



The State Bar of California

OPEN SESSION

AGENDA ITEM

JULY 2024

7.2 LEGAL SERVICES TRUST FUND COMMISSION, EXECUTIVE COMMITTEE

DATE: July 23, 2024

TO: Members, Legal Services Trust Fund Commission, Executive Committee

FROM: Christopher McConkey, Program Supervisor, Office of Access & Inclusion

SUBJECT: Approve Reallocation of Remaining Funds for California Housing Finance Agency Foreclosure Prevention (CalHFA) Grants

EXECUTIVE SUMMARY

The Legal Services Trust Fund Commission (LSTFC) Executive Committee (Committee) approved 11 CalHFA grants, totaling \$11,040,000, on June 13, 2022. On May 23, 2024, the Committee reallocated \$335,810 of \$416,594 in CalHFA funds that had since become available. Following this competitive distribution, \$80,784 remains available to finish reallocating at the Committee's meeting on July 23, 2024. This memo recommends reallocating these remaining funds among CalHFA grantees who have opted in to receive a share that is proportional to their award.

RECOMMENDED ACTION

This memo recommends that the Committee, acting on its delegated authority, approve the reallocations described herein. It also recommends that the Committee delegate authority to State Bar staff (staff) to review and approve the updated budgets for these amounts.

DISCUSSION

The CalHFA grants fund legal services to prevent qualifying "homeowner mortgage delinquencies, defaults, foreclosures, loss of utilities or home energy services, and

displacements of homeowners experiencing financial hardship after January 21, 2020.”¹ The Committee approved 11 CalHFA grants, totaling \$11,040,000, on June 13, 2022.

The CalHFA grant period began July 1, 2022, and ends June 30, 2025. About seven months into that period, one grantee voluntarily reduced its award by \$216,594.² Staff then identified an additional \$200,000 that was available to reallocate. Those were funds that the State Bar received to administer the CalHFA grants but that staff anticipated it would not need.

On March 29, 2024, the LSTFC delegated to the Committee authority to reallocate any CalHFA grant funds that become available. Reallocated funds are subject to the same requirements as original CalHFA grant dollars including a spend-down date of June 30, 2025. On May 23, 2024, the Committee approved the following reallocations:

Table 1. May 2024 Reallocation Amounts (for Reference)

CalHFA grantee	QLSP or support center	Original award	May 2024 reallocation
California Rural Legal Assistance, Inc.	QLSP	\$1,900,000	\$87,810
Housing and Economic Rights Advocates	QLSP	\$2,000,000	\$128,000
Legal Assistance to the Elderly	QLSP	\$900,000	\$45,000
National Housing Law Project	Support center	\$750,000	\$75,000
Total			\$335,810

A total reallocation of \$335,810 left \$80,784 available. For additional information, please see staff’s [May 23, 2024, memo to the Committee](#).

At a June 2024 roundtable for CalHFA grantees, programs expressed interest in using the \$80,784 for staff training and travel in their projects’ final year. Given the amount remaining, staff invited all CalHFA grantees to receive a share that is proportional to their awards. Distributing the funds proportionally would ensure they reflect the Committee’s previous competitive processes for CalHFA grant dollars. Eight of the eleven grantees have since opted in to receive a 0.89 percent increase to their award:

¹ See the U.S. Department of the Treasury, “Homeowner Assistance Fund Guidance,” dated June 12, 2023, available at home.treasury.gov/system/files/136/HAF-Guidance.pdf (accessed May 15, 2024).

² Public Counsel reduced its grant from \$1,190,000 to \$973,406. It stated that it could still meet its deliverables with the lower amount.

Table 2. Recommendation to Reallocate the Remaining CalHFA Grant Funds

CalHFA grantee	Current award	Share of awards	Proposed reallocation
California Rural Legal Assistance, Inc.	\$1,987,810	22.00%	\$17,772
Housing and Economic Rights Advocates	\$2,128,000	23.55%	\$19,025
Legal Aid of Sonoma County	\$800,000	8.85%	\$7,152
Legal Aid Society of San Bernardino	\$800,000	8.85%	\$7,152
Legal Aid Society of San Diego	\$800,000	8.85%	\$7,152
Legal Assistance to the Elderly	\$945,000	10.46%	\$8,449
National Housing Law Project	\$825,000	9.13%	\$7,376
Senior Advocacy Network	\$750,000	8.30%	\$6,705
Total	\$9,035,810	100%	\$80,783³

If the Committee approves staff's recommendation, grantees will complete a reallocation budget detailing how they would spend the additional funds. Staff seeks authority to approve these budgets after reviewing them for reasonableness and compliance with the governing authorities for these funds.

Reallocating the remaining funds would support and/or expand these CalHFA grantees' qualifying legal services for low-income homeowners in California. Given the amount of funds available, staff recommends the proportional allocations described herein.

PREVIOUS ACTION

[4.2 Approve California Housing Finance Agency Foreclosure Prevention \(CalHFA\) Grant Reallocations](#)

FISCAL/PERSONNEL IMPACT

None.

AMENDMENTS TO RULES

None.

AMENDMENTS TO BOARD OF TRUSTEES POLICY MANUAL

None.

STRATEGIC PLAN GOALS & IMPLEMENTATION STEPS

³ To allow for an even distribution, staff proposes removing \$1 from the available funds. This \$1 would return to the State Bar to administer these grants.

Goal 2. Protect the Public by Enhancing Access to and Inclusion in the Legal System
b. 4. Make the State Bar a leader in connecting the public to legal representation by enhancing public awareness of the resources available and continually enhancing those resources.

RESOLUTION

Should the Committee concur, it is:

RESOLVED, that the Legal Services Trust Fund Commission Executive Committee (Committee), acting on its delegated authority, approves the reallocation of remaining CalHFA funds as described herein; and it is

FURTHER RESOLVED, that the Committee delegates authority to State Bar staff to approve the updated budgets for these reallocation amounts.