



The State Bar of California

OPEN SESSION

AGENDA ITEM

MARCH 2023

LEGAL SERVICES TRUST FUND COMMISSION (LSTFC) HOMELESSNESS PREVENTION FUNDS COMMITTEE 4.1

DATE: March 1, 2023

TO: Members, LSTFC Homelessness Prevention Funds Committee

FROM: Jennifer Zelnick, Senior Program Analyst, Office of Access & Inclusion
Chris McConkey, Program Supervisor, Office of Access & Inclusion

SUBJECT: Recommendations for 2021-2023 Homelessness Prevention (HP 2) and
2021/2022-2024 Homelessness Prevention (HP 3) Grant Budget Revisions

EXECUTIVE SUMMARY

Each year organizations that receive homelessness prevention (HP) grant funding have the opportunity to revise their grant budgets. HP 2 and HP 3 Formula and Competitive budget revisions forms for 2023 were released by staff on October 11, 2022, and were due back on January 31, 2023. Revisions equal to or exceeding 25 percent of the total grant award require Legal Services Trust Fund Commission (Commission) review and approval. This memo describes staff's recommendations for the 11 HP 2 and 3 budget requests for the Homelessness Prevention Funds Committee's (Committee's) meeting on March 1, 2023.

BACKGROUND

Grantees seeking to revise their budgets must submit a written request for revision. In the Legal Services Trust Fund Program General Grant Provisions, provision 7.01 states that recipients shall not materially deviate from the approved budget without first obtaining prior written approval. A budget revision request must fully delineate the reason for the revision and any effect on the recipient. According to the Commission's Functional Matrix, changes which are at or below 10 percent of the total award are self-approving. State Bar staff may review and approve requests that have a deviation between 10 and 25 percent of the total award. If the

deviation is equal to or greater than 25 percent, the Committee and Commission review the request and determine approval.

DISCUSSION

Staff received 23 requests: 5 for HP 2 Formula, 1 for HP 2 Competitive, 12 for HP 3 Formula, and 5 for HP 3 Competitive. Because programs are not required to submit budget revision requests if they are 10 percent of or below the total award, those 12 requests that were self-approving technically do not require further review. Nonetheless, staff still assessed the personnel and program ratios, and checked budget modification narratives to ensure that the proposed use of funds was still reasonable (e.g., would continue to fund qualifying work, would not pay for a different project's costs, or put an unexplained amount into capital additions, etc.). Excluding those 12 requests that were self-approving, Attachment A details all HP 2 Formula and Competitive grant budget revision requests, and Attachment B details all HP 3 Formula and Competitive grant budget revision requests.

Staff reviewed the submissions and determined that four requests must be elevated for Committee approval:

- Child Care Law Center's HP 2 Formula Grant (requesting a 40.50 percent budget revision);
- Child Care Law Center's HP 3 Formula Grant (requesting a 26.47 percent budget revision);
- Public Counsel's HP 3 Formula Grant (requesting a 45 percent budget revision); and
- Public Counsel's HP 3 Competitive Grant (requesting a 48.53 percent budget revision).

Child Care Law Center's (CCLC) HP 2 Formula budget modifications reflect the loss of a paralegal and increased attorney time, additions to administrative funding for personnel and non-personnel, and changes in non-personnel line items such as increased funding for space and decreased funding for technology. CCLC's HP 3 Formula budget revisions reflect increases in personnel and decreases to many non-personnel items such as eliminating outside evaluators and decreasing contract services to clients. Please see Attachments A and B for more detailed explanations about both budget revision requests provided by CCLC. Staff recommend approving CCLC's HP 2 Formula and HP 3 Formula budget modifications.

