

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, MARCH 24, 2009**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, March 24, 2009, commencing at 7:01 a.m.

Present: Council Member Hitchcock, Council Member Johnson, Mayor Pro Tempore Katakian, Council Member Mounce, and Mayor Hansen

Absent: None

Also Present: City Manager King, City Attorney Schwabauer, and Assistant City Clerk Perrin

B. Topic(s)

B-1 Review of Community Development Block Grant Funding Requests in the 2009-10 Action Plan (CD)

City Manager King briefly introduced the subject matter of the Community Development Block Grant (CDBG) funding requests in the 2009-10 Action Plan.

Neighborhood Services Manager Joseph Wood reported that the allocation for 2009-10 CDBG funding, Lodi's first year as an Entitlement Community, is estimated at \$743,000, which is a 7% increase from last year's allocation from the County. Additionally, reallocation from Urban County funding amounts to \$149,000, which will go toward new projects and programs added to the Urban County 2008-09 program year. Factors to consider during the review process include Department of Housing and Urban Development (HUD) regulations; Council policies on preference for projects over services and the set aside amounts of 60% for City and 40% for community-based organizations (CBO); and the grading and scoring matrix for the CBO funding requests, which include activity need and justification, readiness to proceed, cost reasonableness and effectiveness, activity management and implementation, past performance, and matching contributions. Mr. Wood added that new applicants would not be downgraded on the scoring due to lack of past performance.

In response to Council Member Hitchcock, Mr. Wood stated that requests for daily maintenance and operations activities would be restricted; however, major repairs and renovations to a facility, as well as wholesale change out of equipment, would be allowable.

Mr. Wood stated that 14 applications from CBOs were received for a total request of \$1,046,851, 7 of which are for projects and 7 are for services. Mr. Wood reviewed each of the 14 requests in detail.

In response to Council Member Mounce, Mr. Wood stated that the total cost of the Loel Center renovation project is approximately \$560,000, a majority of which is being funded with CDBG funds.

In response to Mayor Hansen, Mr. Wood stated that the Loel Center does have additional funds committed toward this year's project request as it would need to be ready to move forward if funded. In further response, Mr. Wood confirmed that the Hope Harbor roof replacement is for the shelter on Sacramento Street.

Mr. Wood reported that the procedure this year was compacted and staff is in the process of

reviewing and rating the applications, which will be presented to Council at the April 1 public hearing with final recommendations.

In response to Mayor Hansen and Council Member Johnson, Mr. Wood stated that the request from Hope Harbor for an emergency generator is allowable as it is a facility that serves the target population and qualifies as an eligible improvement to the facility. The generator would serve the shelter in case of a major catastrophe. Mr. Wood added that he is researching whether other funding sources may be better suited for this request, such as grant funding through Homeland Security.

In response to Council Member Hitchcock, Mr. Wood confirmed that the cap of \$111,525 for public service requests is the most that could be allocated for that category and Council could follow its policy to allocate toward project requests instead as that is a Council preference.

In response to Mayor Hansen, Tracy Williams with the Loel Center stated that the request for senior nutrition services is delivery of frozen meals one time a week to approximately 70 Lodi seniors. The service was taken over from Seniors First by the San Joaquin County Human Services Agency, but it will go to the Loel Center once it is able to provide hot meals five days a week. Mr. Wood added that further explanation regarding this service will be provided at the April 1 public hearing.

In response to Mayor Hansen, Mr. Wood stated that a majority of the agencies that submitted requests to the City have also submitted applications to the seven cities within the County.

Mr. Wood reviewed the three-year projection of City projects and services, stating that in year one (2008) there were 12 eligible projects/services listed with 6 being funded and in year two (2009) there are 11 eligible projects/services with 6 being recommended for funding. Council will determine at the April 1 public hearing which requests to fund. The remaining eligible projects/services would potentially be funded in the third year.

In response to Council Member Johnson, Parks Superintendent Steve Dutra stated that playground guidelines allow sand and wood fiber to be used on playground surfaces; however, a number of years ago, the Parks Division opted to utilize a poured in place (PIP) surface under play structures, but due to the high level of vandalism at Blakely Park, it was converted back to wood fiber. The current request for recoating PIP is under the Blakely Park swing area, which requires a new seal every five years.

Council Member Mounce expressed her support for the alley drainage improvements project.

In response to Mayor Hansen, Mr. Wood clarified that the request last year was to remove the PIP at Blakely Park and replace it with wood fiber, which was not funded. The Parks Division accomplished it by other means and it is no longer listed on the three-year projection. Its request this year is to recoat the PIP swing area surface at the park. Mr. King added that the level of vandalism on the PIP surface at Blakely Park is unusually high.

In response to Council Member Hitchcock, Mr. King stated that wood fiber requires a high level of maintenance, which is much more costly and time consuming for staff; whereas, PIP is a safer surface, requires less staff time and maintenance, and often times can be offset with grant funds.

Mr. Wood reported that the American Recovery and Reinvestment Act of 2009 has made a stimulus package available. The final rules are still pending, but the program would be for "shovel-ready" projects that could be implemented within 120 days. Because there is insufficient time to implement another application period, staff will review the current funding requests to determine which may be best suited for this stimulus program. The funds will be available

through the Urban County as it is allocated to 2008 CDBG funding, and it is estimated that the allocation will amount to \$173,149.

Mr. Wood reviewed the consolidated plan process, stating that the draft document will be before Council on April 1 for approval, followed by a 30-day public review and comment period, back to Council for final approval on May 6, and forwarded to HUD by May 15.

