

# **Exhibit 8**

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**From:** Bill Higgins <BHiggins@mortgageresolutionpartners.com>  
**Sent:** Wednesday, December 12, 2012 4:25 PM  
**To:** Bill Lindsay  
**Subject:** Meeting Follow Up & Materials  
**Attachments:** Richmond-City\_Overview\_20121210.pdf; Process Maps For City Presentation.pptx; Advisory Services Agreement[1].pdf; Community Presentation2.pdf

Bill:

Thank you for taking the time to meet with us yesterday. We appreciated the discussion. As promised, attached are our data for the City of Richmond PLS mortgages and some of the other materials that we had yesterday. If you have any questions, please feel free to contact me at the number below. I may follow up in a week or so just to see if there are any questions. Nicole from the mayor's office indicated that the mayor may have some specific questions or want to meet – if I get contacted in that way I will be sure to keep you in the loop (at least my rule is always to keep the city manager informed).

Best,  
Bill

**Bill Higgins**  
916.717.8324 T

# Mortgage Resolution PARTNERS

## Community at a glance

Name City of Richmond  
 County Contra Costa  
 CBSA Name San Francisco-Oakland-Fremont, CA (Oakland-Fremont-Hayward CBSA-Div)

Population	103,701	(2010 Census)	81,602	(total for zip codes)
Total Households	35,884	(2010 Census)	28,131	(total for zip codes)
Home ownership rate	53%	(2010 Census)		
Total Mortgages (1st's only)	12,128	(2011 CoreLogic)		
% of Underwater homes	46%	(2011 CoreLogic)		
% of Underwater homes - CBSA	32%	(Q1-2012; CBSA-Div)		
% of Underwater homes - State	31%	(Q1-2012)		

### Foreclosure statistics

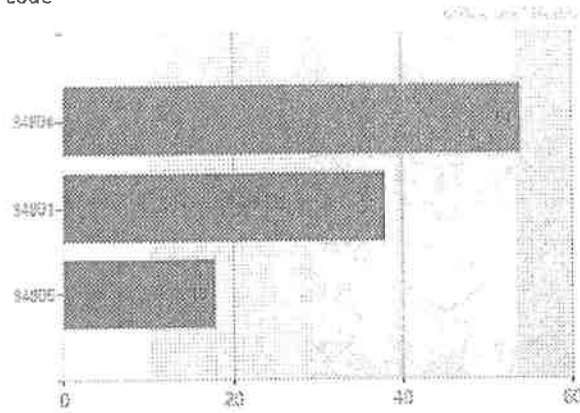
Foreclosures in most recent month 110 month of Oct 2012  
 Foreclosure rate fraction 1 of every 281 properties received FC notice in Oct 2012

Mortgage stats breakdown	Total	Current	Delinquent	Underwater
Total Mortgages (GSE, Banks, etc)	12,128			5,579 46%
All PLS Mortgages	2,077	1,620 78%	457 22%	1,700 82%
PLS Single-family, Owner-Occ, 1 <sup>st</sup>	1,468	937 64%	294 20%	1,236 84%

Zip Code	Households	Total PLS Loans	Average Unpaid Principal Balance	Total U/W	% U/W of Total PLS	Underwater loans			
						Total U/W & Current	% of U/W that are Current	Delinquent	In Foreclosure or REO
94801	9,034	662	\$330,530	538	81%	382	71%	74	82
94802	-	2	\$129,232	-	0%	-	#DIV/0!	-	-
94804	13,948	999	\$304,867	834	83%	601	72%	111	122
94805	5,149	408	\$336,337	326	80%	234	72%	53	39
94807	-	2	\$432,879	1	50%	1	100%	-	-
94808	-	3	\$121,982	-	0%	-	#DIV/0!	-	-
94850	-	1	\$420,523	1	100%	1	100%	-	-
	<b>28,131</b>	<b>2,077</b>	<b>\$318,974</b>	<b>1,700</b>	<b>82%</b>	<b>1,219</b>	<b>72%</b>	<b>238</b>	<b>243</b>

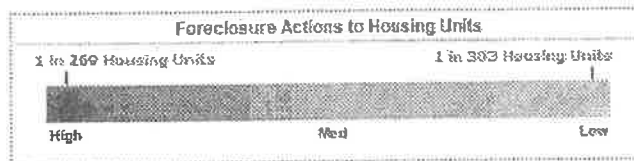
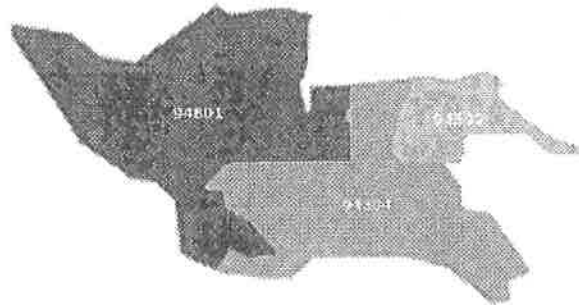
\* Note, zip codes listed may cover some areas outside of the city limits and/or leave portions uncovered resulting in variance versus census tract data. Because loan statistics are tracked by zip code, the above number should be treated as an estimate. Exact numbers will be determined from lien addresses at the appropriate time.

Foreclosure statistics by zip code



110 new foreclosures filed in Oct 2012

October 2012 Foreclosure Rate Heat Map



1 in every 281 housing units received a foreclosure filing in Oct 2012

# Mortgage Resolution **PARTNERS**

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Saving Homes, Saving Cities  
Solving the Mortgage Crisis Locally

