



The State Bar of California

OPEN SESSION

AGENDA ITEM 5.1

DECEMBER 2023

LSTFC HOMELESSNESS PREVENTION FUNDS COMMITTEE

DATE: December 4, 2023

TO: Members, LSTFC Homelessness Prevention Funds Committee

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

SUBJECT: Approve the 2021/2022–2024 Homelessness Prevention (HP 3) Grant Reallocations

EXECUTIVE SUMMARY

The Budget Act of 2021 (the Budget Act) allocated \$40 million and the Budget Acts of 2022 and 2023 each allocated an additional \$20 million for a total of \$80 million dollars over three years for grants to qualified legal services projects (QLSPs) and support centers to provide homelessness prevention legal services.¹ In 2021, the Legal Services Trust Fund Commission (LSTFC) made 98 2021/2022–2024 Homelessness Prevention (HP 3) grants, 75 formula grants and 23 competitive grants. Spending data from year one of the HP 3 grants, anecdotal reports from grantees about spend down challenges, and Public Council’s voluntary reduction of both its HP 3 formula and competitive grants, led State Bar staff (staff) to recommend a reallocation of some HP 3 funds to promote their use for homelessness prevention legal aid before the end of the grant period on December 31, 2024. On August 10, 2023, the LSTFC delegated authority to the Homelessness Prevention Funds Committee (Committee) to approve HP 3 reallocation awards. This memo describes staff’s recommendations for HP 3 grant reallocations for the Committee meeting on December 4, 2023.

¹ See the Budget Act of 2021, available at https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB129. See also the Budget Act of 2022, available at https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB1624, and the Budget Act of 2023, available at https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB101.

BACKGROUND

The Budget Acts of 2021, 2022, and 2023 allocated \$80 million in federal Coronavirus State Fiscal Recovery Funds for homelessness prevention legal aid grants to QLSPs and support centers for HP 3 formula and competitive grants.² In 2021, the LSTFC made 75 HP 3 formula and 23 HP 3 competitive grants. Formula grants started on December 1, 2021, and end on December 31, 2024. Competitive grants started on January 1, 2022, and end on December 31, 2024.

HP 3 awards must fund:

[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.

The Budget Acts of 2021, 2022, and 2023.

On March 24, 2023, the LSTFC approved Public Counsel's request to voluntarily reduce its HP 3 formula award by \$1,167,136 and its HP 3 competitive award by \$562,603.³ In reviewing HP 3 data reported for year one of the grant (through December 31, 2022), grantees left 23 percent (\$6,070,420) of their first year of funds unspent, and 14 grantees spent under 50 percent of their grants. In addition to the spending data from year one, grantees reported challenges related to hiring and other delays. For these reasons, staff anticipate that some grantees may have difficulty spending down their HP 3 awards by the end of the three-year grant period.

To assess whether grantees might underspend their HP 3 grant(s), the second annual HP 3 evaluation asked grantees to project their spending for the remainder of the grant period. Specifically, the evaluation instructed grantees:

Enter the amount of HP 3 funding for this grant that you anticipate remaining unspent on December 31, 2024 (the last day of the grant). If you anticipate spending your entire grant, enter \$0... If you enter a number that is greater than \$0, the Legal Services Trust Fund Commission may require your organization to reallocate that amount to other HP

² See footnote 1, *supra*.

³ On March 24, 2023, the LSTFC passed the following resolution:

RESOLVED, that the Legal Services Trust Fund Commission (Commission) approves the recommendations for 2021–2023 Homelessness Prevention (HP 2) and 2021/2022–2024 Homelessness Prevention (HP 3) grant budget revisions, including that the total amount of Public Counsel's HP 3 Formula funds will be reduced from \$2,600,319 to \$1,433,183, and Public Counsel's HP 3 Competitive funds will be reduced from \$1,100,000 to \$537,397 as described herein.

3 grant recipients this summer or fall. That would promote the full use of HP 3 funds for homelessness prevention legal aid by the end of the grant period.