In addition to requesting to move money between budget items and years, Public Counsel seeks to reduce the overall amount of funds distributed for both grants. Whereas Public Counsel's HP 3 Formula award was for \$2,600,319, they are now asking for \$1,300,011. Likewise, Public Counsel is asking to reduce their HP 3 Competitive award from \$1,100,000 to \$537,397. Attachment B outlines the financial details of both requests. In Attachment C, Public Counsel attributes their request for a reduction in the overall amount of funds to difficulties hiring attorneys and lower demands for services. Additionally, because these budget modifications will result in lower deliverables, Attachment C also details Public Counsel's requested deliverables modifications for HP 3 Formula and HP 3 Competitive. Staff recommend

approving Public Counsel's HP 3 Formula and Competitive budget and deliverables modifications, while working with Public Counsel to ensure they are maximizing these grant dollars as much as possible.

The remaining 7 requests were between 10 and 25 percent and were reviewed and approved by staff. For these requests, staff checked for personnel and administrative percentages, sufficiency of narrative explanations, reasonableness in movement of dollars, and whether budget modifications included new capital additions requests.

RECOMMENDATIONS

Should the Committee concur with staff's proposal, passage of the following resolution is recommended:

RESOLVED, that the Legal Services Trust Fund Commission (Commission) Homelessness Prevention Funds Committee recommends to the Commission that it approve the recommendations for 2021–2023 Homelessness Prevention (HP 2) and 2021/2022–2024 Homelessness Prevention (HP 3) grant budget revisions as described herein.

ATTACHMENT(S) LIST

- A.** 2021–2023 Homelessness Prevention (HP 2) Formula and Competitive Grant Budget Revision Requests
- B.** 2021/2022–2024 Homelessness Prevention (HP 3) Formula and Competitive Grant Budget Revision Requests
- C.** Public Counsel's Deliverables Modification Request Letter for HP 3 Formula and HP 3 Competitive

2021-2023 Homlessness Prevention (HP 2) Budget Revision Requests

Change is at or below 10% of award: Self-approving (not shown)
Change is between 10% and 25% of award: Staff may approve
Change is 25% or more of award: Committee/Commission approves

HP 2 Formula Grants						
	Organization	3-Year Award	Revision Amount*	Revision Percent*	Grantee Explanation (Excerpt from Revision Request Form)	Recommendation
Requiring action: Changes totaling 25% or more of the award						
1	Child Care Law Center	\$172,545	\$69,927	40.50%	Attorneys: Attorney time is adjusted to .20, necessary for project implementation. Attorney salary is updated. Paralegals: Our paralegal became unable to work in 2022. A project manager will be the replacement staff. Other Staff: Project Manager, .20 FTE to oversee all HP grant activities. Benefits: Health and dental insurance, payroll taxes, 403b contributions for attorney and project manager, on an FTE basis. Space, Office Supplies, Printing and Postage, Telecommunications, Library, Insurance, and Others: In Year 1, several shared program expenses were charged to HP 2 before the correct budget was entered into our accounting system. This revision request allocates the shared program expenses on an FTE basis, across the three-year grant. Technology: Customer relations database, intake system, & legal research costs adjusted to be more accurate and allocated on an FTE basis. Program Travel: Mileage and parking/travel for staff to and from staff meetings or training. This line item is increased to cover incidental travel for program staff, which was not included in the original budget. Training: We are revising these training costs; we did not have the amount of training or professional development we originally foresaw. Contract Services to Clients: This budget is revised to reflect the costs of video production, translation, and distribution. Administrative Personnel: This budget is revised to reflect the costs of video production, translation, and distribution. Administrative Non-Personnel: accounting software, audit, payroll processing fees.	Approve. However, even though the organization is increasing the personnel allocation (73.4%) vs non-personnel (26.6%) it is still under the recommended percentages. Here's the organization's explanation: This grant focuses on community education about housing rights and rights to childcare subsidy income. One essential expense is creating outreach videos, which require personnel to create, translate and distribute. This \$15,000 line item is in contract services to clients. If we had these skills in-house, our personnel costs would be over the 75% threshold.
FYI only: Changes between 10% and 25% of the award						
2	California Advocates for Nursing Home Reform	\$172,545	\$25,610	14.84%	Attorneys: During 2022, CANHR was short by two staff attorneys and shifted HP II more toward other staff and paralegals to ensure grant outcomes were achieved. Paralegals: During 2022, paralegal staff time was reduced as one staff person unexpectedly reduced his hours leading up to retirement. Other Staff: Other staff, such as Advocates, increased support for the implementation of this project during 2022 to make up for attorney and paralegal staff shortages.	Approve
3	Greater Bakersfield Legal Assistance	\$449,757	\$89,687	19.90%	The total budget for each line item was reallocated to subsequent years in the grant. This was done for each line item on a pro-rata basis.	Approve
4	Inland Counties Legal Services	\$1,256,778	\$173,590	13.80%	Budget revision based on review of actual 2-year grant activity history. Revised staffing categories based on experience, updated FTEs in each category. Additionally, increases in salaries that were necessary in response to difficulties in hiring due to labor shortage and inflation. As a result, employee benefits as a percentage of compensation actually decreased as increases in salaries outpaced rising costs of healthcare and other benefits. Non-personnel costs were revised based on allocated expenses due to FTE changes.	Approve
HP 2 Competitive Grants						
	Organization	3-Year Award	Revision Amount*	Revision Percent*	Grantee Explanation (Excerpt from Revision Request Form)	Recommendation
Requiring action: Changes totaling 25% or more of the award						
None						
FYI only: Changes between 10% and 25% of the award						
None						