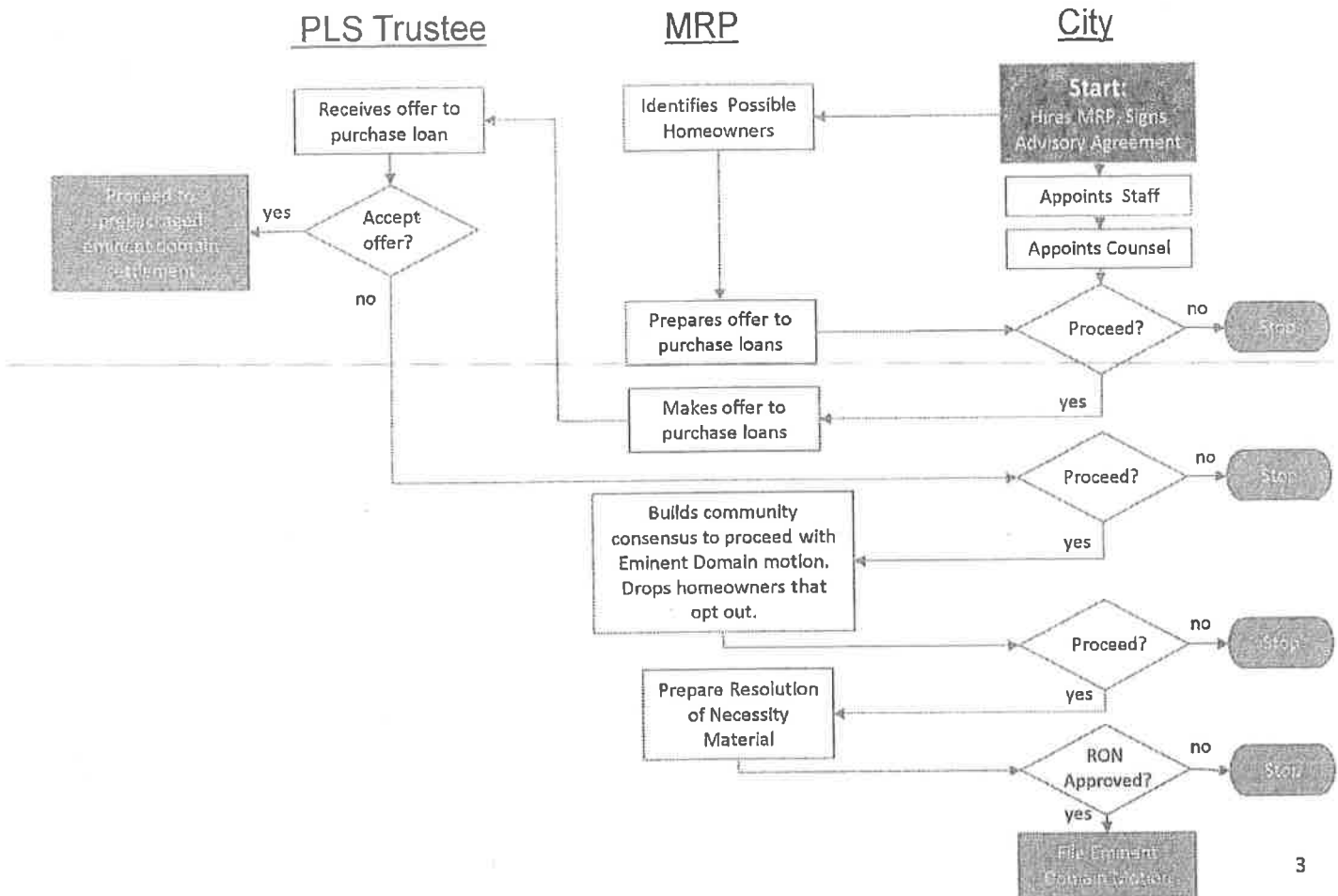
*Processes and Cash Flows*

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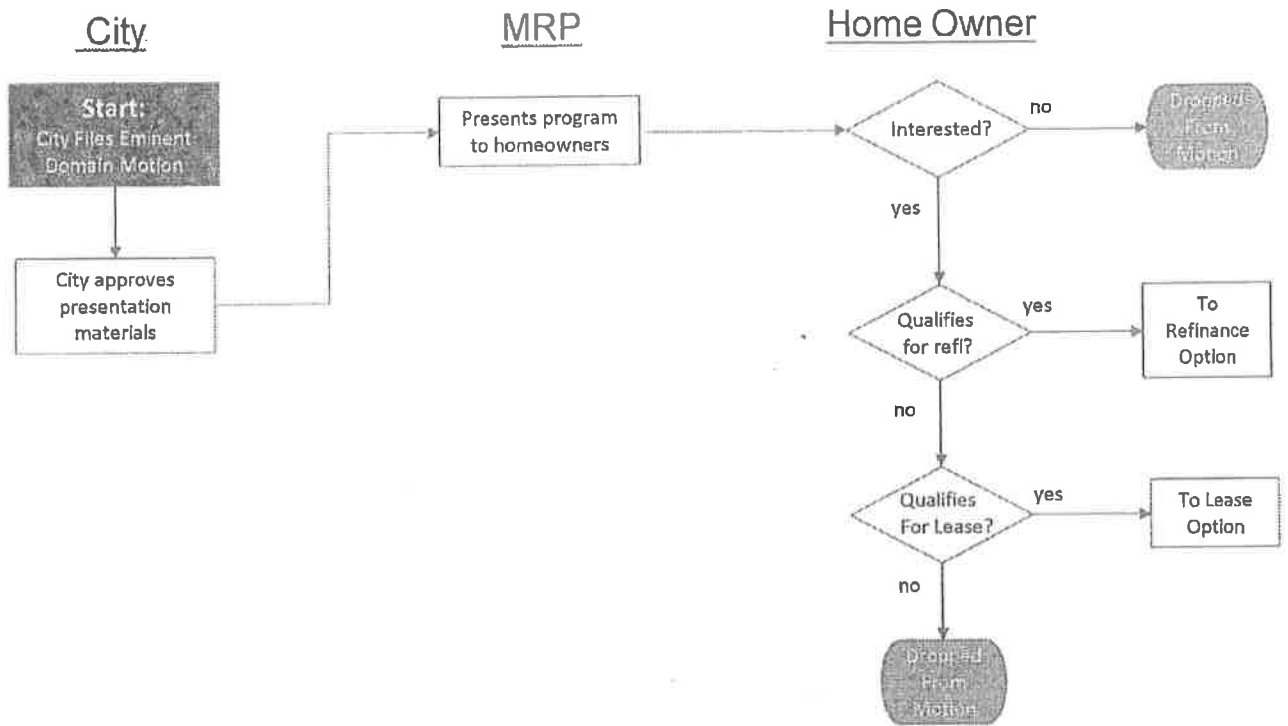
## Key Steps To The MRP Process

1. The City hires MRP at no cost per the terms of the MRP Advisory Agreement as modified by the City and agreed to by MRP. At each step in the process the City has the option to terminate the Agreement and must approve the next step before it is taken. The City does not pay any costs of the program. Nothing in the Agreement obligates the City to file an eminent domain motion.
2. The City pre approves all communications with the homeowners and the community.
3. Before or after the City files an eminent domain motion the Homeowner may opt out of the program and their mortgage will be dropped from the motion before it is purchased.
4. Qualified homeowners who opt into the program may elect to refinance for less than the current value of their home.
5. Qualified homeowners who opt into the program may elect to sell their home in full satisfaction of their mortgage and lease back their home with an option to purchase it in the future.
6. Homeowners who opt into the program, but do not qualify for a refinance or a lease will be dropped from the eminent domain motion before their mortgage is purchased.

# Step 1. City Controls The Process

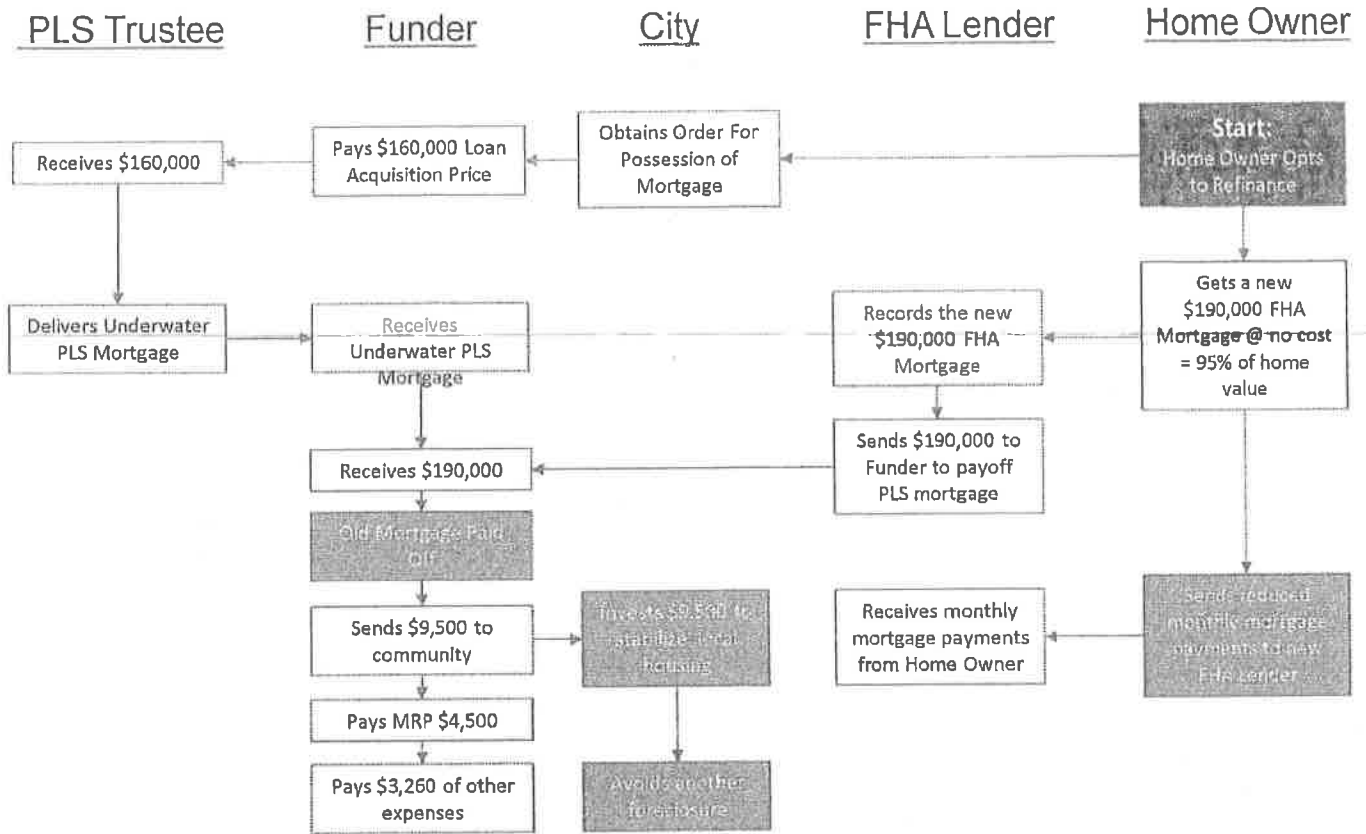


# Step 2. Home Owner May Opt Out

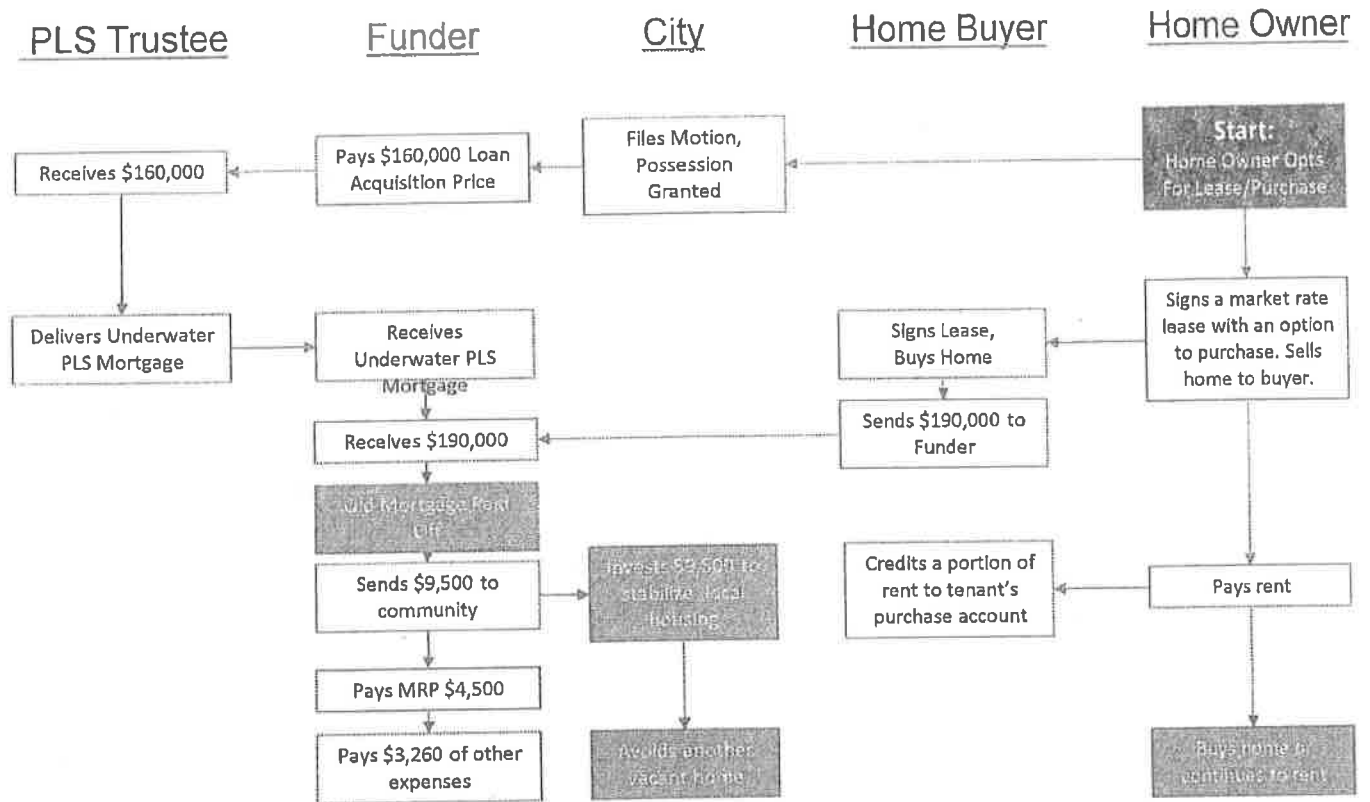




# Step 3: Refinance Option



### Step 3: Lease/Purchase Option



## Follow the Money

Proceeds From Refinance Of Each Loan or Home Sales Proceeds	\$190,000
Fair Value Paid for Each Loan (If 80% of home value)	(\$160,000)
	\$30,000
Gain On Each Loan	
Where does the \$30,000 Gain On Each Loan Go?	
<del>Paid to Community For Each Loan</del>	<del>-\$9,500</del>
Paid to Funder For Each Loan	\$20,500
MRP Fee Paid By Funder	(\$4,500)
Eminent Domain Legal Expenses Paid By Funder	(\$2,000)
Cost of Homeowner Education Paid By Funder	(\$600)
Mortgage Servicing Costs During Holding Period Paid By Funder	(\$100)
Fees Paid to Investment Bankers Paid By Funder	(\$560)
Funder Net Income Per Loan	\$13,540 (8%)

## ADVISORY SERVICES AGREEMENT

This Advisory Services Agreement ("Agreement") is entered into by and between Mortgage Resolution Partners LLC, a Delaware limited liability company ("MRP") and the City of \_\_\_\_\_ (the "City") and is effective as of \_\_\_\_\_, 2012 (the "Effective Date").

