



CITY COUNCIL AGENDA STATEMENT



October 6, 2020

File ID: 20-0281

TITLE

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING AN AGREEMENT BETWEEN THE CITY OF CHULA VISTA AND HOMEFED VILLAGE 8, LLC AND OTAY LAND COMPANY, LLC, REGARDING CONSTRUCTION OF THE OTAY RANCH VILLAGE EIGHT WEST TOWN SQUARE PARK, NEIGHBORHOOD PARK, AND COMMUNITY PARK

RECOMMENDED ACTION

Council adopt the resolution.

SUMMARY

An Agreement Regarding Construction of Parks (the "Agreement") has been made between HomeFed Village 8, LLC, a Delaware limited liability company and Otay Land Company, LLC, a Delaware limited liability company, (collectively, "Developer"), and the City of Chula Vista (the "City"), providing the terms and conditions for the construction of the Village Eight West's Town Square Park, Neighborhood Park, and Community Park.

ENVIRONMENTAL REVIEW

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 required by the Agreement was adequately covered in previously certified Final Environmental Impact Report (FEIR 10-03) (SCH #2010062093) for the Otay Ranch Sectional Planning Area (SPA) Plan - Village 8 West. Thus, no further environmental review or documentation is required.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

Not applicable.

DISCUSSION

The Developer owns certain real property generally known as Otay Ranch Village Eight West ("Village 8 West" or the "Project"), as shown on **Attachment 1**, and located in the City of Chula Vista (the "Property"). The Developer intends to develop the Property as generally depicted on **Attachment 2** attached hereto.

The City's Parklands and Public Facilities Ordinance (Chula Vista Municipal Code [CVMC] Chapter 17.10 [PLDO]), as amended, requires that development projects provide land and improvements for neighborhood

and community parks and recreational facilities and permits the City to require a combination of dedication and payment of in lieu fees if the City determines that the combination would better serve the public.

The PLDO’s requirements have been and will be imposed on the Project through conditions of approval of the Tentative Subdivision Map for Village 8 West (CVT 19-03) approved by Chula Vista City Council Resolution 2020-034 for the Project (Tentative Map) and supplemental subdivision improvement agreements.

Satisfaction of the PLDO Requirements

The PLDO is utilized to determine the parkland required for the Project. Table 1 below shows the calculation for the Parkland requirement for Village 8 West.

Table 1 - Parkland Calculation				
Dwelling Unit Type	SF Parkland per DU	Number of DUs	SF	Acreage
Single-Family	460	561	258,060	5.92
Multi-Family	341	1,773	604,593	13.88
Total				19.80

The Village 8 West Sectional Planning Area (SPA) Plan anticipates that the Project will provide sufficient area and facilities to meet its recreational needs on site through the provision of a Town Square, a Neighborhood Park, and a Community Park consistent with the Project’s parks master plans and the Parkland Acquisition requirements of the PLDO.

The Project is a common interest development, and, by its approval of the Agreement, the legislative body of the City has determined that both publicly-owned and privately-owned parks developed within the Project are eligible to satisfy park dedication improvement and/or in lieu fee requirements under the PLDO.

Ownership and Maintenance

The City typically owns and pays all or part of the cost to maintain parks using General Fund dollars. In analyzing the anticipated fiscal impacts of Village 8 West, an ongoing fiscal deficit was identified. In order to address that deficit, the Developer agreed to provide a mechanism to fund the maintenance of the Town Square Park and Neighborhood Park, in perpetuity. The Developer proposes to fund such ongoing maintenance activities through a Homeowner’s Association (the “Association”). In order for the Association to fund the ongoing maintenance of the Town Center Park and Neighborhood Park, the Association must retain fee title ownership of the subject properties. The Community Park within the Project will be owned and maintained by the City.

In order to secure full public access and enjoyment of the Town Center and Neighborhood Park, the Developer will grant a Public Access Easement over both parks, in conjunction with the Project’s Final Map. The Town Square Park and Neighborhood Park will be open for park use consistent with CVMC Section 2.66.270. At no time, will the Association modify Town Square Park or Neighborhood Park hours of operation without the approval of the Director of Development Services, or their designee.

