



# CITY COUNCIL AGENDA STATEMENT



June 18, 2019

File ID: 19-0293

## TITLE

- A. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA CONSIDERING THE THIRD ADDENDUM (IS-17-0005) TO FEIR 02-04; APPROVING AN AMENDMENT TO THE OTAY RANCH GENERAL DEVELOPMENT PLAN TO REFLECT LAND USE CHANGES FOR APPROXIMATELY 36 ACRES WITHIN THE OTAY RANCH FREEWAY COMMERCIAL PLANNING AREA 12 PLANNED COMMUNITY, INCLUDING ASSOCIATED TEXT, MAPS AND TABLES
- B. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING AN AMENDMENT TO THE OTAY RANCH FREEWAY COMMERCIAL SECTIONAL PLANNING AREA (SPA) PLAN, DESIGN PLAN, AND ASSOCIATED REGULATORY DOCUMENTS; AND APPROVING AN AMENDMENT TO THE OTAY RANCH FREEWAY COMMERCIAL NORTH MASTER PRECISE PLAN
- C. ORDINANCE OF THE CITY OF CHULA VISTA APPROVING AMENDMENTS TO OTAY RANCH FREEWAY COMMERCIAL SECTIONAL PLANNING AREA (SPA) PLANNED COMMUNITY DISTRICT REGULATIONS FOR THE NORTHERLY FC-2 PORTION (FIRST READING)
- D. ORDINANCE OF THE CITY OF CHULA VISTA APPROVING A DEVELOPMENT AGREEMENT AMENDMENT BETWEEN THE CITY OF CHULA VISTA, VILLAGE II TOWN CENTER, LLC AND SUNRANCH CAPITAL PARTNERS, LLC FOR THE FREEWAY COMMERCIAL NORTH PORTION OF OTAY RANCH PLANNING AREA 12 (FIRST READING)
- E. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING A FIRST AMENDMENT TO AGREEMENT FOR THE PROVISION OF COMMUNITY PURPOSE FACILITY ACREAGE FOR OTAY RANCH VILLAGE TWO BETWEEN THE CITY OF CHULA VISTA AND OTAY PROJECT, L.P
- F. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING TENTATIVE SUBDIVISION MAP CVT 19-0001 FOR OTAY RANCH PLANNING AREA 12 FREEWAY COMMERCIAL NORTH
- G. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING A DESIGN REVIEW PERMIT DR17-0037 TO CONSTRUCT A MIXED-USE PROJECT CONSISTING OF A 578 UNIT APARTMENT COMPLEX, 15,000 SQUARE FEET OF RETAIL USE, TWO INTEGRATED PARKING STRUCTURES ON TWO LOTS CONSISTING OF 10.4 ACRES LOCATED IN THE OTAY RANCH FREEWAY COMMERCIAL NORTH, NEIGHBORHOOD PA-12

## **RECOMMENDED ACTION**

Council conduct the public hearing, adopt the resolutions and place the ordinances on first reading.

## **SUMMARY**

Baldwin & Sons, LLC (“Applicant” or “Developer”) is proposing to amend the Otay Ranch General Development Plan (GDP), Freeway Commercial Sectional Planning Area (SPA) Plan and the associated Planned Community (PC) District Regulations in order to accommodate 300 additional multi-family residential units, maximizing land use potential within walking range of the Otay Ranch Bus Rapid Transit (BRT) stop and ensuring transit-supportive densities near the BRT line. The Applicant submitted a Design Review (DR) application for a 4- and 5-story “Texas wrap” apartment project consisting of 578 units with a 5-level parking structure and 15,000 sq. ft. of ground floor commercial. The project also includes an amendment to the Otay Ranch Freeway Commercial North Development Agreement (DA) and an amendment to the Agreement for the Provision of Community Purpose Facility (CPF) Acreage for Otay Ranch Village 2. An Environmental Impact report (EIR) Addendum has been prepared in order to provide additional information and analysis concerning land use impacts anticipated to result from the proposed amendments. On November 16, 2017, the Applicant filed applications to process all of the subject items.

## **ENVIRONMENTAL REVIEW**

The Development Services Director has reviewed the proposed project for compliance with the California Environmental Quality Act (CEQA) and has determined that the project is covered in the previously adopted *Final Environmental Impact Report for the Otay Ranch Freeway Commercial Sectional Planning Area (SPA) Plan - Planning Area 12* (FEIR 02-04) (SCH#1989010154). The Development Services Director has determined that only minor technical changes or additions to this document are necessary and that none of the conditions described in Section 15162 of the State CEQA Guidelines calling for the preparation of a subsequent document have occurred; therefore, the Development Service Director has caused the preparation of a Third Addendum to FEIR 02-04.

## **BOARD/COMMISSION/COMMITTEE RECOMMENDATION**

On May 22, 2019 the Planning Commission took action and voted 6-1-0 that Council adopt the resolutions and ordinances.

## **DISCUSSION**

In September 2004, the Freeway Commercial SPA Plan and Tentative Map were adopted, entitling approximately 1,214,000 square-feet of commercial uses, including 867,000 square-feet on Freeway Commercial South (FC-1) and 347,000 square-feet on Freeway Commercial North (FC-2). In May of 2015, in conjunction with a first Addendum to FEIR 02-04, General Plan (GP) and General Development Plan (GDP) amendments (Resolution No. 2015-114) entitled the development of 600 multi-family residential units and mixed-use commercial consisting of 15,000 square-feet of ground-floor commercial retail, and a 2-acre highly amenitized urban park, and assured the development of two hotels within the FC-2 portion of the SPA. A Development Agreement was adopted via Ordinance No. 3345 on June 29, 2015.