*In accordance with the LSTFP General Grant Provisions, these figures refer to changes between budget categories over the life of the award (2021-2023)--rather than from year-to-year or within years.

2021/2022 -2024 HP 3 Budget Revision Requests

Change is at or below 10% of award: Self-approving (not shown)
Change is between 10% and 25% of award: Staff may approve
Change is 25% or more of award: Committee/Commission approves

HP 3 Formula Grants						
	Organization	3-Year Award	Revision Amount*	Revision Percent*	Grantee Explanation (Excerpt from Revision Request Form)	Recommendation
Requiring action: Changes totaling 25% or more of the award						
1	Child Care Law Center	\$442,044	\$116,998	26.47%	Attorneys: Updated salaries. FTE remains the same - Atty 1 @ 50% and Supervising Atty @10% / Paralegals: we will not use paralegals in the year ahead. Our paralegal was unable to finish the work year in 2022. / Other staff: Project Manager for homelessness prevention project - .66 FTE. this person will also be funded in HP 2 and with other funds. / Employee benefits: Payroll taxes, health and dental insurance, long-term disability insurance, contributions to 403B plan. For 2022 we had overcalculated benefits costs. / Non-personnel: changes to fund various non-personnel line items. / Administrative: Salary for Finance Director @.10 time, and bookkeeper at .10% time, and Development/Communications Staff@ .05% time - plus benefits (payroll taxes, insurance and 403 B contributions). / Administrative non-personnel: Audit fees, administrative share of payroll processing fees, telephone, internet, fidelity bond insurance and accounting software on a FTE basis.	Approve
2	Public Counsel	\$2,600,319	\$1,170,018	45%	Attorneys, Paralegals, Other Staff, Administrative Non-Personnel: We have been challenged in spending down the grant due to the difficulty in hiring eviction defense attorneys. We now propose to launch a Special Litigation team consisting of a Supervising Staff Attorney, a Staff Attorney, a Law Fellow, and a Paralegal. This new affirmative litigation team would fill a major gap in legal services for low-income tenants seeking affirmative relief, and we believe it will attract qualified applicants. In the midst of the pandemic, there was an explosion of landlord harassment, illegal lockouts, and other actionable behavior by landlords who were not able to evict tenants lawfully due to local, state, and federal protections against eviction. Many tenants have lost their housing and become homeless due to these actions, or have left the area because they were unable to find affordable replacement housing. As a result, a number of new laws have been passed that provide penalties for illegal landlord behavior. But the legal services landscape in Los Angeles does not currently provide an avenue for tenants to pursue legal action against their landlords to enforce these new laws. The vast majority of tenants who obtain legal representation do so through nonprofit organizations, most of which are grant-funded to undertake unlawful detainer defense, and do not have the capacity to initiate litigation against landlords. The private bar does not typically take on such cases and interest from the pro bono sector has been low. Currently, we encounter clients daily who have been subject to landlord harassment and other illegal behavior that gives rise to affirmative claims. But we are unable to offer them much more than a list of private attorneys who probably won't even have the time to return their calls. With in-house expertise and resources, we will be able to generate increased interest from the pro bono sector and litigate cases that will serve as examples to both the legal community and the real estate market. Securing damages through these cases will enable tenants to find replacement housing and avoid or exit homelessness. The deliverables for this new team will be 12 cases filed in 2023 (8 in-house and 4 placed with pro bonos) and 15 cases filed in 2024 (12 in-house and 3 placed with pro bonos), in addition to the deliverables in our application.	Approve. See Attachment C, "Public Counsel's Deliverables Modification Request Letter for HP 3 Formula and HP 3 Competitive" for more details.
