

PUBLIC SAFETY COMMITTEE REPORT relative to a supplemental Foreclosure Crisis Recovery Fund disbursement for use by the City Attorney to fund a full-time Mortgage Fraud Outreach Specialist.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. AUTHORIZE the City Attorney, or designee, to accept the disbursement in the amount of \$55,000 from the California Attorney General's Foreclosure Crisis Recovery Fund to fund a project-based Mortgage Securities Specialist.
2. AUTHORIZE the Controller to:
 - a. Establish a receivable in the amount of \$55,000 in Fund 368, City Attorney Grant Fund.
 - b. Establish the following appropriation account in Fund 368/12:

<u>Account Title</u>	<u>Amount</u>
12L925 Foreclosure Crisis Augmentation	\$55,000

3. 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 (CAO); and, AUTHORIZE the Controller to implement the instructions.

Fiscal Impact Statement: The CAO reports that this action will not impact the General Fund. 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 above recommendations are in compliance with City financial policies in that one-time revenue will be used to support this one-time expenditure.

Community Impact Statement: None submitted.

SUMMARY

In a report to the Mayor and Council dated February 25, 2015 (attached to the Council file), the CAO states that the City Attorney requests authority to accept \$55,000 as a third disbursement 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. The first two disbursements, in the amount of \$75,000 each, provided the City Attorney with funding for a project-based Mortgage Securities Specialist to assist in litigation efforts.

The CAO goes on to report that this third disbursement will fund one full-time, project-based Mortgage Fraud Outreach Specialist to be contracted by the City Attorney for one year. The Mortgage Fraud Securities Specialist will develop outreach materials and conduct presentations

regarding mortgage fraud, and support staff attorneys in the preparation and development of mortgage and foreclosure fraud cases. The CAO recommends approval of the City Attorney's request.

At its meeting held March 27, 2015, the Public Safety Committee recommended that Council authorize the City Attorney to accept the supplemental grant award and to approve the related actions above, as recommended by the CAO.

Respectfully Submitted,

PUBLIC SAFETY COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
ENGLANDER:	YES
BUSCAINO:	YES
BONIN:	ABSENT
O'FARRELL:	YES
MARTINEZ:	ABSENT

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-NOT OFFICIAL UNTIL COUNCIL ACTS-