

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

0130-02019-0001

Date: May 30, 2014

To: The Mayor
The CouncilAttn: Mandy Olvera, Mayor's Office
John White, City Clerk's Office

From: Miguel A. Santana, City Administrative Officer

Subject: **GRANTS PILOT PROGRAM – GRANT ACCEPTANCE PACKET FOR THE
FY2014-15 CALIFORNIA ATTORNEY GENERAL FORECLOSURE CRISIS
RECOVERY FUND GRANT**

Attached is the Grant Acceptance Packet for the FY2014-15 California Attorney General Foreclosure Crisis Recovery Fund Grant in the amount of \$75,000 for the support of a housing and mortgage securities specialist. As a participant in the Grants Pilot Program, this department submitted the packet for review and analysis by the CAO Grants Oversight Unit and the appropriate CAO Analyst.

In accordance with the approved procedures for the Pilot, this Office reviewed the Packet for completeness, conducted a concise analysis and prepared a Fiscal Impact Statement. The Grant Acceptance Packet consists of the following:

- Review of Grant Award and Acceptance Determination
- Department Request for Acceptance of Grant Award
- Notification of Grant Award and Check

If you have any questions about the Grants Pilot Program or the procedures for the Grant Acceptance Packet, please contact Camilla Fong at 213-978-7681.

Attachments

MAS:ACA:CLF:04140090c

MAY 30 2014 10:02

OFFICE OF THE CITY ADMINISTRATIVE OFFICER
Review of Grant Award and Acceptance Determination

Recipient City Department: Office of the City Attorney		Award Notification Date: February 2014	
Grant Award Title: Foreclosure Crisis Recovery Fund		Grant Amount: \$75,000 Prior Grant Award(s): \$75,000	
Awarding Agency: California Attorney General's Office			
Grant Agreement Number/Reference:	Performance Start Date: 03/01/2014	Performance End Date: 2/30/2015	
Purpose: The Office of the City Attorney is requesting authority to accept grant funding from the California Attorney General's Foreclosure Crisis Recovery Fund. Funding in the amount of \$75,000 will fund a full-time project-based Mortgage Securities Specialist contracted by the City Attorney's Office to investigate, develop and assist staff attorneys with unlawful foreclosure cases.			

Checklist for Grant Acceptance:	Yes	No	N/A	Comments
1. Authority for Grant Acceptance				
• Department requests acceptance of the Grant	X			() Terms/Conditions outlined in Award Notice/Grantor Agreement
2. Match Requirement Review				
• Match Sources Identification completed			X	() Obtain match requirements from Award Notice/Grantor Agreement
• Additional Funds requested			X	() Submit to CAO for review
3. Charter Section 1022 Determination				
• Charter Section 1022 findings completed			X	() Submit to CAO for review and determination
4. Provisions for Grant-Funded Contracts				
• Standard and Grantor Provisions or equivalent language is included			X	() Incorporate Provisions or Language into proposed agreement
• Pro Forma Agreement RFP <input type="checkbox"/> MOU <input type="checkbox"/> PSA <input type="checkbox"/>			X	() Submit to City Attorney for review and approval; copy to CAO
5. Personnel Authorities				
• Department has submitted a request for position(s)			X	() Review documents and make determination
6. Grant Implementation Recommendations				
• Department has submitted grant implementation instructions	X			() Submit to CAO for review
7. Controller Instructions for Fund/Accounts Set-Up				
• Department has requested Funds/Accounts Set-up	X			
8. Governing Body Resolution/Certification				
• Department has submitted Resolution/Certification			X	() Submit to CAO and City Attorney for review
9. Fiscal Impact Analysis				
• Department has submitted Fiscal Impact Statement	X			() Submit to CAO for review and determination

OFFICE OF THE CITY ADMINISTRATIVE OFFICER
Review of Grant Award and Acceptance Determination

10. Grant Award Summary

The City Attorney's Office is requesting approval to accept \$75,000 in grant funding from the California Attorney General's Foreclosure Crisis Recovery Fund. As part of the settlement in *People of the State of California v. Countrywide Financial Corporation*, the California Attorney General's Office developed the Foreclosure Crisis Recovery Fund to aid cities and counties in combating the effects of the real estate collapse and of mortgage and real estate fraud. This is the second grant award that the City Attorney's Office has received from the Foreclosure Crisis Recovery Fund.

