

**CITY OF LODI
INFORMAL INFORMATIONAL MEETING
"SHIRTSLEEVE" SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, JUNE 3, 2008**

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, June 3, 2008, commencing at 7:03 a.m.

A. ROLL CALL

Present: Council Members – Hitchcock, Hansen, Johnson, Katzakian, and Mayor Mounce

Absent: Council Members – None

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Johl

B. TOPIC(S)

B-1 "Presentation Regarding Community Development Block Grant Entitlement Process"

City Manager King briefly introduced the subject matter of the Community Development Block Grant (CDBG) entitlement process.

Community Improvement Manager Joseph Wood provided a PowerPoint presentation regarding the CDBG entitlement process. He discussed specific topics including a general overview of the process, issues for consideration for CDBG funds, issues for consideration for HOME funds, HOME fund options consortium, state of the California HOME program, issues for consideration with program income, and a proposed calendar.

In response to Council Member Hitchcock, Mr. Wood stated the \$800,000 figure is the average of all cities within our population range and the City of Lodi should receive that amount as well.

In response to Mayor Pro Tempore Hansen, Mr. Wood stated the City would receive at least the 6% amount currently taken by the County for administration purposes.

In response to Mayor Mounce, Mr. Wood stated the City would receive the allocation directly and take the 20% for administration of the program.

In response to Mayor Mounce, Mr. Wood stated the City currently performs some of the tasks already and has the resources to administer the program directly.

In response to Council Member Johnson, Mr. Wood stated the \$160,000 figure would cover the administration of the down payment assistance and loan program, which would be something new.

In response to Council Member Hitchcock, Mr. King stated staff is not directly making a case for one way or another but would like to present the Council with the pros and cons for both sides.

In response to Mayor Pro Tempore Hansen, Mr. Wood stated the process would include establishing the City as an entitlement city for CDBG and participating in a consortium with the State with greater funding opportunities for the HOME program. He stated the down payment assistance funds are usually spent within the first three months of the program year, the city of Stockton is its own entitlement city for both CDBG and HOME, and the City of Lodi would be the only entitlement city in the County to have its own CDBG program and go through the State for the HOME program.

In response to Mayor Pro Tempore Hansen, Mr. King provided a brief overview of the history of Department of Housing and Urban Development (HUD), the CDBG program, the consortium process, available funding options, the County process versus the State process, and the competitive nature of the consortium process whereby some years may generate larger funding amounts while others generate none.

In response to Mayor Pro Tempore Hansen and Mayor Mounce, Mr. Wood confirmed that the State's CDBG program has been in place since the 1970s, the HOME program has been in place since the 1990s, and, although the program is pretty solid, there may be cuts when the federal budget is tight.

In response to Council Member Hitchcock, Mr. Wood confirmed that, while the City cannot currently compete with other cities in the HOME program for larger amounts and with the new program, the City would receive approximately \$800,000 for CDBG and an opportunity to compete with other cities for a larger amount in HOME program funding.

In response to Mayor Mounce, Mr. Wood stated each agreement is for a three-year period without opt-out provisions. He stated he did not recall the matter being considered a few years ago.

In response to Mayor Mounce, Mayor Pro Tempore Hansen stated he does anticipate a significant impact with the San Joaquin Council of Governments and the One Voice trip if the City was to become an entitlement city because the lobbying efforts focus on the program as a whole rather than individual city funding.

In response to Council Member Johnson, Mr. Wood stated the annual allocation is the amount expected from HUD in order to provide a clearer read of the numbers for the current year and future numbers may vary based on future budgets.

Discussion ensued between Council Member Hitchcock, Mr. King, and Mr. Wood regarding a possible recommendation of going with the State versus the County at the June 18 City Council meeting, City numbers being determined by last census statistics, the County losing money spread out over various cities, and options with HOME program funding.

In response to Council Member Hitchcock, Mr. King stated HOME program funding was used for the Loel Center one year and to provide down payment assistance on other years.

In response to Council Member Hitchcock, Mr. King confirmed that the CDBG funds would be somewhat guaranteed while the HOME program funds would not be.

In response to Mayor Pro Tempore Hansen, Mr. Wood stated there may be some question as to whether the County is willing to transfer program income for the down payment and housing rehabilitation assistance that is already in existence. He stated going through the State may allow for a larger amount to be put into the community and eventually back in to the program as income.

In response to Mayor Mounce, Mr. Wood stated staff will provide the numbers with respect to how much program income would be lost if the County said no to the request.

In response to Council Member Katzakian, Mr. Wood stated affordable housing options could become more competitive for the City because there would be funding available for City participation with interested developers.

In response to Council Member Katzakian, Mr. Wood stated an application would have to reference a specific project and the strength of the project would be used to show competitiveness.

Council Member Hitchcock requested data on other communities that use the State HOME program and related funding availability and awards over a five- to ten-year period.

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A brief discussion ensued between Mayor Mounce and Mayor Pro Tempore Hansen regarding poverty levels in the City and how they are related to competition for the HOME program.

Mayor Mounce requested a list of possible affordable housing options and site locations.

In response to Council Member Johnson, Mr. King stated some counties and cities do not have the ability to participate in a consortium and therefore the State program is a more viable option.

In response to Mayor Mounce, Mr. Wood confirmed that there is no other city in San Joaquin County other than Stockton that participates as an entitlement city.

In response to Mr. King, Mr. Wood stated the most active use of the HOME program currently is down payment assistance and few applications have been received for housing rehabilitation.

C. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

In response to Council Member Johnson and Mayor Mounce, City Attorney Schwabauer stated the subject matter of Council interest and participation in the labor negotiation process will be brought forth for Council discussion and consideration at a future agenda meeting.

D. ADJOURNMENT

No action was taken by the City Council. The meeting was adjourned at 7:52 a.m.

ATTEST:

Randi Johl
City Clerk