



The State Bar of California

**OPEN SESSION
AGENDA ITEM
AUGUST 2022
LEGAL SERVICES TRUST FUND COMMISSION V.G.**

DATE: August 12, 2022

TO: Members, Legal Services Trust Fund Commission

FROM: Members, Legal Services Trust Fund Commission Homelessness Prevention Funds Committee

SUBJECT: Timeline and Delegations of Authority for Distributing the 2023-2024 Homelessness Prevention (HP 4) Grants

EXECUTIVE SUMMARY

Governor Newsom signed the Budget Act of 2022 (the Budget Act) on June 27, 2022.¹ The Budget Act makes two allocations for homelessness prevention (HP) legal aid: \$20 million is the second of three expected appropriations for the already-awarded HP 3 formula and competitive grants. HP 3 awards run from December 1, 2021, (formula) and January 1, 2022, (competitive) through December 31, 2024. An additional \$30 million would become the 2023-2024 HP (HP 4) grants.

This memo proposes a timeline and roles for making HP 4 awards. So that grants can start by January 1, 2023, the Committee recommends the same process that the Commission approved for HP 3 competitive awards: The Committee would adopt the HP 4 scoring rubric. A team of commissioners and State Bar staff would score applications in consultation with the Committee. Then the Committee would recommend awards to the Commission for approval.

¹ The Budget Act is available at https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB154.

BACKGROUND

The Budget Act makes \$20 million and \$30 million allocations for qualified legal services projects (QLSPs) and support centers (SCs) to provide HP legal aid.² The \$20 million derives from federal Coronavirus State Fiscal Recovery Funds and has an encumbrance or expenditure date of December 31, 2024. The Commission anticipated this funding, which will cover HP 3 grant payments in early 2023.³

The remaining \$30 million for HP legal aid uses non-federal funding. That amount has an encumbrance or expenditure deadline of June 30, 2024, and is available to create HP 4 awards. The portion to cover Judicial Council and State Bar costs is capped at five percent (\$1.5 million). Like for HP 3, the funding for HP 4 awards must pay for:

[E]viction defense, other tenant defense assistance in landlord-tenant rental disputes, or services to prevent foreclosure for homeowners, 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, legal help for persons displaced because of domestic violence, and homelessness prevention.⁴

Unlike HP 3, the Budget Act provides that all HP 4 grants shall be competitive. As with HP 3 competitive awards, applicants that serve rural or underserved communities shall receive preference. The Legislature left out last year's express requirement that applicants avoid supplanting other funding with their new HP dollars. The table below summarizes key aspects of the authorizing language for HP 3 and HP 4 grants. Additionally, Attachment A contains relevant excerpts from the Budget Act.

² Business and Professions Code sections 6213(a)-(b) define QLSP and SC. Legal services nonprofits must apply/reapply for QLSP or SC status every year.

³ The Commission authorized HP 3 awards using an \$80 million expected allocation over three years of appropriations: \$40 million from the Budget Act of 2021 and \$40 million (combined) from the Budget Acts of 2022 and 2023. See the Commission's August 13, 2021, resolution stating, "RESOLVED, that the [Commission] will administer the 2021 [HP] formula and 2022 HP competitive awards as three-year grants with an expected total appropriation of \$80 million combined." The meeting minutes are available at <https://board.calbar.ca.gov/docs/agendaitem/Public/agendaitem1000028432.pdf>. (p. 7).

⁴ The Budget Act of 2022.

Comparing the Authorizing Statutes for HP 3 and HP 4 Grants

	Budget Act of 2021 (HP 3 Grants)	Budget Act of 2022 (HP 4 Grants)
Spending	\$40 million	\$30 million ⁵
Federal or state source	Federal	State
Eligible organizations	QLSPs and SCs	QLSPs and SCs
Permissible activities	Same (see above language)	Same (see above language)
Formula and/or Competitive	Formula and competitive	Competitive only
“No supplantation” clause	Yes	No
Competitive preference	Serve rural or underserved	Serve rural or underserved
Administrative costs	Up to 2.5%	Up to 5%
Encumbrance/expend. date	December 31, 2024	June 30, 2024

DISCUSSION

The Committee recommends modeling the timeline and roles for making HP 4 grants on last year’s process for the HP 3 competitive awards. Applicants, commissioners, and staff will have about the same amount of time—from mid-August to mid-December—to do the following:

- Adopt a scoring rubric and request for proposals (RFP) (Committee).
- Launch the application (staff).
- Design/submit multi-year projects (applicants).
- Advise the scoring team (Committee).
- Score proposals (commissioner-staff scoring team).
- Review budgets (commissioner-staff scoring team).
- Recommend awards (Committee).
- Approve awards (Commission).
- Sign grant agreements (applicants and staff).

