

RESOLUTION NO. 2015-091

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALISTOGA, COUNTY OF NAPA, STATE OF CALIFORNIA, APPROVING AN ASSIGNMENT AND ASSUMPTION AGREEMENT WITH THE CORPORATION FOR BETTER HOUSING TO ALLOW THE PURCHASE OF PROPERTY LOCATED AT 611 WASHINGTON STREET FOR \$669,000 AND AN AGREEMENT TO NEGOTIATE EXCLUSIVELY WITH THE CORPORATION FOR BETTER HOUSING TO NEGOTIATE A DEVELOPMENT AND DISPOSITION AGREEMENT TO DEVELOP SAID PROPERTY FOR SENIOR AFFORDABLE HOUSING AND TO APPROVE A BUDGET ADJUSTMENT TO THE FISCAL YEAR 2015-2016 OPERATING BUDGET TO TRANSFER \$220,000 FROM THE UNAPPROPRIATED GENERAL FUND BALANCE TO THE AFFORDABLE HOUSING FUND

WHEREAS, Corporation for Better Housing (“CBH”) entered into a Purchase and Sale Agreement to purchase that certain vacant parcel of real property located at 611 Washington Street, in the City of Calistoga, County of Napa, known as Assessor’s Parcel Number 011-260-027 (the “Property”) from Charles R. Gonzales, as Trustee of the Charles R. Gonzales Revocable Trust dated April 24, 2003, for a purchase price of \$650,000, in addition to non-refundable extension payments, in order to develop a senior affordable apartment housing project (the “Affordable Project”); and

WHEREAS, CBH has requested that City assist in the development of the Affordable Project by assuming the rights and obligations of CBH under the Purchase and Sale Agreement, purchasing the Property and ground leasing the Property to CBH at a rate of \$1.00 per year; and

WHEREAS, City and CBH have negotiated the terms of an Assignment and Assumption Agreement and Agreement to Negotiate Exclusively, whereby City would assume the rights and obligations of CBH under the Purchase and Sale Agreement and the parties would agree to negotiate the terms of a Lease Disposition and Development Agreement to provide for CBH’s construction and management of the Affordable Project on the Property, with covenants in favor of the City to ensure the long-term affordability of the Affordable Project; and

WHEREAS, on May 27, 2015, the City’s Planning Commission adopted Resolution PC 2015-13, finding that the City’s proposed purchase of the Property for the development of affordable senior apartments is consistent with the Calistoga General Plan, as, among other things, the City’s Housing Element identifies the need for low-cost senior apartments and the Property is identified as a “housing opportunity site”; and

WHEREAS, Section 17.08.050 of the Calistoga Municipal Code establishes the City of Calistoga Affordable Housing Fund and provides that monies deposited into the fund be used to construct and preserve housing affordable to very low-, low- and moderate-income households; and

WHEREAS, this action is not subject to the California Environmental Quality Act (CEQA) under Section 15061(b)(3) of the CEQA Guidelines because it can be seen with certainty that there is no possibility that the finding may have a significant effect on the

WHEREAS, the City Council desires to authorize the purchase of the Property, and the proposed assignment and negotiating agreements in order to assist in the development of an Affordable Project.

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

1. Approves and authorizes the City Manager to execute the Assignment and Assumption Agreement and Agreement to Negotiate Exclusively with the Corporation for Better Housing, in the forms attached hereto, with minor revisions as may be approved by the City Manager in consultation with the City Attorney;
2. Approves and authorizes the purchase of the 611 Washington Street, Calistoga for a purchase price of \$669,000, plus closing costs, to be funded in the amount of \$470,000 from the City's Affordable Housing Fund and \$220,000 from the unappropriated General Fund account, to be repaid from future deposits into the Affordable Housing Fund. In addition the Corporation for Better Housing is to be refunded \$25,000 for deposits previous made by them; and
3. Approves a budget adjustment to the Fiscal Year 2015-2016 Operating Budget to transfer \$220,000 from the unappropriated General Fund balance to the Affordable Housing Fund (78);
4. Authorizes the City Manager to execute a certificate of acceptance accepting a Grant Deed conveying fee title to the Property and to take other actions and execute other documents as necessary to implement the purchase of the Property and execution of the Agreement to Negotiate Exclusively.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Calistoga at a regular meeting held this **4th day of August, 2015**, by the following vote:

AYES: Councilmembers Kraus, Lopez-Ortega and Barnes and Mayor Canning
NOES: Vice Mayor Dunsford
ABSTAIN: None
ABSENT: None



CHRIS CANNING, Mayor

ATTEST:



KATHY FLAMSON, City Clerk