

**CITY OF LOS ANGELES**  
**INTER-DEPARTMENTAL CORRESPONDENCE**

Date: 2/8/12  
 Submitted in HCED Committee  
 Council File No: 11-1727  
 Item No.: 4

DATE: February 8, 2012  
 TO: Honorable Members of the City Council

FROM: Gerry F. Miller *KEK for*  
 Chief Legislative Analyst

Council File No: 11-1727  
 Assignment No: 11-11-0998

Douglas Guthrie *DG for*  
 General Manager, Los Angeles Housing Department

*Report from the  
 CLA + LAHD*

**Foreclosures in the City of Los Angeles 2007-2011**

**SUMMARY**

On November 15, 2011 the City Council adopted amended Motion (Garcetti-Cardenas) and instructed the Chief Legislative Analyst (CLA) and the Los Angeles Housing Department (LAHD) to report on updated foreclosure statistics and the funding, services, and legal actions used to address foreclosures in the City.

This joint report provides updated data on the following parameters. The foreclosure data is provided by LAHD through DataQuick, a real estate data provider.

- I. Foreclosures in the City and the impact on the local gross domestic product.
- II. Single and multi-family properties in some stage of foreclosure.
- III. Cancelled or Postponed Foreclosure Sales.
- IV. Use of Hardest Hit Housing Funds within the City.
- V. Federal Mortgage Modification Programs.
- VI. City Efforts to Combat Foreclosures.
- VII. City Attorney report on consumer fraud complaints relating to mortgage modification and an update on litigation against banks and investment groups violating City ordinances as they apply to the foreclosure eviction moratorium, the foreclosure registry, and the foreclosure blight ordinance.

**THE FORECLOSURE PROCESS**

The foreclosure process, outlined in Figure 1, begins when a lender notifies the trustee that the owner has defaulted on the loan. The trustee issues a Notice of Default, which notifies the borrower and the public that the loan may be foreclosed. This notice provides for an opportunity for the borrower to dispute the default claim or to bring the loan current. If the loan continues to be in default, the trustee will remit a Notice of Trustee Sale, which notifies the borrower that the property will be auctioned. The Notice of Trustee Deed is the point when a property is considered foreclosed.

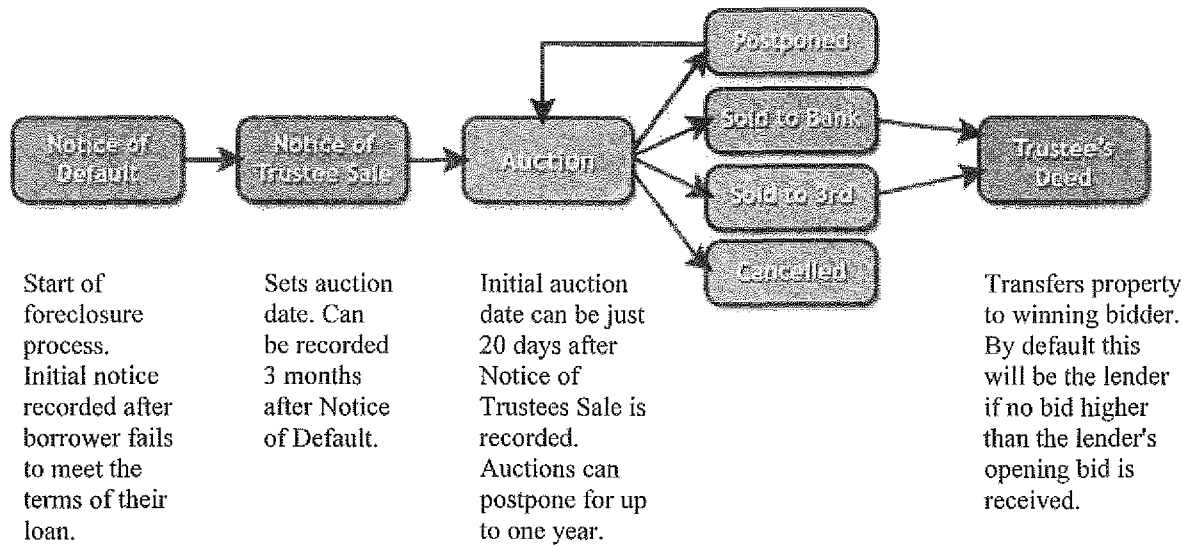


Figure 1. At the Trustee Sale Auction, one of four actions may be taken. Source: ForeclosureRadar.

## I. FORECLOSURES IN THE CITY OF LOS ANGELES

The City of Los Angeles has a fast-growing inventory of thousands of foreclosed properties. Since 2007, over 61,000 units have been foreclosed in the City. Despite a slight 7.7 percent decrease from 2009 to 2010, foreclosures continue to exceed by large margins those levels seen before the economic crisis. Today, one out of four properties sold in California are purchased as cash sales, presumably to investors, adding to the rental market and decreasing the opportunity for families to own homes. This represents a peak rise in the number of cash sales from the 10-year monthly average of one out of every ten properties.<sup>1</sup> As of December 2011, the median price of a single family home in Los Angeles County was \$305,000, a 7.6 percent decrease from the December 2010 median of \$330,000, and a 47 percent decrease from the 2007 median of \$575,000.<sup>2</sup> Despite the City's plummeting home values, homeownership is still unattainable for thousands of residents due to changes in credit qualifications, unemployment, and other economic factors that were not present before 2007.