In September of 2016, a second Addendum to FEIR 02-04, amendments to the Otay Ranch Freeway Commercial SPA Plan and associated regulatory documents (Resolution 2016-187); Tentative Map CVT 15-

0007 (Resolution 2016-188); Design Review Permit DR16-0030 (Resolution 2016-189); and amendments to the Freeway Commercial SPA's Planned Community District Regulations (Ordinance 2016-3376) entitled and implemented the development concept of the GP and GDP for a transit-oriented, mixed use project with two hotels.

The 36-acre FC-2 site is currently approved for a Mixed-Use land use including 600 multi-family residential units; a 2-acre park; 15,000 sq. ft. of commercial; and two hotels. The walkable, transit-oriented, mixed-use neighborhood will be a mix of apartments, multi-family townhomes, two hotels, a park and 15,000 sq. ft. of ground-floor retail/commercial space. Previously approved multi-family condominium units are under construction west of Town Center Drive and the Marriott Residence Inn began operations in October of 2017. Park construction plans are in review for the 2-acre highly amenitized urban park. The drawings for the second hotel will be considered for approval in 2019.

The Applicant is now requesting amendments to the Otay Ranch GDP, Otay Ranch Freeway Commercial SPA Plan and its associated documents, and the Development Agreement in order to add 300 additional residential units (for a total of 900 units) to accommodate a mixed-use project consisting of 578 apartments; 15,000 sq. ft. of commercial uses; and two integrated parking structures in lieu of a surface parking lot on two lots consisting of 10.4 acres (DR17-0037).

#### **Addendum to FEIR 02-04**

Section 21002 of the CEQA requires that an environmental impact report identify the significant effects of a project on the environment and provide measures or alternatives that can mitigate or avoid those significant effects. The Freeway Commercial SPA was analyzed in the previously adopted Final Environmental Impact Report for the Otay Ranch Freeway Commercial Sectional Planning Area (SPA) Plan - Planning Area 12 (FEIR 02-04) (SCH #1989010154). The First Addendum to the FEIR was approved for the General Plan and Otay Ranch General Development Plan Amendments in May 2015. The Second Addendum to the FEIR was approved for the SPA Plan Amendment in September 2016. The First and Second Addenda to the FEIR analyzed the impact of the General Plan, General Development Plan and SPA Plan amendments, based on the urban, mixed use development proposal. As a result of this analysis, the basic conclusions and impacts identified in FEIR 02-04 were determined to not have changed. The land use and public service impacts for the proposed project are found to be less than significant and were adequately covered in FEIR 02-04 for the previous two Addenda. Therefore, in accordance with Section 15164 of the CEQA Guidelines, the City has prepared the Third Addendum to the FEIR. The Third Addendum provides an environmental analysis of the potential impacts associated with implementing the proposed Freeway Commercial SPA Plan and Master Precise Plan Amendment. As a result of this analysis, the basic conclusions and impacts identified in FEIR 02-04 were determined to not have changed. The land use and public service impacts are found to be less than significant for this SPA Plan amendment, Design Review and Tentative Map proposed project and were adequately covered in FEIR 02-04.

#### **GDP, SPA Plan and DA Amendment(s)**

##### **1. Location, Existing Site Characteristics, and Ownership**

The Freeway Commercial SPA Plan area is generally located south of Olympic Parkway, north of Birch

Road, east of State Route 125 and west of Eastlake Parkway (see Locator Map, Attachment 2). This amendment is limited to the FC-2 portion of the SPA Plan, located between Olympic Parkway and the existing Otay Ranch Town Center mall.

The project is located within a 10-minute walk of the Otay Ranch BRT station, a major transit hub with an express connection to downtown San Diego, as well as next to bus stops serving 2 local routes connecting the project to Southwestern College and the H Street Transit Center, which is a Blue line trolley stop. Both BRT and local buses will connect the project to the Millenia Office Campus with its 1.4 million sq. ft. of office space, immediately south of Birch Road. The future University and Innovation District development is a 20-minute bicycle ride and will also be connected via transit routes.

The FC-2 mixed-use district is currently under construction, in various stages of completion. One of the two hotels, the Residence Inn by Marriott, has been open since October of 2017. The second hotel is in the design development phase and will be submitted for review in 2019. Two condominium neighborhoods west of Town Center Drive are in early phases of construction. The public park received City Council approval in September 2018 and is currently in the construction permitting phase. The eastern portion of the FC-2 site remains vacant and undeveloped. FC-2 is an infill development surrounded by existing roads, utility services, schools, hospitals, retail centers and entertainment. It is within a ten-minute walk of the Otay Ranch Town Center mall with its 23 restaurants, movie theater and library, within a 20-minute walk of the Marketplace at Windingwalk containing a Vons grocery store, 8 restaurants and 11 various commercial services. Within a 20-minute bike ride, FC-2 residents can reach Southwestern College, Eastlake Business Park, LA Fitness gym, Scripps Coastal Medical Center, and Mattress Firm Amphitheater.

The eastern undeveloped portion of FC-2 is owned by Village II Town Center, LLC.

