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CITY COUNCIL MEETING  
JULY 16, 1986

HUD-HOUSING  
DEVELOPMENT GRANT  
PROGRAM

HOTEL LODI RENOVATION  
PROJECT

RES. NO. 86-108

CC-6  
CC-55

Following introduction of the matter by City Manager Peterson, Community Development Director Schroeder advised the Council that the renovation of the Hotel Lodi is a \$3,555,000 public-private partnership project, utilizing \$110,000 of Lodi's CDBG funds allocated for F.Y. 1986-87. Other funding sources include State HCD and conventional loans, as well as limited partnership investment.

However, proposed changes in tax law particularly investment tax credits (ITC), may reduce the attractiveness of the syndication to prospective investors.

Further, Mr. Schroeder provided the following information pertaining to the Housing Development Grant Program:

1. Additional loans from the federal government are available which will serve to maintain the desired return on the limited partners investment.
2. HUD is presently accepting applications for grants under HUD's Housing Development Grant Programs. This grant application must be initiated through the local unit of government (City of Lodi).
3. Grant funds awarded under the program are to be used to support the construction of substantial rehabilitation of residential rental, cooperative, or mutual housing in which at least 20 percent of the units will be occupied by lower income families.
4. HUD indicated the program's current funding level is 79 million, and will not be affected by congressional budget reductions.
5. Application selections will be made and funds are to be obligated by September 30, 1986. The application deadline is July 21, 1986. The proposed grant amount to be requested by the City of Lodi is \$715,000.

A lengthy discussion followed with questions being directed to Staff.

Mr. Larry Redman, 325 East Locust Street, Lodi, addressed the Council asking if any input regarding this proposed project had been received from the senior citizens of this community.

Mr. Charles Duncan, 1214 West Lodi Avenue, Lodi, also indicated that he felt that senior citizens of this community should have input in the matter. Mr. Duncan further stated that he felt the project was doomed for failure from the beginning and urged the Council not to act on the matter at this meeting.

Further, questions were directed by the Council to those who had addressed the Council on the matter and to Staff.

On motion of Council Member Pinkerton, Olson second, Council adopted Resolution No. 86-108 authorizing the City of Lodi to apply for a Housing Development Grant to be made available exclusively for the Hotel Lodi Renovation project. The motion carried by the following vote:

Ayes: Council Members - Olson, Pinkerton, Snider,  
and Reid (Mayor)

Noes: Council Members - Hinchman

Absent: Council Members - None

Further, on motion of Mayor Reid, Olson second, Council set a Public Hearing at 7:30 p.m., August 6, 1986, to receive public input regarding the proposed Hotel Lodi Renovation Project. The motion carried by the following vote:

Ayes: Council Members - Olson, Pinkerton, Snider,  
and Reid (Mayor)

Noes: Council Members - Hinchman

Absent: Council Members - None