

# City of Calistoga

## Staff Report

**TO:** Honorable Mayor and City Council Members  
**FROM:** Dylan Feik, City Manager  
**DATE:** May 16, 2017  
**SUBJECT:** Consideration of a Resolution Approving and Authorizing the Purchase of Vacant Land on Earl Street, Calistoga (APN 011-215-011-00) and a budget adjustment from the unappropriated Affordable Housing Fund Balance for an amount not to exceed \$472,000 from account 78-4615-4910

---

---

APPROVAL FOR FORWARDING:



---

Dylan Feik, City Manager

---

---

- 1
- 2 **ISSUE:** Consider a resolution approving and authorizing the purchase of vacant
- 3 land on Earl Street, Calistoga (APN 011-215-011-00) for \$472,000 for affordable
- 4 housing purposes.
- 5
- 6 **RECOMMENDATION:** Adopt a resolution approving and authorizing the
- 7 purchase of vacant land on Earl Street, Calistoga (APN 011-215-011-00) and a
- 8 budget adjustment from the unappropriated Affordable Housing Fund Balance for
- 9 an amount not to exceed \$472,000.
- 10
- 11 **BACKGROUND / DISCUSSION:** The City of Calistoga has been accumulating
- 12 funds in its Affordable Housing Fund for affordable housing purposes as there is
- 13 a clear need for more affordable housing within the City. The City Council has
- 14 expressed a desire to purchase vacant property to be used for affordable

15 housing purposes, for example, through partnering with an affordable housing  
16 developer.

17  
18 CC&W LLC, Carolynne W. Clair and Howard R. Clair and CC&W, Mark  
19 Wilkinson (“Seller”) have listed a vacant parcel of real property located on Earl  
20 Street and known as Assessor’s Parcel Number 011-215-011-00 (“Property”) for  
21 sale. The Seller and the City, through their brokers, have negotiated the terms of  
22 a Vacant Land Purchase Agreement and Joint Escrow Instructions (“Purchase  
23 Agreement”), whereby the City would purchase the Property for the sum of  
24 \$472,000, subject to an appraisal and other contingencies. The City has  
25 conditionally submitted an offer subject to City Council approval, which offer has  
26 been accepted by the Seller. If the City Council adopts the recommended  
27 resolution, City staff will notify the Seller and their brokers and will move forward  
28 with the escrow process, which will include the completion of an appraisal to  
29 verify the value of the Property and an investigation of the Property.

30  
31 This action is exempt under the California Environmental Quality Act (CEQA)  
32 pursuant to Section 15061(b)(3) of the CEQA Guidelines because it can be seen  
33 with certainty that there is no possibility it will have a significant effect on the  
34 environment, as the City and/or potential developer of any affordable housing on  
35 the Property will undergo project specific CEQA review during the land approvals  
36 and development phase.

37  
38 **FISCAL IMPACT:** The fiscal impact would be the costs of the purchase,  
39 \$472,000, from the Affordable Housing Fund, as well as broker fees and closing  
40 costs and the costs of staff time to complete the sale and close escrow. A budget  
41 adjustment from the unappropriated Affordable Housing Fund Balance for an  
42 amount not to exceed \$472,000 from account 78-4615-4910 is recommended.

43  
44 **ATTACHMENTS:**

- 45 1. Proposed Resolution
- 46 2. Vacant Land Purchase Agreement and Joint Escrow Instructions

## RESOLUTION NO. 2017-XXX

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALISTOGA, COUNTY OF NAPA, STATE OF CALIFORNIA, APPROVING AND AUTHORIZING THE PURCHASE OF VACANT LAND ON EARL STREET, CALISTOGA (APN 011-215-011-00) AND A BUDGET ADJUSTMENT FROM THE UNAPPROPRIATED AFFORDABLE HOUSING FUND BALANCE FOR AN AMOUNT NOT TO EXCEED \$472,000 FROM ACCOUNT 78-4615-4910**

**WHEREAS**, CC&W LLC, Carolynne W. Clair and Howard R. Clair and CC&W, Mark Wilkinson ("Owner") is the owner of that certain vacant parcel of real property located on Earl Street and known as Assessor's Parcel Number 011-215-011-00 ("Property");

**WHEREAS**, the City desires to utilize money in its Affordable Housing Fund to purchase the Property for affordable housing purposes;

**WHEREAS**, the Owner and the City have negotiated the terms of a Vacant Land Purchase Agreement and Joint Escrow Instructions ("Purchase Agreement"), whereby City would purchase the Property for the sum of \$472,000, subject to an appraisal and other contingencies, and City has conditionally submitted an offer subject to City Council approval;

**WHEREAS**, this action is exempt under the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of the CEQA Guidelines because it can be seen with certainty that there is no possibility it will have a significant effect on the environment, as the City and/or potential developer of any affordable housing on the Property will undergo project specific CEQA review during the land approvals and development phase; and

**WHEREAS**, the City Council desires to authorize the purchase of the Property for affordable housing purposes.

**NOW, THEREFORE BE IT RESOLVED** that the City Council of the City of Calistoga hereby:

1. Approves and authorizes the purchase of the Property for affordable housing purposes for \$472,000, in accordance with the terms of the Purchase Agreement, including an appraisal contingency, in the form attached hereto, and a budget adjustment from the unappropriated Affordable Housing Fund Balance for an amount not to exceed \$472,000 from account 78-4615-4910;

44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60  
61  
62  
63  
64  
65  
66

2. Authorizes the City Manager to take any and all actions and execute any documents as necessary to implement the terms of the Purchase Agreement and complete the purchase of the Property in accordance with the terms of the Purchase Agreement; and

3. Authorizes the City Manager to record any and all covenants against the Property after purchase to ensure its use for affordable housing purposes.

**PASSED, APPROVED, AND ADOPTED** by the City Council of the City of Calistoga at a regular meeting held this **16<sup>th</sup> day of May, 2017**, by the following vote:

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

\_\_\_\_\_  
**CHRIS CANNING, Mayor**

**ATTEST:**

\_\_\_\_\_  
**KATHY FLAMSON, City Clerk**