

CITY OF LOS ANGELES

CALIFORNIA



ANTONIO R. VILLARAIGOSA
MAYOR

JUNE LAGMAY
City Clerk

HOLLY L. WOLCOTT
Executive Officer

When making inquiries relative to
this matter, please refer to the
Council File No.

Office of the
CITY CLERK

Council and Public Services
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SHANNON HOPPE
Council and Public Services
Division

www.cityclerk.lacity.org

November 28, 2012

To All Interested Parties:

The City Council adopted the action(s), as attached, under Council File No. 12-0647,
at its meeting held November 20, 2012.



City Clerk
OS

Mayor's Time Stamp
 OFFICE OF THE MAYOR
 RECEIVED
 2012 NOV 20 PM 1:35
 CITY OF LOS ANGELES

TIME LIMIT FILES
 ORDINANCES

FORTHWITH

City Clerk's Time Stamp
 CITY CLERK'S OFFICE
 2012 NOV 20 PM 1:31
 CITY CLERK
 BY _____
 DEPUTY

COUNCIL FILE NUMBER 12-0647 COUNCIL DISTRICT _____

COUNCIL APPROVAL DATE November 20, 2012 LAST DAY FOR MAYOR TO ACT NOV 30 2012

ORDINANCE TYPE: Ord of Intent Zoning Personnel General

Improvement LAMC LAAC CU or Var Appeals - CPC No. _____

SUBJECT MATTER: AMENDING THE LOS ANGELES MUNICIPAL CODE TO ELIMINATE THE EXEMPTION FROM THE REGISTRATION REQUIREMENT OF THE FORECLOSURE REGISTRY PROGRAM FOR LENDERS, BENEFICIARIES OR TRUSTEES WHO REGISTER FORECLOSED PROPERTY WITH THE MORTGAGE ELECTRONIC REGISTRATION SYSTEM

	APPROVED	DISAPPROVED	
PLANNING COMMISSION	_____	_____	RECEIVED CITY CLERK'S OFFICE 2012 NOV 26 AM 9:40 CITY CLERK BY _____ DEPUTY
DIRECTOR OF PLANNING	_____	_____	
CITY ATTORNEY	X	_____	
CITY ADMINISTRATIVE OFFICER	X	_____	
OTHER	_____	_____	

DATE OF MAYOR APPROVAL, DEEMED APPROVAL OR *VETO NOV 21 2012
 (*VETOED ORDINANCES MUST BE ACCOMPANIED WITH OBJECTIONS IN WRITING PURSUANT TO CHARTER SEC. 250(b) (c))

(CITY CLERK USE ONLY PLEASE DO NOT WRITE BELOW THIS LINE)

DATE RECEIVED FROM MAYOR November 26, 2012 ORDINANCE NO. 182319

DATE PUBLISHED November 28, 2012 DATE POSTED _____ EFFECTIVE DATE December 29, 2012

ORD OF INTENT: HEARING DATE _____ ASSESSMENT CONFIRMATION _____

ORDINANCE FOR DISTRIBUTION: YES NO

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COMMUNICATION

TO: LOS ANGELES CITY COUNCIL

FILE NO. 12-0647

**FROM: COUNCILMEMBER ED REYES, VICE CHAIR
HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE**

EXEMPTION, COMMUNICATION FROM VICE CHAIR, HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE and ORDINANCE relative to amending the Los Angeles Municipal Code to eliminate the exemption from the registration requirement of the Foreclosure Registry Program for lenders, beneficiaries or trustees who register foreclosed property with the Mortgage Electronic Registration System (MERS).

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

1. FIND that the adoption of the ORDINANCE is exempt from the California Environmental Quality Act (CEQA) environmental review under State CEQA guideline 15378(b)(2), (4), and (5).
2. INSTRUCT the Los Angeles Housing Department to file a CEQA Notice of Exemption form with the County Clerk's Office after the Ordinance is adopted by the City Council.
3. PRESENT and ADOPT the accompanying ORDINANCE amending Section 164.04 of Article 4 of Chapter XVI of the Los Angeles Municipal Code to eliminate the exemption from the registration requirements of the Foreclosure Registry Program for lenders, beneficiaries or trustees who register foreclosed property with the Mortgage Electronic Registration System (MERS).

Fiscal Impact Statement: Neither the City Administrative Officer nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted.

SUMMARY

At a regular meeting held on November 14, 2012, the Vice Chair of the Housing, Community and Economic Development Committee considered a report from the City Attorney and Ordinance dated September 20, 2012 relative to amending the Los Angeles Municipal Code to eliminate the exemption from the registration requirement of the Foreclosure Registry Program for lenders, beneficiaries or trustees who register foreclosed property with the Mortgage Electronic Registration System (MERS).

Representatives of the City Attorney and the Los Angeles Housing Department (LAHD) appeared before the Committee Vice Chair to discuss the proposed Ordinance and respond to related questions. The representative of the LAHD reported that currently, mortgage holders of foreclosed properties may register with MERS in lieu of the LAHD's Foreclosure Registry Program. MERS was created by lending institutions and was supposed to provide public access to its data and as well as reports regarding foreclosed properties, however this has not materialized. As a result, the LAHD and Los Angeles Department of Building and Safety (LADBS) are unable to obtain accurate and current information regarding contacts for foreclosed properties when there are complaints from tenants regarding to whom to pay rent or complaints from the community regarding habitability and code issues for those properties.

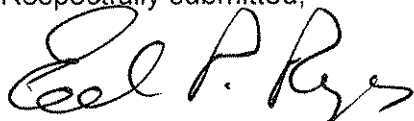
The City Attorney drafted the accompanying Ordinance to eliminate the opt-out provision for mortgage holders that register with MERS, and instead require all properties upon notice of default to be registered with the LAHD's Foreclosure Registry Program. This will enable the

LAHD and the LADBS, as well as the public, to have a current point of contact for foreclosed properties.

The Committee Vice Chair inquired whether there was a way for the LAHD to determine if there are issues regarding the titles of foreclosed properties reported to the Foreclosure Registry Program that might be ambiguous due to predatory lending or other issues, and whether the LAHD was relying solely on the title information provided by the bank or lending institution. The Vice Chair added that in his district this was a concern and that constituents, as well as other Councilmembers with similar issues in their districts, would like to be provided with referrals for resources and services. The LAHD advised that clarity of titles to foreclosed properties is a legal issue outside of its purview. However, there are resources available for tenants and landlords through the LAHD's Rent Escrow Account Program (REAP) and there are also federal resources for homeowners. The Vice Chair requested that the LAHD compile a list of those resources and report back.

After providing an opportunity for public comment, the Committee Vice Chair recommended that Council approve the recommendations in the City Attorney report and adopt the accompanying Ordinance. This matter is now forwarded to the Council for its consideration.

Respectfully submitted,



COUNCILMEMBER ED REYES, VICE CHAIR
HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
CARDENAS:	ABSENT
REYES:	YES
WESSON:	ABSENT
ALARCON:	ABSENT
PERRY:	ABSENT

REW
11/14/12
12-0647_rpt_hced_11-14-12.doc

Not Official Until Council Acts

ADOPTED

NOV 20 2012

**LOS ANGELES CITY COUNCIL
TO THE MAYOR FORTHWITH**