

RESOLUTION NO. 2015-_____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING AN AFFORDABLE HOUSING REGULATORY AGREEMENT RELATED TO LAKE POINTE BETWEEN THE CITY AND LENNAR HOMES OF CALIFORNIA INC. AND AUTHORIZING THE CITY MANAGER TO RELEASE THE ATTENDANT SECURITY AGREEMENT AND BOND UPON COMPLETION OF THE RECORDATION OF THE REGULATORY AGREEMENT AND PAYMENT OF THE IN-LIEU FEE TO THE CITY'S INCLUSIONARY FUND AS PROVIDED FOR IN THE REGULATORY AGREEMENT

WHEREAS, the City's Balanced Communities Policy ("Inclusionary Policy") requires 10 percent of any new subdivision in excess of fifty (50) units to be made affordable for low and moderate-income families (5% low and 5% moderate); and

WHEREAS, an "Agreement to Post Security for Affordable Housing Obligation" ("Security Agreement") was entered into on March 13, 2013 with Lennar Homes of California, Inc. ("Developer"), to secure the satisfaction of their Affordable Housing Obligation"; and

WHEREAS, the Developer desires to exercise the alternative method of compliance identified in Section 1.2.b of the Security Agreement which requires the construction of eleven moderate income housing units and payment of an in-lieu fee to the City of \$1,378,842 (for 11.1 units) to be placed into the Inclusionary Housing Fund; and

WHEREAS, the Security Agreement requires the Developer within two years to posting of the bond to enter into a regulatory agreement related to any units to be constructed; and

WHEREAS, to comply with the Security Agreement, the City has prepared an Affordable Housing Regulatory Agreement between the City and Lennar Homes of California Inc., ("Developer") for City Council's consideration and approval, a copy of which is on file with the City Clerk's Office; and

WHEREAS, City Policy No. 453-02 sets forth the equity requirements for homebuyers in affordable housing projects; and

WHEREAS, the Federal Housing Administration ("FHA") and Department of Veterans Affairs ("VA") have changed their financing underwriting requirements, and City Policy 453-02's equity requirements do not yet reflect the changed FHA and VA underwriting requirements; and

WHEREAS, given the current FHA and VA underwriting requirements, the equity share requirements set forth in Policy No. 453-02 have been modified for initial homebuyers of this project in order to meet current FHA and VA financing underwriting requirements; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Chula Vista does hereby approve the Affordable Housing Regulatory Agreement for Lake Pointe between the City and Lennar Homes of California Inc., in substantial form, and authorize the City Manager to release the Security Agreement and bond upon completion of the recordation of the Regulatory Agreement on the eleven moderate units and payment of the required in-lieu fee to the City's Inclusionary Housing Fund. The City Council further authorizes the City Manager to make such minor modifications that may be approved or required by the City Attorney.

Presented by:

Kelly Broughton
Director of Development Services

Approved as to form by:

Glen R. Googins
City Attorney