

# City of Calistoga

## Staff Report

**TO:** Honorable Mayor and City Council

**FROM:** Richard Spitler, City Manager

**DATE:** September 20, 2011

**SUBJECT:** Consideration of a Resolution authorizing the City Manager to provide up to \$12,000 in Community Development Program Funds to the Calistoga Family Center to fund a senior outreach program to provide limited emergency housing funding and counseling assistance for those impacted by recent rent increases at the mobile home parks.

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**APPROVAL FOR FORWARDING:**



Richard D. Spitler, City Manager

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2 **ISSUE:** Consideration of a Resolution authorizing the City Manager to provide up to  
3 \$12,000 in Community Development Program Funds to the Calistoga Family Center to  
4 fund a senior outreach program to provide limited emergency housing funding and  
5 counseling assistance for those impacted by recent rent increases at the mobile home  
6 parks.

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8 **RECOMMENDATION:** Adopt the Resolution.

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10 **BACKGROUND:** Recent rent increases at Chateau Calistoga and Rancho de Calistoga  
11 mobile home parks have created both emotional and financial stress on many of the  
12 senior residents at these mobile home parks. Staff has contacted the Napa Valley Fair  
13 Housing Authority, the Calistoga Family Center and talked with park residents about the  
14 present situation. Staff has determined that, indeed, there is a crisis for this vulnerable  
15 senior population and assistance is urgently needed.

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17 **DISCUSSION:** The owner of Rancho de Calistoga has served eviction notices to several  
18 residents who have not paid the \$540 retroactive rent that they feel is due. The Napa  
19 Valley Fair Housing Authority has intervened and assisted at least three residents. They  
20 have accessed federal homeless emergency funds for one-time payments. However,  
21 some residents do not qualify for this program or the mobile home park owner's debt re-  
22 payment plan. There are at least three of these individuals who have received eviction  
23 notices and do not have funds to pay.

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25 A more wide spread issue is the emotional and psychological impact on individuals due  
26 to the unsettled nature of the rents and general financial condition. This population, with  
27 fixed incomes and elderly status, has limited ability to respond to the changing demands  
28 required of them. Fear and anger often lead to depression. Anecdotal stories have  
29 indicated that we have a social crisis at these mobile home parks.

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31 The proposal is to use the counseling and community outreach resources of the  
32 Calistoga Family Center to administer a limited program to address the immediate crisis,  
33 both in terms of financial issues and to give mental health counseling to willing  
34 individuals. This funding would also allow them to rent office space for a limited duration  
35 to allow for private counseling and a place for county social agency staff to drop in.

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37 This program will also allow the City to better understand the scope and nature of this  
38 situation so that a comprehensive, multi-agency response can be prepared. Supervisor  
39 Diane Dillon has spearheaded preliminary discussions regarding these senior issues Up  
40 Valley.

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42 **FISCAL IMPACT:** The source of funding is the Community Development Program  
43 (former CDBG Low Income Housing Program Funds) (Fund 01.39.4615) which presently  
44 has a balance of \$451,000. The City Attorney has indicated that this is an acceptable use  
45 of these funds.

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47 **ATTACHMENTS**

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49 1. Resolution  
50 2. Letter from Ann Renard

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**RESOLUTION NO. 2011-\_\_\_\_\_**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALISTOGA, COUNTY OF NAPA, STATE OF CALIFORNIA AUTHORIZING THE CITY MANAGER TO PROVIDE UP TO \$12,000 IN COMMUNITY DEVELOPMENT PROGRAM FUNDS TO THE CALISTOGA FAMILY CENTER TO FUND A SENIOR OUTREACH PROGRAM FOR LIMITED EMERGENCY HOUSING FUNDING AND COUNSELING ASSISTANCE AT THE MOBILE HOME PARKS.**

1 **WHEREAS**, recent rent increases at Chateau Calistoga and Rancho de  
2 Calistoga mobile home parks have created both emotional and financial stress  
3 on many of the senior residents at these mobile home parks; and  
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5 **WHEREAS**, city staff has contacted the Napa Valley Fair Housing  
6 Authority, the Calistoga Family Center and talked with park residents about the  
7 present situation and has determined that there is a crisis for this vulnerable  
8 senior population and that assistance is urgently needed; and  
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10 **WHEREAS**, the Calistoga Family Center has expressed interest in  
11 providing the necessary outreach to this impacted senior population, has the  
12 community experience in counseling of individuals and families and to assist in  
13 family budgeting matters.  
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15 **NOW THEREFORE BE IT RESOLVED THAT**, the City Council of the City  
16 of Calistoga hereby authorizes the City Manager to provide up to \$12,000 in  
17 Community Development Program Funds to the Calistoga Family Center to fund  
18 a senior outreach program to provide limited emergency housing funding and  
19 counseling assistance for those impacted by recent rent increases at the mobile  
20 home parks.  
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22 **PASSED, APPROVED AND ADOPTED** by the City Council of the City of  
23 Calistoga at a regular meeting held this 20<sup>th</sup> day of September, 2011, by the  
24 following vote:  
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27 **AYES:**

28 **NOES:**

29 **ABSTAIN/ABSENT:**  
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**JACK GINGLES, Mayor**  
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34 **ATTEST:**  
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**SUSAN SNEDDON, City Clerk**

CITY OF CALISTOGA

SEP 14 2011

9/13/11

CITY MANAGER

Richard Spittler  
City Manager  
City of Calistoga  
1232 Washington St.