FYI only: Changes between 10% and 25% of the award						
3	Alameda County Homless Action Center	\$281,265	\$40,115	14.30%	Paralegals: Paralegal helps with intakes, HMIS, and data collection. Other staff: Housing Navigator. Benefits: 24% of salaries. Office Supplies: Office supplies for the project. Technology: IT support in the field. Program Travel: Housing Navigator travels for outreach, taking clients to appointments, etc. Training: Training for the project. Contract Service to Clients: Supplied for client support.	Approve
4	Asian Americans Advancing Justice Southern California	\$1,461,693	\$257,025	17.58%	Attorneys: change covers a portion of salaries for the Managing Director, Program Director and Staff Attorney who are directly involved in providing consultations and legal representations on behalf of clients. Reducing original budget due to difficulties hiring new staff. Paralegals: change covers bilingual legal advocates (Korean, Hindi, Cantonese, Mandarin, and Vietnamese) who support attorneys and conduct intake, client follow up, and assist with client translations and interpretation. Reducing original budget due to difficulties hiring new staff. Benefits: statutory payroll taxes and benefits, including medical, dental, vision, life, retirement, and disability insurance at between 16% and 22% of salaries. Office Supplies: Covers office supplies such as paper, pens, printer ink and toner, binders, case folders, organizers, workbooks, office stationery, etc. Printing and Postage: Covers the estimated cost to produce housing protection brochures and the cost of "Every Door Direct" or similar services for direct outreach to clients; also covers the cost of copying client documents and correspondence, and the costs of mailing documents. Telecommunications: Covers call center telephone services, remote work software and services, and conference call and videoconferencing services to enable remote work to serve clients in the Housing Protection Program. Capital Additions: Covers furnishings for the new regional office, and the buildout of a conference room in the new Regional Office for client meetings. Contract Service to Clients: Like other legal service organizations in California, we have seen staff recruitment and hiring challenges across our organization. Combined with the 18–24-month limited employment term for the legal positions we are seeking to fill, AJSOCAL has had extreme difficulties in hiring attorneys and paralegals despite advertising these jobs for over one year. If these hiring difficulties continue through Q1 2023, AJSOCAL will seek to hire independent contractors (1099 status) to fill the roles of attorneys and paralegals. Thus, this is simply a shift of approximately 2.3 FTE’s from the personnel line item to the non-personnel line item, and represents payments to temporary contractors and/or qualified legal organizations to assist in completing casework in lieu of direct hires in years 2 and 3. AJSOCAL will continue to seek to fill the positions via the direct hire route but in the event our hiring difficulties continue, approval of this line item will ensure that we can pivot to a new strategy while still meeting the required grant deliverables within the funding parameters. Other: Includes estimated costs for targeted digital ads, community event expenses and similar costs to promote housing protection services.	Approve. However, the revised budget reduces the total personnel allocation to 60.2% and increases non-personnel allocation to 39.7% - Organization explanation: Due to challenges in hiring additional legal staff that was in the original budget, we are shifting funds from Personnel to No personnel Contract Service to Clients to support bringing on temporary contractors and/or qualified legal organizations to assist in completing casework in lieu of direct hires in years 2 and 3 while still meeting deliverables. AJSOCAL will continue to seek to fill the positions via the direct hire route but in the event our hiring difficulties continue, approval of this exception will ensure that we can pivot to a new strategy while still meeting the required grant deliverables within the funding parameters.

