

COUNCIL COMMUNICATION

Exhibit D

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TO: THE CITY COUNCIL

DATE

FROM: THE CITY MANAGER'S OFFICE

August 6, 1986

SUBJECT: PUBLIC HEARING TO RECEIVE PUBLIC INPUT REGARDING THE PROPOSED HOTEL LODI RENOVATION PROJECT

At the July 16, 1986 Council meeting, Council adopted Resolution No. 86-108 (Exhibit A attached) authorizing the City of Lodi to apply for a Housing Development Action Grant to be made available exclusively for the Hotel Lodi Renovation Project.

Council was apprised that the renovation of the Hotel Lodi is a \$3.5 million dollar public-private partnership project utilizing \$110,000 of Lodi's CDBG funds allocated for fiscal year 1986-87. Other funding sources include State HCD and conventional loans, as well as limited partnership investment.

The proposed syndication participation in this project is based principally upon an investment return of 8% to 10%. However, proposed changes in tax law, particularly investment tax credits (ITC), may reduce the attractiveness of the syndication to prospective investors.

Additional information, regarding the Housing Development Grant Program provided Council at the July 16, 1986 Council Meeting, included:

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 Program. 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 was July 21, 1986. The proposed grant amount to be requested by the City of Lodi is \$715,000.

The Council also set a Public Hearing for Wednesday, August 6, 1986 at 7:30 p.m. to receive public input regarding the matter. In addition to the required legal publication regarding the hearing, copies of the Public Hearing Notice were sent to the Lodi Senior Citizens Commission and to the United Downtown Improvement District Chairman. (See Exhibit B attached).

A letter supporting the proposed project and the City's application for federal assistance under the Housing Development Action Grant Program (HODAG) was received from San Joaquin County Administrator, David D. Rowlands, Jr. (See Exhibit C attached)

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Community Development Director Schroeder advises that the City of Lodi did not submit the Housing Development Action Grant Application for the Hotel Lodi Project because the developer did not have his loan in place from a private lender.

Further, Mr. Schroeder advises that grant applications will be up for review again in December if Council wishes to proceed at that time. However, the developer may wish to proceed with this project in a different manner.

Alice M. Reimche
ALICE M. REIMCHE
City Clerk

NOTICE OF CONTINUED PUBLIC HEARING

THE CITY COUNCIL OF THE CITY OF LODI
WILL CONDUCT A CONTINUED PUBLIC HEARING TO RECEIVE
PUBLIC INPUT REGARDING THE PROPOSED
HOTEL LODI RENOVATION PROJECT

NOTICE IS HEREBY GIVEN that on Wednesday, September 17, 1986 at the hour of 7:30 p.m., or as soon thereafter as the matter may be heard, the Lodi City Council will conduct a continued public hearing in the Council Chambers, City Hall, 221 West Pine Street, Lodi, California, to receive public input regarding the proposed Hotel Lodi Renovation Project.

The Hotel Lodi Rehabilitation Project will be a public-private partnership project, incorporating participation of the following public and private entities and programs: City of Lodi-Community Development Block Grant; State of California Office of Housing and Community Development-Special User Housing Rehabilitation Program; The Savings Association Mortgage Company (SAMCO); and the Daniels C. Logue Development and Construction Company of Sacramento.

Upon completion the Hotel Lodi, located at the corner of School and Pine Streets, will provide 110 furnished residential rental units available to low and moderate income persons.

If you are interested in further information, please contact Rick Barnum, Associate Planner, City of Lodi Community Development Department, 221 W. Pine Street, Lodi, or call 333-6711.

All interested persons are invited to present their views on this matter. Written statements may be filed with the City Clerk at any time prior to the hearing scheduled herein and oral statements

may be made at said hearing.

If you challenge the subject matter in court you may be limited to raising only those issues you or someone else raised at the Public Hearing described in this notice or in written correspondence delivered to the City Clerk at, or prior to, the Public Hearing.

By Order of the Lodi City Council.

Alice M. Reinche
Alice M. Reinche
City Clerk

Dated: September 17, 1986