

# City of Calistoga

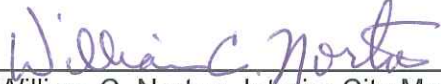
## Staff Report

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**TO:** Honorable Mayor and City Council  
**FROM:** Charlene Gallina, Planning & Building Director  
**DATE:** August 3, 2010  
**SUBJECT:** Consideration of a Funding Agreement with Napa County Housing Authority to support the Napa Valley Farm Worker's Housing Centers

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APPROVAL FOR FORWARDING:

  
William C. Norton, Interim City Manager

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1 **ISSUE:** Consideration of a Resolution authorizing the Interim City Manager to execute  
2 a funding agreement with Napa County Housing Authority in the amount of \$10,000 to  
3 support the Napa Valley Farmworker Housing Centers' Fiscal Year 2010-2011  
4 operating budget.

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6 **RECOMMENDATION:** Adopt Resolution (Attachments 1 & 2)

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8 **BACKGROUND/DISCUSSION:** On May 18, 2010, staff provided a presentation on the  
9 Napa Valley Farm Worker's Housing Centers in order to obtain Council direction on  
10 future City commitment to provide funding for the farmworker centers. After Council  
11 discussion there was consensus to consider a one-year funding agreement after  
12 adoption of the Special Revenue Budget for Fiscal Year 2010 -2011.

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14 In summary, the Napa County Housing Authority owns and operates three farmworker  
15 housing centers in Napa County (the River Ranch Center on Silverado Trail near St.  
16 Helena, the Calistoga Center on North St. Helena Highway, and the Mondavi Center on  
17 Silverado Trail near Yountville). The Napa County Housing Authority budget to operate  
18 these centers is approximately \$1.2 million.

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20 The operations of the centers is funded through three primary sources: direct rent (\$12  
21 per person per night) received by the farmworker tenants, proceeds from the special  
22 property tax (\$10 per acre) imposed on vineyard property in Napa County (County  
23 Service Area #4), and revenue generated at the centers related to phone and laundry  
24 facility use. In addition to the CSA #4 contribution, the County has received two grants  
25 from Auction Napa Valley for \$100,000 each. The County contributes \$190,000  
26 annually to administer the program and had utilized the Affordable Housing Fund to  
27 fund repairs and shortfalls in the budget.

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29 In September 2009, the City Council adopted Resolution No. 2009-083 authorizing a  
30 budget adjustment and execution of a funding agreement with the Housing Authority in

Farmworker Funding Agreement

August 3, 2010

Page 2 of 2

31 order to provide \$10,000 to support the Fiscal Year 2008/2009 Napa Valley  
32 Farmworker's Housing Centers operating budget. The purpose for this funding  
33 agreement was to share in the cost of covering a \$100,000 budget shortfall for fiscal  
34 year 2008-2009. With City support of this funding, the Council requested that the  
35 County seek alternative sources for financial support for future years.

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37 At this time, the County is requesting that the City of Calistoga provide annual funding  
38 support in the amount of \$10,000 for this program for Fiscal Year 2010-2011  
39 (Attachment 3). It should be noted that the City of American Canyon has already  
40 provided a \$10,000 payment for this program and the Town of Yountville in conjunction  
41 with their budget adoption has committed \$5,000 for this program with the remaining  
42 \$5,000 being committed to Community Action Napa Valley (CANV) and Fair Housing  
43 Napa Valley. The City of St. Helena is currently considering their contribution to the  
44 program.

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46 **FISCAL IMPACT:** Funding has been allocated for this agreement from the Special  
47 Revenue Fund (Rehabilitation Loan Program (CDBG) (39) - Low Income Housing  
48 Programs) Budget for Fiscal Year 2010-2011.