**Table 1 – Existing General Plan, GDP, SPA Plan Land Use Designations and Land Use**

	<b>General Plan</b>	<b>Otay Ranch General Development Plan</b>	<b>CV Municipal Code Zoning</b>	<b>PC District Land Use Designation</b>	<b>Existing Land Use</b>
Site – Freeway Commercial	Commercial Retail in FC-1 and Retail Commercial/Mixed Use Residential in FC-2	Freeway Commercial in FC-1 and Freeway Commercial and Mixed Use in FC-2	Planned Community (PC)	H –Commercial Hotel RM - Multi-family Residential R/MU –Multi-Family Resid./Mixed Use C/MU- Mixed-Use Comm/MF P - Park	H – hotel RM – under construction for Multi-Family Residential; P, R/MU, C/MU - vacant. FC-1 developed as Otay Ranch Town Center mall.
North	Commercial Retail	N/A - the Eastlake II	Planned Community	Freeway Commercial - FC	Eastlake Terraces shopping

	General Plan	Otay Ranch General Development Plan	CV Municipal Code Zoning	PC District Land Use Designation	Existing Land Use
		Freeway Commercial	(PC)		center
South	Eastern Urban Center	EUC (Millenia)	Planned Community (PC)	Gateway Mixed Use Commercial and Northeastern Neighborhood District	Millenia Commons shopping center and Multi-Family Residential
East	Low-Medium Residential, Mixed Use Residential	Village 11 Medium-High Density Residential	Planned Community (PC)	RM1	Fully developed residential
West	Medium Residential, Mixed Use residential, Low-Medium Residential, Public/Quasi-Public, Parks & Recreation	Village 6 Medium-High Density Residential, Low Medium Village Density Residential	Planned Community (PC)	RM1 and RM2	Fully developed residential

## 2. Project Description

The proposed amendment adds 300 units to the previously approved urban mixed-use multi-family neighborhood. These additional units will achieve the higher density and massing desired for an innovative smart growth design on the eastern portion of the project, consistent with the existing Mixed-Use Residential (MUR) land use designation provisions. No changes to the land use plan, hotels, 15,000 sq. ft. of commercial, or previously approved multi-family neighborhoods on the west side of FC-2 are proposed. All of the additional units will be allocated to R/MU, on the east side of the project. The project will consist of two separate lots with a private street bisecting the two parcels. Lot 1 proposes a 4 to 5-story building with 15,000 square-foot of retail along Town Center Drive and 237 apartment units, with the apartments surrounding a 5-story parking structure. Lot 2 proposes a 4-story building with 341 apartment units that surround a 5-story parking structure. This form of development eliminates the need for large areas of surface parking lots, allowing more space for parks and residential amenities. By not having a surface parking lot, the project's open space area increases by 173%, from 45,300 sq. ft. in the previous design concept to 123,600 sq. ft. under the subject plan, not counting the interior building amenities. Conversely, the land area covered by parking was reduced by 53%, from 173,000 sq. ft. in the previous design with surface parking to 81,200 sq. ft. of garage footprint. The site plan for the mixed-use apartments now includes two large pools (one in each building), three private parks, a playground, a dog run, amenitized outdoor mingling areas with cabanas, fire pits, and hanging day beds, as well as approximately 10,000 sq. ft. of interior recreational space.

The 578-unit apartment mix is comprised of 56 studios, 290 one-bedroom units, and 232 two-bedroom units. The floor plans range from approximately 600 sq. ft. to 1,200 sq. ft. with dual master bedrooms, which allow for roommate living. This type of rental housing is especially attractive to students, retail workers, and the future office campus employees, providing a range of housing choices in the Chula Vista housing market, which is heavily skewed toward single-family detached homes.

The 15,000 sq. ft. of proposed commercial space will be located on the ground floor in Building A along Town Center Drive. This location provides commercial uses with optimal visibility from the street and sets it as a gateway to FC-2. The sidewalk along ground-floor commercial on Town Center Drive has been expanded from the standard 6-foot width to a 38-foot wide pedestrian zone, including a 13-foot wide sidewalk and a 12-foot wide plaza with seating areas and planters for an inviting pedestrian environment. The retail spaces provide large windows on the ground floor, variation in façade treatment, and seating for human-scale architecture.

The project contains transit and pedestrian-friendly elements throughout the site. Tree-lined landscape parkways, setbacks to promote a comfortable pedestrian-oriented environment, and pedestrian-scale facade features on sidewalk-fronting buildings are proposed throughout the development. Several way-finding signs will be installed on Town Center Drive directing pedestrians to the BRT stations, library, and public park.

The following is an Analysis of the project approvals that were submitted as part of this application:

## **Analysis**

### **1. Otay Ranch GDP Amendment**

The Otay Ranch GDP provides a vision and direction for the planning of the Freeway Commercial area, including the FC-2 subarea. The vision of the GDP for this area is the provision of hotels and high density residential in a mixed-use urban character setting that includes ancillary commercial uses and an urban park.

The proposed amendment is consistent with the current land use designations and density allowed by the GDP. A Mixed-Use district, which is the current approved land use district in FC-2, allows a density range between 28-45 dwelling units (DU) per acre. With the additional 300 units, the overall project density is 33.7 DU per acre.

GDP amendments include updating project summary tables, population rates and number of units to reflect the additional 300 units. The comprehensive list of all the proposed GDP policies is located in Appendix B of Attachment 12.

### **2. Otay Ranch Freeway Commercial SPA Plan Amendment**

With its mixed-use zoning, proximity to good transit service and existing commercial developments, and good walking and cycling conditions, the FC-2 site meets the criteria for high-density compact development. In accordance with General Plan Objective H3, “the provision of new housing opportunities

within mixed-use areas and at higher density levels, particularly in transit focus areas and identified town centers, is encouraged. Mixed use and compact developments can result in easier access to goods and services, and increased employment and business opportunities, and the creation of vibrant community places.” The proposed density increase will allow FC-2 to fully maximize its land use potential within walking range of the Otay Ranch BRT stop and ensures transit-supportive densities near the BRT line. At 900 residential units, the project will be at the mid-range of the permitted density for a Mixed-Use district. The apartments will have the highest density and will be located along Town Center Drive and Olympic Pkwy. Lower density townhomes and condominiums are set back towards the west side of the project site, thus providing a variety of housing types.

