



Calistoga sees wave of new development

By Rachel Stepp

City of Calistoga Deputy City Manager

Signs of development are visible throughout Calistoga. Residential projects are underway along Grant Street, and site preparation has begun for the expansion of Indian Springs Resort on Lincoln Avenue. Several downtown commercial buildings are being remodeled or expanded. Construction continues at the Calistoga Hills resort off Highway 29, and Communicare + Ole is preparing to open a new community health center on the east side of town. Together, these projects reflect a community evolving while maintaining its small-town character.

The most prominent of these efforts is the expansion of Indian Springs Resort, known as the Veranda Project. The seven-acre development, one of the most significant hospitality investments in Calistoga's downtown in years, will include 97 new hotel rooms and amenities, all situated along Lincoln Avenue. The expansion will go vertical this fiscal year, with demolition and grading already underway.

The Calistoga Hills resort has also been steadily progressing, with vertical construction underway since late 2024. The project, which includes 110 hotel rooms, dining and residential components, is slated to open at the end of 2026.

"These projects represent real investment in our community and what is possible when a community is guided by thoughtful committee, commission and council leadership," said Planning and Building Director Greg Desmond.

Housing is also moving forward, particularly along Grant Street. The Silverado Terrace project will bring 50 townhouse-style units, including eight affordable for-sale homes for households earning up to 80% of the area's median income. Just down the street, a smaller development will add 15 market-rate homes, with construction expected to begin in 2026. A little further down, a 17-unit market-rate subdivision will also begin construction in 2026.

To support these projects and maintain community service levels, the Planning and Building Department is expanding. New staffing includes a building official and a senior planner to help implement housing element action items and City Council housing priorities.

“These new positions will be instrumental in ensuring that projects and council priorities can move forward efficiently and in accordance with the development-specific conditions,” Desmond said.

Later this fiscal year, city leaders will focus on “missing middle” housing, which bridges the gap between affordable and market-rate units. The goal is to create housing for residents who live and work in Calistoga but don’t qualify for affordable housing or cannot afford market-rate homes. The city plans to develop programs, incentives, zoning district updates and other mechanisms to increase housing choices.

Balancing growth with small-town character remains a challenge, especially as state mandates streamline approvals and limit local control. However, Desmond noted that Calistoga often meets or exceeds state affordable housing goals, giving the city more flexibility than many others.

Downtown is also set for a refresh this fiscal year, with several new dining establishments planned. These include a high-end restaurant and bar, a gourmet burger concept, and the reopening of a long-time landmark restaurant space. Healthcare access will expand as Communicare + Ole prepares to open a new community health center to serve local residents.

The city anticipates that new restaurants and resorts will boost both transient occupancy and sales tax revenues, while also generating jobs that increase local housing demand.

Desmond emphasized that downtown vibrancy is key to supporting this growth. A crucial step, he noted, could be shifting ownership of the sidewalks. Currently, Caltrans owns the sidewalks along Lincoln Avenue, which restricts activities such as outdoor dining, café seating and storefront displays.

Other communities face similar challenges. In Sebastopol, sidewalks remain under Caltrans control, and despite strong community interest in wider sidewalks and outdoor dining, improvements have been slow due to the need for state approvals. By contrast, cities like St. Helena and Napa manage their own sidewalks and have permitted outdoor dining and other amenities that enhance downtown vitality.

“The Veranda Project will extend and further activate the downtown area,” Desmond said. “The city needs to be able to build on that momentum. Sidewalk control is a key component to creating a downtown where visitors and residents want to linger, to eat, shop and gather.”

When asked to look ahead two years, Desmond envisioned a more business- and pedestrian-friendly downtown, expanded housing options for residents and workers, and stronger community programs made possible by a healthier municipal budget supported by increased transient occupancy tax revenue. He acknowledged that development can be controversial but stressed the importance of balancing revenue-generating projects with preserving Calistoga's small-town character.

He encouraged residents to stay engaged by attending Planning Commission and City Council meetings, joining advisory committees, contacting staff directly or visiting the city website for project updates.

"Stay engaged, stay curious, and let's work together to keep Calistoga an amazing place to live, work and visit," he said.

Rachel Stepp, Deputy City Manager/PIO, has nine years with Calistoga, overseeing recreation, admin services, fairgrounds, and IT.