Funding in the amount of \$75,000 will fund a full-time, project-based Mortgage Securities Specialist to be contracted by the City Attorney's Office. The Mortgage Securities Specialist will investigate illegal schemes and unlawful practices of financial institutions resulting from ownership of foreclosed mortgage-backed security trust-owned properties; draft and file civil complaints in cooperation with Deputy City Attorneys and staff; pursue material evidence through civil discovery; assist in litigation; and engage in multi-party settlement negotiations. No matching funds are required in order to accept this grant.

11. Recommendations

Pursuant to a review of departmental recommendations for this grant, please provide a complete list of necessary actions for implementation including acceptance of the award by the City, Controller instructions for fund and accounts set-up, coordination of project activities, etc.

That the Council, subject to the approval of the Mayor:

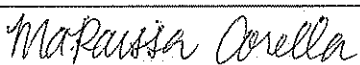
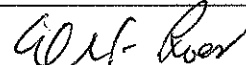
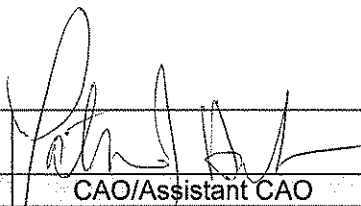
1. Authorize the City Attorney to approve the accompanying disbursement between the City and the California Attorney General's Foreclosure Crisis Recovery Fund and authorize the City Attorney or his designee to execute the grant award on behalf of the City, subject to the approval of the City Attorney as to form and legality;
2. Authorize the City Attorney or his designee to accept the disbursement in the amount of \$75,000 from the California Attorney General's Foreclosure Crisis Recovery Fund to fund the project-based Mortgage Securities Specialist;
3. Authorize the Controller to:
 - a. Establish a receivable in the amount of \$75,000 in Fund 368, City Attorney Grant Fund;
 - b. Establish the following appropriation account in Fund 368, Department 12:
 Account 12K925, Contractual Services - \$75,000
4. Authorize the City Attorney, or his designee, to prepare Controller's instructions for any necessary technical adjustments, subject to the approval of the City Administrative Officer, and authorize the Controller to implement the instructions.

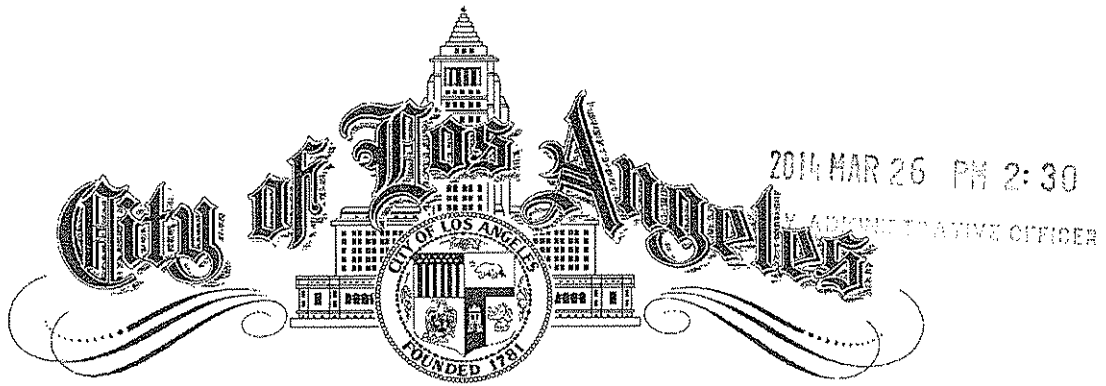
12. Fiscal Impact Statement

Yes This Office finds that the Grant complies with City financial policies as follows (see below):

No This Office finds that the Grant does not comply with City financial policies as follows (see below):

There is no General Fund impact. Approval of this request will allow for the disbursement of funds from the California Attorney General's Foreclosure Crisis Recovery Fund. There is no required match for this grant. The recommendations in this report are in compliance with the City's Financial Policies in that one-time revenue will be used to support this one-time expenditure.

