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From: Killian, Chris
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 To: Pollard, Alfred
 Subject: FW: Richmond City Council Votes on Eminent Domain
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 fyi

From: <Chamberlain>, Kim Chamberlain <(b)(6)@sifma.org>
Date: Wednesday, September 11, 2013 5:04 AM
To: Kim Chamberlain <(b)(6)@sifma.org>
Cc: Timothy Cameron <(b)(6)@sifma.org>, Christopher Killian <(b)(6)@sifma.org>
Subject: Richmond City Council Votes on Eminent Domain

After almost 7 hours of debate that went until 2:00 AM Pacific Time, the Richmond City Council voted on three different eminent domain resolutions.

1. By a vote of 5-2, the City Council rejected a proposal by Council Member Bates and Vice Mayor Bates to “Direct the City Manager (1) to withdraw any offers made to trustees and servicers of mortgage loans to purchase such mortgages based on fair market value (letters dated July 31, 2013) and (2) to permanently end taking any further steps under the Advisory Services Agreement with Mortgage Resolution Partners to consider using, to attempt to use or to actually use eminent domain to acquire mortgage loans.”
2. By a vote of 4-3, the City Council voted to support a proposal by Mayor McLaughlin 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.” Language requiring monthly written reports by Staff on JPA and related activity was also added to the original language.
3. By a vote of 5-2, the City Council voted to reject a proposal to “Consider informing Mortgage Resolution Partners (MRP) that if they fail to provide proof of financial responsibility 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 reconsider this agreement.” Resolution includes a friendly amendment offered by City Council Member Myrick that was accepted by Council Member Rogers.

The City heard from, at best count, 61 speakers (44 supporting eminent domain; 17 opposing eminent domain). More people were scheduled to speak but gave up due to lengthy wait times. There was heated debate during the voting process with a recess called at 1:36 AM PT to restore order.

In addition, Mayor McLaughlin stated several times during debate that she had a letter from El Monte Mayor Andre Quintero, that El Monte was “calling on us” to form a JPA, and “El Monte will be right with

us.” She expressed hope that bigger localities like San Francisco, Seattle, and Newark would participate in a JPA as well.

Finally, it was reported at the meeting that the San Francisco Board of Supervisors voted Tuesday evening to express support for Richmond, to ask the city assessor-recorder to explore how many San Francisco homeowners owe more than their homes are worth, and to explore whether a similar program would make sense in the city. We are seeking confirmation.

Please let us know if you have any questions.

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