

TOWN OF WINDSOR AGENDA REPORT

Joint Windsor Town Council, Windsor Redevelopment Successor Agency and Windsor Water District Meeting Date: February 19, 2025

To: Mayor and Town Council
From: Kim Voge, Planner III
Subject: Old Redwood Highway Villages Inclusionary Housing Agreement, Affordable Housing Regulatory Agreement, and Performance Deed of Trust

Recommendation to Council:

Adopt a resolution authorizing the Town Manager to execute: (1) an Inclusionary Housing Agreement between the Town of Windsor and Falcon Point Bolten Hembree LLC; (2) an Affordable Housing Regulatory Agreement between the Town of Windsor and the Housing Land Trust of Sonoma County (HLT) entitled "Affordable Housing Agreement and Declaration of Restrictive Covenants with Option to Purchase"; and (3) accepting the performance deed of trust issued by HLT for inclusionary housing units in the Old Redwood Highway Villages project located at 6114 and 6122 Old Redwood Highway.

Strategic Plan Element:

The recommended action supports the goal of Livability. Goal Statement: Preserve community character by maximizing the use of existing amenities and creating future opportunities that enhance quality of life for all.

Background:

In November 2022, the Town Council approved planning entitlements for the Old Redwood Highway Villages project, including a rezone to amend existing Planned Development standards and approve a 29-lot Tentative Subdivision Map and Site Plan and Design Review.

In December 2023, the Planning Commission approved an amendment to the Tentative Subdivision Map, adding one additional lot for a total of 29 lots. The approved site plan is provided in Attachment 4.

Because the project has more than 10 units, the Town's Inclusionary Housing Ordinance requires that 10% of the units be provided as affordable units OR the payment housing in-lieu fees. This project will include three moderate income units to comply with the Inclusionary Housing Ordinance.

In January 2025, the Town Council adopted a resolution to approve the Subdivision Map Agreement and the Final Subdivision Map. Construction of on-site improvements is currently underway. Building permits were issued in January 2025 for model homes on Lots 1 and 2, with issuance of permits for the remaining 27 units pending for construction this spring.

Discussion:

Three of the twenty-eight housing units in the project will be inclusionary housing units, which will be affordable to moderate income households. These will be for-sale units with a 99-year ground lease, which will be managed by the Housing Land Trust of Sonoma County ("HLT") to ensure that the homes remain permanently affordable. The State Department of Housing and Community Development (HCD) defines "moderate income" to be 80-120% of the Area Median Income (AMI). Based upon the

2024 Sonoma County AMI, a household with a family of four would qualify for a maximum purchase price of \$477,000. Eligible buyers will be qualified based on their household size and the AMI at the time of purchase.

The Inclusionary Housing Agreement (IHA) requires the developer to construct the required inclusionary units. The IHA is provided in Attachment 2.

Exhibits to IHA include an Affordable Housing Agreement providing that HLT will be responsible for ensuring compliance with the inclusionary requirements through regulatory controls and ground leases for each unit. The form of the ground lease that will be required between the homeowners and HLT is also attached. A Performance Deed of Trust between the Town and the HLT will be required as provided in Attachment 3.

Prior to the sale of the first income-restricted unit, the Inclusionary Housing Agreement requires the developer to convey fee title in the property containing the inclusionary units to HLT. This will subsequently allow HLT to enter into the ground leases and enforce regulatory controls.

Note that the Affordable Housing Agreement requires that, within the pool of eligible applicants, preference shall be given to persons that either live or work in Windsor.

Fiscal Impact:

There is no fiscal impact associated with this proposed action.

Environmental Review:

The Old Redwood Highway Villages project relied on the adopted Mitigated Negative Declaration for a previously approved project for the site (The Oaks project), pursuant to the California Environmental Quality Act (CEQA) Guidelines Section 15162, since it had fewer units and no commercial space compared with the previous approval. The authorization to execute an Inclusionary Housing Agreement constitutes ministerial action in furtherance of an approved project and in compliance with the Inclusionary Housing Ordinance. Therefore, no further environmental analysis is required.

Attachment(s):

1. [Resolution](#)
2. [Inclusionary Housing Agreement](#)
3. [Performance Deed of Trust](#)
4. [ORH Villages Site Plan](#)

Prepared by:

Kim Voge
Planner III

Reviewed by:

Patrick Streeter
Community Development Director

Recommended by:

Jon Davis
Town Manager