
Memorandum

To: Tiffany Allen
Development Services Department
276 Fourth Avenue
Chula Vista, CA 91910

CC: Curt Smith – HomeFed, Steve Leveson - HomeFed

From: Peter Piller, Managing Principal

Date: June 4, 2020

Dear Tiffany:

On behalf of HomeFed Corporation (“HomeFed”), the owner of the mixed use/community purpose facility site within Otay Ranch Village 3. The mixed use/community purpose site consisting of APN 644-061-08-00 and 644-061-09-00 (“Affected Lots”) are included within City of Chula Vista CFD No. 18M (“CFD 18M”) established to fund the maintenance and replacement of landscaping, storm water, walls and fencing and trails. I am writing pursuant to Section G of the Rate and Method of Apportionment for CFD 18M (the “RMA”) to appeal the City’s determination of the amount of the Special Tax that will apply to the Affected Lots under the RMA in Fiscal Year 2019-20 and thereafter. (Capitalized terms used in this letter shall have the meaning ascribed to them in the RMA unless otherwise defined herein.) For the reasons described below, HomeFed requests that the Special Tax applicable to the Affected Lots in Fiscal Year 2019-20 be determined based upon **only** the Multi-Family Property designation per the RMA on the Affected Lots, rather than the Multi-Family Property and Non-Residential Property designation.

CFD No. 18M was formed to generate funding to meet the budget negotiated with HomeFed totaling \$1,591,750 for the 2016/17 fiscal year. The budget was allocated to the various anticipated land uses within CFD No. 18M to determine the special tax rates required by land use. This allocation is demonstrated in Exhibit C of the CFD Report for CFD No. 18M prepared by Willdan (see attached Exhibit C). Exhibit C clearly shows that the **intent** of CFD No. 18M was to **only** levy a special tax on the Multi-Family Property. Unfortunately, the text of the RMA is not clear and can be interpreted to conflict with Exhibit C. Further, there is a sufficient amount of Multi-Family Property that can be levied to generate the full intended amount of the special tax without also levying the special tax on the Affected Lost as Non-Residential Property.



On behalf of HomeFed, we are asking the City Council interpret the RMA consistent with the initial intent when CFD No. 18M was formed and to provide a refund of \$64,993 as determined in the table below.

Total CFD No. 18 M Levied (Affected Lots)	\$100,351
Levy Applicable to Multi-Family Property Only	35,358
Over Levy (Requested Refund)	\$64,993

If you need any additional information, please feel free to contact me.

Sincerely,



Peter Piller
Managing Principal



OTAY LAND - VILLAGE 3
CITY OF CHULA VISTA
DERIVATION OF ESTIMATED MAINTENANCE SPECIAL TAX BASED ON EDU'S FOR ENTIRE VILLAGE
September 22, 2016

Draft

LAND USE INFORMATION							Maintenance Special Tax Analysis					Annual Special Tax per Unit or Acre	
Product Type	Total Units	Net Acres	Product Type	Estimated Unit Size	Residential Square Feet	EDU Factor	Total EDUs	Total Annual Special Tax (Total)	Total Annual Special Tax (Labor)	Total Annual Special Tax (Water)	Total Annual Special Tax (Repakement Costs)		
Residential													
A	AlleyRow TH w/ Patio	107		TH	1,450	155,150	0.80	86	\$ 129,195	\$ 78,081	\$ 29,226	\$ 21,888	\$ 1,207
B	Triplex	72		TH	1,550	111,600	0.80	58	86,935	52,540	19,666	14,729	1,207
C	Motorcourt 6 pac	111		TH	1,950	216,450	0.80	89	134,024	81,000	30,318	22,707	1,207
D	34 x 79 Alley	122		SFD	1,950	237,900	1.00	122	184,133	111,283	41,653	31,196	1,509
E	44 x 62	162		SFD	2,050	332,100	1.00	162	244,504	147,770	55,310	41,424	1,509
F	48 x 65	130		SFD	2,400	312,000	1.00	130	196,207	118,581	44,385	33,242	1,509
G	48 x 75	135		SFD	2,650	357,750	1.00	135	203,753	123,141	46,092	34,520	1,509
H	50 x 90	77		SFD	2,950	227,150	1.00	77	116,215	70,236	26,289	19,689	1,509
I	55 x 90 (3 car tandem)	76		SFD	3,150	239,400	1.00	76	114,706	69,324	25,948	19,434	1,509
	MU residential / Apts.	273		Apt.	933	254,709	0.08	22	32,963	19,922	7,457	5,585	121
	Office		7.90	Office			4.00	32	47,693	28,824	10,789	8,080	6,037
Industrial													
	Industrial		16.8	Industrial			4.00	67	101,424	61,297	22,943	17,183	
	Total	<u>1,265</u>	<u>24.7</u>			<u>2,444,209</u>		<u>1,055</u>	<u>\$ 1,591,750.18</u>	<u>\$ 961,999.56</u>	<u>\$ 360,074.93</u>	<u>\$ 269,675.68</u>	
Total Maintenance Budget (as of August 1st, 2016 Budget)								<u>\$ 1,591,750.18</u>	<u>\$ 961,999.56</u>	<u>\$ 360,074.93</u>	<u>\$ 269,675.68</u>		
Total EDUs								<u>1,054.64</u>	<u>1,054.64</u>	<u>1,054.64</u>	<u>1,054.64</u>		
Cost Per EDU								<u>\$ 1,509.28</u>	<u>\$ 912.16</u>	<u>\$ 341.42</u>	<u>\$ 255.70</u>		
EDU Factor (1.0)									<u>\$ 912.16</u>	<u>\$ 341.42</u>	<u>\$ 255.70</u>		
EDU Factor (.80)									<u>\$ 729.73</u>	<u>\$ 273.14</u>	<u>\$ 204.56</u>		
EDU Factor (.08)									<u>\$ 72.97</u>	<u>\$ 27.31</u>	<u>\$ 20.46</u>		
EDU Factor (4.0)									<u>\$ 3,648.64</u>	<u>\$ 1,365.68</u>	<u>\$ 1,022.82</u>		

