

RESOLUTION NO. \_\_\_\_\_

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
CHULA VISTA APPROVING AFFORDABLE HOUSING  
TRANSFER AGREEMENT BETWEEN THE CITY AND  
HOMEFED VILLAGE III MASTER, LLC, TRANSFERRING A  
PORTION OF THE VILLAGE 3 AFFORDABLE HOUSING  
UNIT OBLIGATION TO VILLAGE 8

WHEREAS, the Housing Element of the City of Chula Vista's General Plan contains an affordable housing policy which requires that residential development with fifty (50) or more dwelling units provide a minimum of 10% of the total dwelling units for low and moderate income households, one-half of these units (5% of the total project) being designated to low income and the remaining five percent (5%) to moderate income households; and

WHEREAS, HomeFed Village III Master, LLC ("Village 3 Owner") owns the property known as Village 3 of Otay Ranch. On December 2, 2014, the City approved the Tentative Subdivision Map CVT-13-02 for Otay Ranch Village 3 North and a portion of Village 4 ("Village 3 Tentative Map") by Resolution Number 2014-237. Tentative Map Condition No. 29 requires that the Village 3 Owner enter into an Affordable Housing Agreement ("Village 3 Agreement") with the City of Chula Vista. Village 3 Owner is 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. 2014-234, and Tentative Map Condition of Approval No. 29 of City Council Resolution No. 2014-237. The Village 3 Tentative Map requires Village 3 Owner to build 80 low income housing units and 80 moderate income housing units ("Village 3 Affordable Housing Obligation") based upon 10% of the total number of residential units of 1,597 within Village 3. Village 3 Owner and the City are entering into an Affordable Housing Agreement that requires Village 3 to begin and complete its Village 3 Affordable Housing Obligation ("Village 3 Agreement"); 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 for the development of Village 3 provide an unreasonable hardship for the new construction of units within said Village. The City finds that such new construction of units would present an "unreasonable hardship to the developer" in light of factors such as the difficulty in integrating said units due to significant price and product disparity. As described in the Village 3 SPA Plan, the residential neighborhoods are predominately single family and low density neighborhoods; and

WHEREAS, as set forth in the Village 3 SPA Plan, the Village 3 Affordable Housing Obligation may be deferred to a future village or location within Otay Ranch Planning owned by Village 3 Owner or its affiliate. It is the intent of Village 8 Owner and the City, by execution of the Transfer Agreement, to allow the transfer of the Village 3 Affordable Housing Obligation for 64 low income housing units and 33 moderate income housing units ("Transferred Affordable Housing Obligation") to the development of Otay Ranch Villages Eight West and 8 East (collectively, "Village 8") as shown on Exhibit 1 and more particularly described on Exhibit 2

(the "Property") of the Transfer Agreement. Village 8 Owner owns the property known as Village 8 and is an affiliate of Village 3 Owner; and

WHEREAS, Village 3 Owner is otherwise required to develop those Village 3 affordable housing units not transferred from Village 3 to Village 8 by this Agreement as set forth in the Village 3 Agreement; and

WHEREAS, on December 17, 2013, the City approved the Otay Ranch Village Eight West Sectional Planning Area (SPA) Plan for the Project by Resolution Number 2013-270. Condition Number 7 of the Project's SPA Plan requires the Village 8 Owner to comply with the City's Affordable Housing Plan. The SPA Plan currently provides for the construction of approximately 2,050 total dwelling units within Village Eight West, with a requirement for five percent of these units being designated for low-income households and five percent for moderate-income households, consisting of 205 affordable units; and

WHEREAS, on December 17, 2013 the City approved the Tentative Subdivision Map for Chula Vista Tract No. 09-04 for Otay Ranch Village Eight West by Resolution Number 2013-271. Tentative Map Condition No. 21 requires that the Village 8 Owner enter into an Affordable Housing Agreement with the City of Chula Vista prior to approval of Village 8 Owner's first Final Map for Village Eight West; and

WHEREAS, on December 2, 2014, the City approved the Otay Ranch Village Eight East Sectional Planning Area (SPA) Plan for the Project by Resolution Number 2014-235. Condition Number 7 of the Project's SPA Plan requires the Village 8 Owner to comply with the City's Affordable Housing Plan. The SPA Plan currently provides for the construction of approximately 3,568 total dwelling units within Village Eight East, with a requirement for five percent of these units being designated for low-income households and five percent for moderate-income households, consisting of 357 affordable units; and

WHEREAS, on December 2, 2014, the City approved the Tentative Subdivision Map for Chula Vista Tract No. 13-03 for Otay Ranch Village Eight East by Resolution Number 2014-238. Tentative Map Condition No. 32 requires that the Village 8 Owner enter into an Affordable Housing Agreement with the City of Chula Vista prior to approval of Village Eight Owner's first Final Map for Village Eight East; and

WHEREAS, the City finds that the public interest would be served by allowing the Transferred Affordable Housing Obligation to be produced or operated within Village 8 based upon: (1) proximity to public transit; (2) proximity to employment; (3) proximity to services and entertainment; and (4) proximity to the proposed University, which would provide access to university services for the residents and affordable units for students and faculty. Additionally, the provision of the Transferred Affordable Housing Obligation within the Property will not be significantly detrimental to achieving balanced residential communities and will provide at a minimum the equivalent number of required affordable units with comparable rent and occupancy restrictions; and

WHEREAS, Village 8 Owner and City wish by this Agreement to assure the satisfaction of the Village 3 Transferred Affordable Housing Obligation, on the terms described in the Transfer Agreement; 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 University Villages Project - (FEIR 13-01).

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chula Vista, that it adopts the above Recitals and Findings and approves the RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING AFFORDABLE HOUSING TRANSFER AGREEMENT BETWEEN THE CITY AND HOMEFED VILLAGE III MASTER, LLC, A DELAWARE LIMITED LIABILITY COMPANY (TRANSFER AGREEMENT), in substantially the form 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

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Kelly Broughton  
Director of Development Services

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Glen R. Googins  
City Attorney