### RECITALS

A. MRP is a community advisory firm advising public agencies on ways to assist the agency in reducing the impact of the mortgage crisis with its communities including, if necessary, by acquiring mortgage loans through the use of eminent domain, in order to restructure or refinance the loans and thereby preserving home ownership, restoring homeowner equity and stabilizing the communities' housing market and economy by allowing many homeowners to remain in their homes.

B. America in general and the City in particular are each experiencing an historic home mortgage crisis and as a result of the home mortgage crisis, many homeowners in the City have lost significant portions of their disposable income, and some have been unable to make timely mortgage payments on their homes. This has resulted in unprecedented rates of default and foreclosure, loss of homeowner equity, loss of family wealth, and even loss of shelter for some families. The home mortgage crisis has resulted in other adverse impacts within the City such as job losses, reductions in income, consumer demand, and investment, a spiraling reduction in property values, a reduction in property and payroll tax revenues, vandalism, abandoned homes and a general decline in the economy and the quality of life for residents. Restructuring or refinancing mortgage loans will benefit the City's residents by preserving home ownership; restoring homeowner equity; and likely also increasing income, property values, consumer demand, investment, and property and payroll tax revenue.

C. The City is interested in retaining MRP to act as its advisor to assist the City in exploring potential solutions to the mortgage crisis; to assist the City by negotiating on the City's behalf with entities which will provide the necessary funding to the City in order to allow the City to acquire loans; and to assist the City in negotiating contracts with third parties including owners of loans, attorneys, lenders, data companies, other government agencies and others as necessary to implement a program or programs to benefit the City's residents.

NOW THEREFORE, in consideration of the foregoing, MRP and the City agree as follows:

1. **PURPOSE.** The purpose of this Agreement is to enable the City and MRP to work together to assess and implement a program or programs designed to ease the impacts of the mortgage crisis on the residents of the City.
2. **SERVICES.** MRP agrees to provide the following services ("Services"), and the City authorizes MRP to represent the City as described:

(a) to advise the City on various alternatives in order to provide assistance to its residents who are burdened with mortgage loans including assessing the possibility and benefits of the formation of a joint powers authority;

(b) to identify and negotiate with companies acceptable to the City, in its sole and absolute discretion, to lend funds to the City on a fully secured, non-recourse basis if such funds are required in order to provide the necessary relief;

(c) to provide extensive legal research acquired by MRP on all aspects of the acquisition and refinancing of mortgage loans including each of the legal steps necessary to implement the necessary programs;

(d) to identify and negotiate with law firms acceptable to the City, in its sole and absolute discretion, to work with the City to implement the programs which the City elects to implement;

(e) to negotiate with other local, state and federal governments and agencies as necessary to implement programs chosen by the City;

(f) to negotiate on behalf of the City with the holders of mortgage loans secured by property owned by residents of the City (and with trustees, servicers, investors and other parties having a relationship with the holders of the loans);

(g) to work with the City to identify mortgage loans to target based upon the City's criteria;

(h) to negotiate on behalf of the City with any other third party as necessary to implement programs which the City elects to implement; and

(i) to work with the City to establish education and communication programs to address residents' questions about a program or programs the City implements.

Provided, however, in no event shall MRP have the authority to enter into any contracts on behalf of the City.

3. COMPENSATION. As its sole and exclusive compensation for the performance of the Services (the "Advisory Fee"), MRP shall receive the sum of \$4,500 per loan for each loan ultimately acquired by the City or otherwise resolved in a manner which results in the restructuring or refinancing of a loan through a program implemented by the City. The Advisory Fee shall be paid only through the programs implemented by the City and shall not be paid directly by the City.

4. ASSIGNMENT. MRP shall not have the right to assign and/or delegate its duties hereunder without the prior written consent of City, which consent may be withheld in the City's sole and absolute discretion.

5. COOPERATION. Each party agrees to cooperate to carry out the purpose of this Agreement and to perform all acts and execute all documents reasonably required to institute the

programs chosen by the City pursuant to the terms of this Agreement or as are or may become necessary or convenient to effectuate and carry out this Agreement.

6. RELATIONSHIP OF PARTIES. The relationship of MRP to the City shall at all times be that of an independent contractor. MRP expressly acknowledges and agrees that it does not have the authority to bind the City by contract or otherwise.

7. TERM. This Agreement shall be in effect for a period of one (1) year from the Effective Date and will be renewed automatically for successive terms of one (1) year each unless either party gives notice to the other at least sixty (60) days prior to the termination of any term. This Agreement will continue in effect after the end of the term of this Agreement with respect to all programs which the City has implemented or is in the process of implementing as of the end of the term of this Agreement.

8. GENERAL PROVISIONS.

(a) Execution. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. A signature transmitted via scanning and emailing or facsimile shall have the same effect as an original signature.

(b) Modification of Agreement. This Agreement may be modified only by a writing signed by MRP and the City.

(c) Entire Agreement. This Agreement together with any Nondisclosure and/or Common Interest Agreements entered into between the parties either prior or subsequent to the Effective Date constitute the entire understanding and agreement between the parties concerning this subject matter.

(d) Severability. If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of the Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

(e) Governing Law. This Agreement is governed by and shall be interpreted according to the laws of the State of California.

(f) Waiver of Breach. No waiver of breach of any term or provision of this Agreement shall be construed to be, or shall be, a waiver of any other breach of this Agreement.

(g) Arms-Length Transaction. This Agreement is a product of arms-length negotiations and each party has had an opportunity to receive independent legal advice from attorneys of its own choosing. Thus, neither party can claim that any ambiguities in any term of this Agreement should be construed against any other party.

(h) No Third Party Beneficiaries. This Agreement will not confer any rights or remedies upon any person other than the parties hereto and their permitted successors and permitted assigns.

9. NOTICES. All notices under this Agreement shall be in writing and shall be transmitted by personal delivery or reputable overnight courier service such as FedEx to the parties at the following addresses:

MRP:

The City:

Mortgage Resolution Partners, LLC  
33 Pier South Embarcadero, Suite 201  
San Francisco, CA 94111  
Attn: CEO

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Such notice shall be deemed given upon personal delivery to the appropriate address or on the next business day if sent by overnight courier service.

WHEREFORE, the parties indicate by their signatures below their entry into this legally-binding Agreement.

The City

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(date)

Name (printed):

\_\_\_\_\_

Mailing address:

\_\_\_\_\_

Telephone no.:

\_\_\_\_\_

E-mail address:

\_\_\_\_\_

Date of Signing:

\_\_\_\_\_

Mortgage Resolution Partners LLC

Representative:

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(date)

Name (printed): Graham Williams

Mailing address:

33 Pier South Embarcadero, Suite 201, San Francisco, CA 94111

Telephone no.:

415-795-2031

E-mail address:

gwilliams@mortgageresolutionpartners.com

Date of Signing:

\_\_\_\_\_

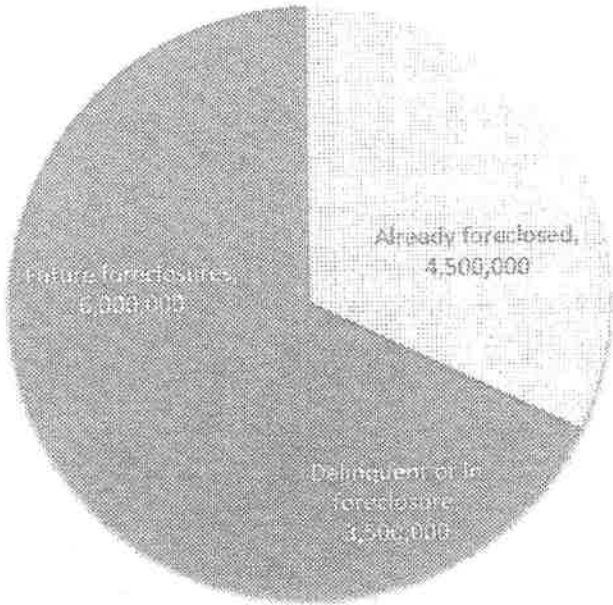
# Mortgage Resolution PARTNERS

Saving Homes, Saving Cities  
Solving the Mortgage Crisis Locally



# The Mortgage Crisis – Far From Over

American families: 14 million past, present and future foreclosures



We are less than one third of the way through the foreclosure crisis

## The Cost of Foreclosures\*

Local Governments    \$19,227

- Lost Property Taxes
- Unpaid Utility Bills
- Property Upkeep
- Policing
- Legal costs, building inspections
- Demand for social services

Borrowers                \$10,300\*\*

Lenders                 \$26,230\*\*\*

Close Neighbors        \$14,531\*\*\*\*

"Housing remains the biggest impediment to economic recovery, yet Washington seems paralyzed." -- Joseph Stiglitz and Mark Zandi

\*HUD Economic Impact Analysis of the FHA Refinance Program for Borrowers in Negative Equity Position

\*\*Household moving costs, legal fees and administrative charges

\*\*\*Legal fees, court fees, broker fee, structural loss surrounding the foreclosure

\*\*\*\*Negative impact on the property value of close neighbors

## The Solution – Principal Reduction

*"Most economists see principal reductions as central to preventing foreclosures." Alan Blinder, former Vice Chairman at the Federal Reserve (Oct. 20, 2011)*

*"Government should reduce mortgage principal when it exceeds 110 percent of the home value." Martin S. Feldstein, former Chairman of the Council of Economic Advisers under President Reagan (Oct. 12, 2011)*

*"Surely there is a strong case for experimentation with principal reduction strategies at the local level." Lawrence Summers, former Treasury Secretary under President Clinton and former Economic Adviser under President Obama (Oct. 24, 2011)*

Example: JP Morgan Chase and Bank of America unilaterally reduce principal on option ARM portfolio loans in order to reduce defaults and losses

