



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: District Attorney
Department No.: 021
For Agenda Of: August 18, 2020
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Director Joyce E. Dudley, District Attorney, 568-2308
Contact Info John Savrnock, Chief Deputy District Attorney, 568-2369
SUBJECT: Real Estate Fraud Prosecution Program Fiscal Year 2019-2020 Annual Report

County Counsel Concurrence

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Other Concurrence: N/A

Recommended Actions:

That the Board of Supervisors:

- a) Receive and file the Real Estate Fraud Prosecution Program Fiscal Year 2019-2020 Annual Report.

Summary Text:

In August 2007, the Board of Supervisors authorized the Office of the District Attorney to implement the provisions of California Government Code section 27388, which established a recording fee to fund a Real Estate Fraud Prosecution Program in order to deter, investigate and prosecute real estate fraud crimes. The goal of the program is to reduce the victimization of vulnerable residents who are less knowledgeable about the complexities of real estate transactions. Pursuant to this code, the Office of the District Attorney has prepared the Fiscal Year 2019-2020 Annual Report of the program's activities and funding.

Background:

In September 2007, the County Clerk-Recorder-Assessor began collecting the Board-approved \$2 recording fee when certain real estate instruments, paper, or notices were recorded. The Clerk-Recorder-Assessor retains 10% of the funds collected for administrative costs. 100% of the remaining balance is utilized by the Office of the District Attorney to finance salary and benefit costs dedicated to the investigation and prosecution of real estate fraud. In 2009, Senate Bill 1396 amended Section 27388 to authorize a fee increase from \$2 to \$3, and also added additional documents to the definition of "real estate

instrument” for purposes of fee collection. The Board subsequently approved a fee increase from \$2 to \$3 in January 2010.

In 2012, the California State Legislature determined that the statutory fee allotment of \$3 was inadequate. Senate Bill 1342 was approved in July 2012 to amend section 27388 to authorize a fee of up to \$10 for the recording of real state instruments, in order to provide a consistent source of funding for an effective law enforcement response to the real estate fraud epidemic in California. The legislation also expanded the list of “real estate instruments” that are subject to the fee.

In October 2013, the Board approved a fee increase from \$3 to \$10 in order to expand the investigation and prosecution of real estate fraud crime. This includes staff time for a full-time Deputy District Attorney, legal office professional and DA Investigator.

Fiscal and Facilities Impacts:

In Fiscal Year 2019-2020, the total cost to administer the Real Estate Fraud Prosecution Program was \$338,863. This included salaries and benefits for a Deputy District Attorney, an Investigator, legal support staff, and operating expenses for legal reference materials and expert case review. Revenue to support the program is provided by document fees collected throughout the fiscal year. Total document fees collected by the District Attorney during Fiscal Year 2019-2020 totaled \$483,930, and averaged \$40,328 per month.

The Fiscal Year 2019-2020 Real Estate Fraud fund balance is \$185,585. Fund balances are designated for use in future years in order to offset the costs of program staff who will deter, investigate, and prosecute real estate fraud crimes. It is anticipated that Real Estate Fraud fund balance will be used to cover costs of the Real Estate Fraud Prosecution Program in Fiscal Year 2020-2021.

Fiscal Analysis:

<u>Funding Sources</u>	<u>FY 2019-20</u>	<u>Annualized</u>	<u>Total One-Time</u>
	<u>Cost:</u>	<u>On-going Cost:</u>	<u>Project Cost</u>
General Fund	\$ -		
State			
Federal			
Fees	\$ 483,930.00		
Other- Incr Real Estate Fund Bal	\$ (145,066.68)		
Total	\$ 338,863.32	\$ -	\$ -

Attachments:

Attachment A: Real Estate Fraud Prosecution Program Fiscal Year 2019-2020 Annual Report

Authored By:

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