 CAO Analyst	 Chief	 CAO/Assistant CAO	5/29/14 Date
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MICHAEL N. FEUER
CITY ATTORNEY

March 3, 2014

The Honorable Eric Garcetti
Mayor of Los Angeles
City Hall
Los Angeles, CA 90012
Attention: Cary Gross

Honorable City Council
City of Los Angeles
City Hall
Los Angeles, CA 90012
Attention: Holly Wolcott

**Re: FY 2013 -14 Distribution from the California Attorney General
Foreclosure Crisis Recovery Fund (Council File #12-0731)**

Contact Persons: Michiko M. Reyes (213) 978-7020
Janette Flintoft (213) 215-5808

Dear Mayor Garcetti and Members of City Council:

The Office of the City Attorney is transmitting for your review and approval a \$75,000 disbursement from the California Attorney General's Foreclosure Crisis Recovery Fund (the "Fund") in accordance with the Final Judgment in People of the State of California v. Countrywide Financial Corporation. As part of the Countrywide settlement, the California Attorney General's Office developed the Fund to aid cities and counties in combating the effects of the real estate collapse and of mortgage and real estate fraud. This is the second disbursement from the Fund following a competitive process (Council File No. 12-0731).

The \$75,000 disbursement will continue to fund a full-time, project-based Mortgage Securities Specialist contracted by the Los Angeles City Attorney's Office to investigate, develop, and assist staff attorneys with unlawful foreclosure cases. This position supported litigation efforts involving the City Attorney's Office's seminal case against Deutsche Bank entitled People of the State of California v. Deutsche Bank National Trust Company, Deutsche Bank Trust Company Americas, et. al., Los Angeles Superior Court Case No. BC 460878. In June, 2013, this matter concluded via a settlement reached among the parties involving \$10 million in penalties and fees.

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The Honorable Eric Garcetti
Honorable City Council
March 3, 2014
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IT IS THEREFORE REQUESTED that the City Council and the Mayor:

1. Authorize the City Attorney or his designee to **APPROVE** the accompanying disbursement between the City and the California Attorney General's Foreclosure Crisis Recovery Fund and authorize the City Attorney or his designee to **EXECUTE** said grant award on behalf of the City, subject to the approval of the City Attorney as to form and legality.
2. Authorize the City Attorney or his designee to **ACCEPT** the disbursement in the amount of \$75, 000 from the California Attorney General's Foreclosure Crisis Recovery Fund to fund the project-based Mortgage Securities Specialist.
3. **AUTHORIZE** the Controller to:
 - a. **ESTABLISH** a receivable in the amount of \$75,000 within Fund 368, Department 12.
 - b. **ESTABLISH** the following appropriation Account Nos. within Fund 368, Department 12 :

Account 12K925, Contractual Services - \$ 75,000
4. **AUTHORIZE** the Office of the City Attorney to prepare Controller's instructions for any necessary technical adjustments, subject to the approval of the City Administrative Officer.

Thank you for your consideration to this matter. Should you have any questions or require assistance please contact Michiko Reyes at (213) 978-7020 or Janette Flintoft at (213) 215-5808.