Five grantees projected underspending HP 3 formula funds on their annual evaluations: California Women’s Law Center (CWLC), Child Care Law Center (CCLC), Greater Bakersfield Legal Assistance (GBLA), Family Violence Law Center (FVLC), Legal Services of Northern California (LSNC). Additionally, San Luis Obispo Legal Aid Foundation (SLOLAF) projected underspending HP 3 competitive funds on its annual evaluation. The LSTFC invited these six grantees to confirm their projections of unspent funds. The LSTFC also invited all HP 3 grantees who may have concerns about spending down the grant to voluntarily relinquish funds. Ultimately, four grantees relinquished funds: CWLC relinquished \$205,345 in HP 3 formula funds, CCLC relinquished \$20,000 in HP 3 formula funds, GBLA relinquished \$100,000 in HP 3 formula funds, and LSNC relinquished \$536,167. Public Counsel also relinquished an additional \$505,398 in HP 3 formula funds. Together with the funds Public Counsel relinquished in March 2023, a total of \$2,534,046 in formula funds and \$562,603 in competitive funds are available for HP 3 reallocation (Attachment A).

DISCUSSION

The HP 3 grantees must spend these federal Coronavirus State Fiscal Recovery Funds by the time the grant period ends on December 31, 2024, or return unused monies. Reallocating some HP 3 funds that might otherwise remain unspent will promote their use for homelessness prevention legal aid. Additionally, some grantees inquired about when additional homelessness prevention legal aid funds will become available and expressed the need for this work. Reallocating these HP 3 formula and HP 3 competitive funds would give grantees the opportunity to opt in to receive additional funds. On August 10, 2023, the LSTFC approved the HP 3 reallocation process and delegated authority to the Committee to approve reallocation awards.⁴

Staff notified grantees that the Committee would have the opportunity to reallocate some HP 3 funds. All current HP 3 grantees—excluding those who relinquish unspent funds—would be eligible to opt in to receive additional HP 3 funds through the reallocation process. All relinquished funds would be reallocated to existing grantees via formula. Staff ran two separate

⁴ On August 10, 2023, the LSTFC passed the following resolution:

RESOLVED, that the Legal Services Trust Fund Commission (LSTFC) approves the 2021/2022–2024 Homelessness Prevention (HP 3) formula and competitive grant reallocation process as described at the LSTFC meeting dated August 10, 2023; and it is

FURTHER RESOLVED, that organizations relinquishing projected unspent funds would not receive additional reallocated HP 3 funds; and it is

FURTHER RESOLVED, that the LSTFC delegates authority to the Homelessness Prevention Funds Committee to approve reallocation awards.

formulas—one for HP 3 formula funds and one for HP 3 competitive funds—to reallocate those funds to eligible grantees who opted in to participate.

Ultimately, 46 HP 3 formula grantees and 11 HP 3 competitive grantees opted in to receive additional funds. Grantees agreed to accept \$2,534,042 in reallocated formula funds and \$562,602 in reallocated competitive funds, for a total HP 3 reallocation of \$3,096,644.⁵

The smallest HP 3 formula reallocation would be \$10,997 in additional funds and the largest HP 3 formula reallocation would be \$469,134. On average, grantees who opted in would receive \$55,088 in additional HP 3 formula funding. For HP 3 competitive, the smallest reallocation would be \$24,624 in additional funds and the largest reallocation would be \$88,919. On average, grantees who opted in would receive \$51,146 in additional HP 3 competitive funding. Attachment B details the confirmed amounts of additional funds all participating grantees agreed to accept, as well as participants' adjusted award amounts.

Staff worked with the five grantees relinquishing funds—CWLC, CCLC, GBLA, LSNC, and Public Counsel—to revise their HP 3 grant budgets. According to the LSTFC's Functional Matrix, budget revisions that are at or below 10 percent of the total award do not require approval. 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 LSTFC review the request and determine approval.

Grant reduction requests ranged from 4.5 percent to 64.3 percent, and budget revisions for these grantees ranged from 4.5 percent to 57.6 percent. Staff reviewed these requests to ensure that the personnel and program ratios were acceptable, assess reasonableness in the movement of dollars, and review whether budget modifications included significant additional spending on capital additions. While the budget modification and reduction requests from CCLC and GBLA do not require the Committee's approval, the requests from CWLC, LSNC, and Public Council do. Accordingly, staff recommend the Committee approves these three budget modification and reduction requests.