Principal reduction will prevent future defaults and foreclosures

## Problem → Mortgages Held In Private Label Securities

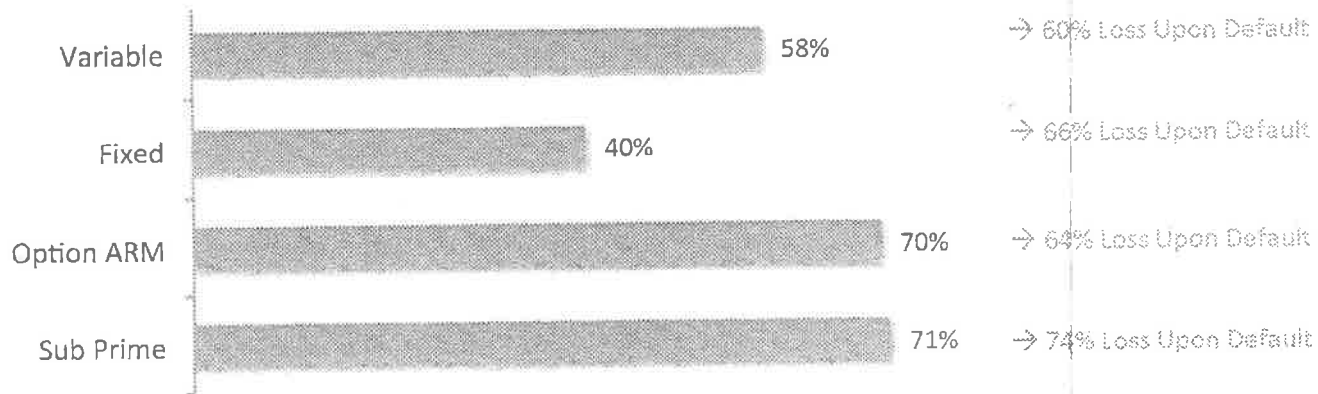
- 5 million loans placed in securities not guaranteed by U.S. Government
- Loans not conforming to Fannie Mae, Freddie Mac or FHA standards
- Loans not eligible for 15 federal programs created since the housing crash
- Loans are much more likely to be underwater. 45% vs. 35% for non PLS loans
- Riskier loans created in 2004 to 2007 helped create housing boom
- Have not been originated since 2007
- *Securities prohibit principal reduction*

"If we are going to stabilize the housing market, we have to address" PLS loans.  
*Federal Housing Finance Agency 2009*

Result → PLS Families Have Nowhere to Turn

# Fannie Mae Expects 60% of PLS Mortgages to be Foreclosed – 3 Million Families

Fannie Mae Projected *Future* Foreclosure Rates And Losses For All PLS Families

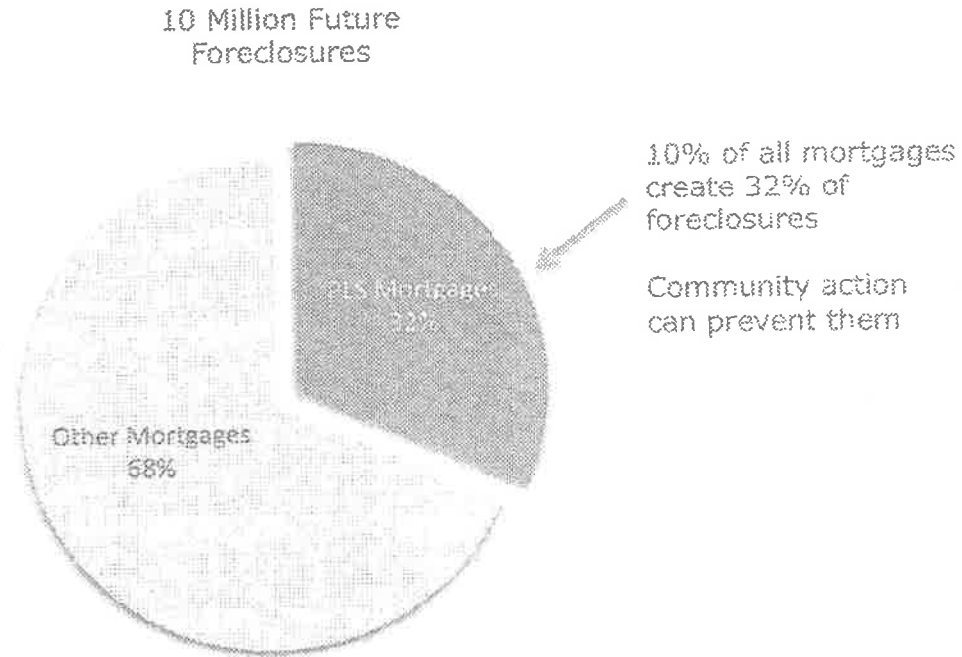


A Disproportionate Number of *These* Foreclosures Will  
Come From *Underwater* Loans

Default Rate For 2.3 Million Underwater PLS Loans Will be **Much Higher**

Default rate sources: Fannie Mae 2Q 2012 Form 10-Q, page 11.1 projections for 2006 vintage PLS loans  
Mortgage Resolution Partners LLC  
Pier 33 South Embarcadero, Suite 201 | San Francisco, CA 94111 | 415.795.2032

## PLS Mortgages Are Three Times More Likely To Be Foreclosed



PLS Mortgage Foreclosures Can Be Prevented

## Method of PLS Principal Reduction → Communities Take Action

Securitization agreements and tax laws prohibit the sale of PLS mortgages except when the mortgages are condemned

Local government, using their constitutional power of eminent domain, can condemn PLS mortgages when public purpose exists by paying fair value

Then local governments can reduce the principal balance on the condemned PLS mortgages, thereby reducing underwater PLS in their community

Governments Can Use Eminent Domain To Avoid Unnecessary Foreclosures

## Resolution Strategies – Underwater PLS

<p>1.5 mm Current underwater PLS Mortgages</p>	<p>Qualify for Immediate 95% refinance</p>
<p>0.5 mm Delinquent underwater PLS Mortgages</p>	<p>Qualify To Rent with Purchase Option</p>
	<p>Not Qualified to Rent</p>

1. Municipality reduces payoff amount on acquired mortgage to 97.5% of home's value.
2. Family obtains a new mortgage
3. Family has equity in home and 100% of home appreciation
4. Family has significantly more disposable income

1. Family rents home with an option to buy
2. Portion of rent payments are credited to down payment

Not eligible for program

**New Alternatives - Most Homeowners Can Now Avoid Foreclosure**



## Homeowner Benefit

This is an illustrative example for the level of benefits that participating families may realize. Communities benefit from greatly reduced probability of foreclosure.

	Original Loan	Today	After Program
Home Value	\$400,000	\$200,000	\$200,000
Mortgage Balance	\$320,000	300,000	\$190,000
Home Equity	\$80,000	(\$100,000)	\$10,000
Loan to Value Ratio (LTV)	80%	150%	95%
Monthly Payment	\$1,798	\$1,798	\$907

*Assumes a 6%, 30 year, fully amortizing mortgage is refinanced by a 4%, 30 year, fully amortizing mortgage. Some loan programs may also require insurance, which may add \$175 per to the After Program monthly payment.*

**Probability of Default Drops from ~80% to ~7.5% (FHA actuarial assumption, 95%LTV)**

## Underwater PLS Mortgages Are Worth Less Than Homes

Bank of America Merrill Lynch has published its own pricing of always performing underwater PLS loans.

Bank of America Merrill Lynch Pricing		
PLS loan type	Loan value (as % of home)	Implied default rate
Alt-A	83%	60%
Option ARM	76%	70%
Subprime	77%	70%

Source: Chris Flanagan, Bank of America Merrill Lynch, *Securitization Weekly* (July 20, 2012) page 8 (LIBOR + 70bps discount rate).

Industry recognizes loans are on average worth less than homes

## Refinance Option: Follow the Money

Proceeds From Refinance Of Each Loan (If 95% of home value)	\$190,000
Fair Value Paid for Each Loan (If 80% of home value)	(\$160,000)
	<hr/>
Gain On Each Loan	\$30,000
Where does the \$30,000 Gain On Each Loan Go?	
Paid to Community For Each Loan	\$9,500 ←
Paid to Funder For Each Loan	\$20,500 ←
MRP Fee Paid By Funder	(\$4,500)
Eminent Domain Legal Expenses Paid By Funder	(\$2,000)
Cost of Homeowner Education Paid By Funder	(\$600)
Mortgage Servicing Costs During Holding Period Paid By Funder	(\$100)
Fees Paid to Investment Bankers Paid By Funder	(\$560)
	<hr/>
Funder Net Income Per Loan	\$13,540 (8%)

## MRP is a Community Advisory Firm

MRP clients are state, county, and city governments that purchase underwater PLS mortgages and resolve them to the benefit of their communities. In order, MRP provides, under an advisory contract with the community, the following services:

- Identify and value PLS mortgages
- Educate the community
- Arrange acquisition financing
- Advise community in filing eminent domain motion
  - Demonstrate the public purpose
  - Determine fair market value of mortgages
- Arrange servicing of acquired mortgages
- Arrange resolution of acquired mortgages

MRP Receives Fee of \$4,500 for Each Loan Purchased -  
The Same Fee The Federal Government Pays Banks For a HAMP Restructure

## Foreclosures Reduce Property Tax Receipts

Under Proposition 13 when homes are sold in foreclosure, the sales price sets the base for their assessed valuation levels and property tax receipts.

Increases in valuations are then limited to a maximum of 2% per year.