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50 **ATTACHMENTS:**

- 51 1. Draft Resolution
- 52 2. Draft Funding Agreement
- 53 3. Farmworker Housing Program – Funding Request & Program Information



1 NAPA COUNTY HOUSING AUTHORITY  
2 AGREEMENT NO. \_\_\_\_\_

3  
4 FUNDING AGREEMENT  
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6 THIS FUNDING AGREEMENT (“Agreement”) is made and entered into as of this \_\_\_  
7 day of \_\_\_\_\_, 2010, by and between the Napa County Housing Authority, a county housing  
8 authority established pursuant to California Health and Safety Code section 34200 et seq.,  
9 hereinafter referred to as “Grantee”, and the City of Calistoga, hereinafter referred to as  
10 “Grantor”.

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12 RECITALS  
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14 WHEREAS, Grantee is the owner of three farmworker housing centers (collectively the  
15 “Centers”) located in Napa County which provide housing for migrant farmworkers, those  
16 Centers being commonly identified as: (1) the River Ranch Center, located at 1109 Silverado  
17 Trail, St. Helena, (2) the Calistoga Center, located at 3996 N. St. Helena Highway, Calistoga, and  
18 (3) the Mondavi Center, located at 5585 Silverado Trail (sometimes referred to as 5589 Silverado  
19 Trail), Napa; and

20 WHEREAS, the Centers are primarily funded through the rents received from  
21 farmworkers who reside at the centers, from yearly assessments levied by County Service Area  
22 No. 4 paid by qualifying grape growers, and from general fund contributions by the County of  
23 Napa; and

24 WHEREAS, the foregoing funding sources are not necessarily sufficient to cover  
25 expenses associated with the operation of the Centers; and

26 WHEREAS, Grantor recognizes the important contribution attributable to the Centers in  
27 providing safe and clean housing accommodations to farmworkers who otherwise may not be  
28 able to obtain such housing, and finds it is in the public interest of the City to contribute funding  
29 to the operation of the Centers in the event that rents, assessments, and other contributions are  
30 insufficient to cover operating expenses to ensure the Centers continued operation in providing  
31 safe and affordable housing accommodations.

32 TERMS  
33

34 NOW, THEREFORE, in consideration of the mutual promises of Grantor and Grantee,  
35 contained herein, Grantor and Grantee agree as follows:  
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37 1. **Term of the Agreement.** The term of this Agreement shall commence on the  
38 date first above written and shall expire on June 30, 2011, except that the obligations of Grantee  
39 to Grantor under Paragraph 4 (Records Retention and Monitoring) and Paragraph 7 (Return of  
40 Funds) shall survive the expiration date for the periods noted in such Paragraphs, and Paragraph  
41 6 (Indemnification) shall continue in full force and effect after said expiration date as to any  
42 liability for acts and omissions occurring during the term of this Agreement.

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2. **Use of Funds by Grantee.** Grantee hereby agrees to use all funds conveyed to Grantee by Grantor under this Agreement for the sole purpose of offsetting expenses associated with the operation of the Centers.

3. **Payment of Funds by Grantor to Grantee.** Grantor agrees to pay to Grantee within 30 days of execution of this Agreement the sum of Ten Thousand Dollars (\$10,000), to be used by Grantee to cover operating expenses for the Centers not already covered by other revenue sources, including primarily the proceeds of the County Service Area No. 4 assessments and nightly lodging fees paid by the farm workers who stay at the Centers. See Exhibit A for details.

4. **Records Retention and Monitoring.** Grantee shall maintain records which fairly reflect the activities of Grantee partially funded under this Agreement. Grantor shall have access to any books, documents, papers and records of Grantee which are directly pertinent to the subject matter of this Agreement. Except where longer retention is required by any federal or state law, Grantee shall maintain all such records for no less than five (5) years after Grantor makes the grant payment called for in this Agreement.

5. **Independent Grantee.** Grantee shall perform this Agreement as an independent Grantee, and Grantee and its officers, agents, employees are not, and shall not be deemed, Grantor employees for any purpose, including workers' compensation. Nothing in this Agreement shall be construed to grant or confer on Grantor any right, title or ownership in the Centers. Grantee shall, at its own risk and expense, determine the method and manner by which the activities of Grantee under this Agreement shall be performed.