For the cumulative period of January 2007 to September 2011, there were a total of 46,602 property foreclosures in the City of Los Angeles, representing 61,987 housing units. The Q3 2011 total property foreclosure count was 2,391, a nine percent decrease from Q2 2011 and 10 percent decrease YOY (year-over-year). The Q3 2011 total unit foreclosure count was 3,054, a 20 percent decrease from Q2 2011 and a 15 percent decrease YOY. Some economists have pointed to the decrease in foreclosure rates as a sign that the economy is improving, while others explain that the decrease is due to seasonal factors and predict that an increase in foreclosures is on the horizon as banks deal more aggressively with delinquent mortgages. Despite these hypotheses, foreclosures in the City remain high compared to pre-crisis levels and continue to represent a drag on the economic recovery. Figure 2 provides an overview of total foreclosures in the City over the past five years.

<sup>1</sup> Data Quick 2011.

<sup>2</sup> Ibid.

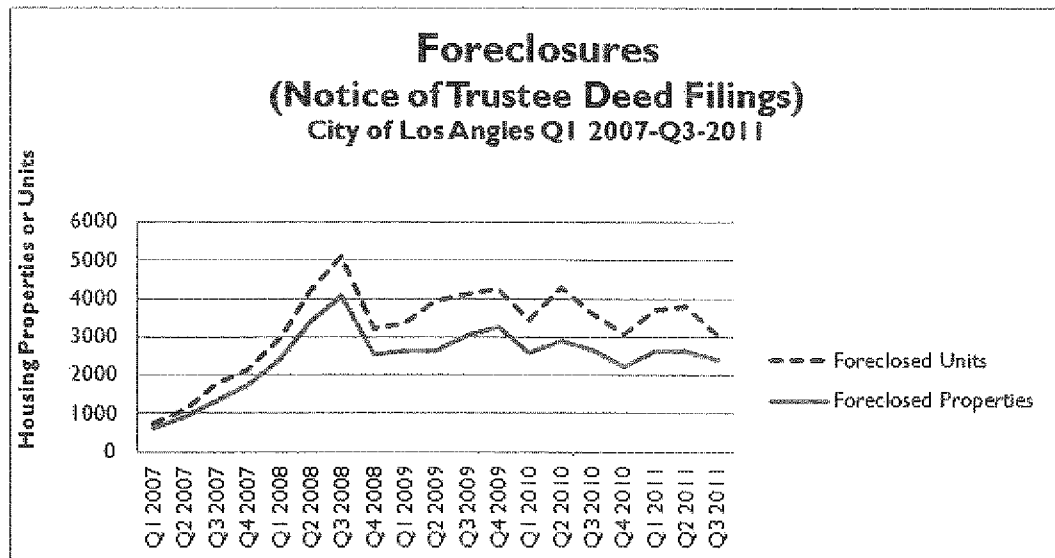


Figure 2. City of Los Angeles Foreclosures. Source: DataQuick.

#### Single-Family Homes/Condos

From 2007-2011, the number of foreclosed single-family homes and condos peaked in Q3 2008 at 3,494, up 199 percent YOY. Single-family home/condo foreclosures currently total 2,078 for Q3 2011, nearly 7 percent lower YOY. The pre-crisis foreclosure total for Q1 2007 was 553.

#### Two-to-Four Unit Multi-Family Properties (2-4)

Foreclosed two-to-four unit multi-family housing properties in the City of Los Angeles also peaked in Q3 2008, spiking to 572 properties totaling 1,437 units. This represents a YOY increase of 253 and 257 percent, respectively. For Q3 2011 there were a total of 290 foreclosed two to four unit properties, comprising 731 units, 23 percent and 25 percent lower YOY, respectively. The pre-crisis foreclosure total for Q1 2007 was 77 properties totaling 201 units.

#### Five or More Unit Multi-Family Properties (5+)

Foreclosed multi-family housing properties containing five or more units peaked to 58 properties totaling 802 units in Q2 2010, a YOY increase of 81 percent and five percent, respectively. In Q3 2011, there were a total of 23 foreclosed 5 or more unit properties, comprising 245 total units, 32 percent and 36 percent lower YOY, respectively. The pre-crisis foreclosure total for Q1 2007 was two properties totaling ten units.

The following graph shows foreclosed units by Council District over the last five years. Council Districts 8, 7, 9, and 3 had the greatest amount of foreclosures during this period.