**Assumptions:**

- Property tax rate
- Proposition 13 Cap on Annual Increase In Assessed Value
- Annual Home Value CAAGR For Next Three Years
- Annual Home Value CAAGR Thereafter
- Highest Assessed Value For Current Owner
- Assessed Value Today
- Foreclosure Sales Price Discount
- Number of Homes Foreclosed Avoided

1.25%
2.0%
2.00%
6.00%
\$400,000
\$200,000
10%
1,000

Estimated Increase in <b>Total</b> Property Taxes Collected	\$6,279,571
Estimated Increase in <b>Average</b> Property Taxes Collected	\$6,280

Year	No Foreclosure			Foreclosure in Year 1			Differential Impact
	Prop 13 Limit	Assessed Value	1000 Homes	Prop 13 Limit	Assessed Value	1000 Homes	
0	\$400,000	\$200,000	\$200,000,000	\$400,000	\$200,000	\$200,000,000	\$0
1	\$408,000	\$204,000	\$204,000,000	\$183,600	\$183,600	\$183,600,000	\$20,400,000
2	\$416,160	\$208,080	\$208,080,000	\$187,272	\$187,272	\$187,272,000	\$20,808,000
3	\$424,483	\$212,242	\$212,241,600	\$191,017	\$191,017	\$191,017,440	\$21,224,160
4	\$432,973	\$224,976	\$224,976,096	\$194,838	\$194,838	\$194,837,789	\$30,138,307
5	\$441,632	\$238,475	\$238,474,662	\$198,735	\$198,735	\$198,734,545	\$39,740,117
6	\$450,465	\$252,783	\$252,783,141	\$202,709	\$202,709	\$202,709,235	\$50,073,906
7	\$459,474	\$267,950	\$267,950,130	\$206,763	\$206,763	\$206,763,420	\$61,186,710
8	\$468,664	\$284,027	\$284,027,138	\$210,899	\$210,899	\$210,898,689	\$73,128,449
9	\$478,037	\$301,069	\$301,068,766	\$215,117	\$215,117	\$215,116,662	\$85,952,104
10	\$487,598	\$319,133	\$319,132,892	\$219,419	\$219,419	\$219,418,996	\$99,713,896
<b>Total</b>			\$2,712,734,425			\$2,210,368,776	\$502,365,649

## Next Steps

1. The City retains MRP at no cost per the terms of the MRP Advisory Agreement as modified by the City and agreed to by MRP.
2. The City is in control, at each step in the process the City has the option to terminate the Agreement and must approve the next step before it is taken.
3. The City does not pay any costs of the program.
4. Nothing in the Agreement obligates the City to file an eminent domain motion.

## Who Supports the Program?

Broad community-focused support for the program

- AFSCME
- Americans for Financial Reform
- Center for Popular Democracy
- National Community Reinvestment Coalition
- Federal Banking Regulators

Representing

- 1.6 million state and local government employees
- 600 local housing focused organizations
- 250 national, state and local groups working on financial industry reform

Program Addresses Concerns Of Local Homeowners And Community-focused Organizations

# **Exhibit 9**



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**From:** Graham Williams <GWilliams@mortgageresolutionpartners.com>  
**Sent:** Friday, May 17, 2013 3:51 PM  
**To:** Patrick Lynch  
**Cc:** Bill Lindsay  
**Subject:** Re: Corrected slides

Can we meet soon?

Graham Williams  
415 971 1771

On May 17, 2013, at 3:44 PM, "Patrick Lynch" <[Patrick\\_Lynch@ci.richmond.ca.us](mailto:Patrick_Lynch@ci.richmond.ca.us)> wrote:

Good afternoon Graham,

No worries, we will make the corrections. Thank you, Patrick.

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**From:** Graham Williams [<mailto:GWilliams@mortgageresolutionpartners.com>]  
**Sent:** Friday, May 17, 2013 8:35 AM  
**To:** Patrick Lynch; Bill Lindsay  
**Subject:** Corrected slides

Bill and Patrick,

In auditing the presentation sent to you I found a calculation error that drove incorrect numbers in three slides. These slides have been corrected and they are attached. Please replace the incorrect pages in the books that I sent you. We apologize for any inconvenience caused.

We are waiting to hear from you regarding a convenient time to discuss next steps.

Yours,

Graham Williams  
Partner & CEO  
Mortgage Resolution Partners  
423 Washington Street, Suite 200  
San Francisco, CA 94111  
(o) 415.423.0016  
(m) 415.971.1771

## Preventing Foreclosures in Richmond, California

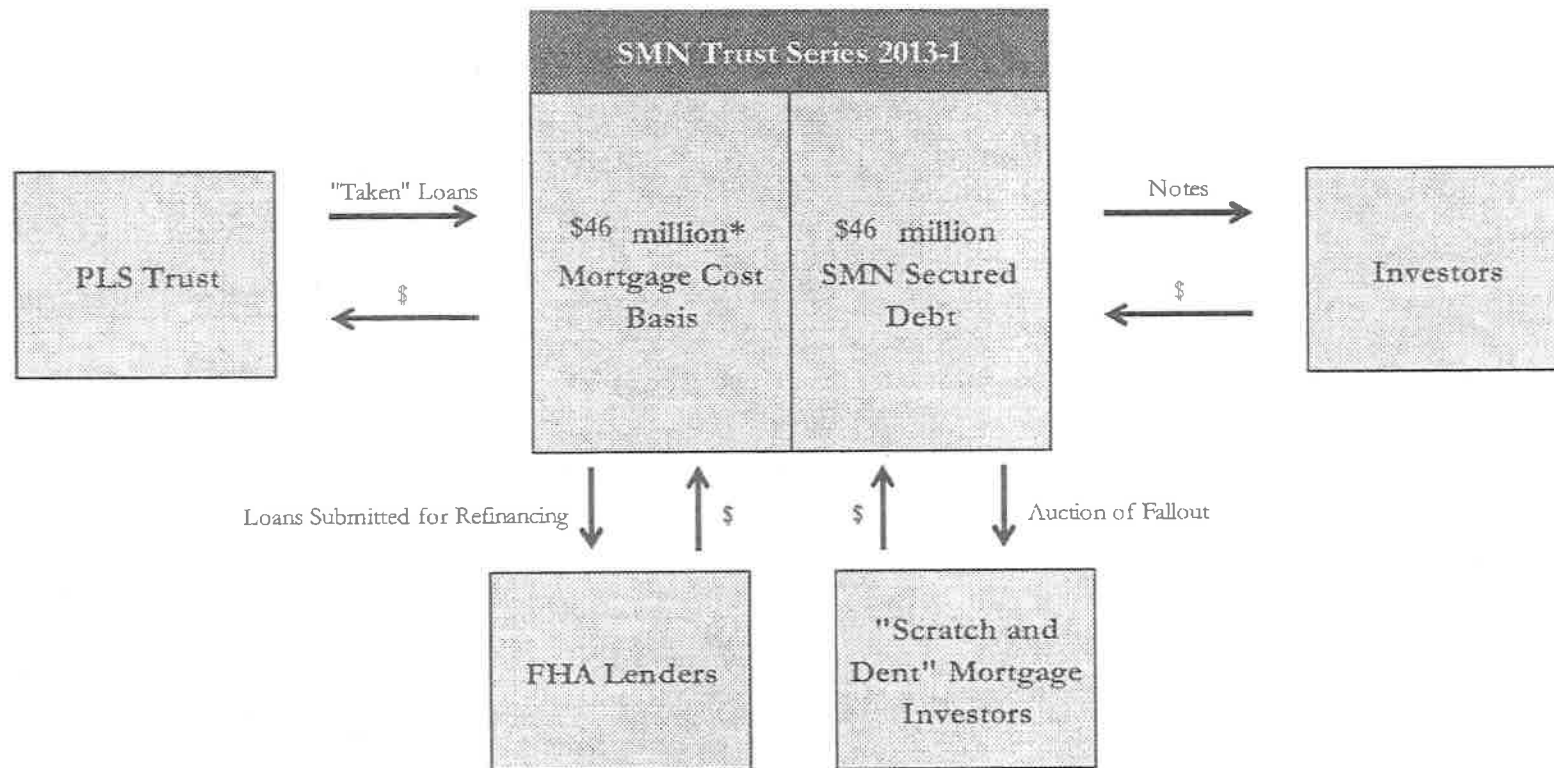
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### Actions to Date and Recommended Next Step

- ❖ In April of 2013 the City engaged Mortgage Resolution Partners MRP to act as its advisor to assist the City in exploring potential solutions to the mortgage crisis; to assist the City by negotiating on the City's behalf with entities which will provide the necessary funding to the City in order to allow the City to acquire loans; and to assist the City in negotiating contracts with third parties including owners of loans, attorneys, lenders, data companies, other government agencies and others as necessary to implement a program or programs to benefit the City's residents.
- ❖ MRP has identified 1,681 families in the City's jurisdiction that are burdened with underwater mortgages held in private label mortgage backed securities (PLS).
- ❖ MRP has identified public purposes for preventing foreclosures in the City
- ❖ H.U.D. informs us that principal reductions of underwater PLS mortgages will prevent foreclosures that impose costs on the city, families, lenders and neighboring property owners.
- ❖ MRP has analyzed benefits to each of the 1,681 borrowers should they be included in the principal reduction program.
- ❖ MRP has designed a program of principal reduction- Community Action to Restore Equity and Stability
- ❖ MRP has arranged the \$46 million of financing that is required to implement the *initial* CARES program in Richmond, CA. More funding is available to Richmond when needed.
- ❖ MRP is seeking permission to enter into negotiations on behalf of the City with mortgage servicers that represent trustees that administer the securitization trusts in which underwater PLS mortgages in Richmond are held. The hoped for conclusion of these negotiations would be that the loans are sold to the city, allowing the CARES program to be executed.

# Preventing Foreclosures in Richmond, California

## Secured Mortgage Notes Structural Diagram, Richmond, CA



\* Maximum 80% of home value; excludes transaction costs and credit support amount, if any

Preventing Foreclosures in Richmond, California

Cash Flows For Initial Purchases of Underwater PLS in Richmond, CA

Funding Amount Analysis - Richmond, CA		Base Case - Richmond, CA	
Underwater PLS Loans	1681	Loans purchased via consensual purchase	274
Loans not current	-419	Average home Value	\$ 211,533
Current loans with seconds	-531	Aggregate home value	\$ 57,986,526
<b>Loans presented to servicers for purchase</b>	<b>731</b>	<b>Net Acquisition Price (80%)</b>	<b>\$ 46,389,221</b>
Loans presented to servicers for purchase	731	<b>Pull Through Population</b>	
Servicer consent rate	50%	Loans (% pull through)	80% 219
<b>Consensual loan pool</b>	<b>365.5</b>	Net Proceeds (% Home Value)	95% \$ 44,069,759
Consensual loan pool	365.5	Proceeds to City Reserve (% of net proceeds)	5% \$ (2,203,488)
FHA qualifying loans	75%	Basis	\$ (37,111,376)
<b>Loans purchased via consensual purchase</b>	<b>274</b>	<b>Profit</b>	<b>\$ 4,754,895</b>
Loans purchased via consensual purchase	274	<b>Fallout Population</b>	
Average home Value	\$211,533	Loans (% fall out)	20% 55
<b>Aggregate home value</b>	<b>\$57,986,526</b>	Net Proceeds (% Home Value)	75% \$ 8,697,979
Aggregate home value	\$57,986,526	City Reserve Recapture	\$ 579,865
Estimated FMV of mortgage	80%	Basis	\$ 9,277,844
<b>Estimated funding amount</b>	<b>\$46,389,221</b>	<b>Profit</b>	<b>0</b>
		<b>Funder's Profit</b>	
		Pull Through Population	\$ 4,754,895
		Fallout Population	\$ -
		P&I on Entire Population	\$ 510,281.43
		Estimated Transaction Fees (1%)	\$ (463,892.21)
		<b>Total Profit</b>	<b>\$ 4,801,284</b>
		<b>Funders Return on Capital</b>	<b>10%</b>
		<b>Paid to City</b>	<b>\$ 1,623,623</b>
		City's Proceed per Resolution	\$ 7,404

# **Exhibit 10**

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**From:** Bill Lindsay <bill\_lindsay@ci.richmond.ca.us> on behalf of Sue Kadlec  
<Sue\_Kadlec@ci.richmond.ca.us>  
**Sent:** Wednesday, April 03, 2013 12:03 PM  
**To:** Graham Williams  
**Subject:** RE: Staff Report for MRP Advisory Services Agreement

I'll get back to you to confirm.