In response to Council Member Hitchcock, Mr. Wood stated that the process for HOME funds will begin July 1, the amount would be in the \$500,000 to \$700,000 range, and staff intends to make an application for the existing housing assistance programs, as well as specific projects that would qualify for HOME funding. He estimated the City would have received approximately \$225,000 had it remained with the County.

B-2 Update on Affordable Senior Housing Project (CD)

Interim Community Development Director Rad Bartlam reported that the senior housing project proposed for Railroad Avenue is not moving forward due to negotiations with the property owner, Union Pacific, as well as with the development entity, PAM. Because of this, staff began reviewing potential City-controlled sites that could accommodate a senior housing facility, and staff is suggesting that Council consider the 3.3 acres on the west side of Roget Park. This parcel, which the City has owned for 12 years, was originally purchased to complete Tienda Drive and the expansion of Roget Park. The site has great potential for senior housing because of the location and nearby services. A request for qualifications process was implemented in order to get interest from entities that have a history of providing senior and affordable housing. Two responses were received: Eden Housing from Hayward and Domus Development from San Francisco. A panel of representatives from the Planning Commission, Lodi Budget/Finance Committee, and Senior Citizens Commission reviewed the qualifications and unanimously recommended Eden Housing. On April 1, staff will recommend that Council authorize the City Manager to enter into negotiations with Eden Housing to create a development agreement and land purchase agreement, which will be brought back to Council for final approval.

Linda Mandolini with Eden Housing stated that the company has been around for 41 years, is one of the oldest non-profit developers in California, and has been building senior housing since 1973. Eden has its own property management and services company to support the seniors living in the housing and it works with local community services to ensure seniors can live independently longer. Approximately half of its work presently is senior housing, and Eden has worked with communities in the Bay Area and Central Valley. Ms. Mandolini stated that this proposed project scores highly for the various funding sources and pointed out that Target as a neighbor is a tremendous benefit.

In response to Council Member Hitchcock, Ms. Mandolini stated that the project has not yet been designed because of the interface with the park, but it would be in the 60- to 80-unit range.

In response to Mayor Hansen, Mr. Bartlam stated that the action on April 1 would be to authorize the City Manager to enter into negotiations with Eden Housing, after which staff would return with a negotiated disposition and development agreement that would outline the roles and responsibilities for both parties, act as a set of escrow instructions for the purchase of the property, and outline a schedule. The development design would occur after the land purchase. Mr. Bartlam confirmed that this project follows a short timeline, stating that the development agreement would need to be in place by early summer. Mr. Wood stated that the funds need to be obligated and expended within this next program year (i.e. by June 2010).

Ms. Mandolini stated that Eden Housing has worked with other jurisdictions in obtaining HOME funding for specific projects and it would look to do the same in this case assuming there was

sufficient time.

Council Member Johnson questioned if Eden Housing would experience the same difficulty as PAM regarding tax credit funding, to which Mr. Bartlam responded that the market conditions certainly affect any development opportunity; however, the primary difference between the two entities is that Eden Housing is a non-profit organization with a focus on building affordable housing, which is key in moving this project through this kind of economy. Additionally, its 41 years of experience is another major benefit as it has a history with entities interested in partnering for tax credit opportunities.

Ms. Mandolini stated that Eden would be looking at using HUD, HOME, and CDBG funding as alternatives to the tax credit program, adding that a number of their projects were accomplished without the use of tax credits. Additionally in 2009, the Federal government allowed for an exchange of credits for direct cash, which would benefit a project like this, and it is expected that this might once again be offered in 2010.

In response to Council Member Johnson, Ms. Mandolini stated that this development could be structured into two phases in order to get appropriate funding to make the units as affordable as possible. Discussions have already taken place with potential investors, and every funding option will be explored very carefully.

In reply to Mayor Hansen, Ms. Mandolini stated that Eden Housing routinely involves the community throughout the process by identifying the stakeholders and meeting with surrounding neighbors to introduce the company, discuss the design, and offer tours. Eden anticipates hiring an architect who can sort out the design issues and respond to community concerns. In further response, Ms. Mandolini stated that Eden Housing is committed to the long-term success of its facilities and on-going maintenance is key to ensuring that aging buildings remain safe and updated.

In response to Council Member Hitchcock, Mr. Bartlam stated the project will go before the Site Plan and Architectural Review Committee, which includes the community input process. He added that, even though this is an affordable housing project, it is quality housing that is offset by other funding sources; it is not a lower construction cost project.

In response to Mayor Hansen, Mr. King stated that Eden is willing to hire an architect with experience in park development in order to ensure the designs of the senior project and Roget Park complement one another and to coordinate construction of both projects to occur simultaneously.

In response to Council Member Johnson, Mr. King stated that the original design of Roget Park took in part of this land that is under discussion. The previous plan showed either an access road splitting the park to the east and the senior housing site to the west or an access road running between the senior housing development and the Target site. Staff is now considering alternative forms of circulation that may not involve a road, and this would be part of the design considerations with the architect. Council Member Johnson expressed concern about isolating the east/west section to the north, to which Mr. King stated there continues to be on-going discussion about connection into the residential neighborhood as the circumstances of Roget Park have changed with the potential addition of this development.

Council Member Hitchcock also expressed concern about possibly isolating the park, stating that visitors would not feel safe if the park were not open and visible.

Myrna Wetzel questioned if there was still a concern about the Roget Family taking back the park land, to which Mayor Hansen responded that moving forward with this plan addresses that

concern.

C. Comments by Public on Non-Agenda Items

None.

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 8:09 a.m.

ATTEST:

Jennifer M. Perrin
Assistant City Clerk