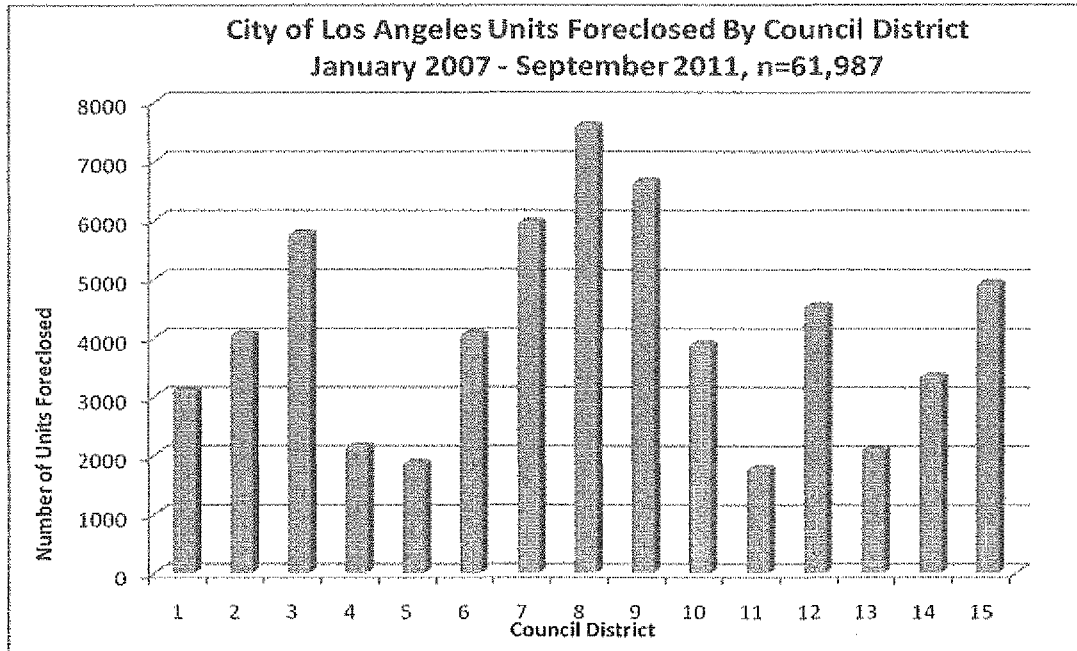


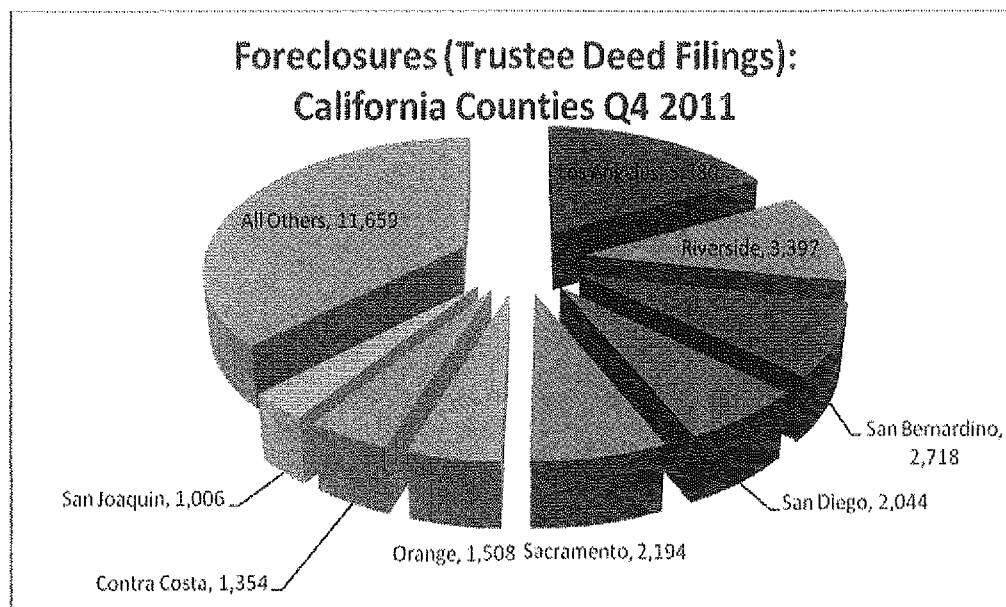
Figure 3. City of Los Angeles units foreclosed by Council District, Q1 2007 to Q3 2011. Source: DataQuick.

County of Los Angeles Foreclosure Comparison Analysis

As shown in Figure 4 and 5, the County of Los Angeles has had a consistently high percentage of foreclosures in California since the start of the economic crisis. In Q4 2011, Los Angeles County comprised 17 percent of all single family home/condo Trustee Deeds in the State.

County	SFH/Condo Foreclosures	Percent of Total
Los Angeles	5,380	17%
Riverside	3,397	11%
San Bernardino	2,718	9%
San Diego	2,044	7%
Sacramento	2,194	7%
Orange	1,508	5%
Contra Costa	1,354	4%
San Joaquin	1,006	3%
All Others	11,659	37%
<b>Statewide</b>	<b>31,260</b>	<b>100%</b>

Figure 4. Single Family Home/Condo Foreclosures by County Q4 2011. Source: DataQuick.



