

CITY COUNCIL

ALAN NAKANISHI, Mayor
PHIL KATZAKIAN,
Mayor Pro Tempore
LARRY D. HANSEN
BOB JOHNSON
JOANNE MOUNCE

CITY OF LODI

CITY HALL, 221 WEST PINE STREET
P.O. BOX 3006
LODI, CALIFORNIA 95241-1910
(209) 333-6702 / FAX (209) 333-6807
www.lodi.gov cityclerk@lodi.gov

KONRADT BARTLAM
City Manager
RANDI JOHL, City Clerk
D. STEPHEN SCHWABAUER
City Attorney

August 7, 2013

Honorable David Warner
Presiding Judge of the San Joaquin County Superior Court
222 E. Weber Avenue, Room 303
Stockton, CA 95202

Re: San Joaquin County Grand Jury Final Report (Case No. 0312)
Getting Rid of Stuff-Improving Disposal of City and County Surplus Public Assets

Dear Judge Warner:

The City of Lodi has reviewed the San Joaquin County Grand Jury Case No. 0312 regarding surplus property disposal for the Cities and San Joaquin County, issued on May 30, 2013. The Council has seriously considered the findings and recommendations of the Grand Jury applicable to the City of Lodi, discussed the same with its professional staff and pursuant to Penal Code section 933.05, submits its comments as set forth below. As required by Penal Code section 933(c), the Council's comments were approved at the Council's regularly scheduled meeting of August 7, 2013.

The finding and recommendation were as follows:

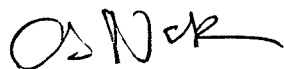
"Finding F3.1 The staff report for the land sale to the housing developer provided very little information. The public must read through an attached long and comprehensive agreement containing many legal requirements in order to obtain basic information on the land sale, such as sale price versus appraisal value.

Recommendation R3.1 Before any future disposal of land or buildings is finalized, a report is provided to the City Council in open session that included the purpose of the sale, evidence of compliance with applicable State laws; the full identity of the purchaser, the total sale price and if the sale price is less than the appraised value, the reason for the difference. "

In reviewing the staff report for the Tienda Affordable Housing Project sale, the City Council agrees that the property sale information could have been more fully addressed. The sale was a small part of a much larger transaction whereby the City granted money to a non-profit housing developer to use toward the purchase and construction of an affordable housing project on City land. The discussion regarding the land sale portion of the project did indeed take up only a very small end portion of a complicated staff report. Although the sale had been discussed at prior Council meetings in more detail and with more prominence (see attached

staff reports), Council agrees that the final staff report could have included greater detail on the sale portion of the transaction. Two of the recommendations by the Grand Jury are in fact required by state law: That the property buyer be identified and that the sale price be identified. Those two requirements were met by the staff reports. Council also agrees that the remaining grand jury recommendations represent good practices to ensure public transparency when public real property is sold and directs staff to implement them in future land sale staff reports.

Sincerely,

A handwritten signature in black ink, appearing to read 'Alan Nakanishi', with a stylized flourish at the end.

ALAN NAKANISHI
Mayor