6. **Indemnification.** Grantee shall defend, indemnify and hold harmless Grantor, its officers, agents and employees from any claim, loss or liability including, without limitation, those for personal injury (including death) or damage to property, arising out of or connected with any aspect of the performance by Grantee, or its officers, agents, or employees, of activities of Grantee funded under this Agreement.

7. **Return of Funds.** If Grantee fails to fulfill in a timely and proper manner any of Grantee's obligations under this Agreement or otherwise breaches this Agreement during the term of this Agreement Grantee shall, upon written demand by Grantor, return to Grantor any portion of the funds provided under this Agreement used in violation of Grantee's obligations under this Agreement. Return of funds under this Paragraph shall occur within thirty (30) days of receipt by Grantor of written demand by Grantor and shall include any interest earned thereon by Grantee. Return of funds under this Paragraph shall be in addition to any other remedies available to Grantor by law.

8. **Non-Discrimination Clause.** During the performance of this Agreement, Grantee and its officers, employees, and agents shall not deny the benefits thereof to any person on the basis of religion, color, ethnic group identification, sex, age, physical or mental disability, nor shall Grantee discriminate unlawfully against any farmworker lodger because of race, religion, color, national origin, ancestry, physical handicap, mental disability, medical condition, marital status, age or sex.

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9. **Compliance with Laws.** Grantee shall observe and comply with all applicable Federal, State and local laws, ordinances, and codes.

10. **No Waiver.** Waiver by either party of any breach or violation of any requirement of this Agreement shall not be deemed to be a waiver of any such breach in the future, or of the breach of any other requirement of this Agreement.

11. **Notices.** All notices required or authorized by this Agreement shall be in writing and shall be delivered in person or by deposit in the United States mail, by certified mail, postage prepaid, return receipt requested. Any mailed notice, demand, request, consent, approval or communication that either party desires to give the other party shall be addressed to the other party at the address set forth below. Either party may change its address by notifying the other party of the change of address. Any notice sent by mail in the manner prescribed by this paragraph shall be deemed to have been received on the date noted on the return receipt or five days following the date of deposit, whichever is earlier.

<u>GRANTEE</u>	<u>GRANTOR</u>
Napa County Housing Authority	City of Calistoga
1195 Third St. Suite 310	1232 Washington St.
Napa, California 94559	Calistoga, CA 94515

12. **Amendment/Modification.** Except as specifically provided herein, this Agreement may be modified or amended only in writing and with the prior written consent of both parties.

13. **Interpretation; Venue.**

(a) Interpretation. The headings used herein are for reference only. The terms of the Agreement are set out in the text under the headings. This Agreement shall be governed by the laws of the State of California.

(b) Venue. This Agreement is made in Napa County, California. The venue for any legal action in state court filed by either party to this Agreement for the purpose of interpreting or enforcing any provision of this Agreement shall be in the Superior Court of California, County of Napa, a unified court. The venue for any legal action in federal court filed by either party to this Agreement for the purpose of interpreting or enforcing any provision of this Agreement lying within the jurisdiction of the federal courts shall be the Northern District of California. The appropriate venue for arbitration, mediation or similar legal proceedings under this Agreement shall be Napa County, California.

14. **Third Party Beneficiaries.** Nothing contained in this Agreement shall be construed to create any rights in third parties and the parties do not intend to create such rights.

15. **Severability.** If any provision of this Agreement, or any portion thereof, is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this Agreement.

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16. **Entirety of Contract.** This Agreement constitutes the entire agreement between the parties relating to the subject of this Agreement and supersedes all previous agreements, promises, representations, understandings and negotiations, whether written or oral, among the parties with respect to the subject matter hereof.

**IN WITNESS WHEREOF**, the duly authorized representatives of the parties to this Agreement has executed it as of the date first above written.