#### *Parks, Open Space & Trails*

The FC-2 amendment triggers new fees for parks. With the additional 300 multi-family units, the project parkland demand totals 7.05 acres based on Chula Vista Municipal Code (CVMC) Section 17.10. The project will meet its parkland obligation of 7.05 acres through two mechanisms. The obligation of the previously entitled 600 residential units will be met through the provision of a 2-acre public park enhanced through additional amenities to a value equivalent to 4.69 acres of parkland, to be maintained through a Community Facilities District rather than the City General Fund, per the Freeway Commercial North Development Agreement. Due to the lack of available land within the project to site additional park acres, staff proposes to waive the Parkland Acquisition and Development (PAD) Fee for units developed in excess of the original 600. The Applicant will instead pay an equivalent in-lieu Park Benefit Fee to address the impacts from the proposed new units. Based on current PAD fees, the Applicant will pay approximately \$4,580,100 in Park Benefit Fees if all 300 additional units are constructed. The Park Benefit Fees will be used to provide or enhance parks that serve the City’s eastern territories.

In accordance with the Otay Ranch Resource Management Plan (RMP), parcel FC-2 has a preserve land conveyance obligation of 40.761 acres that will be conveyed upon approval of the first final map. In association with the original Final Map for this Project, Map 16291, 40.761 acres were conveyed to the Otay Ranch Preserve Owner Manager via recorded Open Space Easement Doc# 2018-0325995.

#### *Community Purpose Facilities*

CVMC Section 19.48 requires the provision of 1.39 acres of land per 1,000 persons be zoned for Community Purpose Facilities (CPF) when creating a SPA Plan. With the additional 300 multi-family units, the Project will require 3.24 acres of CPF. In accordance with the provisions of Section 5.3.2 of the amended Development Agreement for Freeway Commercial North, the Applicant may satisfy its CPF requirement in any manner consistent with CVMC Section 19.48.025, which may include the provision of the CPF land offsite, alternative compliance, or adjustments to the percentage limitations on the types of facilities, including recreational facilities, that may count toward satisfying the CPF requirement, all in the discretion of the Director of Development Services.

#### *Freeway Commercial PC District Regulations Amendments*

The PC District Regulations amendment is limited to the mixed-use apartments where the additional 300 multi-family units will be allocated. No changes are proposed to the Land Use matrix, or the previously approved regulations for hotels and condominium projects.

The proposed revisions to the Development Standards are as follows:

**Table 2 – Development Standards**

<b>Standard</b>	<b>Currently Approved</b>	<b>Proposed Change</b>
Private Useable Open Space	Studios, 1-bedroom, and units above first story: 60 sq. ft. Ground floor units: 80 sq. ft. for 2 bedroom units 100 sq. ft. for 3 bedroom units	60 sq. ft. per unit
Parking	1-bedroom units: 1.5 spaces/unit 2-bedroom units: 2.0 spaces/unit 3-bedroom units: 2.25 spaces/unit Guest parking ratio of 0.33 is included in above ratios.	Add 1.0 space/unit for studios 4 spaces/1,000 sq. ft. for commercial mixed-use

*Freeway Commercial SPA Plan Design Guidelines Amendments*

The Freeway Commercial North Design Plan was updated to include the proposed new site plan for the apartments on the east half of FC-2. Specific design guidelines for residential and mixed use commercial/residential are provided in the Master Precise Plan.

*Public Facilities Finance Plan (PFFP) and Fiscal Impact Analysis (FIA)*

A PFFP has been prepared as a supplemental document to the original PFFP dated April 1, 2003. The Freeway Commercial North Supplemental PFFP for this project analyzes the proposed 300-unit addition, any potential impacts on public facilities and services, and identifies the facilities, phasing and timing triggers for the provision of facilities and services to serve the project, consistent with the City’s Quality of Life Threshold Standards. The PFFP describes in detail the cost, financing mechanism and timing for construction of necessary public facilities based on the project’s proposed phasing.

The public facilities needed to serve the project will be guaranteed by placing conditions of approval on the Tentative Map, requiring payment of various fees at the building permit stage, and/or continuing payments under the approved Community Facilities District to finance or maintain public facilities. The PFFP included an analysis of transportation, drainage, water, sewer, fire, schools, libraries, parks, and fiscal impacts of the project.

The supplemental PFFP also includes a Fiscal Impact Analysis (FIA) of the Freeway Commercial North plan and phasing program. The Freeway Commercial North Supplemental FIA has been prepared using the City’s current fiscal impact analysis model. It is important to note that the FIA presents a projection of the anticipated fiscal impacts of the development, based upon the best information currently available. Actual fiscal impacts as a result of the development may vary from model outcomes.

Based on the FIA and the assumptions contained therein, both the currently approved project and the proposed amendment are projected to generate a positive net fiscal impact to the City’s General Fund. The



relative fiscal performance of the currently approved project and the proposed project over the next 10 years are compared in the table below.

<b>Table 3 – Comparison of Modeled Fiscal Impact Scenarios (Annual Net Impact, Millions)</b>		<b>Year 1</b>	<b>Year 2</b>	<b>Year 4</b>	<b>Year 6</b>	<b>Year 8</b>	<b>Year 10</b>
Approved Project	Revenues	\$0.65	\$0.76	\$1.83	\$2.12	\$2.24	\$2.30
	Expenses	(\$0.01)	(\$0.13)	(\$0.42)	(\$0.67)	(\$0.68)	(\$0.69)
	<b>Net Impact</b>	<b>\$0.65</b>	<b>\$0.63</b>	<b>\$1.41</b>	<b>\$1.46</b>	<b>\$1.56</b>	<b>\$1.62</b>
Proposed Project	Revenues	\$0.65	\$0.79	\$2.04	\$2.31	\$2.37	\$2.44
	Expenses	(\$0.01)	(\$0.13)	(\$0.72)	(\$0.98)	(\$0.99)	(\$1.01)
	<b>Net Impact</b>	<b>\$0.65</b>	<b>\$0.66</b>	<b>\$1.32</b>	<b>\$1.33</b>	<b>\$1.38</b>	<b>\$1.43</b>

Overall, comparing the projected net annual fiscal impacts in year 10 for the currently approved project and the proposed project (\$1.62 million and \$1.43 million, respectively) indicates a \$0.19 million reduced annual positive fiscal impact to the City.