Dear Richard,

This letter is to inform you of a situation in a Mobile Home Park in Calistoga called Rancho De Calistoga. It is owned by the heirs of Hal C. Aguirre who acquired the land in the late 1960's. In those days, the purchase and development as a mobile home park, is estimated to have cost approximately \$100,000. It's value today is close to \$12 million. This family owns and operates eleven other manufactured housing properties in Ca, Arizona, Washington and Oregon.

This is a senior Park 55 and older. There are about 185 homes in this Park It sits on almost 28 acres, close enough to town to walk or ride our bikes, and far enough to be calm and quiet. There are hundreds of trees, flowering, fruit and redwoods. Many people have gardens and at the back of the Park runs the Napa River. The drive through entrance has a spacious green lawn with huge old oaks. There is a large swimming pool and Jacuzzi surrounded by grass, trees and a view of the Palisades. It is a lovely place to live and many of us have looked forward to living out our lives here.

Most Californians have lost a great deal over the past few years. Houses, savings, pensions, and gainful employment. The cost of food has gone up as well as health insurance, prescription medicines, dental insurance, car repair, house repair, vet bills, and now our cable and garbage collection. What has not gone up is our Social Security income.

Over a year ago the Park owners reduced the level of services to residents by closing a Victorian mansion on the site that had served as a clubhouse, gym and community center. The pool and hot tub are closed from October through June. We have no green cans and have to haul clippings, leaves, etc. to a site at the far end of the Park.

In July of 2010 we received a Ninety Day Notice of Rent Increase stating that on November 1, 2010 our base rent would be increased across the board up to \$625 for each home. A 32% increase for the average rent. Mine would be increased \$123.88. That is a 24.72 % increase. For those who have been living here longer with lower base rents, the per cent increase could be as high as 45.66%.

In 1993 The City adopted a rent stabilization ordinance for the Parks here in town . Each resident pays .83 cents per month for this. It was enacted to encourage stability in rent increases while respecting the rights of owners and residents. One of the purposes set forth in the ordinance is to prevent excessive and unreasonable mobile home park space rent increases. Because this increase did not seem reasonable to anyone in the Park we

the CPI will go up in November 2.8%. So, we now have a 17% increase in this monthly base rent. And I owe another \$540, due on Sept 1<sup>st</sup>. With no increase in Social Security, extremely slim chances of employment and loss of investments, how does an elderly person come up with another \$80 each month? And another \$540? What is fair about that?

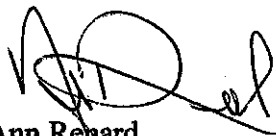
The Park owners have provided a rent credit program, if one qualifies, for a \$60 reduction on a monthly basis. There are specific guidelines that would require a great deal of financial information given to the park managers. Upon qualification papers are signed and a lien would be immediately placed on the residents home. If a 55 year old person bought a single wide for say \$25,000 and had a \$60 reduction each month for 12 months x 25 years that's \$18,000 that the Park owners would take off the top of any sales money coming to the home owner. Basically, one would be signing over their house.

There are over 20 homes for sale in this Park right now. Some have been on the market for over 3 years. A home that would sell for \$95,000 3 years ago is now listed at \$45,000. One went from \$69,000 to \$25,000 and they are still not selling. Owners have taken the deep cuts because they need to be out from under the space rent that has to be paid, which also includes cost of sewer, cable, garbage collection, etc., regardless of whether one is living there or not. Even if people could sell, it is a poor option this year and probably for the next few. Some people are just walking away. Losing their house, home, friends, community. This leaves the Park owners the ability to sell the property in their own sweet time for whatever they can get. Since they have no investment in the structure, it's clear profit to them.

The owners of this Park have pretty deep pockets. They can afford litigation that we cannot. We are asking that the financial distress of mobile home park residents be brought to the awareness of legislators and regulators. Mobile home park owners have too much power which they use have used in ruthless disregard of the fixed income of the elderly, many of whom are in poor health, stressed out and unable to fight back over and over again. I cannot overestimate the level of fear that has permeated this Park since the owners have used their wealth and power to get their way.

We seek your help in publicizing this gross inequity and financial abuse of the elderly. Please contact me and let me know what you can do to help.

Most sincerely and with best regards,



Ann Renard  
707 341 3143

P.S. It was brought to my attention last night that several of the Park residents were given eviction notices for not paying the \$540, which isn't even due until Sept 1<sup>st</sup>. Only

residents who do not own other properties were given the option of signing a contract promising to make monthly payments. Those of us who did sign, did not receive eviction notices.