CITY OF CALISTOGA

By \_\_\_\_\_  
WILLIAM C. NORTON, Interim City Manager

“GRANTOR”

NAPA COUNTY HOUSING AUTHORITY, a county housing authority.

By \_\_\_\_\_  
NANCY WATT, Authority Executive Director

“GRANTEE”

159

<b>APPROVED AS TO FORM</b>
Authority Counsel
By: _____
Date: _____



A Tradition of Stewardship  
A Commitment to Service

County Executive Office  
Community & Intergovernmental Affairs

1195 Third Street.  
Suite B20  
Napa, CA 94559  
[www.co.napa.ca.us](http://www.co.napa.ca.us)

Main: (707) 259-5903  
Fax: (707) 259-8681

**Nancy Watt**  
County Executive Officer

May 11, 2010

Ms. Charlene Gallina, Planning Director  
City of Calistoga  
1232 Washington St.  
Calistoga, CA 94515

Re: City assistance for the farm worker housing program

Dear Charlene,

Thank you for scheduling time for the Council to hear about the farm worker housing centers. I appreciate the opportunity to discuss the operations and budget for the centers with you and the Council and to answer any questions you might have regarding our request for assistance.

Historically, the City of Calistoga has financially supported the farm worker centers through annual contributions as part of the JPA that was the Napa Valley Housing Authority (NVHA), which was formed in 1987. Each of the member jurisdictions contributed to operations of the centers until NVHA disbanded in 2007 and the County Housing Authority (NCHA) took over management and eventual ownership of the Calistoga, River Ranch and Mondavi facilities.

The primary revenue sources for the centers consist of rents paid by the lodgers and the yearly assessments levied by County Service Area No. 4 (CSA 4) on producing vineyard land. Beyond those two sources, the Authority has been able to secure grants from Auction Napa Valley for the past two fiscal years and has received \$10,000 contributions from American Canyon, Yountville, St. Helena and Calistoga for the 2008/2009 fiscal year. The grants from ANV as well as the cities and town have been critical to helping the Authority balance the budget. When the Authority took over management of the centers, we discovered a great deal of deferred maintenance even though two of the centers had been recently renovated. Through the Authority's contract with their onsite management company, California Human Development Corporation (CHDC), a maintenance manager was hired and a capital improvement program established through an initial donation of \$100,000 from the County's Affordable Housing Fund.

Beyond basic maintenance, the centers are located in the agricultural preserve, which puts lodgers near their work, but away from resources, such as basic infrastructure, that add to the cost of running the program. The water systems are monitored by the State and must meet the standards of all public water systems in addition to a costly arsenic removal system at the Calistoga center. The CSA 4 assessment is at its limit of \$10 per acre and nightly rents are \$12, which is, what we believe, the limit



that workers will pay before looking for other, possibly overcrowded or illegal housing in the incorporated areas. The County contributes \$190,000 annually to administer the program and has continually tapped the Affordable Housing Fund to fund repairs and shortfalls in the budget.

The farm worker centers are a benefit to the entire county and provide a stable workforce for the agriculture industry that is the essence of the Napa Valley. It is the hope of the Authority that the original members of the NVHA will continue their financial support of the centers to ensure this important resource is not lost.

Staff of the Housing Authority are always looking for ways to trim costs and increase occupancy. However, the centers are a victim of the struggling economy as winery and vineyard owners reduce their need for migrant laborers by leaving acres of grapes unpicked and by giving year round employees first chance at extra work. The Authority and CHDC are in the process of implementing an extensive marketing program to attract new workers to the centers focusing on those from the central valley who travel back and forth each day to work in the valley. We have already seen positive results from the marketing campaign with current occupancy at 100% up from 68% at this time last year.

The farm worker centers provide safe and clean housing to the migrant population and we hope the Council will find it is in the public interest of Calistoga to continue to contribute to the operating expenses and ensure the continued success of the centers.

Please contact me if you need additional information.

