget revisions requests (Al Sarraf moved, Savage seconded).

Holmes reported that OneJustice would like the Bank Grant Committee to consider its proposal to replace its approved subgrantee, Inland Empire Latino Lawyers Association (IELLA) with Inland Counties Legal Services (ICLS). In March 2020, IELLA informed OneJustice it would not be able to carry out its 2020 Bank Grant deliverable due to operational hardships as a result of COVID-19 restrictions. OneJustice approached ICLS about replacing IELLA and ICLS agreed. Neither the deliverables nor the subgrant amount would change.

The Committee adopted the staff recommendation to approve OneJustice's proposal to replace Inland Empire Latino Lawyers Association with Inland Counties Legal Services as a partnering organization for its Inland Empire Community Redevelopment Pro Bono Project by unanimous roll call vote (Savage moved, Meeker seconded).

C. Discuss Distribution and Administration \$31 million in National Foreclosure Settlement Funding

Staff discussed AB 83, which that allocates \$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." Staff and the Committee discussed the broadness of the statutory language regarding qualifying work. The language in the statute is nearly identical to the language for the \$20,000,000 distributed through Equal Access Funding Homelessness Prevention formula and RFP grants in 2019 and 2020. Staff shared the tentative timeline for the distribution of the formula and RFP funding and discussed holding a convening with programs to brainstorm innovative project ideas.

Because the language for the new funding is nearly same as the \$20,000,000, the Homelessness Prevention Committee (HP Committee) will distribute the new funding. Staff noted there are only four members on that Committee but there should be at least eight. Staff asked for volunteers from the Bank Grants Committee to serve on the HP Committee. Committee members would need to remain on the Bank Grants Committee to distribute the remaining in funds through one final RFP. Committee members Savage, Al Sarraf, and Meeker volunteered to join the HP Committee. Staff will follow up with absent Committee members about the opportunity.

Staff reported that in the next few weeks it will work on drafting the formula and RFP applications and would like to form a staff-lead working group. Committee members Savage and Meeker volunteered for the working group.

D. Bank Grant Evaluation Update

Holmes reported that the Bank Grant evaluation was delayed due to other matters that have come up in response to COVID-19. Staff will continue to work on the evaluation and plan to share it with the Committee and Commission.

IV. ADJOURN

There being no other business Chair Savage adjourned the meeting at 11:43 a.m.