

RESOLUTION NO. 2016-_____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING AN AGREEMENT WITH BALDWIN AND SONS, LLC (“DEVELOPER”) FOR THE DEVELOPMENT OF A 100 BED ATHLETE HOUSING PROJECT AT THE OLYMPIC TRAINING CENTER IN SATISFACTION OF A PORTION OF DEVELOPER’S OBLIGATIONS UNDER THE CITY’S BALANCED COMMUNITIES POLICY

WHEREAS, in 1981 the City adopted the Balanced Communities (“Inclusionary”) Policy of the Housing Element of the General Plan; and

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) (the “Affordable Housing Obligation”); and

WHEREAS, on September 25, 2012 and December 15, 2015 the City Council adopted Guidelines to Implementing the Balanced Communities Policy (the “Guidelines”) which provides for alternative methods to meeting the Affordable Housing Obligation; and

WHEREAS, the “Balanced Communities Affordable Housing Agreement” [Otay Ranch Village 2] by and between the City of Chula Vista and Baldwin & Sons LLC,” (the “Developer”) recorded February 1, 2011 as Document No. 2012-0059874 of Official Records of the San Diego County Recorder (“Affordable Housing Agreement”), requires, as a condition to issuance of certain building permits to the land covered by the Otay Ranch, Village 2 Sectional Planning Area (SPA) Plan, an Affordable Housing Regulatory Agreement be entered into between the City and Developer whereby Developer agrees to provide for a specified percentage of the residential units as low income housing and moderate income housing. Furthermore, Section 5 of the Affordable Housing Agreement and the Guidelines allow for alternative methods of compliance for meeting the Affordable Housing Obligation; and,

WHEREAS, Developer is proposing, in partial satisfaction of its Affordable Housing Obligations for Otay Ranch Village 2 and Otay Ranch Freeway Commercial (“PA-12”), to develop and construct a 100 bed housing project for student/amateur athletes with fixtures, appliances, meeting rooms, storage lockers, and associated facilities, along with a stand-alone day-user shower, restroom and locker facility (at a to be determined location at the OTC), and attendant landscaping (collectively, the “Project”) at a different site and to be located at the Olympic Training Center (OTC); and,

WHEREAS, the City has reviewed the Developer’s request to build an off-site housing project at the Olympic Training Center and determined the Project is consistent with the terms of the City’s adopted Balance Communities Policy, its Guidelines, and the Developer’s Affordable Housing Agreement; and,

WHEREAS, the Project will provide housing to meet the special needs of national level student/amateur athletes, who in pursuit of their athletic careers, are typically only employed part time and in need of more affordable housing; and,

WHEREAS, with limited housing opportunities available at the OTC, athletes seek affordable housing within the community and often times in distant areas due to the lack of such choices within closer proximity; and,

WHEREAS, the location of the Project at the OTC will provide athletes affordable and appropriate housing and immediate access to the OTC facility and its training amenities; and,

WHEREAS, the OTC provides a valuable asset and an economic driver to the City and the Chula Vista community will benefit from the increased capacity of the OTC, as a result of the additional beds and the day-visit facilities, and enhancement of the long-term feasibility of the OTC; and,

WHEREAS, the Project offers greater feasibility and/or cost effectiveness by delivering a 100-bed unit housing facility by the summer 2017, well in advance of the requirements of the existing Affordable Housing Agreement where fulfillment of the affordable housing obligation is not anticipated until 2021 based upon market demand and the building permit thresholds; and,

WHEREAS, affordable housing is typically financed leveraging multifamily housing revenue bonds issued by the City's Housing Authority, Low Income Housing Tax Credits, other Federal or State of California financing programs, and financial assistance by the City, with ownership of the housing maintained by the Developer; and,

WHEREAS, greater feasibility and cost effectiveness is achieved for this Project as the Developer is solely responsible for financing the development costs, with ownership of the Project by the City of Chula Vista and Developer forgoing any financial benefit of retaining ownership in a real estate asset; and,

WHEREAS, the City, therefore, finds that the Project advances and is consistent with the specific goals and objectives of the Housing Element, Inclusionary Policy, and Guidelines in providing for housing to meet the special needs of national level student/amateur athletes and provides a more effective and feasible means of satisfying the requirements for affordable housing within Otay Ranch Village 2 and PA 12 and greater public benefit; and,

WHEREAS, in accordance with California Environmental Quality Act (CEQA), the Director of Development Services has determined that the project was adequately covered in previously adopted/certified Final Environmental Impact Report (EIR 89-11) for the Olympic Training Center Sectional Planning Area (SPA) Plan and no further action by the City Council is necessary.

NOW, THEREFORE BE IT RESOLVED by City Council of the City of Chula Vista that this Council does hereby approve the development and construction of a 100 bed housing project for student/amateur athletes with fixtures, appliances, meeting rooms, storage lockers, and

associated facilities, along with a stand-alone day-user shower, restroom and locker facility (at a to be determined site on the OTC), and attendant landscaping (collectively, the “Project”) to be located at the Olympic Training Center (OTC) in partial satisfaction of Baldwin and Sons, LLC’s Affordable Housing Obligations for Otay Ranch Village 2 and PA 12.

BE IT FURTHER RESOLVED, that the City Council of the City of Chula Vista finds, based upon the recitals in this Resolution and the evidence presented at the meeting of the City Council by staff and the public, that the public benefit, feasibility and cost effectiveness of providing the Project at the Olympic Training Center outweighs, when balanced against, the need for providing all of the required affordable housing for low income persons or households within Otay Ranch Village 2 and PA 12.

BE IT FURTHER RESOLVED, by the City Council of the City of Chula Vista, that it directs and authorizes the City Manager, or their designee, to prepare all necessary documents and any actions, as may be required for the development and construction of the Project and authorizing the City Manager, or their designee, to execute a Housing Development Agreement and all other associated documents, consistent with the terms reviewed by the City Attorney’s office and satisfactory to the City that outlines the Developer’s Obligations to deliver the Project in order to receive credits to offset existing Affordable Housing Obligations in Otay Ranch Village 2 and PA 12 and at a minimum and in substantial form subject to the terms and conditions set forth in the attendant Term Sheet, which is on file with the City Clerk’s Office as Exhibit 1 to this Resolution, with such minor modifications, as may be recommended or approved by City Manager and the City Attorney’s Office.

Presented by:

Approved as to form by:

Kelly Broughton
Development Services Director

Glen R. Googins
City Attorney