Sincerely,

*Nancy Johnson*

Nancy Johnson,  
Housing and Community Development Program Manager

Cc: Larry Florin



A Tradition of Stewardship  
A Commitment to Service

County Executive Office

1195 Third St.  
Suite 310  
Napa, CA 94559

[www.countyofnapa.org](http://www.countyofnapa.org)

Nancy Watt  
County Executive Officer

**Contact:**

Nancy Johnson, Housing and Community  
Development Program Manager  
(707) 299-1352  
[Nancy.johnson@countyofnapa.org](mailto:Nancy.johnson@countyofnapa.org)

Larry Florin, Community and Intergovernmental  
Affairs Manager  
(707) 253-4621  
[Larry.florin@countyofnapa.org](mailto:Larry.florin@countyofnapa.org)

FOR IMMEDIATE RELEASE  
May 7, 2010

### Farm Worker Centers at full occupancy

(NAPA, California) For the first time since the Napa County Housing Authority assumed control of them in 2007, all three of Napa County's farm worker housing centers are at full capacity. The Calistoga Farm Worker Center in Calistoga; River Ranch Farm Worker Center in St. Helena; and the Mondavi Farm Worker Center in Napa each have a 60-bed capacity, and as of Wednesday night, all 180 beds were occupied.

"We are very pleased to see that farm workers are using the facilities," said Napa County Housing Authority Chair Diane Dillon. "Our goal is to ensure that these people who are so crucial to our economic well-being have access to clean, safe, affordable temporary housing and quality food at a reasonable price. Our hope is that the increased occupancy indicates a decrease in the number of workers who are in illegal or unsafe housing situations."

Housing Program Manager Nancy Johnson attributes part of the high occupancy to groups of migrant farm workers who had previously been driving to Napa from the Central Valley each morning and returning to the Valley each evening. She also expressed optimism

Brad Wagenknecht  
District 1

Mark Luce  
District 2

Diane Dillon  
District 3

Bill Dodd  
District 4

Keith Caldwell  
District 5

**Farm worker centers at full occupancy**

that the increase in demand for housing is an indicator of the health of the grape-growing industry in Napa County.

The centers provide housing to migrant workers without the need for a security deposit or lease, and are currently open up to eleven months a year. Residents pay \$12 per day for a bed and showers, and three meals. Each center also has laundry facilities, pay phones, pool tables and a television.

The centers are funded by the rents paid by the residents, and by a \$10 per acre assessment on producing vineyard land that growers assessed on themselves to support farm worker housing.