HP 3 Competitive Grant						
	Organization	3-Year Award	Revision Amount*	Revision Percent*	Grantee Explanation (Excerpt from Revision Request Form)	Recommendation
Requiring action: Changes totaling 25% or more of the award						
1	Public Counsel	\$1,100,000	\$533,851	48.53%	Attorneys, Paralegal, Other Staff, Benefits, Total Sub-Grants: In our proposal, we anticipated a deluge of foreclosure cases akin to the aftermath of the 2009 financial crisis. We anticipated that our clinics would be inundated as they had been under a prior Public Counsel/Bet Tzedek grant collaboration, and that we would provide rapid counsel and advice to 1,460 clinic attendees, selecting 470 cases for a higher level of service. We hired three staff members to do this work – two Staff Attorneys and an Administrative Assistant, working alongside a Supervising Staff Attorney and a Directing Attorney. Subgrantee Bet Tzedek also hired a Staff Attorney, but was not able to fill the position until September 2022. This influx of clients has not materialized despite targeted outreach to public libraries, community-based organizations, and legislative offices in areas of greatest risk for foreclosure. In addition, through our CalHFA grant, subgrantee ACCE has conducted widespread outreach that has targeted households in low-income neighborhoods in active foreclosure to drive them to our foreclosure clinics. However, we have seen little impact on the number of clients attending clinics. Thus far Public Counsel has closed 48 client matters, and has another 14 cases in progress. We have heard that other legal aid organizations are also struggling to find foreclosure clients, and the California Homeowner Assistance Fund has had a much lower uptake than expected and is consequently expanding the types of assistance that can be provided. The clients we ARE seeing are coming with complex and time-intensive legal problems. We believe that 300 is a more realistic estimate of the number of clients to whom we can provide (a) limited retainer and/or pro per services or higher, or (b) housing counselor assistance beyond the clinic (e.g., communication with mortgage servicer or application for mortgage relief). We will continue offering clinics as planned, but we do not feel able to project the number of attendees at this time. We propose to reduce the two Staff Attorney FTEs in this grant budget from 70% each to 30% and 40%, the Administrative Assistant from 80% to 60%, and Bet Tzedek's Staff Attorney from 70% to 35%.	Approve. See Attachment C, "Public Counsel's Deliverables Modification Request Letter for HP 3 Formula and HP 3 Competitive" for more details.
FYI only: Changes between 10% and 25% of the award						
2	Eviction Defense Collaborative	\$1,025,000	\$105,117	10.26%	Attorneys, Paralegals and Other Staff: The Split for payroll costs has been updated based on new cost allocation model prepared on the basis of federal contract compliance guidelines.	Approve
3	Los Angeles Center for Law and Justice	\$850,000	\$150,288	17.68%	Attorneys: this budget line includes 1.0 FTE Senior Attorney at \$83,820; .03 FTE Directing Attorney at \$102,469; and .02 FTE Director of Legal Services at \$108,800, for each year of the Grant Period. This amount also includes a cost-of-living adjustment (COLA), estimated at a 3% increase, at the June fiscal year end, for each year of the Grant Period. Paralegals: 1.0 FTE Legal Advocate (Paralegal) at \$52,838.51 has been budgeted for each year of the Grant Period. This amount also includes a COLA, estimated at a 3% increase, at the June fiscal year end, for each year of the Grant Period. Other staff: this line item is for .02 FTE Directing Manager of Trauma Informed Services and Education (LCSW) at \$80,647, for each year of the Grant Period. This amount also includes a COLA, at 3%, at the June fiscal year end, for each year of the Grant Period. The Directing Manager of Trauma Informed Services and Education oversees the Community Advocacy program and the MSW interns who work closely with all clients as part of LACLJ's holistic model. These volunteer interns assist with needs assessments, education, resource referrals, navigation/coordination, safety planning, etc. and are an integral part of connecting LACLJ's clients to resources that they need. These MSW interns (as well as the pro-bonos who work with LACLJ) provide significant amounts of in-kind support to the organization. A Program Evaluator position has also been added to this line item at .45 