Sincerely,


Leela Kapur
Chief of Staff

cc: Miguel Santana, CAO
Maria Raisa Corella, CAO

City of Los Angeles Grant Award Notification and Acceptance

Recipient Department				
This Grant Award is: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation/Renewal <input type="checkbox"/> Supplemental <input type="checkbox"/> Revision <input type="checkbox"/> Sub-Allocation				
Grants Coordinator: Janette Flintoft		E-Mail: janette.flintoft@lacity.org		Phone: 213-215-5808
Project Manager: Tina Hess		E-Mail: tina.hess@lacity.org		Phone: 213-978-8100
Department/Bureau/Agency: City Attorney Civil Division				Date: 03/3/2014
Grant Information				
Name of Grantor: California Attorney General's Office			Pass Through Agency: n/a	
Grant Program Title: Foreclosure Crisis Recovery Fund			Notification of Award Date: 02/21/2014	
Funding Source (Public or Private): <input type="checkbox"/> Federal <input checked="" type="checkbox"/> State <input type="checkbox"/> Local <input type="checkbox"/> Foundation <input type="checkbox"/> Corporation <input type="checkbox"/> Other	Grant Type: <input type="checkbox"/> Formula/Block <input checked="" type="checkbox"/> Competitive/Discretionary <input type="checkbox"/> Other	Funds Disbursement: <input checked="" type="checkbox"/> Advance <input type="checkbox"/> Reimbursement		Agency's Grant ID: CFDA # 12-0731 Other ID # CA Atty General _____ eCivis ID# _____
Match Requirement: <input checked="" type="checkbox"/> None <input type="checkbox"/> Recommended <input type="checkbox"/> Mandatory _____ Amount = _____ % Match				
Match Type: <input type="checkbox"/> Cash <input type="checkbox"/> In-Kind Identify Source of Match: _____				
Fiscal Information:	Awarded Funds \$75,000	Match/In-Kind Funds \$	Additional/Leveraged Funds \$	Total Project Budget \$
Approved Grant Budget Summary:				
Category	Awarded	Match	Additional	Explanation
Personnel				
Salaries				
Fringe Benefits				
Indirect				
Equipment				
Materials/Supplies				
Travel				
Contractual Services	75,000			
Other				
Total:	75,000			
Approved Project				
Descriptive Title of Funded Project: Contract Mortgage Securities Specialist				
Performance Period Start/End Dates (Month/Day/Year): Start: 3/1/14 End: 2/30/15		Citywide: <input checked="" type="checkbox"/> Affected Council District(s): All Affected Congressional District(s): All		
Purpose: <input type="checkbox"/> Capital/Infrastructure <input type="checkbox"/> Equipment <input checked="" type="checkbox"/> Program <input type="checkbox"/> Planning/Training <input type="checkbox"/> Pilot/Demonstration				
Identify Internal Partners (City Department/Bureau/Agency): LAPD, LAHA Identify External Partners:				
Summary				
Please provide a project summary including goals, objectives (metrics), specific outcomes, and briefly describe the activities that will be used to achieve these goals. You may attach an additional sheet of paper if necessary.				
This award will continue to fund a project-based Mortgage Securities Specialist contracted by the Los Angeles City Attorney's Office for one year to investigate, develop, and assist staff attorneys with unlawful foreclosure cases. This specialist will have an immediate public benefit by accelerating the rate at which injunctive relief for victimized homeowners, tenants, and neighbors can occur. Legal resolution will result in: 1) compliance with federal, state and local laws related to habitability; 2) the establishment and enforcement of policies involving property inventory monitoring, restitution of victims, and reimbursement of the city, and 3) serve to deter future unfair, unlawful and fraudulent activity by other financial institutions.				

City of Los Angeles Grant Award Notification and Acceptance

Fiscal Impact Statement

Please describe how the acceptance of this grant will impact the General Fund. Provide details on any additional funding that may be required to implement the project/program funded by this grant.

None.

Acceptance Packet

The above named Department has received an award for the Grant Program identified above, accepts full responsibility for the coordination and management of all Grant funds awarded to the City, and will adhere to any policies, procedures and compliance requirements set forth by the Grantor and its related agencies or agents, as well as those of the City, and its financial and administrative departments. The following items comprise the Acceptance Packet and are attached for review by the CAO Grants Oversight Unit:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Grant Award Notification and Acceptance | <input type="checkbox"/> Copy of Award Notice |
| <input type="checkbox"/> Grant Project Cost Breakdown (Excel Document) | <input checked="" type="checkbox"/> Copy of Grant Agreement (if applicable) |
| <input type="checkbox"/> Detail of Positions and Salary Costs (Excel Document) | <input type="checkbox"/> Additional Documents (if applicable) |

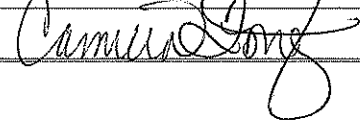
Department Head Name: MC Molidor	Department Head Signature: 	Date: 3/10/14
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FOR CAO USE ONLY

The Office of the City Administrative Officer, Grants Oversight Unit has reviewed the information as requested, and has determined that the Acceptance Packet is:

- | |
|--|
| <input checked="" type="checkbox"/> Complete The Acceptance Packet has been forwarded to appropriate CAO analyst |
| <input type="checkbox"/> Returned to Department (Additional information/documentation has been requested.) |
| <input type="checkbox"/> Flagged (See comments below.) |

Comments:

CAO Grants Oversight Unit Signature: 	Date: 5/21/14
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**Grant Award Notification and Acceptance
Grant Project Cost Breakdown**

						Department:	Los Angeles City Attorney
Attorney General's Foreclosure Crisis Fund		Additional Costs**					
Grant Project Breakdown	Grant Funds	City Funds	Non-City Funds	Total	Comments		
Salaries							
1010 Salaries General				0			
1020 Salaries Grant Reimbursed				0			
1070 Salaries As Needed				0			
1090 Overtime				0			
Salaries Total:	\$ -			0			
Related Costs City Attorney							
	CAP Rate						
Fringe Benefits				0			
Department Administration				0			
Central Services				0			
Related Costs Total:	\$ -	\$ -	\$ -	0			
Expense							
2120 Printing & Binding				0			
2130 Travel				0			
3040 Contractual Services	75,000			75,000			
3310 Transportation				0			
4160 Governmental Meetings				0			
6010 Office Supplies				0			
6020 Operating Supplies				0			
7300 Equipment				0			
Other (Database)				0			
Expenses Total:	\$ 75,000			75,000			
Grand Total:	\$ 75,000	\$ -	\$ -	\$ 75,000			
*Please use the full Cost Allocation Plan (CAP) rates unless disallowed by the Grantor. CAP rates should be applied to Gross Salaries (including Compensated Time Off.)							

