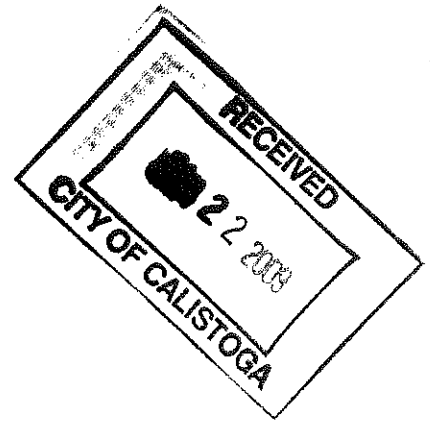


Communication "B" January 22, 2008 Calistoga City Council Meeting
Item # 10: Amendment to the Professional Services Agreement with
Calistoga Affordable Housing Inc.

Citizens for Responsible Development
P.O. Box 408
Calistoga, CA 94515

January 22, 2009



Via Hand-Delivery

Mayor Gingles and
Honorable Members of the City Council
City of Calistoga
1232 Washington Street
Calistoga, CA 94515

**Re: Agenda Item H.10 - Professional Services Agreement with Calistoga
Affordable Housing**

Dear Mayor Gingles and Honorable Members of the City Council:

We understand that, at the January 22, 2009 City Council hearing, the City Council will be reviewing the City's Professional Services Agreement with Calistoga Affordable Housing ("CAH"). We further understand that CAH, under the Professional Services Agreement, will be providing consulting services to the City on its affordable housing policies and projects by "advising and guiding" policy decisions of the City with respect to affordable housing. The terms of the Professional Services Agreement (see Exhibit A, Scope of Work) includes advising on and drafting General Plan policies, zoning ordinances, and other rules and regulations concerning affordable housing, as well as the development of affordable housing strategies.

Concurrently, CAH has an ownership interest in property within the City, upon which it proposes to place 31 affordable housing units (referred to as the "proposed Cottage Glen project"). At public hearings, CAH has taken the position that the City will need the project's affordable housing at its currently proposed density, and that the Cottage Glen project is consistent with the City's laws, rules and ordinances regarding affordable housing.

We believe that the conflict of interest in the City's Professional Services Agreement with CAH is clear: The General Plan policies, zoning ordinances, regulations, practices, and strategies for affordable housing that CAH would be drafting for the City *would be the same that CAH will be working under* in processing, approving and constructing their proposed Cottage Glen project.

In this regard, we simply cannot understand the City's Staff Report, dated January 22, 2009. In the Staff Report, the City Staff appears to recognize the conflict of interest referenced above. However, instead of addressing the conflict of interest, City Staff proposes that the City Council merely "daylight" the fact that a conflict of interest exists, and concludes that such "daylighting" is sufficient. The Staff Report concludes that merely recognizing the conflict of interest "allows the City to retain and benefit from the valuable contributions from [CAH] as we move forward..." This wholly misses the point, and avoids addressing the conflict. Stated another way, merely "daylighting" the fact that a conflict of interest exists does nothing to address or eliminate the conflict of interest, *it merely confirms its existence.*

In our view, CAH should not be allowed to assist the City in drafting its affordable housing rules, policies, and strategies; while concurrently processing a project that will operate under those same rules, policies and strategies.

We note that the Staff Report attempts to minimize the significance of the conflict of interest by stating that the CAH services will only be "preliminary input" to staff for consideration and recommendations to the City Council. We respectfully disagree. The CAH Scope of Work sets forth specific tasks including: "preparation of a Local Housing Preference Ordinance"... "preparation of any required amendments to the General Plan"... "assistance with the development of an Affordable Housing Strategy" and "assist the Planning & Building Director in the annual Housing Element review and report to HCD..." The proposed CAH work is not "preliminary input" but rather the *active participation* in preparation of General Plan policies, rules, ordinances, and strategies for affordable housing in Calistoga.

We respectfully request that the City Council recognize all state and local conflict of interest rules, *and address* the conflict of interest in considering its options.

Respectfully Submitted,

Patrick & Kelley Brogan
Jim & Bev Barnes
Tom & Jan Balcer
Darian & Ruben Lopez
Stephanie Duff Erickson
Robert Mc Duff