FTE at \$68,800. This position had previously been budgeted as an outside contractor line item, but LACLJ has opted to move the position in-house for this budget modification. A 3% COLA has been included for this position as well. Benefits: The fringe benefits include FICA taxes, unemployment insurance, worker's compensation, disability, and life insurance, voluntary 403b plan, flexible medical and dependent cafeteria plan, and health, vision, and dental medical insurance coverage. The cost of these benefits is estimated to be 21% of total staff salaries. Space: 9.14% is the percentage of this expense attributable to this project based on LACLJ's allocation methodology. This line item is for the cost of LACLJ's main office in East Los Angeles and also includes costs for the repair and maintenance of the space. Equipment Rental and Maintenance: This line item includes lease costs incurred for phones, copiers, and postage machine, all utilized by the entire organization. 9.14% is the percentage of this expense attributable to this project based on LACLJ's allocation methodology. Office Supplies: This line item includes supplies utilized by project staff, including paper, printer ink, notepads, and other office supplies (files, index tabs, labels, paper clips, staples, etc.). Also included are the printing costs for letterhead, envelopes, and business cards. 9.14% is the percentage of this expense attributable to this project based on LACLJ's allocation methodology. Printing and Postage: This line item includes costs to refill the postage machine as well as costs for printing documents for clients, etc. 9.14% is the percentage of the postage refill cost attributable to this Project based on LACLJ's allocation methodology. Printing costs are direct costs to the Project. Telecommunications: This amount includes the cost of internet, phone system, conference calling, etc. 9.14% is the percentage of this expense attributable to this project based on LACLJ's allocation methodology. Technology: This line item includes the cost for organizational databases, research databases, and other subscriptions, which are utilized by Project staff. 9.14% is the percentage of this expense attributable to the Project based on LACLJ's allocation methodology. Program Travel: These are for mileage and parking costs for Project staff during the Project. Training: This line item is for any training costs for Project staff during the course of the Project. Insurance: This line item includes general liability and professional liability insurance. 9.14% is the percentage of this expense attributable to this project based on LACLJ's allocation methodology. Litigation: These are direct costs for subpoenas for documents and/or witnesses, court transcripts, filing fees, and interpreter/translation fees. This is an estimated amount based on historical data and the size of the project. Administration personnel: This line item includes .15 FTE Grants Administrative Assistant at \$45,171; .15 FTE Finance Administrative Assistant at \$46,664; .15 FTE Office Manager at \$51,595; .07 FTE Director of Finance at \$93,180; .06 Director of Grants and Contracts at \$114,340; and .03 FTE Executive Director for each year of the Project. The Grants Administrative Assistant works on all of the administrative management and compliance of the Project. The Finance Administrative Assistant completes the monthly allocations and assists with the monitoring and review of the expenditures and budget line items. The Office Manager is in charge of all of the operational aspects of the office that affect the entire organization. The Director of Finance oversees the financial aspects of the Project, supervises the Finance Administrative Assistant and is mainly responsible for the monitoring and review of the expenditures and budget line items. The Director of Grants and Contracts supervises the Grants Administrative Assistant and oversees grant management. The Executive Director supervises the work of both of the Directors and oversees the overall execution of the Project. This amount includes a COLA, at 3%, at the June fiscal year end. Fringe benefits are also included, and are estimated at 21% of the salary cost. Administrative Non-Personnel: This line item includes the allocable amount, of 9.14%, for bank fees (for the monthly administration of LACLJ's bank accounts, no fines/penalties are included), single audit fees and other outside professional services for the organization.	Approve