Based on last year’s grantmaking calendar, the Committee recommends the timeline and roles below for making HP 4 awards. Dates are approximate to accommodate applicant, commissioner, and staff availability and needs:

Recommended Timeline for Making HP 4 Awards

Approximate Date(s)	Activity
July 20, 2022	Committee recommends timeline and delegations of authority to the Commission
August 12, 2022	Commission approves timeline and delegations of authority
August 31, 2022	Committee approves RFP and scoring rubric

⁵ This amount excludes the \$20 million that the Commission intended to use for the HP 3 grants. See footnote three, *supra*.

Approximate Date(s)	Activity
September 9, 2022	Staff releases application
October 10, 2022	Applications due
October 19, 2022	Committee advises the scoring team/calibrates the rubric
October 20-November 11, 2022	Commissioner-staff team scores applications
December 1, 2022	Committee recommends awards
December 13, 2022	Commission approves awards
January 1, 2023	Grant period starts

RECOMMENDATIONS

Should the Commission agree with the Committee's proposal, passage of the following resolution is recommended.

RESOLVED, that the Legal Services Trust Fund Commission approves the timeline for 2023-2024 Homelessness Prevention (HP 4) grants as presented in the Homelessness Prevention Funds Committee's August 12, 2022, memo; and it is

FURTHER RESOLVED, that the Commission delegates authority to the Committee to approve the request for proposals, including scoring rubric, for the HP 4 grants and to a commissioner(s)-staff team to score applications in consultation with the Committee.

ATTACHMENT(S) LIST

- A. HP Funding Excerpts from the Budget Act of 2022

Attachment A
Homelessness Prevention (HP) Funding Excerpts from the Budget Act of 2022

[Additional funding for HP 3 Awards]

0250-162-8506—For local assistance, Judicial Branch, payable from the Coronavirus Fiscal Recovery Fund of 2021.....[\$]20,000,000

Schedule:

(2) 0150083-Equal Access Fund.....[\$]20,000,000

Provisions:

1. The funding in Schedule (2) shall be distributed by the Judicial Council through the Legal Services Trust Fund Commission of the State Bar of California pursuant to this provision to qualified legal services projects and support centers to provide eviction defense, other tenant defense assistance in landlord-tenant rental disputes, or services to prevent foreclosure for homeowners, 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, legal help for persons displaced because of domestic violence, and homelessness prevention. Of this amount, no more than 5 percent shall be available, upon order of the Department of Finance, for administrative costs of the Judicial Council and the State Bar of California, provided that funds spent shall not exceed the actual costs of administration [sic]. Unspent administrative funds shall be redistributed to qualifying grantees as prescribed by the commission.
2. The remaining funds shall be allocated through a competitive grant process developed by the commission to award grants to qualified legal service projects and support centers to provide eviction defense, other tenant defense assistance in landlord-tenant rental disputes, or services to prevent foreclosures for homeowners, as set forth in Provision 1. 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.
3. Funds appropriated in Schedule (2) are available for encumbrance or expenditure until December 31, 2024.
4. The State Bar of California shall annually provide to the Judicial Council a report that includes funding allocations, annual expenditures, and program outcomes by service area, and service provider for all Equal Access Fund and federal funding. Data shall be reported using the established reporting framework in the Equal Access Program including applicable outcome measures reported in Legal Services standardized reporting, state level performance measures, and main benefits scores. The Judicial Council shall provide the report to the Department of Finance by January 1 of each year for the prior fiscal year.

[Funding for HP 4 awards]

0250-101-0001—For local assistance, Judicial Branch.....[\$]181,603,000

Schedule:

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(5) 0150083-Equal Access Fund.....[\$]85,392,000

...

Provisions:

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24. Of the amount appropriated in Schedule (5), \$30,000,000 shall be distributed by the Judicial Council through the Legal Service Trust Fund Commission of the State Bar of California pursuant to this provision to qualified legal services projects and support centers to provide eviction defense, other tenant defense assistance in landlord-tenant rental disputes, or services to prevent foreclosure for homeowners, 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, legal help for persons displaced because of domestic violence, and homelessness prevention. Of this amount, no more than 5 percent shall be available, upon order of the Department of Finance, for administrative costs of the Judicial Council and the State Bar of California, provided that funds spent shall not exceed the actual costs of administration. Unspent administrative funds shall be redistributed to qualifying grantees as prescribed by the Legal Services Trust Fund Commission.
25. After the allocation of funds pursuant to Provision 24, any remaining funds from the amount appropriated for purposes of that provision 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, other tenant defense assistance in landlord-tenant rental disputes, or services to prevent foreclosures for homeowners, as set forth in this provision. 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.
26. The funds described in Provisions 24 and 25 are available for encumbrance or expenditure until June 30, 2024.