KAMALA D. HARRIS
Attorney General

State of California
DEPARTMENT OF JUSTICE



455 GOLDEN GATE AVENUE, SUITE 11000
SAN FRANCISCO, CA 94102-7004

Public: (415) 703-5500
Telephone: (415) 703-5723
E-Mail: Frances.Grunder@doj.ca.gov

February 21, 2014

Janette Flintoft
Deputy City Attorney, Grant Specialist
Los Angeles City Attorney's Office
200 North Main Street, 8th Floor
Los Angeles, California 90012

RE: 2013 Foreclosure Crisis Recovery Fund Grant Award Check

Dear Ms. Flintoft:

Enclosed please find a check for your agency's grant from the Foreclosure Crisis Recovery Fund. Also, please find below a restatement on the requirements of use of the grant funds:

Conditions on Disbursements

A. Compliance and Authority

- (1) The recipient will comply with any order of the Court in connection with the Fund and the disbursement received.
- (2) The person submitting the application represents that his/her office/unit is authorized to accept funds under applicable state and local laws and that the budget of the applicant's office/unit will not be reduced by the receipt of monies from the Fund. Fund monies shall be used to augment but not supplant the budget of the recipient's office/unit.
- (3) Approval of the application does not constitute the Committee's or California Attorney General's endorsement of the applicant's investigation, prosecution, program, project or other activity.

B. Use of Funds and Financial Controls

- (1) The recipient will vigilantly safeguard the monies disbursed by the Fund, maintain financial controls sufficient to protect the monies and ensure that the use of monies fully comports with the recipient's application.

The recipient will provide a detailed written description of its financial controls upon request by the Committee.

- (2) The funding requested will not be used to pay for regular staff of the agency applying to the Fund unless specifically approved by the Committee.
- (3) Except as otherwise expressly agreed by the Committee in writing, the funds will only be used for the purposes described in the application, as approved or modified by the Committee.

C. Reimbursement of Amounts Distributed

- (1) If the applicant seeks funds for the purpose of investigation or litigation, any costs or attorneys fees the recipient obtains through a civil settlement will be used to reimburse the Fund for the full amount of the grant awarded. The Fund shall be reimbursed before any costs or attorneys fee award is used for any other purpose unless the Committee specifically approves otherwise.
- (2) In the event the recipient is the prevailing party after trial, the recipient will use its best efforts to reimburse the Fund in full from any monetary recovery ordered by trial and appellate courts and paid by the defendant(s).
- (3) If the application is for the purchase of non-case specific goods or services, any excess or unused funds must be returned to the Committee within 60 days after the purchase of the goods or services by check made payable to the California Attorney General's Office, with the notation "Foreclosure Crisis Recovery Fund Reimbursement."
- (4) Except as otherwise expressly agreed by the Committee in writing, within 60 days after the conclusion of the investigation, prosecution, program, project or activity for which funding was granted, the recipient must return unused or excess funds to the Committee by check made payable to the California Attorney General's Office, with the notation "Foreclosure Crisis Recovery Fund Reimbursement."

D. Reporting

- (1) The recipient will notify the Committee in writing within 30 days of resolving litigation, including any settlement, judgment or other resolution.
- (2) Six months after the funds are disbursed the recipient will notify the Committee in writing of the status of all outstanding litigation or investigations for which funding was granted and thereafter provide notice annually on the anniversary date of the disbursement.
- (3) Recipients must submit a self-evaluation report within six months after the funds are disbursed, and a final report to the Committee within 60 days of completing

the investigation, prosecution, program, project or activity for which funding was awarded. These reports shall specify how the funds were used.

All reports submitted to the Committee shall be treated by the Attorney General's Office as confidential law enforcement communications.

- (4) All correspondence with the Committee shall be directed to Senior Assistant Attorney General Frances Grunder, with a copy to Investigative Auditor Shirley Weber, and sent as pdf attachments to e-mails addressed to: Frances.Grunder@doj.ca.gov and Shirley.Weber@doj.ca.gov or any other e-mail address subsequently specified by the Office of the Attorney General.

