

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING A BALANCED COMMUNITIES AFFORDABLE HOUSING AGREEMENT FOR OTAY RANCH VILLAGE 8 WEST BY AND BETWEEN THE CITY OF CHULA VISTA AND HOMEFED VILLAGE 8, LLC AND OTAY LAND COMPANY, LLC IN SATISFACTION OF THE CITY'S BALANCED COMMUNITIES POLICY

WHEREAS, the City of Chula Vista Housing Element established the City's "Balanced Communities Affordable Housing Policy" (Balanced Communities Policy) which requires 10% of each housing development of 50 or more units to be affordable to low- and moderate-income households, with at least one half of those units (5 percent of project total units) being designated for low-income households (the "Affordable Housing Obligation"); and

WHEREAS, HomeFed Village 8, LLC and Otay Ranch Land Company, LLC (individually "Developer" or collectively the "Developers") are the owners of certain real property generally known as Otay Ranch Village 8 West, as shown on Exhibit "A" of the proposed Balance Communities Affordable Housing Agreement (Village 8 West Agreement), and located in the City of Chula Vista (the "Project"); and

WHEREAS, on December 17, 2013, the City approved the Otay Ranch Village 8 West Sectional Planning Area (SPA) Plan for the Project by Resolution No. 2013-270, as modified on February 25, 2020, pursuant to Resolution No. 2020-033 adopting the Otay Ranch Village 8 West SPA Plan Amendment (MPA19-0011) (together the "SPA Plan"); and

WHEREAS, Condition No. 7 of the SPA Plan requires that Developers enter into a Balanced Communities Affordable Housing Agreement with the City prior to approval of Developer's first Final Map for Otay Ranch Village 8 West for purposes of further implementing its affordable housing obligation for the Project, as such is defined in the Affordable Housing Program of the SPA Plan. Such Agreement shall be in accordance with the Chula Vista Housing Element, the Ranch Wide Affordable Housing Program, and the Village 8 West Affordable Housing Program. The SPA Plan currently provides for the construction of approximately 561 single-family residential units and 1,773 multi-family residential units, or 2,334 total dwelling units within the Project with a requirement for five (5%) percent of these units being designated for low-income households and five (5%) percent for moderate-income households, amounting to 117 low-income and 117 moderate-income units at the above approved build-out, subject to change based upon final build-out (the "Village 8 West Affordable Housing Obligation"); and

WHEREAS, on February 25, 2020, the City approved the Tentative Map for Otay Ranch, Village 8 West, Chula Vista Tract No. 19-03 (Tentative Map) by Resolution No. 2020-034; and

WHEREAS, Tentative Map Condition No. 22 requires that the Developers enter into an affordable housing agreement with the City prior to approval of Developer's first Final Map for Village 8 West; and

WHEREAS, on February 25, 2020, the City Council approved the Otay Ranch Village 8 West Affordable Housing Program for the Project by Resolution No. 2020-033; and

WHEREAS, Developers are required to enter into a Balanced Communities Affordable Housing Agreement acceptable to the City in satisfaction of the Balanced Communities Affordable Housing Policy of the City's Housing Element of the General Plan, Condition of Approval No. 7 of City Council Resolution No. 2020-033, and Tentative Map Condition of Approval No. 22 of City Council Resolution No. 2020-034; and

WHEREAS, the proposed Village 8 West Agreement represents the required Affordable Housing Agreement and shall be executed and recorded against Otay Ranch Village 8 West prior to approval of the first Final Map in Otay Ranch Village 8 West and shall be kept on file by the City Clerk; and

WHEREAS, the Tentative Map and other approvals contemplate that 2,334 units will be developed as part of the Project, with a corresponding affordable housing obligation of 234 affordable housing units (consisting of 117 low-income units and 117-moderate income units) for the Project. Should Developers build in excess of 2,234 units, then their affordable housing obligation shall be modified accordingly, as also set forth in the Village 8 West Agreement; and

WHEREAS, an Affordable Housing Transfer Agreement recorded as Doc. No. 2016-0700047 on December 21, 2016 in the Official Records of San Diego County, transferred 64 low-income and 33 moderate-income housing units associated with the Balanced Communities Policy obligations for Otay Ranch Village 3 to the Project, thereby increasing the Village 8 West Affordable Housing Obligation to 181 low-income housing units and 150 moderate-income units; and

WHEREAS, Meta Housing Corporation or its affiliate (META) intends to construct and operate an affordable housing project within Village 8 West consisting of 175 total affordable units, with 53 and 120 units for very low- and low-income households, respectively, and 2 units for on-site maintenance/property management staff, in partial satisfaction of the Village 8 West Affordable Housing Obligation; and

WHEREAS, consistent with the Balanced Communities Policy, upon applying the allowable incentive credit to those 53 very low-income units proposed by META, available credits generated are 6 low-income credits and 82 moderate-income credits, thereby, satisfying the 181 low-income units of the Village 8 West Affordable Housing Obligation with 68 moderate-income units remaining; and

WHEREAS, consistent with Policy 3.1 of the City's Housing Element of the General Plan, the City has determined that the unique conditions of Otay Ranch Village 8 West cause an unreasonable hardship for Developers to construct all of the units required to satisfy the Affordable Housing Obligations within Village 8 West; and

WHEREAS, as set forth in the SPA Plan, the Village 8 West Affordable Housing Obligation may be deferred to a future village or location owned by Developer or its affiliate (Other Owner). Accordingly, Developer may transfer the anticipated remaining 68 moderate-income units to Otay Ranch Village 8 East. The City and Other Owner shall enter into an Affordable Housing Transfer Agreement to transfer the aforementioned 68 moderate-income units (the “Transferred Affordable Housing Obligation”) to Otay Ranch Village 8 East, which shall be recorded against properties of Otay Ranch Village 8 East. The Transferred Affordable Housing Obligation shall be in addition to any affordable housing obligations associated with Otay Ranch Village 8 East and shall not reduce the obligations of Otay Ranch Village 8 East in any respect; and

WHEREAS, the Director of Development Services has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity was adequately covered in previously adopted/certified Final Environmental Impact Report for the Otay Ranch SPA Plan-Village 8 West (FEIR 10-03, as amended (IS19-0002).

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chula Vista, that it hereby adopts the above Recitals and Findings and approves the Balanced Communities Affordable Housing Agreement for Otay Ranch Village 8 West by and between the City and HomeFed Village 8, LLC and Otay Land Company, LLC for the implementation of the City’s Balanced Communities Policy, in the form substantially presented, with such minor modifications as may be required or approved by the City Attorney, a copy of which shall be kept on file in the Office of the City Clerk, and authorizes and directs the City Manager to execute same.

Presented by:

Approved as to form by:

TIFFANY ALLEN
Director of Development Services

GLEN R. GOOGINS
City Attorney

EXHIBIT A – SITE LOCATION MAP