**Figure 5.** Single Family Home/Condo Foreclosures by County Q4 2011. Source: DataQuick.

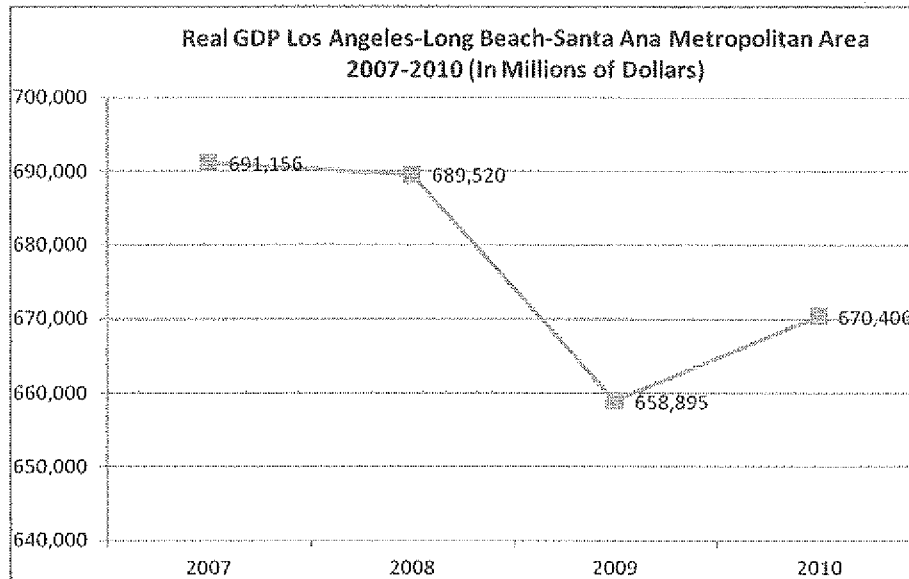
### Impact of Foreclosures on the Local Gross Domestic Product

Housing contributes to the nation's gross domestic product (GDP) through residential investment, which includes new housing construction, remodeling, and broker's fees; and consumption of housing services, which includes rent and utilities. A cause and effect of the economic crisis that began in 2007, foreclosures act as a drag on GDP growth. According to the National Association of Home Builders, housing contributed \$2 trillion towards the nation's GDP in 2010. This investment, which comprises 15 percent of total GDP, is down over \$300 billion since 2005. Banco Bilbao Vizcaya Argentaria (BBVA), a global financial firm, has reported that the high volume of foreclosures is adding to available housing inventory, driving down home prices, new home construction, and household consumption. BBVA has calculated that the excess supply of homes could have an accumulated negative impact of 1.4 points on GDP growth between 2011 and 2014.<sup>3</sup>

At the local level, foreclosures have had a dramatic impact on the local gross domestic product. A major component of the economic crisis, in 2009 they contributed to a \$30.6 billion drop in GDP for the Los Angeles-Long Beach-Santa Ana Metropolitan Area from 2008 levels, as shown in Figure 6. This decrease of 4.4 percent has had a ripple effect on the local economy, increasing unemployment, reducing wages, eroding wealth, and creating a stagnant economic environment. According to the California Employment Development Department, the Los Angeles-Long Beach-Glendale Metropolitan unemployment rate was 11.5 percent in November 2011, which is higher than the statewide rate of 11.3 percent, and significantly higher than the national rate of 8.9 percent.<sup>4</sup>

<sup>3</sup> BBVA Research, Economic Watch U.S., Residential Foreclosures: Trend and Economic Impact (August 2011).

<sup>4</sup> US Department of Labor, Bureau of Labor Statistics.



**Figure 6.** Real GDP Los Angeles Metropolitan Statistical Area. Source: US Department of Commerce, Bureau of Economic Analysis.

## II. LOS ANGELES PROPERTY IN SOME STAGE OF FORECLOSURE

A good barometer on the number of properties in some stage of the foreclosure process is the Notice of Default (NOD) count. While the NOD data presented below is raw and contains a small number of duplicates and properties located outside of City boundaries, it provides an approximation on the number of properties entering the foreclosure process. LAHD began to collect and analyze NOD data in 2007.

According to DataQuick, most defaulted loans originated primarily from 2005-2007, when weak underwriting standards peaked. As shown in Figure 7, from Q1 2007 to Q4 2011, approximately 137,567 properties received a notice of default in the City of Los Angeles. Approximately 118,480 of these NODs represent single family homes or condominiums, 17,224 represent two to four unit multi-family properties, and 1,863 represent larger multifamily properties containing five or more units. NODs peaked in Q1 2009 at 12,295 total properties. In Q4 2011, a total of 5,729 NODs were filed, 5,001 represented single family homes/condos, 639 represented two to four unit multi-family properties, and 89 represented properties with five or more units.

