

Your **PUBLIC SAFETY COMMITTEE**

reports as follows:

PUBLIC SAFETY COMMITTEE REPORT relative to a grant award to fund a temporary Housing and Mortgage Securities Specialist in the City Attorney's Office.

Recommendations for Council action, 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 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 designee, to accept the disbursement in the amount of \$75,000 from the California Attorney General's Foreclosure Crisis Recovery Fund to fund the temporary Housing and 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 12H9205	Contractual Services	\$75,000
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4. AUTHORIZE the City Attorney, or designee, to prepare Controller's instructions for any necessary technical adjustments consistent with this action, subject to the approval of the City Administrative Officer (CAO); and, REQUEST that the Controller implement the instructions.

Fiscal Impact Statement: The CAO reports that this action will not impact the General Fund. Approval of the above recommendations 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 May 14, 2012 (attached to the Council file), the CAO states that the City Attorney requests authority 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.

According to the CAO, funding in the amount of \$75,000 will fund a temporary Housing and Mortgage Securities Specialist to be contracted by the City Attorney's Office for one year to investigate, develop, and assist staff attorneys with unlawful foreclosure cases. The Housing and Mortgage Securities Specialist will assist with discovery by interviewing witnesses and developing statements, drafting/responding to discovery, and preparing expert witness declarations. The CAO recommends approval of the City Attorney's request.

At its meeting held May 25, 2012, the Public Safety Committee discussed this matter with representatives of the City Attorney. City Attorney staff stated that the contractor will assist their office in matters such as code enforcement, failure by lenders to properly maintain foreclosed properties, and illegal foreclosure actions. The role of the City Attorney differs from the Police Department's Real Estate Fraud Unit in that the Police Department investigates real estate lending fraud, while the City's Attorney's focus will be on foreclosure illegalities. The Committee recommended that Council approve the City Attorney's request, as recommended by the CAO.

Respectfully submitted,

PUBLIC SAFETY COMMITTEE

- NOT OFFICIAL UNTIL COUNCIL ACTS -

<u>MEMBER</u>	<u>VOTE</u>
ENGLANDER:	YES
PERRY:	ABSENT
BUSCAINO:	YES
KREKORIAN:	ABSENT
ZINE:	YES

JAW
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