E. Cooperation with the Committee

- (1) The recipient will cooperate with the Committee and its agents in providing all information concerning the use of funds the Committee may reasonably request and will maintain sufficient records for auditing purposes to substantiate any expenditure. In the event of a multi-agency grant, the lead agency shall be solely responsible for complying with this paragraph, except as otherwise expressly agreed by the Committee in writing.
- (2) The recipient will comply with any additional requirements the Committee may impose, including but not limited to completing and promptly returning any form required by the Committee to acknowledge selection as a recipient of monies from the Fund.
- (3) The Committee may designate, and require completion of, forms to satisfy these requirements. The Committee may attach additional written conditions to the award of any disbursements from the Fund.
- (4) The Committee will (except in extraordinary circumstances) condition funding an application for the production of any materials on the applicant's agreement to permit the California Attorney General's Office and other authorized agencies to use those materials, without restriction, for their intended purposes.

Reimbursements and Contributions to the Fund

As noted above, the Committee will require applicants, as a condition of accepting an award from the Fund, to reimburse the Fund from any settlement or recovery (as permitted by law). Nothing in the Judgment or these instructions shall preclude a recipient from reimbursing the Fund in amounts greater than the amount received from the Fund, and an authorized agency regardless of whether a grant recipient, may provide contributions to the Fund at any time.

Funds may also be donated or contributed to the Fund from any source, subject to approval by the Committee.

February 21, 2014

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Auditing and Reporting

Recipients of grants from the Fund shall maintain accounting records and other documents pertaining to costs incurred during the Disbursement Cycle for three years from the date of the final disbursement from the Fund. The Committee must be permitted to audit, review and inspect the recipient's books and records during the grant period and for three years following the final disbursement of funds to the recipient.

Recipients will be required to submit self-evaluation reports to the Committee on the progress of their project six months after receiving disbursements, as well as a description of how the funds were used. Multi-year recipients will also be required to submit an annual progress report in each succeeding year of a multi-year grant.

Recipients must submit a final report to the Committee within 60 days of completing the investigation, prosecution, program, project or activity for which the grant was awarded. The report shall specify how funds were used and describe the outcome of the investigation, prosecution, program, project or activity for which funds were awarded.

Congratulations again on your office's receipt of a grant from the Foreclosure Crisis Recovery Fund, and we look forward to your reports regarding your grant. As always, please do not hesitate to contact me or Shirley Weber (415-703-5535) should you have any questions regarding this matter.

Sincerely,



FRANCES T. GRUNDER
Senior Assistant Attorney General

For KAMALA D. HARRIS
Attorney General

FG:sw

Enc.

THE BACK OF THIS DOCUMENT CONTAINS AN ARTIFICIAL WATERMARK - VIEW AT AN ANGLE



STATE OF CALIFORNIA

WARRANT NUMBER

04-625910


THE TREASURER OF THE STATE WILL PAY OUT OF THE IDENTIFICATION NO.

FUND NO.	FUND NAME
0920	LITIGATION DEPOSIT FUND
MO. DAY YR.	
0820	02 07 2014
90-1342/1211	
04625910	

TO: 625910
 LOS ANGELES CITY ATTORNEY
 OFFICE

DOLLARS	CENTS
***75000	.00

John Chiang
JOHN CHIANG
 CALIFORNIA STATE CONTROLLER



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REMITTANCE ADVICE

STATE OF CALIFORNIA DC

STD. 404C (REV. 4-95)

THE ENCLOSED WARRANT IS IN PAYMENT OF THE INVOICES SHOWN BELOW

DEPARTMENT NAME	ORG. CODE	INVOICE DATE	INVOICE NUMBER	RPT
DEPARTMENT OF JUSTICE	0820	01/29/14	COUNTRYWIDE	75000.00
DEPARTMENT ADDRESS		CLAIM SCHED. NO.		
P.O. BOX 944255 SACRAMENTO CA. 94244-2550		131893		
VENDOR				
<input type="checkbox"/> LOS ANGELES CITY ATTORNE 500 CITY HALL EAST 200 N MAIN STREET LOS ANGELES CA 90012 0000				
NET TOTAL				75000.00
FEDERAL TAX ID NO. OR SSAN	RP TYPE	TAX YR	TOTAL REPORTED TO IRS	TOTAL PAYMENT