



February 24, 2013

Mr. Richard Spitler
City Manager
City of Calistoga
1232 Washington St.
Calistoga, CA 94515

Dear Richard,

As our city continues to work its way out of a very difficult financial time, CAH has endeavoured to continue its mission, and at the same time reduce its expenses and search for new sources of funding. During the past several months, CAH has reduced its administrative overhead by 48% and currently operates with a part time receptionist as its only employee. I know you and your office are no strangers to such reductions and our city has benefited from you and your staff's sacrifices.

This past year, Rebuilding Calistoga was able to provide help to 73 senior homeowners to keep their homes in a safe and healthy condition. This was accomplished with the work of 190 volunteers and the partnerships of Napa Valley StopFalls, Pacific Union College, Solage employees, Highlands Christian Fellowship, and Calistoga Rotary. Though CAH didn't plan on taking on such a large amount of projects, several special events sparked not only additional late summer requests for help but also brought Calistoga additional outside income and national recognition. The special events included our "navy seal" project and the AARP's Create the Good award. The navy seal project encouraged the Home Depot Foundation to provide an emergency grant of \$10,000, and the VA provided an electric porch lift. The Create the Good award from AARP was given to seven U.S. non-profits that best demonstrated effective use of volunteers, and also provide a small grant of \$3750. However, the sponsor of the Create the Good program, Cabot Creamery of Vermont, has expressed their interest in continuing their financial support and partnership with CAH. I am currently working with the Cabot organization in an effort to help this East Coast cheese company establish a greater West Coast presence. Ironically, the company's core marketing plan has been, and will continue to be, the support of non-profits through their gifts in kind program. They provide large amounts of their world famous cheese to non-profit galas and silent auctions.

For 2013, Rebuilding Calistoga has secured a \$20,000 Gasser Foundation grant that will be paid in June. In November, a grant application for \$10,000 had been completed for Bank of the West but we have not received any information regarding it. The Home Depot Foundation asked CAH to apply for its home rehabilitation grant program that would provide \$5,000 in gift cards. But that grant application opportunity just became



available February 1. Auction Napa Valley is no longer supporting housing projects but CAH did receive a \$45,000 operations grant for 2013 as they phase out their housing grants. These funds are being used for CAH development and basic operations.

CAH had planned to be able to ease the burden on the City of Calistoga by reducing the number of projects and seeking more outside funding. However, as just described, the normal grants are changing with some providing less funds and others delaying their payment. Currently, CAH has received 43 applications for 2013 and has \$4,000 in Home Depot gift cards and no cash to handle its \$50,000 yearly budget. In addition, CAH had expected to be receiving a large gift in kind grant from Silver Rose in the form of donated building materials, and other items from the existing Silver Rose complex. However, the demolition of the existing buildings has been postponed until late summer. The net effect of these changes has left CAH with few options. Therefore, CAH is requesting from the City of Calistoga a \$10,000 grant for Rebuilding Calistoga 2013. In addition, a greater emphasis is being placed upon fund raising to allow the entire CAH organization to continue its mission and development projects. The timing of these events is very unfortunate as it appears that the need for affordable housing is greatly increasing, the number of families in need is growing, and political will for the development of more moderate housing units has increased. The timing seems to be right and CAH is ready for the challenge. I view the financial situation as a distraction that can, and will be resolved.

CAH continues to work with the Cities of St. Helena and Calistoga along with the County of Napa in developing affordable housing, in order to facilitate and provide satisfactory solutions to our community's housing needs. Thank you for your consideration of our grant request. Our seniors, particularly those in the senior parks, have a great need, and the City's past support is greatly appreciated and has provided a large ray of hope.

Yours in Service,

A handwritten signature in cursive script, appearing to read "L. Kromann", with a long horizontal flourish extending to the right.

Larry Kromann, Ed.D.
President
Calistoga Affordable Housing, Inc.