## City of Calistoga Staff Report

**TO:** Honorable Mayor and City Council

FROM: Richard Spitler, City Manager

**DATE:** April 21, 2015

**SUBJECT:** Consideration of the Type of Affordable Housing for a .74 acre parcel

located at 611 Washington Street

APPROVAL FOR FORWARDING:

Bond-Bon

Richard D. Spitler, City Manager

**ISSUE:** Consideration of the Type of Affordable Housing for a .74 acre parcel located at 611 Washington Street.

**RECOMMENDATION:** By motion, give direction.

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**BACKGROUND:** At its February 17, 2015 the City Council by resolution directed the City Manager to negotiate a possible purchase of 611 Washington Street for an affordable housing project from the Corporation for Better Manager authorization to agree to a senior housing project, as the preferred type of affordable housing on this property, this item is back before the Council for further direction.

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<u>DISCUSSION</u>: CHB has indicated that they only type of affordable housing that can be feasibly built on this property at sufficient densities is a senior, rental apartment project. The project would have 30 units total with mostly one bedroom units. 34 parking spaces would be on-site. The building would be 3 stories (35 to 40 feet high). See Attachment 3. They would seek funding from various sources including tax credits, Home Loan Funds, among others. If the City is financially involved, it can influence the type of housing built.

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The property is zoned R-3 Residential/Professional Office District. The project would need several incentives, including a density bonus, as it has more units than the allowable 20 units per acre. They would also need a parking space reduction (justified by the senior population) and a building height increase allowance. The units would be handicapped adapted to allow easy conversion to those in need. An elevator would be

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installed. A 750 sf community room would be included. Rents would be restricted to affordable rates, probably in the very low income range. See Attachments 2 & 3.

There is no doubt that there is an urgent need for rental housing for all types of households, including family and single occupancy. In staff's opinion this property is too small to provide the on-site parking required for most types of affordable housing. Only special housing needs that have a reduced parking demand can be accommodated on this property. The alternative would be to reduce the number of units down to 12 which was what was previously approved under the Rossi apartment project in 2006. However, there is concern that if the number of units is reduced to this level that funding would not be available to subsidize the project to meet affordable rental guidelines.

The proposed project would be a three story building which has not been done recently in Calistoga. It should be noted that a 3 story building increases the need for a ladder truck in Calistoga, although this project would not necessarily mandate one.

The City does not need to purchase this property; however, City involvement does help in making it competitive for tax allocation funding.

## **ATTACHMENTS:**

- 46 1-Air photo of Project Property
  - 2- Site Plan for senior housing
- 48 3- Schematic of three story apartment
- 49 4- Resolution No. 2015-022