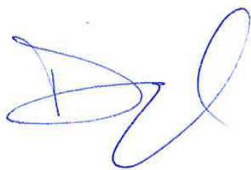


# City of Calistoga

## Staff Report

**TO:** Honorable Mayor and City Council  
**FROM:** Lynn Goldberg, Planning & Building Director  
**DATE:** February 20, 2018  
**SUBJECT:** Revisions to Residential Rehabilitation Program Guidelines

APPROVED FOR FORWARDING




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Dylan Feik, City Manager

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1 **ISSUE:** Consider revising the Program Guidelines for the Residential Rehabilitation  
 2 Program to 1) allow greater loan amounts for manufactured housing and 2) limit the  
 3 number of active loans to one for a single homeowner.

4 **RECOMMENDATION:** Adopt the attached resolution.

5 **BACKGROUND**

- 6 • Maximum loan amount for manufactured homes

7 The City received a HOME program award for an owner-occupied residential  
 8 rehabilitation program in 2014. The Housing Authority of the City of Napa (HACN)  
 9 oversaw the rehabilitation of 23 residences under City Council-approved Program  
 10 Guidelines.

11 The Guidelines (Section 4.1) allow a \$20,000 maximum loan for a manufactured home.  
 12 However, the Council amended the Guidelines in 2015 to add the following provision:

13 *On a case-by-case basis, the City Manager may authorize an increase of*  
 14 *up to \$10,000 above the maximum loan amount for a manufactured home*  
 15 *if he/she determines that such funding is necessary to mitigate health and*  
 16 *safety issues.*

17 This amendment was in response to HACN reporting that many of the loan applications  
 18 involve mobile homes constructed in the 1970's, requiring extensive rehabilitation work.

19 In some cases, \$20,000 is insufficient to correct all of a mobile home's health and safety  
20 issues.

21 HACN is now processing applications for the CDBG-funded rehabilitation grant received  
22 in 2017, and recently initiated the bidding process for improvements to several  
23 residences. Project bids are routinely exceeding \$20,000, attributed, in part, to the  
24 limited number of local licensed contractors with experience working on mobile  
25 homes. Bids from out-of-area contractors include higher fuel costs and greater travel  
26 times. Additionally, materials costs have increased.

- 27 • Number of loans per homeowner

28 A homeowner who received a \$26,000 HOME rehab loan has applied for an additional  
29 loan under the CDBG program. The Guidelines are silent on how many loans can be  
30 held by a single homeowner.

### 31 **PROPOSED REVISIONS TO GUIDELINES:**

- 32 1. To avoid the need for case-by-case approvals by the City Manager for most projects,  
33 Staff recommends revising the Guidelines to increase the maximum loan for a  
34 manufactured home to \$25,000. The City Manager would continue to have the  
35 authority to approve an increase of up to \$10,000 above the maximum loan amount  
36 if they determine that such funding is necessary to mitigate health and safety issues.
- 37 2. In order to maximize the number of households assisted through the rehabilitation  
38 program, staff recommends that the guidelines be revised to limit the number of  
39 active loans that a homeowner may hold to one. However, if the original loan is paid  
40 off and additional work is justified, a second loan could be applied for.

41 The City of Calistoga may revise the Guidelines without further review by the State if the  
42 revisions do not conflict with the basic grant terms.

### **ATTACHMENT**

1. Draft resolution

RESOLUTION NO. 2018-XXX

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALISTOGA REVISING THE PROGRAM GUIDELINES FOR THE CITY OF CALISTOGA OWNER-OCCUPIED HOUSING REHABILITATION ASSISTANCE PROGRAMS**

1           **WHEREAS**, on June 27, 2014 and December 14, 2016, the City of Calistoga  
2 entered into agreements with the California Department of Housing and Community  
3 Development to conduct an Owner-Occupied Rehabilitation Program funded by HOME  
4 Investment Partnerships Program and CDBG Community Development Block Grant  
5 funds, and

6           **WHEREAS**, on July 19, 2016, the City Council approved Program Guidelines in  
7 part to set loan terms and these Guidelines were subsequently approved by HCD on  
8 June 12, 2017; and

9           **WHEREAS**, recent evaluations of mobile homes owned by potential Program  
10 participants have determined that the current \$20,000 maximum loan amount is  
11 insufficient to correct most mobile home health and safety issues, and increasing the  
12 maximum loan amount to \$25,000 is warranted in order to promote the homeowners'  
13 health and safety; and

14           **WHEREAS**, the Guidelines are silent on how many loans can be held by a single  
15 homeowner and the City desires to maximize the number of households assisted  
16 through its rehabilitation programs.

17           **NOW, THEREFORE, BE IT RESOLVED** that the City Council hereby revises  
18 Section 4.1 of the City of Calistoga Owner-Occupied Housing Rehabilitation Assistance  
19 Program Guidelines as follows, where additions are noted by underlining and deletions  
20 are noted by ~~strike throughs~~:

21           **4.1. MAXIMUM AMOUNT OF PROGRAM ASSISTANCE**

22           The maximum number of program loans that may be held by an  
23           eligible homeowner is one.

24           *The maximum loan amount available under the program is:*

- 25           • \$60,000 for a stick-built single family home; or
- 26           • ~~\$20,000~~\$25,000 for a manufactured home

**PASSED AND ADOPTED** by the City Council of the City of Calistoga at a  
regular meeting held this **20th** day of **February, 2018**, by the following vote:

**AYES:**  
**NOES:**  
**ABSTAIN:**  
**ABSENT:**

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**CHRIS CANNING, Mayor**

**ATTEST:**

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**KATHY FLAMSON, City Clerk**