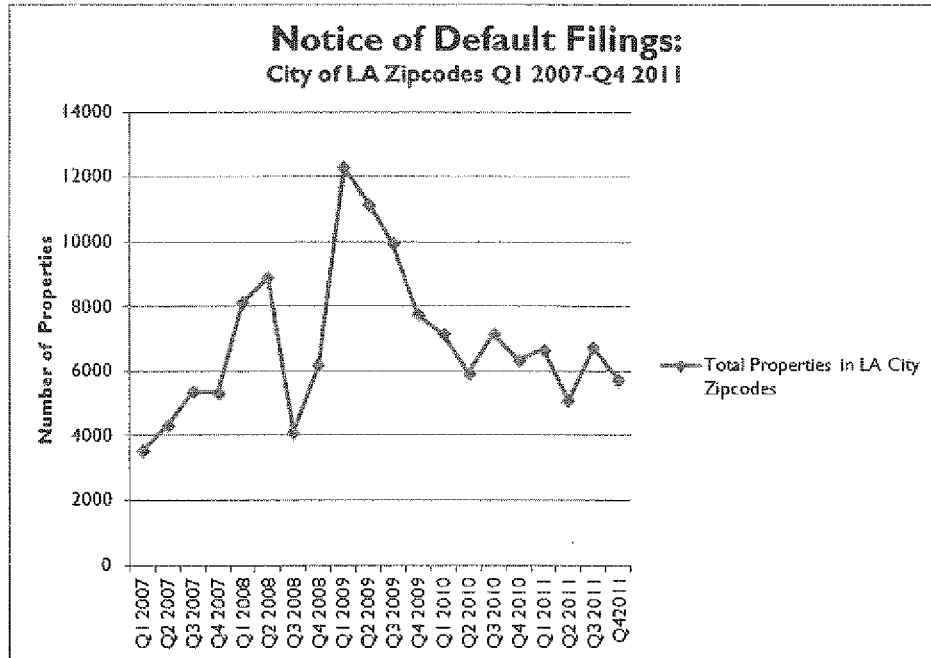


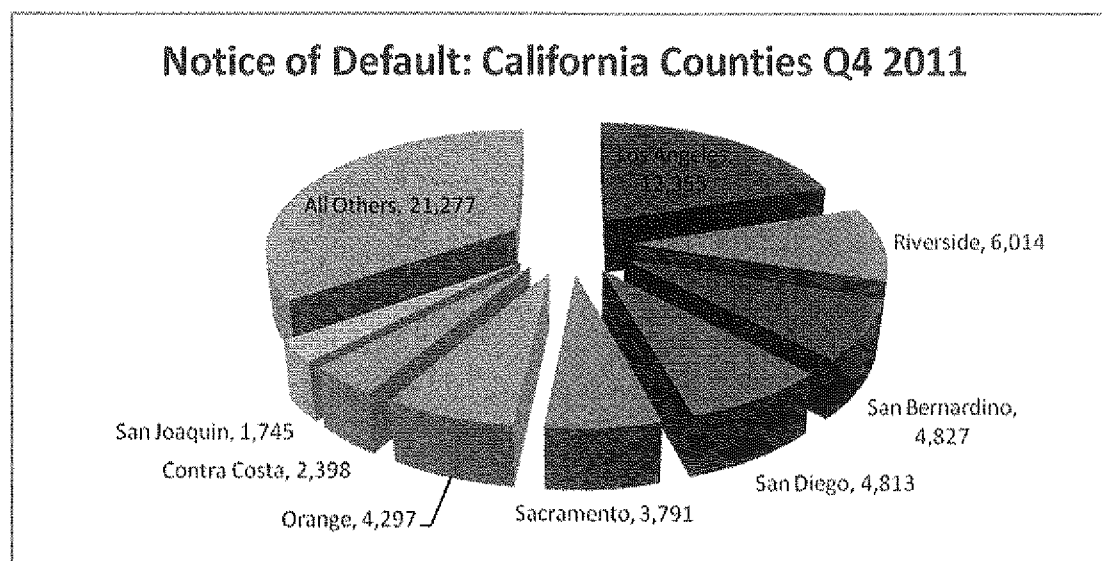
Figure 7. City of Los Angeles Notice of Default Filings, Q1 2007-Q4 2011. Source: DataQuick.

California NOD Activity by County Q4 2011

The County of Los Angeles has the highest percentage of total NODs in California. In Q4 2011, it comprised 20 percent of all NODs in the State. The high number of NODs in Los Angeles County is consistent with previous quarters dating back to the start of the economic crisis in 2007. According to DataQuick, most NODs filed in California in Q4 2011 have originated in lower income neighborhoods where the median sales price is \$200,000. The City of Los Angeles has been heavily impacted by NODs in Q4 2011. While Los Angeles County comprised 20 percent of all California NODs in Q4 2011 (as shown in Figure 8 and 9), LAHD estimates that the City comprised almost half of the County’s total NODs.