Staff will also work with all grantees receiving additional funds to revise their HP 3 grant budgets. Grantees receiving additional funds through the HP 3 reallocation process will receive between five and seven percent increases to formula grants, and between three and seven percent increases to competitive grants. Therefore, none of these 57 budget revisions will require additional approval. Nonetheless, staff will review these budgets to ensure they match the proposed award amount, and to assess the personnel and program ratios, reasonableness in movement of dollars, and whether budget modifications included spending on capital additions.

⁵ The total funds reallocated (\$3,096,644) is \$5 less than the total amount of funds available for reallocation (\$3,096,649). Due to rounding, \$4 in HP 3 formula funds and \$1 in HP 3 competitive funds will not be reallocated.

CONCLUSION

The reallocation of \$3,096,644 in HP 3 formula and competitive funds would ensure that these funds can be spent to provide homelessness prevention civil legal services within the parameters of the Budget Acts of 2021, 2022, and 2023. Permitting HP 3 formula and competitive grantees to use these additional funds supports their use by the end of the grant period.

RECOMMENDATIONS

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

RESOLVED, that the Legal Services Trust Fund Commission (LSTFC) Homelessness Prevention Funds Committee (Committee), acting on behalf of the LSTFC under its delegated authority, approves the 2021/2022–2024 Homelessness Prevention (HP 3) formula and competitive grant reallocation amounts as described in staff's memo and in Attachment B, dated December 4, 2023; and it is

FURTHER RESOLVED, that the Committee, acting on behalf of the LSTFC under its delegated authority, approves the HP 3 formula grant budget revisions for California Women's Law Center, Legal Services of Northern California, and Public Counsel as described in staff's memo dated December 4, 2023.

ATTACHMENTS LIST

- A. Proposed HP 3 Formula and Competitive Funds for Reallocation
- B. Proposed HP 3 Formula and Competitive Reallocation Amounts

Proposed HP 3 Formula and Competitive Funds for Reallocation

Proposed HP 3 Formula Funds for Reallocation		
Grantee	Total HP 3 formula award	HP 3 Formula reallocation amount
California Women's Law Center	\$ 442,044	\$ 205,345
Child Care Law Center	\$ 442,044	\$ 20,000
Greater Bakersfield Legal Aid	\$ 1,059,054	\$ 100,000
Legal Services of Northern California	\$ 2,612,379	\$ 536,167
Public Counsel	\$ 2,600,319	\$ 1,672,534
Total		\$ 2,534,046

Proposed HP 3 Competitive Funds for Reallocation		
Grantee	Total HP 3 formula award	HP 3 Formula reallocation amount
Public Counsel	\$ 1,100,000	\$ 562,603
Total amount available		\$ 562,603