*Affordable Housing Plan*

The Chula Vista General Plan Housing Element contains objectives, policies and action programs to accomplish key affordable housing objectives. Key among these is the 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 for low-income, and the other half (5%) being designated for moderate-income households.

Based on the entitlement of 900 residential units in FC-2, 45 low-income and 45 moderate-income affordable units are required. These affordable housing units may be located either within or outside the plan area.

An Amended and Restated Housing Development Agreement between the City of Chula Vista and Baldwin and Sons was executed on September 21, 2017, which allows the Developer to satisfy its affordable housing obligation through credits earned by the development of off-site housing at the Olympic Training Center. The Project may satisfy its affordable housing obligation through a combination of on-site and off-site units.

*Water Conservation Plan*

The City of Chula Vista’s Growth Management Ordinance requires that all development of 50 units or more prepare a Water Conservation Plan (WCP) as part of the SPA Plan. This plan presents a review of presently available technologies and practices that result in water conservation. This plan identifies water conservation measures that will be incorporated into the project as a condition of approval on the SPA Plan. A WCP, consistent with the current City standards, has been prepared as a part of the proposed project. This WCP covers additional land uses proposed by this amendment.

The FC-2 WCP requires that residential development provide hot water pipe insulation, pressure reducing

valves and water efficient dishwashers. Non-residential measures include hot water pipe insulation, pressure reducing valves and compliance with Division 5.3 of the California Green Building Standards Code. In addition, to comply with the City's current water conservation requirements, the developer will also include dual flush toilets and water efficient landscaping. Together these measures annually save approximately 8,850 gallons per multi-family unit.

The WCP also provides a discussion of the local water conservation requirements related to the use of reclaimed water. The City of Chula Vista Landscape Manual requires the use of recycled water for irrigation of parks, median landscaping, open space slopes, and common landscaped areas. The Landscape Manual also requires some drought tolerant plant selection in the landscaping plan and the use of evapotranspiration controllers for parks and common landscaped areas. Additionally, the Landscape Water Conservation Ordinance is expected to reduce outdoor water consumption due to the setting of strict water budgets on City approved landscape plans that must not be exceeded. The use of recycled water and other water conservation measures is expected to reduce potable water usage by 53,385 gallons per day (gpd), or 24%.

The proposed conservation measures outlined above, and identified in the FC-2 WCP, comply with the City of Chula Vista's Growth Management Ordinance and the goals, objectives and policies of the City's General Plan and the Otay Ranch GDP. See the Water Conservation Plan section of the SPA Plan for additional information.

#### *Air Quality Improvement Plan*

The City has included a Growth Management Element (GME) in its General Plan. One of the stated objectives of the GME is to actively plan to meet federal and state air quality standards. This objective is incorporated into the GME's action program. In addition, the City's Growth Management Ordinance (CVMC 19.09) requires that an Air Quality Improvement Plan (AQIP) be prepared for all major development projects (50 dwelling units or greater) as part of the SPA Plan process. A new AQIP has been prepared by Criterion Planners for the FC-2 SPA amendment to comply with the City's current AQIP Guidelines.

The purpose of the AQIP is to provide an analysis of air pollution impacts that would result from development and to demonstrate how the project's design reduces vehicle trips, maintains or improves traffic flow, reduces vehicle miles traveled and reduces direct or indirect greenhouse gas emissions. FC-2 is considered as an infill project site whose AQIP value derives in large part from existing surrounding uses interface with the project site. In accordance with the AQIP Guidelines that allow for utilization of other "equivalent" alternative programs such as LEED ND to demonstrate compliance with INDEX thresholds, AQIP analysis for FC-2 was completed using the LEED-ND rating system in lieu of INDEX indicators.

Based on the FC-2 project site characteristics, proposed development plan, and surrounding conditions, the AQIP analysis finds that FC-2 scores the equivalent of 56 points, which would earn a Silver certification under the LEED-ND rating system. Criterion Planning was the expert consultant, who in conjunction with City staff worked on the original development of the INDEX indicator thresholds for the City. Based on their experience with the INDEX model and certifying over 100 LEED-ND projects nationally, the consultant

concluded that the base ND certification of 40 points is the functional equivalent of INDEX indicator thresholds. A score of 56 points exceeds the INDEX thresholds and demonstrates clear AQIP compliance.

#### Fire Protection Plan (FPP)

As determined by the Fire Chief, this project does not require an FPP because it is considered an infill site that is surrounded by manmade slopes and development.

#### 3. Master Precise Plan Amendment

Master Precise Plan text and exhibits were updated to reflect the proposed new site plan for the apartments on the east half of FC-2. Overall, the apartment project is consistent with the previously established architectural theme of development and its character of a compact walkable urban community. The new wrap style buildings carry the Santa Barbara design theme of Otay Ranch, with its own unique elements of Spanish Eclectic and Contemporary California to complement the design theme of the surrounding neighborhoods.

#### 4. Development Agreement Amendment

The Development Agreement is amended to allow for up to 900 residential units and associated development triggers for provision of the second hotel, community purpose facilities, and park requirement updates. In addition, the amendment waives the City's PAD fee and requires an in-lieu Park Benefit Fee for any residential units constructed in excess of the originally approved 600.

#### 5. Village 2 CPF Amendment

The PA-12 Development Agreement allows for provision of CPF land offsite. This project includes an amendment to Applicant's Village 2 CPF Agreement, which will change the timing of the delivery of the CPF land. This will ensure that the Applicant meets their CPF obligation at whichever trigger occurs first, whether Village 2 or Freeway Commercial.