County	SFH/Condo Foreclosures	Percent of Total
Los Angeles	12,355	20%
Riverside	6,014	10%
San Bernardino	4,827	8%
San Diego	4,813	8%
Sacramento	3,791	6%
Orange	4,297	7%
Contra Costa	2,398	4%
San Joaquin	1,745	3%
All Others	21,277	35%
<b>Statewide</b>	<b>61,517</b>	<b>100%</b>

Figure 8. Single Family Home/Condo NOD by County Q4 2011. Source: DataQuick.



**Figure 9.** Single Family Home/Condo NOD by County Q4 2011. Source: DataQuick.

### **III. CANCELLED OR POSTPONED FORECLOSURE SALES**

The Council requested data on the number of foreclosure sales that have been canceled, rescheduled, or postponed. This type of data is not collected by DataQuick, the source of information that LAHD uses in its foreclosure analysis.

### **IV. USE OF HARDEST HIT FUNDS**

In early 2010, the Department of Treasury announced the Hardest Hit Fund, which provided over \$7 billion in targeted aid to the District of Columbia and 18 states hit hard by the housing crisis. The State of California has received nearly \$2 billion of this funding to assist homeowners at risk of foreclosure. Managed by the California Housing Finance Agency Mortgage Assistance Corporation (CalHFA MAC), the Keep Your Home California program was created to utilize this funding through a number of programs to help reduce and prevent foreclosures. The programs assist low and moderate income borrowers by submitting payments directly to the participating mortgage servicers on behalf of the borrower. Participation by mortgage servicers is strictly voluntary. Los Angeles residents are instructed to contact CalHFA to begin the application process.

Since Keep Your Home California began in September 2010, 4,357 borrowers have received assistance out of 17,936 applicants. Of this total, 716 (16.4 percent) reside in Los Angeles County, which produced the greatest activity in the state. Specific assistance amounts and total households assisted in the City of Los Angeles is not available.

Keep Your Home California is comprised of the following four programs:

#### Unemployment Mortgage Assistance Program (UMP)

Provides temporary financial assistance to homeowners who wish to remain in their homes but have suffered a loss of income due to unemployment.

Expiration Date: January 10, 2013

Mortgage Reinstatement Assistance Program (MRA)

Provides funds to help homeowners cure their delinquent mortgages, also includes payments needed to reinstate their loans from foreclosure.

Expiration Date: February 7, 2013

Principal Reduction Program (PRP)

Provides funds to reduce the principal balance of the mortgage for the purpose of establishing an appropriate level of debt.

Expiration Date: February 7, 2013

Transition Assistance Program (TAP)

Helps homeowners make a smooth transition to other forms of housing following a short sale or deed-in-lieu of foreclosure (homeowner conveys all interest in the property to the lender to avoid foreclosure).

Expiration Date: February 7, 2013

<b>CalHFA Hardest Hit Statewide Assistance</b>						
	Number of Borrowers Assisted Since Program Start	Assistance Provided To Date	Projected Households Assisted	Projected Average Per Household Assistance	Projected Maximum Per Household Assistance	Funding Allocation
UMA	3,551	\$24,479,117.88	60,431	\$14,483.56	\$27,000	\$874,995,915.28
MRA P	626	\$7,056,953.64	10,999	\$14,492.74	\$20,000	\$159,400,000.00
PRP	166	\$6,957,088.75	16,275	\$47,446.53	\$50,000	\$772,197,793.52
TAP	29	\$133,000.00	460	\$5,000	\$5,000	\$2,300,000.00
<b>Total</b>	<b>4,372</b>	<b>\$38,626,160.27</b>	<b>88,165</b>			<b>\$1,806,593,709</b> <b>\$1,975,334,096</b> <b>(including admin)</b>

Figure 10. CalHFA Hardest Hit Programs. Source: CalHFA.

## V. FEDERAL MORTGAGE MODIFICATION PROGRAMS

The Federal government offers numerous programs to assist households during the current economic crisis, as summarized below. The Treasury Department provides incentive payments to servicers for every successful permanent modification under the Home Affordable Modification Program and completed short-sale/deed-in-lieu transactions pursuant to the Home Affordable Foreclosure Alternative Program. Loan servicer participation in these programs is voluntary.

### Home Affordable Modification Program (HAMP)

Homeowners who are having difficulty paying their mortgage may qualify for this program, which lowers the monthly payment to 31 percent of the borrower's monthly gross income. Established in April 2009, the program requires borrowers to enter into a trial period plan before receiving a permanent modification. During this period, borrowers must submit trial payments and all required forms and documents. As of October 2011, California has 20,457 active HAMP trials and 182,514 permanent modifications which together comprise 24.7 percent of the total U.S. HAMP activity (largest in nation). The Los Angeles-Long Beach-Santa Ana Metropolitan Statistical Area is the most active metropolitan area in the nation, with 6,949 active trials and 54,693 permanent modifications, totaling 61,642 active modifications, comprising 7.5 percent of total U.S. HAMP activity. The Metropolitan Statistical Area represents the most specific geographic data available. To date, HAMP has helped more than 900,000 families permanently modify their loans, providing them with an average monthly savings of \$500.