The Developer shall also be required to grant an irrevocable offer of dedication (IOD) to the City with the Final Map for a total of 15.11 acres (14.8 usable acres) of the Community Park as provided in the conditions of approval for the Tentative Map. Such IOD is subject to the review and approval of the Development Services Director. The allocation of parkland credits associated with the 14.8 usable acres will be divided as described in Section 2 and 2.1 of the Agreement. The City will be responsible for construction and maintenance of the Community Park.

The Association shall have full decision-making power over events and programming within the Town Square Park and Neighborhood Park. The City shall have the opportunity to request and receive approval from the Association for up to a combined total of twelve (12) City-sponsored events per year at the Town Square Park and the Neighborhood Park, subject only to availability, reasonable insurance and public health and safety requirements. The City shall coordinate directly with the Association to schedule any City-sponsored event. City shall be responsible for repairing any damages to the Neighborhood Park or Town Square Park resulting from any City-sponsored event. In addition, the City shall be responsible for all custodial and trash removal following any City-sponsored event. All events shall be consistent with the Village 8 West SPA Plan and the requirements of the CVMC Section 2.66.

Rentals, Concessions and Events

Rentals, concessions, and special events are contemplated in the Town Square Park and Neighborhood Park. Unless specifically permitted in the Village 8 West SPA Plan, activities within all parks within Village 8 West shall be subject to CVMC Chapter 2.66 Park and Facilities Rules.

The Association shall have full decision-making power over rentals and concessions in the Town Square Park and Neighborhood Park, as well as control over and right to receive any revenues derived therefrom. Both Association members and the public shall have access to rental opportunities within the Town Square Park and Neighborhood Park. Members of the public will coordinate directly with the Association for such rentals and the payment of any rental fees. Association members and the public may secure rentals on a first come-first served basis. The Association shall establish rental fees, consistent with City fees for similar amenities. Rental fees for Association members may be discounted at the discretion of the Association.

Annual Budget Report

The Association shall submit annual park maintenance and reserve budgets, including life cycle replacement guidelines to City for review by the Director of Development Services, or their designee.

Parkland Credits

Parkland Acquisition and Development credits are granted to the Developer by the City in satisfaction of the Project meeting its PLDO obligations. Such credits are transferrable to other owners within Village 8 West for application toward their Parkland Acquisition and Development (PAD) fee obligations at building permit issuance.

Conclusion

This Agreement does not increase or decrease any park obligations but instead clarifies responsibility for the PLDO requirements attributable to the Project by addressing the amount of land required, the required

park design, park construction, bonding, the level of amenities to be provided, event programming and identifies a maintenance funding mechanism, as required by existing Project conditions of approval.

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

The Developer is responsible for the payment of all costs to process the Village 8 West Parks Agreement. There is no net impact to the General Fund, Development Services Fund, or Housing Fund in the current fiscal year as a result of this action.

ONGOING FISCAL IMPACT

The proposed Agreement secures an ongoing funding source for the maintenance and operation of the Town Center and Neighborhood parks to be located in Otay Ranch Village 8 West, while securing public access and enjoyment of the planned parks. The maintenance funding is necessary in order to offset the fiscal deficits that are otherwise indicated for the development of this Project and generates ongoing savings to the City's General Fund. Assuming an annual maintenance cost of \$14,000 per acre, and 8.3 acres of parkland to be privately maintained, this equates to an annual General Fund savings of approximately \$116,200 (2020 dollars).

Implementation costs of the Village 8 West Parks Agreement will be funded through future developer deposit accounts associated with future development applications (final maps). Future costs related to park construction and increases in park construction costs over time will be covered by the Developer, as spelled out in the Parks Agreement. Staff costs associated with ongoing compliance monitoring will be paid by the Developer or its successor.

Ongoing maintenance and operation of the Project's Community Park acres will be a General Fund obligation. Applying the same \$14,000 per acres maintenance cost to the expected 14.8 net Community Park acres results in an estimated ongoing General Fund impact of \$207,200. Per the Fiscal Impact Analysis prepared for the Project, sufficient General Fund revenues will be generated by the Project to offset this cost.

The Community Park is anticipated to be designed and constructed by the City as a capital improvement project. The projected maintenance costs will be more fully analyzed and presented to the City Council for consideration and approval in the future.

ATTACHMENTS

1. Property Description

2. Property Development Concept
3. Village 8 West Parks Agreement
4. Cote Vera Covenants, Conditions and Restrictions (CCRs)

Staff Contact: Janice Kluth, Senior Project Coordinator