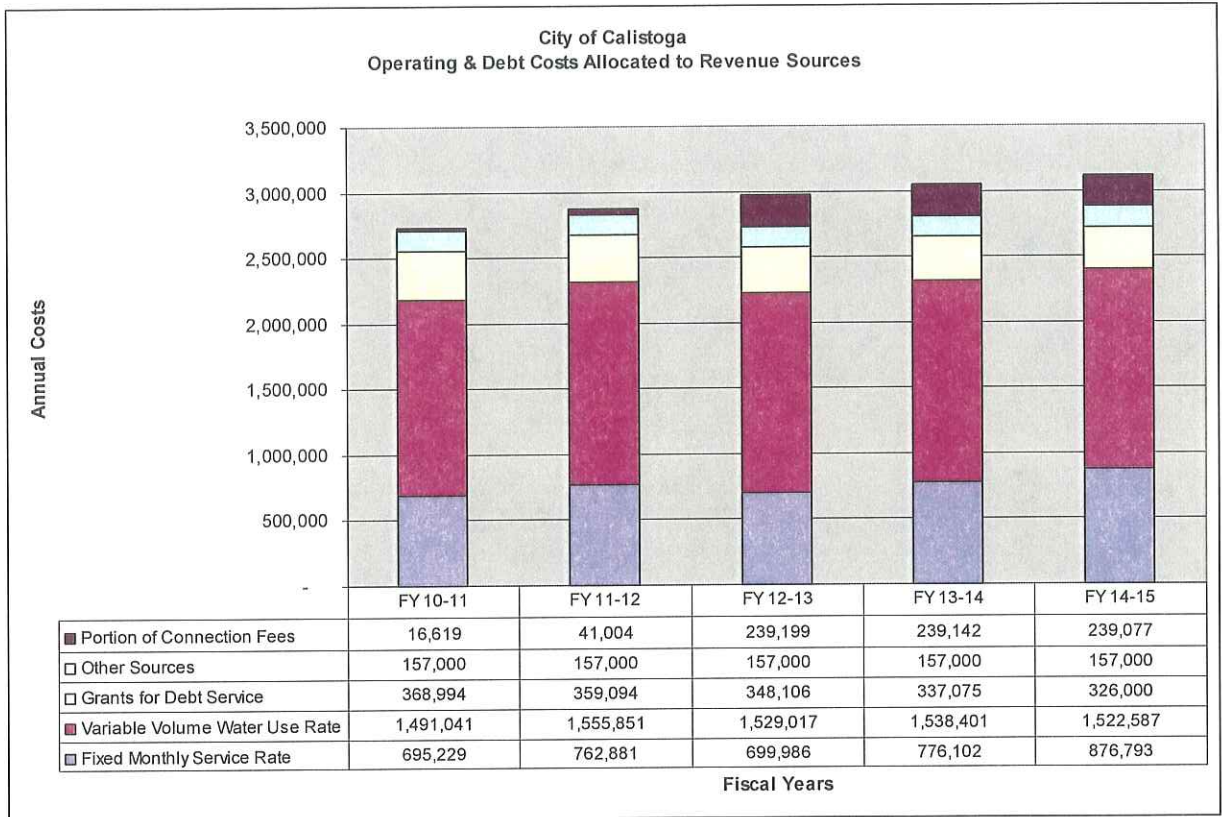
The Housing Authority has also received grants from Auction Napa Valley and donations from the cities of American Canyon, St. Helena and Calistoga, and the Town of Yountville. The Farm Worker Committee of St. Helena supports the centers in a variety of ways by raising money each year through its Cinco de Mayo golf tournament. The Committee provides all the essentials that the Authority's budget cannot accommodate, such as the pool tables, televisions, rental assistance, microwaves, tables, lockers, beds and medical vouchers.

The centers are managed onsite by the nonprofit California Human Development Corporation (CHDC). For more information about the centers, visit [www.countyofnapa.org](http://www.countyofnapa.org) and search Housing Authority, or call Nancy Johnson at (707) 299-1352.

*The Board of Supervisors and staff of Napa County are dedicated to preserving and sustaining Napa County for present and future generations as a community with generous open space, a thriving agricultural industry and a quality human and natural environment. Visit us on the Web at [www.co.napa.ca.us](http://www.co.napa.ca.us).*

###

398 costs are then allocated between fixed and volume charges. The graph below shows  
 399 the where the revenues come from to pay for the water system costs. In general, an  
 400 estimated 77% to 80% of the costs are paid for by the rate payers over the next five  
 401 years.  
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405 A fixed monthly Service Charge, based on meter size, is a typical type of fixed rate that  
 406 is applied to all accounts. It is used to insure that a stable amount of revenue is  
 407 generated regardless of the amount of water that is actually used. This revenue is used  
 408 to pay for various fixed costs, such as debt payments, insurance and contractually  
 409 required payments. In addition, the revenues are used to maintain a minimum level of  
 410 maintenance and operations to insure that the water system is operational at all times for  
 411 fire protection and customer use.

412

413 The annual cost of the water system related to fixed costs, described above, is  
 414 estimated at 50%. However, it is unrealistic to assume that there will be no water used  
 415 during the year and, as a practical matter, the costs allocated to the fixed rates is ranges  
 416 between 32% to 37% of the operating costs to be funded from rates.