Proposed HP 3 Formula and Competitive Reallocation Amounts

Proposed HP 3 Formula Reallocation Amounts				
Grantee	Current HP 3 formula award	Proposed reallocation amount	Proposed HP 3 formula award	Proposed HP 3 formula award increase
AIDS Legal Referral Panel	\$150,000	\$10,997	\$160,997	7%
Alameda County Homeless Action Center	\$281,265	\$20,621	\$301,886	7%
Alliance for Children's Rights	\$969,762	\$71,099	\$1,040,861	7%
Asian Pacific Islander Legal Outreach	\$189,075	\$13,862	\$202,937	7%
Bay Area Legal Aid	\$995,151	\$45,000	\$1,040,151	5%
Bet Tzedek Legal Services	\$1,913,391	\$140,282	\$2,053,673	7%
California Rural Legal Assistance Foundation	\$442,044	\$32,409	\$474,453	7%
California Rural Legal Assistance, Inc.	\$4,544,697	\$333,199	\$4,877,896	7%
Central California Legal Services	\$2,613,759	\$191,630	\$2,805,389	7%
Community Legal Aid SoCal	\$1,624,419	\$119,096	\$1,743,515	7%
Community Legal Services in East Palo Alto	\$415,551	\$29,661	\$445,212	7%
Contra Costa Senior Legal Services	\$150,000	\$10,997	\$160,997	7%
Disability Rights California	\$6,398,787	\$469,134	\$6,867,921	7%
Disability Rights Education and Defense Fund	\$442,044	\$32,409	\$474,453	7%
Family Violence Appellate Project	\$442,044	\$32,409	\$474,453	7%
Family Violence Law Center	\$150,000	\$10,997	\$160,997	7%
Harriett Buhai Center for Family Law	\$402,054	\$29,477	\$431,531	7%
Inner City Law Center	\$1,310,991	\$96,117	\$1,407,108	7%
Justice & Diversity Center of the Bar Association of San Francisco	\$285,339	\$20,920	\$306,259	7%
Justice in Aging	\$442,044	\$32,409	\$474,453	7%
Law Foundation of Silicon Valley	\$598,047	\$43,846	\$641,893	7%
Lawyers' Committee for Civil Rights	\$569,244	\$41,735	\$610,979	7%
Legal Aid at Work	\$993,231	\$72,820	\$1,066,051	7%
Legal Aid Foundation of Santa Barbara County	\$209,484	\$15,359	\$224,843	7%
Legal Aid of Marin	\$150,000	\$10,997	\$160,997	7%
Legal Aid of Sonoma County	\$301,389	\$22,097	\$323,486	7%
Legal Aid Society of San Diego	\$1,727,781	\$126,674	\$1,854,455	7%
Legal Aid Society of San Mateo County	\$173,577	\$12,726	\$186,303	7%
Legal Assistance for Seniors	\$150,000	\$10,997	\$160,997	7%
Legal Assistance to the Elderly	\$150,000	\$10,997	\$160,997	7%
Legal Services for Seniors	\$230,268	\$16,882	\$247,150	7%
McGeorge Community Legal Services	\$256,758	\$18,824	\$275,582	7%
Mental Health Advocacy Services	\$150,000	\$10,997	\$160,997	7%
National Housing Law Project	\$442,044	\$32,409	\$474,453	7%
OneJustice	\$442,044	\$32,409	\$474,453	7%
Public Advocates Inc.	\$724,857	\$53,144	\$778,001	7%
Public Interest Law Project	\$442,044	\$32,409	\$474,453	7%

Proposed HP 3 Formula Reallocation Amounts				
Grantee	Current HP 3 formula award	Proposed reallocation amount	Proposed HP 3 formula award	Proposed HP 3 formula award increase
Public Law Center	\$1,418,901	\$104,028	\$1,522,929	7%
Riverside Legal Aid	\$463,899	\$34,011	\$497,910	7%
San Luis Obispo Legal Assistance Foundation	\$150,000	\$10,997	\$160,997	7%
Santa Clara County Asian Law Alliance	\$156,315	\$11,460	\$167,775	7%
Senior Advocacy Network	\$150,000	\$10,997	\$160,997	7%
Social Justice Collaborative	\$150,000	\$10,997	\$160,997	7%
USD School of Law Legal Clinics	\$268,707	\$19,701	\$288,408	7%
Veterans Legal Institute	\$174,681	\$12,807	\$187,488	7%
Watsonville Law Center	\$150,000	\$10,997	\$160,997	7%
TOTAL	\$34,955,688	\$2,534,042	\$37,489,730	-

Proposed HP 3 Competitive Reallocation Amounts				
Grantee	Current HP 3 competitive award	Proposed reallocation amount	Proposed HP 3 competitive award	Proposed HP 3 competitive award increase
Bay Area Legal Aid	\$900,000	\$28,406	\$928,406	3%
California Rural Legal Assistance, Inc.	\$1,100,000	\$75,239	\$1,175,239	7%
Community Legal Aid SoCal	\$1,000,000	\$68,399	\$1,068,399	7%
Inner City Law Center	\$1,300,000	\$88,919	\$1,388,919	7%
Justice in Aging	\$600,000	\$41,039	\$641,039	7%
Legal Aid at Work	\$700,000	\$47,879	\$747,879	7%
Legal Aid of Marin	\$360,000	\$24,624	\$384,624	7%
Los Angeles Center for Law and Justice	\$850,000	\$58,139	\$908,139	7%
National Housing Law Project	\$500,000	\$34,200	\$534,200	7%
OneJustice	\$600,000	\$41,039	\$641,039	7%
USD School of Law Legal Clinics	\$800,000	\$54,719	\$854,719	7%
TOTAL	\$8,710,000	\$562,602	\$9,272,602	-