*In accordance with the LSTFP General Grant Provisions, these figures refer to changes between budget categories over the life of the award (2021-2024)--rather than from year-to-year or within years.

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February 16, 2023

Via email to:
Jennifer Zelnick
Office of Access & Inclusion

Dear Jennifer:

Thank you for continuing to work collaboratively with us to resolve issues with the three federally funded grants. This letter is in response to your request for information about our proposed revised deliverables corresponding to the proposed budget modifications we submitted on January 31, 2023.

First, we would like to confirm that we wish the State Bar to consider the budget modification requests we submitted on January 31.

HP3 Formula Grant

We have been challenged in spending down the grant due to the difficulty in hiring eviction defense attorneys. We now propose to launch a Special Litigation team consisting of a Supervising Staff Attorney, a Staff Attorney, a Law Fellow, and a Paralegal. This new affirmative litigation team would fill a major gap in legal services for low-income tenants seeking affirmative relief, and we believe it will attract qualified applicants.

In the midst of the pandemic, there was an explosion of landlord harassment, illegal lockouts, and other actionable behavior by landlords who were not able to evict tenants lawfully due to local, state, and federal protections against eviction. Many tenants have lost their housing and become homeless due to these actions, or have left the area because they were unable to find affordable replacement housing. As a result, a number of new laws have been passed that provide penalties for illegal landlord behavior. But the legal services landscape in Los Angeles does not currently provide an avenue for tenants to pursue legal action against their landlords to enforce these new laws. The vast majority of tenants who obtain legal representation do so through nonprofit organizations, most of which are grant-funded to undertake unlawful detainer defense, and do not have the capacity to initiate litigation against landlords. The private bar does not typically take on such cases and interest from the pro bono sector has been low.

Currently, we encounter clients daily who have been subject to landlord harassment and other illegal behavior that gives rise to affirmative claims. But we are unable to offer them much more than a list of private attorneys who probably won't even have the time to return their calls. With in-house expertise and resources, we will be able to generate increased interest from the pro bono sector and litigate cases that will serve as examples to both the legal community and the real estate market. Securing damages through these cases will enable tenants to find replacement housing and avoid or exit homelessness.

ATTACHMENT C

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Founder

The deliverables for this new team will be 12 cases filed in 2023 (8 in-house and 4 placed with pro bonos) and 15 cases filed in 2024 (12 in-house and 3 placed with pro bonos), in addition to the deliverables in our application, which we propose to leave unchanged.

Per quarter:

- 3 KYR presentations
- 2 tenant organizing meetings
- 1 community legal clinic
- direct legal services to community members as needed.

We will be able to maintain these deliverables while decreasing the budget because of the fact that the direct legal services do not have a numerical goal.

HP3 RFP Grant

In our proposal, we anticipated a deluge of foreclosure cases akin to the aftermath of the 2009 financial crisis. We anticipated that our clinics would be inundated as they had been under a prior Public Counsel/Bet Tzedek grant collaboration, and that we would provide rapid counsel and advice to 1,460 clinic attendees, selecting 470 cases for a higher level of service. We hired three staff members to do this work – two Staff Attorneys and an Administrative Assistant, working alongside a Supervising Staff Attorney and a Directing Attorney. Subgrantee Bet Tzedek also hired a Staff Attorney, but was not able to fill the position until September 2022.

