

RESOLUTION NO. 2021 - _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
CHULA VISTA APPROVING (1) AN AGREEMENT TO DEFER
BALANCED COMMUNITIES AFFORDABLE HOUSING
OBLIGATION AND TO POST SECURITY, AND (2) A
DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS AGREEMENT CONCERNING AN
AFFORDABLE HOUSING OBLIGATION WITHIN OTAY
RANCH VILLAGE TWO

WHEREAS, the City of Chula Vista (“City”) General Plan Housing Element established Policy 5.1.1 (“Balanced Community Policy”), which requires the occupancy and affordability of ten percent (10%) of each housing development of 50 or more units for low- and moderate-income households, with at least one half of those units (5% of project total units) being designated for low-income households (the “Affordable Housing Obligation”);

WHEREAS, on May 23, 2006, the City approved the Otay Ranch Village Two Sectional Planning Area (SPA) Plan by Resolution Number 2006-156. Condition Number 25 of the SPA Plan requires that all property owners within Otay Ranch Village Two enter into an affordable housing agreement with the City prior to their first Final “B” Map for Village Two for purposes of further implementing its affordable housing obligation, as such is defined in the Affordable Housing Plan of the SPA Plan;

WHEREAS, on September 14, 2010, numerous developers for Otay Ranch Village Two entered into a Balanced Communities Affordable Housing Agreement [Otay Ranch Village Two] which was recorded with the County of San Diego Recorder’s Office on February 1, 2012 as Document Number 2012-0059874 (“Affordable Housing Agreement”);

WHEREAS, Successors in Interest of those properties within Otay Ranch Village Two are required to enter into a separate Declaration of Covenants, Conditions, and Restrictions that is acceptable to the City in satisfaction of the Balanced Communities Affordable Housing Agreement;

WHEREAS, Cornerstone Communities LLC and/or its affiliates (“Developer”) are the successors in interest to title to and developer of certain properties within Otay Ranch Village Two including the construction of a total of 233 residential units (the “Project”), with a corresponding affordable housing obligation of 12 low- and 12 moderate-income housing units (“Village Two Affordable Housing Obligation”).

WHEREAS, on or about January 8, 2021, Developer partially satisfied its Affordable Housing Obligation by making payment of an in-lieu housing fee in the amount \$1,863,300, which represents partial satisfaction of its Affordable Housing Obligation as to fifteen (15) of the required twenty-four (24) Affordable Units;

WHEREAS, Developer has represented to City that it intends to meet the remaining Affordable Housing Obligation by constructing Affordable Units at the nine (9) parcels for which

the City has not yet issued building permits for the Project, or through alternative methods of compliance as provided by Section 5 of Affordable Housing Agreement;

WHEREAS, Developer has requested that the City agree to defer certain scheduled obligations in Section 2(a) of the Affordable Housing Agreement to allow for the release of the remaining nine (9) building permits for the Project in exchange for Developer obtaining a bond, in a form acceptable to the City, to secure performance of the Affordable Housing Obligation;

WHEREAS, the City and the Developer desire to enter into an Agreement to Defer Balanced Communities Affordable Housing Obligation and to Post Security Deferral Agreement (“Deferral Agreement”), on the terms and conditions therein, to secure satisfaction of the remainder of Developer’s Affordable Housing Obligation and authorize the release of the final nine (9) building permits for the Project prior to the actual construction, provision, or payment in-lieu of the Affordable Units;

WHEREAS, City staff has agreed that Developer may partially or fully meet its remaining Affordable Housing Obligation through construction of accessory dwelling units (ADUs) on the remaining nine units within the Project, subject to the construction of said ADUs being consistent with the intent and goals of the Balanced Communities Policy;

WHEREAS, should Developer partially or fully satisfy its Affordable Housing Obligation through construction ADUs on one or more of the nine remaining parcels within the Project, Developer will be required to record a Declaration of Covenants, Restrictions and Conditions (CC&Rs) on said parcels to ensure the use of said ADUs is consistent with the intent and goals of the Balanced Communities Policy;

WHEREAS, if Developer is unable or unwilling to meet its Affordable Housing Obligation through the construction of ADUs, the Developer will be required to meet its Affordable Housing Obligation through the use of Alternative Methods of Compliance as provided in the Affordable Housing Agreement and Deferral Agreement, and such Alternative Methods of Compliance will be secured by a bond to be posted concurrent with the Deferral Agreement; and

WHEREAS, the Project was adequately covered in previously certified Final Second Tier Environmental Impact Report, EIR 02-02 and Final Supplemental Environmental Impact Report, SEIR 12-01 for the Otay Ranch Village Two Sectional Planning Area (SPA) Plan. Notwithstanding the foregoing, the activity qualifies for an Exemption pursuant to Section 15061(b)(3) of the California Environmental Quality Act State Guidelines and no further environmental review is required.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chula Vista that it approves (i) the Agreement to Defer Balanced Communities Affordable Housing Obligation and to Post Security and (ii) the Declaration of Covenants, Conditions and Restrictions Dwelling Unit, in the form presented, with such modifications, changes or additions as may be required or approved by the City Attorney, copies of which shall be kept on file in the Office of the City Clerk,

and authorizes and directs the Mayor to execute the same.

Presented by

Approved as to form by

Tiffany Allen
Director of Development Services

Glen R. Googins
City Attorney