

City of Calistoga

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Staff Report

TO: Honorable Mayor and City Council
FROM: Richard Spitler, City Manager *RS*
DATE: April 19, 2011
SUBJECT: Consideration of a Resolution Rescinding Resolution No. 2011-042 that authorizes the City Manager to provide matching funds up to \$15,000 in CDBG Low Income Housing Program Funds for each Mobile Home Park Association involved in a rent dispute associated with the Rent Stabilization Ordinance.

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2 **ISSUE:** Consideration of a Resolution Rescinding Resolution No. 2011-042 that
3 authorizes the City Manager to provide matching funds up to \$15,000 in CDBG Low
4 Income Housing Program Funds for each Mobile Home Park Association involved in
5 a rent dispute associated with the Rent Stabilization Ordinance.
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7 **RECOMMENDATION:** Adopt Resolution.
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9 **BACKGROUND/DISCUSSION:** On April 5, 2011, the City Council adopted
10 resolution No. 2011-042 to authorize the City Manager to match funds up to \$15,000
11 for each mobile home park association involved in a rent dispute associated with the
12 City's Rent Stabilization Ordinance (RSO). Upon adopting this ordinance the City
13 Council directed staff to have the city attorney review it to determine if it presented
14 legal concerns that would be of interest to the Council.
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16 The city attorney has reviewed the resolution and advises that it may present due
17 process concerns which could raise issues of bias during the RSO process, should
18 there be litigation. This is because the city has an administrative role in the Rent
19 Stabilization Ordinance process (i.e., assists in the mediation and arbitration
20 process). If the City funds one side of the dispute, it could raise issues of bias which
21 could affect the validity of the due process under the RSO.
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23 The City Manager's intent for recommending financial assistance to the mobile home
24 park associations also relates to the due process issue. His opinion is that, given the
25 limited financial status of the individual mobilehome owners relative to the park
26 owners, they cannot properly represent themselves under the lengthy RSO
27 arbitration process. They have a distinct disadvantage in this respect.
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29 While it may be possible to devise a different approach to satisfy the city attorney's
30 concern, it will take some time. Meanwhile, the urgency to act on this matter may
31 have abated due to a tentative settlement agreement between the Chateau Calistoga
32 Association and Mr. Wang, the owner of the park.

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34 **FISCAL IMPACT:**

35 No fiscal impact.

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37 **ATTACHMENTS:**

38 Draft Resolution

39 Resolution No. 2011-42