#### 6. Tentative Map

The Applicant intends to build and operate the project as apartments. The purpose of the tentative subdivision map is to allocate the additional 300 units to the R/MU land use district. The tentative map creates 608 residential lots, 10 commercial lots, and 1,049 parking condominium lots on 10.405 acres of land.

#### Project Access

Access to the project area is provided from Olympic Parkway via Town Center Drive and Promenade Street, a private street. All streets will conform to the guidelines set forth in the Freeway Commercial SPA Plan and City of Chula Vista street design guidelines.

#### Subdivision Design

The subdivision design consists of 2 multi-family residential lots and 1 private street lot. The subdivision will allow a maximum of 608 residential units and 10 commercial units. Because parking is provided in the common structure, the map creates 1,049 condominium parking spaces.

### Grading

The site is a triangularly-shaped lot bounded by Olympic Parkway on the north, Town Center Drive on the west, Otay Ranch Town Center Mall on the south, and Eastlake Parkway on the east. The east portion of Freeway Commercial was sheet-graded in 2002 as a single large pad, mildly sloping (2%) from southeast to northwest, with a temporary sediment basin near the intersection of Olympic Parkway and Town Center Drive. The pad area is generally located above the adjacent streets, with a maximum slope height of approximately 10 feet above the intersection.

The Applicant must obtain a Land Development Permit prior to beginning any earthwork activities at the site and before issuance of building permits in accordance with CVMC Chapter 15.05. The Applicant must also submit grading plans in conformance with the City's Subdivision Manual and the City's Development Storm Water Manual requirements.

### 7. Design Review

The project includes a Design Review permit (DR17-0037) for a 578-unit multi-family development with 15,000 sq. ft. of ground floor commercial, which is consistent with and implements the intent and design vision contained in the Freeway Commercial North Design Plan and Master Precise Plan (MPP).

### Project Site Characteristics

The 10.4-acre Project site is located within neighborhood R/MU and C/MU in the eastern portion of Freeway Commercial North, on a vacant, flat and mass graded parcel east of Town Center Drive. It is bordered by Olympic Parkway on the north, Town Center Drive on the west, Otay Ranch Town Center mall on the south, Eastlake Parkway on the east.

### Project Description

The project consists of two separate lots with a private street bisecting the two parcels. Lot 1 (Building A) proposes a 4 to 5-story building with 15,000 square-feet of retail along Town Center Drive and 237 apartment units around a 5-story parking structure. Lot 2 (Building B) proposes a 4-story building with 341 apartment units around a 5-story parking structure. There is direct access to residential units from each level of the parking garage through interior corridors. For Lot 1, the apartment unit mix is comprised of 32 studios, 117 one-bedroom, and 88 two-bedroom units. For Lot 2, the apartment unit mix is comprised of 24 studios, 173 one-bedroom, and 144 two-bedroom units. For the total of 578 units in both buildings, the unit mix is as follows: 10% studios, 50% 1-bedroom, and 40% 2-bedroom units. There are two different floor plans for a studio, five floor plans for a one-bedroom, and six floor plans for a two-bedroom unit. Each unit has a minimum 60 sq. ft. balcony

The Project meets the required open space and parking for the site. Private open space is provided by balconies at each residential unit. Common open space is provided by several courtyard areas, private mini parks, two swimming pools – one at each building, dog park, tot lot, and two project entry park areas. There are two driveway entrances, one off of Town Center Drive and one off of Promenade Street. Adjacent to the south of the project is the new BRT line. Ground floor commercial is located entirely in building “A” along Town Center Drive. This building also includes a leasing office. Both buildings have elevators and trash chutes.

Compliance with Development Standards

The following Project Data Table shows Freeway Commercial SPA development regulations along with the Applicant’s proposal to meet said requirements.

**Table 4 – Project Data Table**

Assessor’s Parcel Number:	643-020-88-00
Current Zoning:	R/MU and C/MU
General Plan Designation	Mixed Use Residential
Lot Area:	10.4 ac
<b>PARKING REQUIRED:</b>	<b>PARKING PROPOSED:</b>
<p><b>Residential</b></p> <p><b><u>Lot 1, Building A:</u></b>            1 space per studio (x 32 units)            1.5 spaces per 1-bed (x 117 units)            2.0 spaces per 2-bedroom (88 units)            Total: 384 spaces</p> <p><b><u>Lot 2, Building B:</u></b>            1 space per studio (x 24 units)            1.5 spaces per 1-bed (x 173 units)            2.0 spaces per 2-bedroom (144 units)            Total: 572 spaces</p> <p><b>Commercial:</b>            4 spaces per 1,000 sq. ft. of commercial            (x 15,000 sq. ft)            Total: 60 spaces</p>	<p><b><u>Residential</u></b></p> <p><b><u>Lot 1, Building A:</u></b>            401 spaces are provided (24 extra)</p> <p><b><u>Lot 2, Building B:</u></b>            Total: 597 spaces are provided (25 extra)</p> <p><b>Commercial:</b>            Total: 67 parking spaces are provided (7 extra)</p>
<b>Setbacks/Height REQUIRED:</b> Front: Subject to Design Review Side: Subject to Design Review Rear: Subject to Design Review Height: 75’*	<b>Setbacks/Height PROPOSED:</b> Front: Setback along Olympic Pkwy and Eastlake Pkwy: 18’ Side: Setback along Town Center Drive: 25’ Rear: Setback along BRT guideway:10’
*Building features may exceed maximum height with Design Review approval.	<b><u>Height Bldg “A”:</u></b> 84’-8” to 61’-8” along Olympic Pkwy. 79’-8” along Town Center Dr. 51’-10” along Promenade St.