### Principal Reduction Alternative Program (PRA)

Provides principal reduction assistance for homeowners who are eligible for a loan modification under HAMP. Implemented in October 2010, the program encourages servicers of loans not owned or guaranteed by Fannie Mae or Freddie Mac to evaluate reducing the borrower's principal for mortgages with a loan-to-value ratio of 115 percent or greater when reviewing a homeowner for a HAMP modification. PRA pays investors incentives for every dollar of principal forgiven. The nationwide median principal amount reduced is \$65,172.

### Second Lien Modification Program (2MP)

Initiated in August 2009, 2MP provides assistance to homeowners receiving a HAMP modification by modifying their second mortgage. The average amount of full principal waived is \$70,356.

### Home Affordable Unemployment Program (UP)

Provides additional assistance for unemployed homeowners eligible for HAMP. It allows for a forbearance of mortgage payments for a minimum of 12 months.

### Home Affordable Foreclosure Alternatives (HAFA)

For homeowners who wish to transition to more affordable housing, HAFA permits for a short-sale or deed-in-lieu that allows the homeowner to exit the property and receive \$3,000 in relocation assistance. This program was established in April 2010 and targets homeowners who are not eligible for HAMP.

### Home Affordable Refinance Program (HARP)

HARP is available to homeowner's who are current on their mortgage yet unable to traditionally refinance because the value of their home has declined. HARP applies to mortgages that are owned or guaranteed by Freddie Mac or Fannie Mae.

#### *HARP PHASE II*

In October 2011, the Federal Housing Finance Agency (FHFA) announced changes to HARP to attract more eligible borrowers who can benefit from refinancing their mortgage. The updated program, known as HARP Phase II, contains the following enhancements:

- Eliminates certain risk-based fees for borrowers who refinance into shorter-term mortgages and lower fees for other borrowers;
- Removes the current 125 percent loan-to-value (LTV) ceiling for fixed-rate mortgages backed by Fannie Mae and Freddie Mac;
- Waives certain representations and warranties that lenders commit to in making loans owned or guaranteed by Fannie Mae and Freddie Mac;
- Eliminates the need for a new property appraisal when there is a reliable AVM (automated valuation model) estimate provided by Fannie Mae and Freddie Mac; and
- Extends the end date for HARP until Dec. 31, 2013 for loans originally sold to Fannie Mae and Freddie Mac on or before May 31, 2009.

### President Obama's Recent Plans to Stabilize the Housing Market

On February 1, 2012, President Obama announced a new plan to help borrowers and promote the recovery of the housing market. Key provisions of this plan include:

- **Broad Based Refinancing.** The President's revamped housing plan is designed to increase the number of borrowers eligible for refinancing at historically low interest rates, which could save homeowners an average of \$3,000 per year. The plan provides borrowers with loans insured by Fannie Mae or Freddie Mac access to streamlined refinancing through these agencies. For borrowers whose mortgages are not insured by Fannie Mae or Freddie Mac, the Federal Housing Administration (FHA) will provide access to refinancing. The Administration estimates that these provisions will cost \$5-\$10 billion, offset by a portion of the Financial Crisis Responsibility Fee, a tax on financial firms proposed in January 2010.

- **Homeowner Bill of Rights.** A single set of federal standards for borrowers and lenders that will promote transparency, understanding, and responsibility in the housing market and prevent future abuses. The plan calls for simple mortgage forms, no hidden fees or penalties, early intervention by the servicer to avoid foreclosure, and a homeowner's right to appeal a foreclosure.
- **Pilot program to transition REO property to rental housing.** FHFA will sell government-owned foreclosures in bulk to investors with the requirement that they be used as rental properties.
- **Relief for the Unemployed.** The new housing plan will increase the forbearance period for Fannie Mae or Freddie Mac loans from 3 months to 12 months for those homeowners who are unemployed and looking for work. Wells Fargo and Bank of America have also increased their forbearance period to these same standards.
- **Expanding HAMP Eligibility.** Provides an alternative evaluation opportunity with more flexible debt-to-income criteria to help borrowers who would otherwise not qualify.
- **Residential Mortgage-Backed Securities Working Group.** Under the President's Financial Fraud Enforcement Task Force, this group will investigate misconduct relating to the pooling and sale of residential mortgage-backed securities. While the group includes state Attorneys General, California State Attorney General Kamala Harris is not participating, as she is pursuing her own investigation.

