COUNCIL COMMUNICATION

TO: THE CITY COUNCIL COUNCIL MEETING DATE: June 1, 1988

FROM: THE CITY MANAGER'S OFFICE

SUBJECT: DISCUSSION OF SECTION 312 REHABILITATION LOAN PROGRAM AND DETERMINATION IF CITY OF LODI SHOULD PARTICIPATE

INDICATED ACTION: Determination if City of Lodi should participate in Section 312 Rehabilitation Loan Program through the Housing and Urban Development Department of the United States.

BACKGROUND INFORMATION: At the City Council "Shirt Sleeve" Session of May 3, 1988, Mr. Bill McCabe of the U.S. Escrow Company presented an outline of the 312 Rehabilitation Loan program and discussed how his firm could assist the City in this area.

The 312 Program has the advantage of providing lower interest loans to projects such as the Lodi Hotel renovation. However this advantage is cff-set in part by the Davis-Bacon Prevailing Wage Law.

Although U.S. Escrow Company could provide assistance in loan packaging and similar services, the City is still responsible for program administration without any means of recapturing our costs.

James B. Schroeder

JAMES B. SCHROEDER
Community Development Director

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