	<p><u>Height Bldg "B":</u>  61'-8" to 48'-11" along Olympic Pkwy.  48'-11" along Town Center Dr.  48'-11" along Eastlake Pkwy  58'-6" along Promenade St.</p>
<p><b>OPEN SPACE REQUIRED:</b>  <b>Common Useable:</b>  200 sq. ft. per unit x 578 units  Total common space required: 115,600 sq. ft.</p> <p><b>Private Useable:</b>  60 sq. ft. per unit x 578 units  Total private space required: 34,680 sq. ft.</p>	<p><b>OPEN SPACE PROPOSED:</b>  <b>Common Useable:</b>  115,665 sq. ft.</p> <p><b>Private Useable:</b>  36,943 sq. ft. (2,263 sq. ft. over req.)</p>

Compliance with Freeway Commercial SPA Design Guidelines

Staff is utilizing the Otay Ranch Freeway Commercial SPA Planned Community District Regulations and the Freeway Commercial North Master Precise Plan to evaluate this project. The applicable design criteria are first presented in italics followed by staff discussion, analysis and staff recommendation in non-italics.

Site Planning and Building Placement/Orientation

- Encourage multi-modal street design. Enhance the pedestrian and cyclist experience.
- Create courtyards and paseos, extending the park experience across Town Center Drive to enhance pedestrian connections and provide a variety of places for people to socialize and enjoy nature.
- Neighborhood streets should promote a social street life experience.
- Angled parking along Town Center Drive.
- Well defined pedestrian circulation with pedestrian connection to nearby transit station.

Project design follows the above criteria.

To encourage multi-modal design, Town Center Drive is designed to provide sharrow markings connecting the project to the existing bike lane route along Olympic Parkway. Back-in diagonal parking along Town Center Drive prioritizes pedestrian and bicyclist safety and slows down traffic. The project is providing a secure onsite bike storage facility. Pedestrian and cyclist experiences are enhanced with pedestrian-friendly features along the streets, such as tree-lined landscape parkways, hardscape with pavers in special locations and tree wells to buffer pedestrian sidewalks; setbacks to promote a pedestrian-oriented environment; pedestrian-scale façade features on sidewalk-fronting buildings such as horizontal components, overhangs, facade detail, display areas, and pedestrian seating along ground floor commercial frontage. Streets include pedestrian-scale lighting in addition to street light poles and street trees. Pedestrian breezeways are provided through the buildings in key locations to facilitate pedestrian connections. Connection to local bus stations is provided via a direct route along Town Center Drive to the bus stop on Olympic Parkway and via Promenade Street to the bus stop on Eastlake Parkway. Connection

to the BRT Park & Ride station is provided via Town Center Drive, and along a palm tree-line pedestrian walkway through Otay Ranch Town Center mall.

The innovative type of building, the so-called “Texas wrap” intrinsically encourages pedestrian activity through the nature of its building configuration. Since the parking structure cannot be seen from the street and greatly reduces surface parking, the project has an increased visual appeal and safety (i.e. minimizing pedestrian and vehicular conflict). Additionally, this style of architecture encourages pedestrian activity through a mix of uses, higher density and enhanced pedestrian-oriented design.

### Architectural Theme

- Buildings shall use simple massing forms that convey solid construction techniques. The design of all front or pedestrian-oriented building elevations shall clearly convey a distinct base, middle, and cornice feature.
- Building massing shall be broken up subtly into smaller units to engage the streetscape with pedestrian-scaled features.
- Elevations shall be articulated to reduce the box-like appearance and visual impact of repetitive rooflines.
- In larger buildings or groups of buildings, massing shall be accented with pronounced horizontal or vertical massing features. This may include a tower element, vertical stair element, horizontal colonnade or horizontal succession of porches or trellis features, a colonnade, projecting eaves, accented vertical parapet or offset parapets, or similar design features.
- Large, uninterrupted wall planes are prohibited. Where entries, windows, glazing, or other articulating features are not feasible, elevations shall be broken up with the use of wall plane offsets, change in materials, and/or change in color.

The project design meets the requirements above.

The proposed buildings on the site will take on an aesthetic of abstract Spanish with elements of contemporary California, which identifies with a lively urban lifestyle, but still rooted in history. Architectural elements such as awnings, balconies, and trellises are appended to the building for interest and reducing mass. The buildings will employ mostly exterior plaster, accented with wood siding of various hues and finishes to add interest. Furthermore, in order to avoid monolithic buildings of the same continuous height, the buildings are topped with gable and hipped roof elements adjacent to flat, parapet roofs, adding to the contemporary nature of the style.

Building “A” embodies the mixed-use element of the project with a more “Irving Gill” inspired architecture, incorporating clean lines, varied roof elements, and arches. The area fronting Town Center Drive will be lined with retail function, with accent materials such as stone and wood siding materials, and a continuous storefront façade. Building “B” is all residential and will have mostly exterior plaster with enhanced materials, including wood elements such as siding and awnings. Both buildings will look different, but will complement each other through massing, color, and materials.

Building “A,” which is situated along Town Center Drive is composed of ground floor retail serving the local residents and visitors, and 4 and 5 stories of multi-family residential units above. Building “B” contains 4 levels of multi-family residential units. The design features include:

- Primary enhanced architectural elements located at the corner of Town Center Drive and Olympic parkway to the north and the Otay Ranch Town Center Mall parking lot entry to the south.
- A park/plaza space, along with a secondary enhanced architectural element at the corner of Town Center Drive and Private Drive.
- Special architectural enhanced facades along Town Center Drive and Centerpark public park.
- Enhanced architectural elements at the corner of Promenade St. and Olympic Parkway.

The interface between Building “A” and Building “B” along Promenade Street are well-defined.

