

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, MAY 11, 2010**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, May 11, 2010, commencing at 7:00 a.m.

Present: Council Member Hansen, Council Member Johnson, and Council Member Mounce
Absent: Mayor Pro Tempore Hitchcock, and Mayor Katzakian
Also Present: Interim City Manager Bartlam, City Attorney Schwabauer, and City Clerk Johl

B. Topic(s)

B-1 First Time Home Buyer Loan Program Update (CD)

Interim City Manager Rad Bartlam briefly introduced the subject matter of the First Time Home Buyer Loan Program.

Neighborhood Services Manager Joseph Wood provided a PowerPoint presentation regarding the First Time Home Buyer Loan Program. Specific topics of discussion included previous history of the program, separation from San Joaquin County, award of \$800,000 for the program, revised program guidelines, differences from previous program, loan deferral and administration, and the next steps.

In response to Council Member Johnson, Mr. Wood stated the modest housing requirement language was revised and implemented by the City.

In response to Council Member Mounce, Mr. Wood stated the County has a fixed number through the Department of Housing and Urban Development for the maximum loan amount.

In response to Council Member Hansen, Mr. Wood stated payments are deferred for five-year periods up to a maximum of 30 years and interest continues to accrue during that time.

In response to Council Member Mounce, Mr. Wood stated for full deferrals there would be a balloon payment at the end of 30 years with interest.

In response to Council Member Hansen, Mr. Wood stated this program is just for down payment assistance for first-time home buyers.

In response to Myrna Wetzel, Mr. Wood stated there is no connection between this program and the home buyer tax credit.

In response to Council Member Hansen, Mr. Wood stated there are standard guidelines and training requirements for administration of the program.

In response to Council Member Hansen, Mr. Wood stated each applicant is eligible for a maximum of \$40,000 on a first-come first-serve basis. He stated the applicant will be provided less than \$40,000 if they need less for the down payment in an effort to provide as much assistance to as many people as possible.

In response to Council Member Johnson, Mr. Wood stated he is not sure how many of the 29

applicants will go through the entire program and receive the entire \$40,000. Mr. Bartlam stated applicants must also show income eligibility and will only receive up to 20% of the purchase price for down payment assistance. Mr. Bartlam stated it is likely that the program will track traditional financing.

In response to Myrna Wetzel, Mr. Wood stated there is no deadline as staff will continue to receive inquiries and add applicants to a list based on first come first serve.

In response to Council Member Hansen, Mr. Wood stated the program is revolving so that as funds are recaptured or paid back they are put back into the program when properties are resold or refinanced.

In response to Council Member Hansen, Mr. Wood stated many of the 72 gap loans have been paid off and he will forward the specific numbers to Council as requested.

In response to Council Member Hansen, Mr. Wood stated that part of the \$2.2 million figure is repaid funds.

In response to Council Member Hansen, Mr. Wood stated the Neighborhood Stabilization Program (NSP) funds came to the City through the County in 2008 and the City received approximately \$500,000. Mr. Wood stated three properties were acquired, two were resold, and the lot split property is currently in plan check.

In response to Council Member Hansen, Mr. Wood stated the City will have an opportunity to apply for NSP funds if provided in the future.

In response to Council Member Mounce, Mr. Wood stated NSP No. 1 was through the County, NSP No. 2 was separate, and the County was not successful with NSP No. 2. Mr. Wood stated if there is a NSP No. 3 opportunity, Lodi will receive notice and be included.

In response to Council Member Mounce, Mr. Wood stated this is a Citywide program and is not based on targeted areas.

In response to Council Member Johnson, Mr. Wood stated the current program does not include short sales and foreclosures may be more aligned with NSP funds. Mr. Wood stated the GAP loan properties are not foreclosures and the City does not have as large an inventory of foreclosed or short sale properties as do surrounding communities.

In response to Council Member Mounce, Mr. Wood stated since his arrival he is aware of approximately four properties that have been lost to foreclosures.

C. Comments by Public on Non-Agenda Items - None

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 7:30 a.m.

ATTEST:

Randi Johl
City Clerk