Thank you.

**Sue Kadlec**

Executive Assistant to City Manager Bill Lindsay  
City Manager's Office  
450 Civic Center Plaza, Suite 300  
Richmond, CA 94804  
510-621-1264 direct line  
510-620-6542 fax

---

**From:** Graham Williams [<mailto:GWilliams@mortgageresolutionpartners.com>]  
**Sent:** Wednesday, April 03, 2013 12:01 PM  
**To:** Bill Lindsay  
**Subject:** Re: Staff Report for MRP Advisory Services Agreement

Yes, I can be there.

Graham Williams

Partner and Chief Executive Officer

Mortgage Resolution Partners LLC

415.971.1771

*Providing Local Solutions for Communities*

[plsforcommunities.org](http://plsforcommunities.org)

On 4/3/13 11:55 AM, "Bill Lindsay" <[bill\\_lindsay@ci.richmond.ca.us](mailto:bill_lindsay@ci.richmond.ca.us)> wrote:

Are you available tomorrow, 4/4/13 at 1pm to come to City Hall? I am hoping our Housing Director Patrick Lynch is available to attend as well. As soon as I hear from you and Mr. Lynch, I will confirm the meeting.

Please reply directly to me at [sue\\_kadlec@ci.richmond.ca.us](mailto:sue_kadlec@ci.richmond.ca.us)

Thank you.

**Sue Kadlec**

Executive Assistant to City Manager Bill Lindsay  
City Manager's Office  
450 Civic Center Plaza, Suite 300  
Richmond, CA 94804  
510-621-1264 direct line  
510-620-6542 fax

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**From:** Graham Williams [<mailto:GWilliams@mortgageresolutionpartners.com>]  
**Sent:** Wednesday, April 03, 2013 9:30 AM  
**To:** Bill Lindsay  
**Subject:** Re: Staff Report for MRP Advisory Services Agreement

Great, I'm in town the rest of this week and fairly available. I'll come over to see you whenever you would like.

---

Graham Williams

Partner and Chief Executive Officer

Mortgage Resolution Partners LLC

415.971.1771

*Providing Local Solutions for Communities*

[plsforcommunities.org](http://plsforcommunities.org)

On 4/3/13 9:28 AM, "Bill Lindsay" <[bill\\_lindsay@ci.richmond.ca.us](mailto:bill_lindsay@ci.richmond.ca.us)> wrote:

You missed the best part. The City Council approved the advisory services agreement (unanimous vote). To the extent that any of the Councilmembers had concerns, they had to do with the new mortgages that property owners would enter into (usurious interest rates, etc.). I indicated that the new mortgages would be based on the reduced principal, consistent with the market, and would need to be a mortgage for which the property owner could qualify. (I believe all of that is correct.) In any case, they would like more information about this, although they gave approval for the program to start.

Perhaps we should talk more about this when you have a chance, and we can discuss more specifically the next steps.

---

**From:** Graham Williams [<mailto:GWilliams@mortgageresolutionpartners.com>]  
**Sent:** Wednesday, April 03, 2013 8:49 AM  
**To:** Bill Lindsay  
**Subject:** Re: Staff Report for MRP Advisory Services Agreement

Bill,

I watched the meeting but nodded off at about 10pm. Did the MRP motion get approved last night?

Graham Williams

Partner and Chief Executive Officer

Mortgage Resolution Partners LLC

415.971.1771

*Providing Local Solutions for Communities*

plsforcommunities.org

On 4/1/13 8:11 PM, "Bill Lindsay" <[bill\\_lindsay@ci.richmond.ca.us](mailto:bill_lindsay@ci.richmond.ca.us)> wrote:

Graham:

Thanks for the email. I suggest that you skip the meeting tomorrow night. I think that you've provided all the information, and I have had no questions from Councilmember. I am hoping that it stays on the consent calendar and gets approved. Besides, tomorrow's meeting will be a long one.

Bill Lindsay

*Bill Lindsay  
City Manager  
City of Richmond  
510-620-6512  
[Bill\\_lindsay@ci.richmond.ca.us](mailto:Bill_lindsay@ci.richmond.ca.us)*

On Apr 1, 2013, at 5:02 PM, "Graham Williams" <[GWilliams@mortgageresolutionpartners.com](mailto:GWilliams@mortgageresolutionpartners.com)> wrote:

Do you need me to attend?

Graham Williams  
415 971 1771

On Apr 1, 2013, at 4:21 PM, "Bill Lindsay" <[bill\\_lindsay@ci.richmond.ca.us](mailto:bill_lindsay@ci.richmond.ca.us)> wrote:

Bill and Graham:

Please see the attached staff report regarding tomorrow night's agenda item concerning approval of the MRP advisory services agreement. (The attachments to the staff report are the agreement and the presentation, which you already have.) The item is on the consent calendar; hopefully, it will stay there, get approved, and we can get started.

Thanks for your work on this.

Bill Lindsay

*Bill Lindsay  
City Manager  
City of Richmond*



450 Civic Center Plaza  
Richmond, California 94804  
(510) 620-6512  
[Bill\\_lindsay@ci.richmond.ca.us](mailto:Bill_lindsay@ci.richmond.ca.us)

<4-2-13 - MRP Advisory Services Contract.doc>

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# **Exhibit 11**

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**From:** Nicole Valentino <Nicole@officeofthemayor.net>  
**Sent:** Friday, June 21, 2013 5:48 PM  
**To:** Gayle McLaughlin  
**Subject:** FW: Resident looking for information on Mortgage Resolution Partners

FYI: we can deal with this on Monday with your direction.

Thanks,

*Nicole*

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**From:** LaShonda White  
**Sent:** Friday, June 21, 2013 2:53 PM  
**To:** Nicole Valentino; Kibibi Culbertson; Patrick Lynch  
**Cc:** [gennyzen@att.net](mailto:gennyzen@att.net)  
**Subject:** Resident looking for information on Mortgage Resolution Partners

Hi All,

Genny Zentella came into our office yesterday to get information on the program that the Mortgage Resolution Partners is offering. Ms. Zentella has a mortgage that is underwater and she would like to know if she will qualify for the program. Can someone please contact her at 510 – 685-5382 or at [gennyzen@att.net](mailto:gennyzen@att.net)? Ms. Zentella is copied on this email.

Thank you,

**LaShonda White**  
Management Analyst  
City Manager's Office  
City of Richmond

(510) 620-6828 Direct Line  
(510) 620-6543 Fax

# **Exhibit 12**

# MAYER • BROWN

Mayer Brown LLP  
350 South Grand Avenue  
25th Floor  
Los Angeles, California 90071-1503

Main Tel +1 213 229 9500  
Main Fax +1 213 625 0248  
www.mayerbrown.com

**Bronwyn F. Pollock**  
Direct Tel +1 213 229 5194  
Direct Fax +1 213 576 8138  
bpollock@mayerbrown.com

August 13, 2013

VIA UPS

Mr. William A. Lindsay  
City Manager  
450 Civic Center Plaza  
Richmond, CA 94804-1630

Dear Mr. Lindsay:

We represent The Bank of New York Mellon and The Bank of New York Mellon Trust Company, N.A. in connection with your letter of July 31, 2013.

First, I wish to clarify that The Bank of New York Mellon (“BNY Mellon”) is not the servicer on any of the 86 trusts listed on Exhibit A to your letter. It, or its affiliate, The Bank of New York Mellon Trust Company, N.A. (“BNYM Trust Company”), is the trustee of 85 of these trusts. With respect to CHASE 2005-S2, neither BNY Mellon nor BNYM Trust Company is the servicer or the trustee of such trust.

Second, we do not believe that the agreements from which BNY Mellon or BNYM Trust Company derives its authority, or the pertinent IRS regulations, permit BNY Mellon or BNYM Trust Company, as trustee, to sell non-delinquent loans. This factor is not within our control. If you have obtained contrary legal advice on this threshold issue, we would appreciate hearing that analysis. We further note that the large majority of loans identified in your letter are current on their payments—they are not delinquent or in any stage of foreclosure. For borrowers who are experiencing difficulty making payments, however, there are numerous federal and state programs designed to provide assistance.

Third, it is our understanding that with respect to any loans identified on Exhibit C to your letter which are held by trusts for which BNY Mellon or BNYM Trust Company act as trustee but which trusts were not listed on Exhibit A to your letter, the City has not, at this time, made an offer to purchase such loans.

Finally, as you know, we have filed a lawsuit in the Northern District of California seeking to enjoin the City from using eminent domain to take mortgage loans from the foregoing trusts. As our complaint explains, we believe that such use of eminent domain is contrary in several respects to well-established law and would result in significant losses to the trusts and consequently to pension funds and other investors in the trusts.

Mayer Brown LLP

Mr. William A. Lindsay

August 13, 2013

Page 2

We recognize that the City has a different view. Nonetheless, as I have discussed with the City Attorney's office, we believe that we have a mutual interest in resolving important constitutional issues in an orderly manner. Accordingly, we expect that you will provide us with notice before taking any further action in respect of the loans or the trusts.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bronwyn F. Pollock", with a horizontal line extending to the right.

Bronwyn F. Pollock

cc: Scott Kronland, Esq.

# **Exhibit 13**

**RICHMOND, CALIFORNIA,  
September 10, 2013**

The Richmond City Council Evening Open Session was called to order at 5:15 p.m.