- Both buildings employ courtyards that break up the massing along Promenade Street and avoids long stretches of shadow for a more pedestrian friendly experience.
- The courtyards and walkways along Promenade Street are landscaped to enhance the pedestrian experience.
- Amenity courtyards and vehicular entry drives for both buildings front each other and promote ease of pedestrian flow between buildings and social interaction.
- Vehicular entries occur at the same intersections for both buildings to minimize curb cuts, minimizing potential conflicts between pedestrians and vehicles.

### Parking

See Project Data Table above.

The project meets its accessible parking requirement of 3 American Disabilities Act (ADA) spaces for commercial parking, 8 ADA spaces for residential parking in Building “A” and 12 ADA spaces for residential parking in Building “B.”

### Open Space

The Freeway Commercial SPA regulations require 200 sq. ft. of Common Usable Open Space per unit in the R/MU zoning district. The project requires 115,600 sq. ft. of Common Usable Open Space for 578 units; a total of 115,665 sq. ft. is provided. The SPA Plan also requires 60 sq. ft. of Private Open Space per unit for a total requirement of 34,680 sq. ft.; a total of 36,943 sq. ft. is provided.

### Storage

Although the project is proposed as apartments, which do not require provision of storage space that are required for condominiums, the project provides storage space for condominiums. For studio and one-bedroom units, the required storage space is 150 cubic feet (cu. ft.); the project provides 202-364 and 189-287 cu. ft., respectively. For two-bedroom units, the storage requirement is 200 cu. ft. and the project provides 440 cu. ft. of storage space.

### **Public Outreach**

On February 1, 2018 the Applicant facilitated a community meeting at the Otay Ranch Library Branch in the Otay Ranch Town Center (The Hub). Four people from the public were in attendance along with staff and



the applicant team. The key issues raised at this meeting were California Environmental Quality Act review, traffic impacts, pedestrian safety, and adequate services citywide. Also, the residents expressed that there were more people who would be interested in attending the meeting who did not receive the meeting notice. As a result of the issues raised, staff and the Applicant informed those in attendance that a second meeting would be held.

On March 12, 2018 the Applicant facilitated a second community meeting at the Otay Ranch Residence Inn, which is located onsite at the Freeway Commercial SPA. Approximately 15 people from the public were in attendance along with staff and the applicant team. Similar concerns were expressed at this meeting as the first meeting.

On October 16, 2018 the Applicant facilitated a third community meeting at the Otay Ranch Residence Inn. Approximately 20 people from the public were in attendance along with staff and the applicant team. Staff prepared a response to the issues raised by the residents at the three public community meetings. The response matrix is provided as Attachment 6.

### **Conclusion**

Within Freeway Commercial North, the proposed integrated land uses, development intensities and grading program directly implement the provisions of the City's GP and the Otay Ranch GDP that foster "Smart Growth." The proposed project provides all of the public facilities required by the Otay Ranch GDP. The additional higher-density mixed use residential located proximate to the hotels, park, and ancillary retail commercial further implement pedestrian-and transit-oriented policies and is in conformance with the goals, objectives and policies of the GP and the Otay Ranch GDP. The Development Agreement contains specific triggers for the provision of the second hotel, urban park and CPF.

### **DECISION-MAKER CONFLICT**

Staff has reviewed the property holdings of the City Council members and has found no property holdings within 1,000 feet of the boundaries of the property which is the subject of this action. Consequently, this item does not present a disqualifying real property-related financial conflict of interest under California Code of Regulations Title 2, section 18702.2(a)(7) or (8), for purposes of the Political Reform Act (Cal. Gov't Code §87100, *et seq.*).

Staff is not independently aware and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision-maker conflict of interest in this matter.

### **CURRENT-YEAR FISCAL IMPACT**

All costs associated with processing the Project are borne by the Applicant, resulting in no net impact to the General Fund or Development Services Fund. Costs associated with the processing of future implementing permits, will also be recovered by permit and processing fees.

### **ONGOING FISCAL IMPACT**

The proposed project results in an increase of 300 multi-family units within Freeway Commercial North.

The Supplemental FIA for the Freeway Commercial North Amendment estimates an average positive net fiscal impact of \$1,184,595 annually over the next ten years. This represents an average decrease of approximately \$95,931 annually, as compared with the approved project for the same period. See the following table for additional detail.

**Table 5 – Projected Net Fiscal Impact**

	Approved Project		Proposed Project		Change	
	10-Year Cumulative	Average	10-Year Cumulative	Average	10-Year Cumulative	Average
Projected Revenues	\$ 17,571,885	\$ 1,757,188	\$ 18,997,264	\$ 1,899,726	\$ 1,425,379	\$ 142,538
Projected Expenditures	\$ (4,766,623)	\$ (476,662)	\$ (7,151,311)	\$ (715,131)	\$(2,384,688)	\$(238,469)
<b>Projected Net Impact</b>	<b>\$ 12,805,262</b>	<b>\$ 1,280,526</b>	<b>\$ 11,845,953</b>	<b>\$ 1,184,595</b>	<b>\$ (959,309)</b>	<b>\$ (95,931)</b>

**ATTACHMENTS**

1. Locator Map
2. Planning Commission Resolution GDP/SPA/MPP/DAs/Addendum
3. Disclosure Statement
4. Development Agreement Amendment
5. First Amendment to CPF Agreement for Village 2
6. Issues Response Matrix to Community Meeting(s) Comments
7. Response letter – Lozeau Drury
8. GDP and SPA Amendments
9. Tentative Map
10. Design Review
11. Third EIR Addendum
12. Technical Reports

Otay Ranch GDP, Freeway Commercial North SPA Amendments, Tentative Map, Design Review, and Third Addendum to FEIR 02-04, and Technical Reports (Flash drive provided)

*Staff Contact: Stan Donn, Senior Planner, Development Services Department*