This influx of clients has not materialized despite targeted outreach to public libraries, community-based organizations, and legislative offices in areas of greatest risk for foreclosure. In addition, through our CalHFA grant, subgrantee ACCE has conducted widespread outreach that has targeted households in low-income neighborhoods in active foreclosure to drive them to our foreclosure clinics. However, we have seen little impact on the number of clients attending clinics. Thus far, Public Counsel has closed 48 client matters, and has another 14 cases in progress. We have heard that other legal aid organizations are also struggling to find foreclosure clients, and the California Homeowner Assistance Fund has had a much lower uptake than expected and is consequently expanding the types of assistance that can be provided.

We therefore propose to reduce the two Staff Attorney FTEs in this grant budget from 70% each to 30% and 40%, the Administrative Assistant from 80% to 60%, and Bet Tzedek's Staff Attorney from 70% to 35%. We propose to revise our deliverables over the course of the grant as follows.

1. Application: Provide 99 clinics combining legal services and housing counseling.
 - Modification: No change.
2. Serve 2,000 clients in default or danger of defaulting on their mortgage or already in the foreclosure process.
 - Modification: We propose to eliminate this deliverable.
3. Reach 660 additional homeowners through at least 33 foreclosure know-your-rights presentations.
 - Modification: No change.

4. Organize 6 training events for housing counselors/other legal to keep project staff and the legal services community up-to-date on the latest law, regulations, and resources available to homeowners in foreclosure.
 - Modification: No change.
5. Provide limited representation or pro per services to 640 homeowners over the life of the project and be instrumental in the prevention or delay of foreclosure for 10% of those.
 - Modification: Because the clients we are seeing are coming with complex and time-intensive legal problems, we propose to reduce this deliverable to 300 homeowners.

CalHFA Grant

We have not yet filled all staff positions for this grant. One attorney position has been posted since September 2022 with almost no applications. Nevertheless, thanks primarily to work by the two attorneys whom we hired for the HP3 RFP grant and who have also done work under this grant, we are on track to meet the existing client deliverables. After just two quarters, we have 27 open cases, which represents substantial progress toward meeting our goal of 67 homeowners in three years. We have also scheduled our first large-scale community presentation for February 18. Our subgrantee, ACCE, has already conducted outreach to over 500 homeowners in the neighborhoods at greatest foreclosure risk, which represents substantial progress toward our goal of 2,000 homeowners in three years.

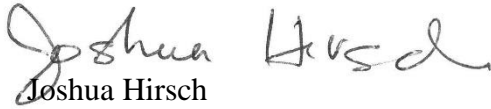
In lieu of hiring another attorney, we propose to shift two attorneys' time from the HP3 RFP budget to the CalHFA budget (30% and 40% in CalHFA). And in lieu of hiring a paralegal, we propose to shift an Administrative Assistant's time from HP3 RFP to CalHFA (40% in CalHFA).

We propose to revise our deliverables over the course of the grant as follows.

1. Reach 2,000 at-risk homeowners via direct community outreach with ACCE.
 - Modification: No change.
2. Conduct 1-3 community presentations monthly on the topics of applying for the Homeowner Assistance Fund, the foreclosure process, homeowners' options for addressing mortgage arrears, avoiding scams, bankruptcy, reverse mortgages, and consumer debt defense—beginning in the second quarter of the grant.
 - Modification: No change.
3. Conduct 3 large-scale community education presentations yearly to educate homeowners about their rights and ways to avoid common issues and to empower homeowners to protect their interests in their homes, beginning in the second quarter of the grant.
 - Modification: No change.
4. Provide direct legal services to at least 67 clients to improve or maintain their ability to preserve their home.
 - Modification: Since our case volume has been higher than expected, we propose to increase our goal from 67 to 120 homeowners.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Joshua Hirsch". The signature is fluid and cursive, with the first name "Joshua" written in a larger, more prominent script than the last name "Hirsch".

Joshua Hirsch
Director of Grants