**ROLL CALL**

**Present:** Councilmembers Bates, Butt, Myrick, Rogers, Vice Mayor Boozé, and Mayor McLaughlin.  
**Absent:** Councilmember Beckles.

**PUBLIC COMMENT**

The city clerk announced that the purpose of the Evening Open Session was for the City Council to hear public comments on the following items to be discussed in Closed Session:

**CITY COUNCIL**

**CONFERENCE WITH LEGAL COUNSEL -  
EXISTING LITIGATION (Subdivision [a] of  
Government Code Section 54956.9):**

Wells Fargo vs. City of Richmond

Bank of New York vs. City of Richmond

Chevron vs. Contra Costa County

**CONFERENCE WITH LABOR  
NEGOTIATORS (Government Code Section  
54957.6):**

Agency designated representatives: Bill Lindsay, Jack Hughes, Michael Banks, Bruce Soublet, and Lisa Stephenson; Employee organization: Richmond Fire Management Association (RFMA)

Agency designated representatives: Bill Lindsay, Jack Hughes, Lisa Stephenson, Bruce Soublet, and Chris Magnus; Employee organization: Richmond Police Officers' Association (RPOA)

There were no speakers.

The Open Session adjourned to Closed Session at 5:16 p.m. Closed Session adjourned at 6:57 p.m.

The Special Regular Meeting of the Richmond City Council was called to order at 7:08 p.m. by Mayor McLaughlin who led the Pledge of Allegiance to the Flag.

**ROLL CALL**

**Present:** Councilmembers Bates, Butt, Myrick, Rogers, Vice Mayor Boozé, and Mayor McLaughlin.  
**Absent:** Councilmember Beckles arrived at 7:13 p.m.



## STATEMENT OF CONFLICT OF INTEREST

None.

## AGENDA REVIEW

Items G-1, G-2, G-4, G-10, G-13, G-14, G-17, G-19, and G-22 were removed from the Consent Calendar. A motion was made by Councilmember Bates, seconded by Vice Mayor Boozé to overturn the mayor's decision to hear from staff after the public speaks. The motion failed by the following vote: **Ayes:** Councilmember **Noes:** **Abstentions:** None. **Absent:** None. Continued Item G-20 to September 17, 2013.

## REPORT FROM THE CITY ATTORNEY OF FINAL DECISIONS MADE AND NON-CONFIDENTIAL DISCUSSIONS HELD DURING CLOSED SESSION

City Attorney Bruce Reed Goodmiller stated that there were no reportable actions.

## OPEN FORUM FOR PUBLIC COMMENT

Mark Wassberg stated that he was attacked by a Richmond Progressive Alliance member during the Saturday, August 3, 2013, March on Chevron Refinery.

David Gesinger stated that he has been trying to buy a home in the City of Richmond for approximately one year and was continuously outbid by Wall Street investors that are giving cash only offers. Mr. Gesinger also stated that realtors are listing homes for cash only offers, and requested that the City of Richmond look into this situation.

Leonard Taylor gave comments regarding personal issues with East Bay Mudd.

Antwon Cloird stated that all black organizations in the City of Richmond were not homophobic, specifically the Men or Purpose.

Sims Thompson stated the City Council should be careful how it treats the community, and should work to protect the community.

Bill Pinkham stated that over 3000 people showed for the Saturday, August 3, 2013, peaceful March on Chevron Refinery. Mr. Pinkham also commended the Richmond Police Department for its treatment of the demonstrators.

Dana Chase stated that her children are not allowed to watch the Richmond City Council meetings because of the behavior of the Councilmembers. She stated that the Councilmembers should show respect for

one another. Ms. Chase also stated that Mayor McLaughlin should try to get along with other Councilmembers.

Jackie Thompson stated that Stege Avenue does not have regular street sweeping and requested that staff address this issue. She also stated that violence prevention in the City of Richmond should be funded.

Vinay Pimple stated that he has an alternative for the mayor to gain control of Council Meeting as opposed to immediately calling a recess. He stated that the mayor should ring a bell to give a warning when individuals and Councilmembers are out of order, and if there is no compliance, than call a recess.

Mike Peritz invited everyone to the West Contra Costa County Unified School District Meeting on Wednesday, September 11, 2013; Kennedy High raised its Academic Performance Index and will be honored. He also stated that the "Day at the K" will return the first Saturday in October 2013.

Eduardo Martinez stated that events such as the Cease Fire Walks and different music festivals pull Richmond together. Mr. Martinez announced that there would be a music festival on Friday, September 13, 2013, 5:30 p.m. in Point Richmond, and also a Laurel Street Blues Festival on Sunday, September 22, 2013.

Andre Soto stated that on Friday, August 2, 2013, there was a press conference at City Hall where the City of Richmond announced its lawsuit against Chevron for the refinery fire and explosion. Mr. Soto also stated that on Saturday, August 3, 2013, 3000 people showed for the peaceful March on Chevron Refinery, and he thanked the Richmond Police Department for its support. Mr. Soto also reported that on Monday August 5, 2013, Chevron pled "no contest." He also stated that individuals gathered on Tuesday, August 6, 2013, for a memorial of the actual anniversary of the toxic fire and explosion. Mr. Soto also stated that it was wonderful when the citizens confront the powers that are trying to oppress them.

Silvia Ledezma announced that there will be a benefit concert for Los Cenzontles "Supporting Roots" Campaign to raise funds to expand and renovate its facility and expand its renowned cultural arts programming, Sunday, September 29, 2013, 7:00 p.m. at the Craneway Pavilion. The concern will feature Jackson Browne, David Hidalgo, and Los Cenzontles, and tickets may be purchased at [www.jacksonbrowne.com](http://www.jacksonbrowne.com).

Andre Carpiaux gave comments in support of Vice Mayor Boozé and asked Mayor McLaughlin not to interrupt Vice Mayor Boozé when he was speaking.

## CITY COUNCIL CONSENT CALENDAR

On motion of Councilmember Myrick, seconded by Councilmember Rogers all items with an (\*) were approved by the unanimous vote of the City Council.

The matter to introduce an ordinance for first reading updating Chapter 12.22 of the Richmond Municipal Code that pertains to Stormwater Management and Discharge Control in order to comply with regulatory requirements was presented by City Manager Bill Lindsay. On motion of Councilmember Butt, seconded by Councilmember Myrick said ordinance received first reading and was laid over to September 17, 2013, for second reading by the unanimous vote of the City Council.

**Continued to September 17, 2013**, the matter to receive the Grand Jury Report No. 1311, "Assessing Financial Risk," and review and approve the response to this report.

\*-Approved the annual support and user license agreement with Faster Asset Solutions by CCG Systems, Inc. for fleet management software used in maintaining data records of city-owned equipment, in an amount not to exceed \$11,350 for Fiscal Year 2013/14 and in an amount not to exceed \$12,000 per year for Fiscal Years 2014/15 and 2015/16.

**Continued to September 17, 2013**, the matter to reject all bids received for the Urban Runoff Treatment Retrofits at 1st Street and Cutting Boulevard, and re-advertise this project.

\*-Approved a Memorandum of Understanding (MOU) between Rubicon Programs, Inc. and Richmond Public Library-LEAP, allowing the LEAP Program to receive \$32,030 for the period of July 1, 2013, through June 30, 2014, in exchange for providing basic literacy and GED preparation for Rubicon, and APPROVE an amendment to the Fiscal Year 2013-2014 Operating Budget increasing library fund revenue and expenditures in the amount of \$32,030.

\*-Approved a Memorandum of Understanding (MOU) between Bay Area Community Resources (BACR) and Richmond Public Library-LEAP to allow BACR to place a VISTA position at Richmond Public Library-LEAP to support volunteer recruitment at a cost to LEAP of \$14,664.

\*-Approved an agreement with the California State Library allowing the Richmond Public Library-LEAP to receive funding to provide literacy services for the City of Richmond, AUTHORIZE the Library and Cultural Services Director to accept the State funds in the amount of \$10,000, and APPROVE an amendment to the Fiscal Year 2013-14 Operating Budget to increase library fund revenue and expenditures in the

amount of \$10,000.

\*-Adopted **Ordinance No. 16-13 N.S.** to establish wages, salaries, and compensation for the classifications represented by the International Federation of Professional and Technical Employees (IFPTE Local 21) in the city's classified service, and repealing Ordinance No. 38-06 N.S.

\*-Approved the grant-funded purchase of a mobile office/storage combination trailer for the Richmond Fire Department Marine Response Program from Mark Holmes, dba Holmes Construction, using Fiscal Year 2012 Bay Area Urban Area Security Initiative (UASI) funds in an amount not to exceed \$24,500.

**Continued to September 17, 2013**, the matter to approve a contract amendment with TPA Construction Inc. for completion of the Dornan Drive Tunnel Project, increasing the contract amount by \$330,000 for a total of \$1,405,328.

\*-Adopted **Resolution No. 89-13** approving a Memorandum of Understanding (MOU) between RFMA and the City of Richmond. The MOU will be effective from July 1, 2013, through June 30, 2016, and provides for a 3% annual salary increase each September 1 for the years 2013, 2014, and 2015. The salary increase is offset by RFMA members contributing an additional 1% per year toward CalPERS pension cost (3% over the life of the contract, for a total contribution of 12% at the end of the term).

\*-Introduced an ordinance for first reading to establish wages, salaries, and compensation for the classifications represented by the Richmond Fire Management Association (RFMA) in the City's classified service, and repealing Ordinance No. 39-06 N.S.

**Continued to September 17, 2013**, the matter to approve a contract with Networkfleet for Global Positioning System (GPS) tracking and management in an amount not exceed \$95,000 for a two-year term, and the option for two one-year extensions in an amount not to exceed \$47,500 per year.

**Continued to September 17, 2013**, the matter to approve a contract with AAA Fence Company, Inc. for chain link fence repair and replacement surrounding the sport courts at Belding-Garcia Park and Lucas Park in an amount not to exceed \$40,582.30 which includes a 10% city controlled cost contingency. The contract term will be from September 11, 2013 to June 30, 2014.

\*-Approved a service contract with BMW Motorcycles of San Francisco to provide regular maintenance and repair services for the Richmond Police Department's BMW motorcycle fleet, at a cost not to exceed \$60,000 (\$30,000 per year, for a two-year term) from July 1, 2013, through June 30, 2015.

