

HOUSING COMMITTEE REPORT relative to the Foreclosure Registry Program Inspection Program.

Recommendations for Council action:

1. REQUEST the City Attorney to:
  - a. Draft the appropriate ordinances to effectuate the Proactive Foreclosure Registry Inspection Program fee of \$356 contained in the report from the Los Angeles Department of Building and Safety (LADBS) included in Attachment A of the joint City Administrative Officer (CAO) and Chief Legislative Analyst (CLA) report dated October 21, 2014 (attached to Council file No. 12-0647-S6).
  - b. Draft the appropriate ordinances to create a fund called the Foreclosure Registry Program Fund to receive all monies pursuant to Ordinance No. 181185 and from the proposed Proactive Foreclosure Registry Inspection Program fee.
  - c. Draft the appropriate ordinances to effectuate the proactive exterior inspection of Real Estate Owned (REO) properties including vacant or occupied, single-family or multifamily.
2. DIRECT the LADBS and the Los Angeles Housing and Community Investment Department (HCIDLA) to update their respective information systems to support and manage the proposed Foreclosure Registry Inspection Program with funding in the amount of \$350,000 for HCIDLA and \$382,803 for LADBS for a total of \$732,803 provided from the HCIDLA Code Enforcement Trust Fund No. 41M. Appropriations of the funds to the correct fund and accounts will be included in a future Financial Status Report.
3. REQUEST the City Attorney, with the assistance of the CAO and the CLA, to report in six months with an evaluation of workload and staffing needs for establishing a fee for full cost recovery of City Attorney costs related to the Proactive Foreclosure Registry Inspection Program.
4. AUTHORIZE the General Manager, LADBS, or designee, to prepare Controller instructions for any necessary technical adjustments consistent with the Mayor and Council actions on this matter, subject to the approval of the CAO; and, AUTHORIZE the Controller to implement those instructions.
5. REQUEST the City Attorney to:
  - a. Draft an ordinance to include all properties at REO stage.
  - b. Include in the ordinance a penalty of \$250 per day for those who do not pay the Proactive Inspection fee.
  - c. Deposit penalty monies collected into the Foreclosure Registry Program fund.

6. INSTRUCT the HCIDLA to report in 60 days on a rehabilitation program similar to the HCIDLA's Neighborhood Stabilization Program (NSP) to help invest a portion of the funds collected from penalties back into foreclosed properties, or seek to establish a loan program for homeowners at Notice of Default (NOD) phase, or explore the option of partnering with community groups to work with the City in the aforementioned proposed programs.
7. INSTRUCT the CLA to work with the HCIDLA, LADBS, and any other appropriate departments, to report back in 60 days on a Foreclosure Registry 2.0 to better help the City keep track of all foreclosed properties and combat blight.
8. REQUEST the City Attorney to report back in 60 days on a process to collect fees from all NOD vacant properties.

Financial Impact Statement: The CAO/CLA reports there is no impact to the General Fund. The proposed Proactive Foreclosure Registry Inspection Program fee is estimated to generate sufficient fees to the City which will pay for the staff and services in the LADBS needed to perform and support the Proactive Inspection Program. The recommendations in this report comply with City Financial Policies in that the proposed fee is fair and recovers the full cost of providing inspection services.

Community Impact Statement: None submitted.

**(Budget and Finance Committee waived consideration of the above matter)**

**(Council may recess to closed session pursuant to Government Code Section 54956.9(d)(2)/(e)(1) in order to confer with legal counsel in relation to anticipated litigation.)**

#### SUMMARY

At a special meeting held on October 22, 2014, the Housing Committee considered a joint report from the CAO/CLA in response to a Motion indexed under Council file No. 12-0647-S1 relative to a proposed Proactive Foreclosure Registry Program Inspection Fee. The CAO/CLA submitted an addendum into the record to also refer the joint report to Council file No. 12-0647-S6 in response to Motion (Cedillo - Krekorian - Wesson).

Representatives of the CAO and the CLA addressed the Committee and provided a brief overview of the report. Representatives of the HCIDLA also addressed the Committee and responded to related questions. The Committee then recessed into closed session, pursuant to Government Code Section 54956.9(d)(2)/(e)(1), to confer with legal counsel. No action on this matter was taken in closed session.

Upon the Committee's return to open session, the Committee Chair read into the record several amendments as detailed in Recommendations No. 5 - 8 above. After providing an opportunity for public comment, the Committee approved the recommendations in the CAO/CLA report as amended. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

HOUSING COMMITTEE

**MEMBER VOTE**

CEDILLO: YES

FUENTES: ABSENT

PRICE: YES

REW  
10/23/14  
FILE NO. 12-0647-S6

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**