## VI. CITY EFFORTS TO COMBAT FORECLOSURES

The City has worked with community organizations and provided a variety of solutions to combat foreclosures:

- In 2008, LAHD awarded a \$100,000 contract to Los Angeles Neighborhood Housing Services (LANHS), a California non-profit corporation, to provide homeownership foreclosure prevention services to low-income homeowners through the Homeownership Foreclosure Assistance Program (Program). LANHS was the contract lead agency and utilized nine non-profit, homeownership counseling agencies as subcontractors to assist with providing Program counseling services. A total of 1,000 households were assisted.
- In 2008, LAHD awarded a contract of \$100,000 to the Center for Foreclosure Solutions, a coalition of Los Angeles Neighborhood Legal Services, to assist homeowners with foreclosure counseling and prevention. With this funding 1,000 Los Angeles households received help.
- In 2009, the City Council used AB 1290 funds from CD 6 and 7 to create a \$1.1 million pilot project called the Foreclosure Prevention Pilot Program to help homeowners in

Council District 6 and 7 combat foreclosures. This program was designed to assist homeowners who qualify (with City Assistance) under HAMP to obtain a sustainable loan modification with permanent principal reduction. To date, only one lender has chosen to participate in the program, Bank of America. However, Bank of America reports that no eligible borrowers have been identified to participate in the Pilot Program. Neighborhood Legal Services of Los Angeles and OneLA-IAF will continue to identify borrowers eligible for the HAMP program through community organizing and counseling.

- On December 2, 2011, the City completed the final approval process for accepting \$5 million in CalHFA MAC Innovation Funds. The funds will be used for foreclosure prevention and to convert principal forbearance on a non-HAMP loan modification to principal forgiveness. Of the \$5 million total, \$4.5 million will be used for program funding and \$500,000 will be used to administer the grant. Eligible homeowners will receive a grant totaling up to \$50,000 per household. Outreach will be conducted by Los Angeles Neighborhood Legal Services. To date, one lender, One West Bank, has committed to participate in the program.

## **VII. CITY ATTORNEY RESPONSE**

The City Attorney reports that it has received only four complaints relating to mortgage fraud, as these crimes are felonies and typically handled by the District Attorney or U.S. Attorney. In May 2011, the City Attorney filed suit against Deutsche Bank for failure to maintain foreclosed properties.

In its filing, the City Attorney writes that over the past four years, Deutsche Bank, through its two subsidiaries Deutsche Bank National Trust Company and Deutsche Bank Trust Company Americas, has become one of the largest slumlords in Los Angeles. In the wake of the housing boom and bust, these Deutsche Bank subsidiaries, acting as trustees for trusts composed of mortgage-backed securities, acquired over 2,200 properties in the City through foreclosure. Deutsche Bank has subsequently neglected its duties as a property owner.

In some instances, the properties Deutsche Bank acquired were vacant at the time of foreclosure, and Deutsche Bank either failed to make the necessary repairs to remedy nuisance conditions, or caused or permitted nuisance conditions to develop. Other properties were occupied upon foreclosure, and Deutsche Bank set about unlawfully evicting tenants in an effort to vacate and sell the buildings, often allowing them to become nuisances once vacant. In other instances, Deutsche Bank failed to provide minimum maintenance at occupied buildings, condemning tenants to live in substandard and dangerous conditions.

Deutsche Bank received abundant notice of the conditions at the buildings it owned, in the form of citations, orders to comply, and hearing notices from various City agencies. Despite this, Deutsche Bank failed to respond and bring its properties into compliance. Most Deutsche Bank owned properties are concentrated in low-income areas of the City, primarily in South Los Angeles and the Northeast San Fernando Valley. Vacant nuisance properties depress property values, increase crime rates, and burden already stressed City services. Additionally, the

consequences of an illegal eviction for a low-income tenant already living on the margins of poverty can be devastating. Reports from law enforcement agencies and housing advocates across the country indicate that although Deutsche Bank is not alone among banks in engaging in this unlawful conduct, it is consistently the worst, and least responsive.

The City Attorney's complaint alleges violations of numerous federal, state, and municipal laws regulating housing conditions, nuisance properties, and tenancies. The lawsuit seeks injunctive relief to abate and prevent unlawful conditions, restitution to affected tenants, and penalties. Specifically, the causes of action are violation of the California Unfair Competition Law, California Public Nuisance Laws, the Los Angeles Vacant Building Ordinance, and the Los Angeles Municipal Code.

The complaint focuses on 168 properties as examples of Deutsche Bank's illegal conduct, and seeks the following relief:

- Injunctive terms:
  - Cease and desist illegal evictions.
  - Compliance with all applicable State and municipal Code requirements.
  - Inventory, registration, and inspection of foreclosed properties within 30 days.
  - Cooperation by Deutsche Bank in this and future investigations.
- Restitution to current and former tenants for amounts paid in excess of actual value of their units, and for unpaid relocation fees.
- Reimbursement to City for costs of repair, abatement, inspection, and investigation.
- Penalties in an amount not yet calculated, but Deutsche Bank's liability is potentially in the hundreds of millions of dollars.

The City Attorney has also targeted several other banks for similar practices, but has not filed actions as of this date.

#### **RECOMMENDATIONS:**

That the Council instruct the CLA and LAHD to

1. Continue to monitor foreclosures in the City of Los Angeles.
2. Monitor the President's foreclosure prevention proposals and prepare the necessary Resolutions to support these efforts.
3. Transmit the Council Action and this report to the California Attorney General in order to support efforts to bring suit on behalf of the residents of California and to specify the damages caused by foreclosures to the residents of Los Angeles.