\*-Accepted and appropriated a grant from Cities of Service in the amount of \$25,000 to expand writing support to high school students through the WritersCoach Connection Program at Richmond High School; and approved the appropriation of a bonus grant of up to \$5,000, contingent upon the grantee meeting the year-one impact benchmarks specified in the Cities of Service Impact Volunteering Fund Memorandum of Understanding.

In the matter to approve the following appointments and re-appointments: Historic Preservation Commission: Kimberly Butt, incumbent, term expiring July 31, 2017; Robin Cawelti, incumbent, term expiring July 31, 2017; Point Molate Community Advisory Committee: Eduardo Martinez, incumbent, term expiring May 30, 2015; Workforce Investment Board: Uche Justin Uwahemu, new appointment; Jake Sloan, new appointment; Economic Development Commission: David Schoenthal, new appointment, term expiring March 30, 2016; D. Dexter Vizinau, new appointment, term expiring March 30, 2016; and Commission on Aging: Kathleen Good, new appointment, term expiring May 19, 2015; on motion of Councilmember Butt, seconded by Mayor McLaughlin approved the appointments and reappointments by the following vote: **Ayes:** Councilmembers Bates, Beckles, Butt, Myrick, Rogers, Vice Mayor Boozé, and Mayor McLaughlin. **Noes:** Councilmember Bates and Vice Mayor Boozé voted Noe on the reappointment of Eduardo Martinez to the Point Molate Community Advisory Committee. **Abstentions:** None. **Absent:** None.

\*-Approved the minutes of the July 23 and 30, 2013, special meetings.

The matter to direct the Richmond City Councilmembers that represent the City of Richmond on the West Contra Costa Integrated Waste Management Authority ("RecycleMore") Board of Directors to place on that agency's agenda, and to vote in support of, an amendment to the West Contra Integrated Waste Management Authority Joint Powers Authority Agreement that provides more flexibility to members wishing to withdraw from the Authority was presented by City Manager Bill Lindsay. Chris Leon gave comments. On motion of Councilmember Butt, seconded by Councilmember Beckles directed the Richmond City Councilmembers that represent the City of Richmond on the West Contra Costa Integrated Waste Management Authority ("RecycleMore") Board of Directors to place on that agency's agenda, and to

vote in support of, an amendment to the West Contra Integrated Waste Management Authority Joint Powers Authority Agreement that provides more flexibility to members wishing to withdraw from the Authority by the unanimous vote of the City Council.

**Continued to September 17, 2013**, the matter to introduce an ordinance to ban alcohol billboards near schools, in order to reduce the number of minors who become at risk for alcohol abuse due to starting to drink before they can make an informed, adult choice.

\*-Designated Councilmember Butt as voting delegate to represent the City of Richmond at the Annual Business Meeting of the League of California Cities 2013 Annual Conference to be held September 18-20, 2013, at the Sacramento Convention Center, Sacramento, California.

In the matter to adopt a resolution authorizing the city manager to enter into and execute all agreements necessary to amend and assess franchise fees for the collection and processing of trash, recyclables, and green waste to compensate the city for fiscal impacts caused by roadway maintenance, litter abatement, and Storm Water Program management, Chris Leon gave comments. A motion was made by Councilmember Butt, seconded by Councilmember Beckles to approve the item. A friendly amendment was offered by Councilmember Bates to modification to the language to read "to adopt a resolution authorizing the city manager, with approval of the City Council, to enter into and execute all agreements necessary to amend and assess franchise fees for the collection and processing of trash, recyclables, and green waste to compensate the city for fiscal impacts caused by roadway maintenance, litter abatement, and Storm Water Program management. The friendly amendment was accepted and **Resolution No. 90-13** was adopted by the unanimous vote of the City Council.

#### **PUBLIC HEARINGS**

**Continued to September 17, 2013**, receive testimony regarding the proposed Consolidated Action Plan Evaluation Report (CAPER) and approve the 2012-2013 CAPER.

#### **COUNCIL AS A WHOLE**

Mayor McLaughlin combined Items I-1, I-2, and I-3; however, each item had a separate vote. City Manager Bill Lindsay gave an overview of the eminent domain process. The following individuals gave comments: Rosa Lara, Sylvia Gray-White, Antwon Cloird, Paul Larudee, Bill Pinkham, Karen Franklin, Jackie Thompson, Mike Parker, Joshua Genser, John Frangoulis, Scott Barker, Maria Katznelson, Jerry Feagley, Renee Bartels, Pam Bilbo, Patty Castillo, Ariana Casanova, Megan Roberts, Susan

Harman, J. P., Mark Wassberg, Lisa Johnson, Jeff Romm, Katrinka Ruk, Susan Bazela, Harris Crackin, Bea Roberson, Morris LeGrand, Edward Stevens, Tarnel Abbott, Ali Marshall, Maximo Rivera, Don Winters, Stephanie Harvey, Vinay Pimple, Melvin Willis, Betty Reid Soskin, Kate Sibley. (*On motion of Councilmember Myrick, seconded by Councilmember Beckles to suspend the rules past 11:30 p.m. and hear the speakers and vote on each item passed by the following vote: Ayes: Councilmembers Butt, Beckles, Rogers, and Mayor McLaughlin. Noes: None. Abstentions: Councilmember Bates and Vice Mayor Boozé. Absent: None.*) Speakers continued with: Amy Schur, Andre Soto, Eduardo Martinez, Tracy Fetter, Dennis Dalton, Darlina Darligna, Brant Fetter, Donald Johnson, Maeve Elis Brown, Tony Sustak, Doug Gilbert, Doria Robinson, Najari Smith, Katy Robinson, Margaret Jordan, Genny Zentelle, Juan Reardon, Michael Leedie, Margaret Brown, Elsa Stevens, David Gensinger, Zack Wear, and James Zahradka.

The matter to direct the city manager to withdraw any offers made to servicers of mortgage loans to purchase such mortgages based on fair market value (letters dated July 31, 2013), and to amend the advisory services agreement with Mortgage Resolution Partners, LLC to eliminate the option of utilizing eminent domain as an option to acquire mortgages was presented by Councilmember Bates and Vice Mayor Boozé. A motion was made by Councilmember Bates, seconded by Vice Mayor Boozé to: (1) direct the city manager to withdraw any offers made to servicers of mortgage loans to purchase such mortgages based on fair market value; and (2) permanently end taking further steps to amend the advisory service agreement with Mortgage Resolution Partners, LLC to eliminate the option of using or attempt to use eminent domain to obtain mortgage loans. On motion of Councilmember Beckles, seconded by Councilmember Butt ended debate by the following vote: **Ayes:** Councilmembers Beckles, Butt, Myrick, and Mayor McLaughlin. **Noes:** Councilmembers Bates, Rogers, and Vice Mayor Boozé. **Abstentions:** None. **Absent:** None. The motion by Councilmember Bates failed by the following vote: **Ayes:** Councilmembers Bates, Rogers, and Vice Mayor Boozé. **Noes:** Councilmembers Beckles, Butt, Myrick, and Mayor McLaughlin. **Abstentions:** None. **Absent:** None.

The matter to hear a report from staff on Richmond CARES - the Local Principal Reduction Program, and direct staff to: (1) to work to set up a Joint Powers Authority (JPA) together with other interested municipalities, as a next step forward in the development of this program; (2) to confirm that no loans will be acquired by the City through eminent domain before coming back to the full City Council for a vote; and (3) to continue working with MRP to resolve any remaining legal issues was presented by Mayor McLaughlin. A motion was made by Mayor

McLaughlin, seconded by Councilmember Beckles to: (1) to work to set up a Joint Powers Authority (JPA) together with other interested municipalities, as a next step forward in the development of this program; (2) to confirm that no loans will be acquired by the City through eminent domain before coming back to the full City Council for a vote; and (3) to continue working with MRP to resolve any remaining legal issues, and direct staff to issue monthly reports, and return to the City Council in 30 days with an update. *(A motion was made by Councilmember Beckles, seconded by Councilmember Myrick to end debate. The City Council recessed at 1:35 a.m. and reconvened at 1:37 a.m. Councilmember Myrick withdrew his second and debate continued.)* The motion by Mayor McLaughlin was approved by the following vote: **Ayes:** Councilmembers Beckles, Butt, Myrick, and Mayor McLaughlin. **Noes:** Councilmembers Bates, Rogers, and Vice Mayor Boozé. **Abstentions:** None. **Absent:** None.

The matter to consider informing Mortgage Resolution Partners (MRP) that if they fail to provide insurance to protect the City of Richmond from litigation and related damages due to the city exercising its power of eminent domain to acquire underwater mortgages, the city will not proceed with eminent domain actions was presented by Councilmember Rogers. A motion was made by Councilmember Rogers to inform Mortgage Resolution Partners (MRP) that if they fail to provide insurance to protect the City of Richmond from litigation and related damages due to the city exercising its power of eminent domain to acquire underwater mortgages, the city will not proceed with eminent domain actions. Councilmember Myrick seconded the motion with a friendly amendment to modify language to read "if MRP cannot provide proof of financial responsibility, the City of Richmond will reconsider this agreement." The friendly amendment was accepted." Vice Mayor Boozé offered a friendly amendment to the language to read "if MRP cannot provide insurance than the City of Richmond will discontinue business." The amendment was not accepted. *(A motion by Councilmember Bates, seconded by Councilmember Beckles to end debate passed by the following vote: Ayes: Councilmember Bates, Beckles, Butt, and Mayor McLaughlin. Noes: Councilmembers Myrick, Rogers, and Vice Mayor Boozé. Abstentions: None. Absent: None.)* The original motion failed by the following vote: **Ayes:** Councilmember Myrick and Rogers. **Noes:** Councilmembers Bates, Butt, Beckles, Vice Mayor Boozé, Mayor McLaughlin.

**Continued to September 17, 2013,** the matter to oppose appeals to modify or remove conditions of Alcohol Beverage Licenses for Val Mar Market located at 3630 Barrett Avenue, and Family Market located at 700 Pennsylvania Avenue.

#### **REPORTS OF OFFICERS: STANDING**



**COMMITTEE REPORTS, REFERRALS TO  
STAFF, AND GENERAL REPORTS (INCLUDING  
AB 1234 REPORTS)**

None.

**ADJOURNMENT**

There being no further business, the meeting adjourned at 2:09 a.m. in memory of Pastor Carla Maxine Jackson and Osborn Hill, to meet again on Tuesday, September 17, 2013, at 6:30 p.m.

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City Clerk

(SEAL)

Approved:

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Mayor