



City of Chula Vista

Staff Report

File#: 15-0549, **Item#:** 7.

RESOLUTION NO. 2015-281 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA AMENDING GUIDELINES TO THE BALANCED COMMUNITIES (“INCLUSIONARY HOUSING”) POLICY

RECOMMENDED ACTION

Council adopt the resolution.

SUMMARY

In September 2012, the City of Chula Vista adopted guidelines to support the consistent implementation of the City’s Balanced Communities Policy of its General Plan Housing Element, commonly referred to as “Inclusionary Housing”. Amendments are proposed to adapt to changing market conditions and anticipated future growth within Chula Vista.

ENVIRONMENTAL REVIEW

The activity is not a “Project” as defined under Section 15378 of the California Environmental Quality Act State Guidelines; therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required.

BOARD/COMMISSION RECOMMENDATION

Not applicable.

DISCUSSION

Adopted in 1981, and currently Policy 5.1.1 in the 2013-2020 Housing Element of the General Plan, the Balanced Communities Policy (“Policy”) was established to increase the diversity of housing prices/rents throughout the Chula Vista community and ensure that the range of prices/rents continues over time. The Policy requires all residential development of 50 units or more to provide 10% of the total number of dwelling units as affordable to low (5%) and moderate (5%) income households.

In order to aid developers early enough in the development process in interpreting the Policy and to address changing market conditions, the “Guidelines to the Balanced Communities Policy” (“Guidelines”) was adopted in 2012. The Guidelines are intended to supplement and support the Policy by reflecting current market conditions and may be updated by the Development Services Director in order to ensure the goals of the policy are continually being met.

Staff is currently proposing some revisions to the language of the guidelines to provide greater clarity in the implementation and usability of the policy (e.g. variances in the applicability of the affordable housing requirements).

Additionally, since the time of adoption of the Guidelines, market conditions and the housing needs of the community have continued to change. With the subsequent elimination of State of California

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Community Redevelopment laws and therefore, Redevelopment Set-Aside funds for low and moderate income housing, the City's ability to financially partner with housing developers to produce affordable housing has significantly diminished. The economic downturn of the mid 2000's and the slow recovery process has seen populations with special needs such as the elderly, disabled, homeless, Veterans, students, and national level student/amateur athletes, who are some of the most economically vulnerable populations, grow. At the same time, the City sees future growth opportunities in the eastern area of the City with the anticipated attraction and development of a university and continued growth of the Olympic Training Center in the eastern area of the City.

Alternative Methods of Compliance & Public Benefit

Currently, the City's Guidelines provide for alternatives for the satisfaction of the Inclusionary Housing requirements other than the construction of new affordable housing within the project ("on-site"). These alternatives include new construction of housing at another site location ("off-site"), acquisition and rehabilitation of existing housing, transfer of surplus credits from one project to another, housing programs and services for populations with special needs and payment of an in-lieu housing fee. The City may approve these alternatives in those circumstances where the proposed alternative provides a more effective and feasible means of satisfying the requirements and a greater public benefit.

As housing prices/rents rise faster than incomes in the San Diego region and financial resources to assist with development of affordable housing choices diminish, the City continually strives to strike the right balance between addressing housing needs and keeping affordability requirements feasible for developers, so the overall housing supply can continue to grow. As every site context is different and special needs may emerge, offering various ways to meet affordability obligations helps developers find the most cost-effective affordability strategy for their particular development situation. By allowing for alternative housing opportunities for extremely and very low income and populations with special needs, the City has flexibility in meeting a wide and varied need of housing options for underserved population groups, including housing types such as shelters, transitional housing, second dwelling units, micro-units, single room occupancy hotels, dormitories, or other specialty housing types consistent with the objectives of the Policy.

The proposed revisions to the Guidelines expand the discussion of alternative methods of compliance to provide greater clarification in its implementation.

DECISION-MAKER CONFLICT

Staff has reviewed the decision contemplated by this action and has determined that it is not site-specific and consequently, the 500-foot rule found in California Code of Regulations Title 2, section 18702.2(a)(11), is not applicable to this decision for purposes of determining a disqualifying real property-related financial conflict of interest under 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.

LINK TO STRATEGIC GOALS

The City's Strategic Plan has five major goals: Operational Excellence, Economic Vitality, Healthy Community, Strong and Secure Neighborhoods and a Connected Community. The development and

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provision of quality affordable housing for low income households within proposed residential developments supports the Economic Vitality goals as it promotes the development of quality neighborhoods that provide a full complement of uses and services in a balanced fashion. With only 16 percent of the housing within the areas east of Interstate-805 available as multifamily housing, the provision of rental units and other alternative housing developments and programs will expand the availability of housing opportunities for all economic segments of the community. With 57 percent of Chula Vista households earning less than the U.S. Department of Housing and Urban Development's area median income, the development of affordable housing addresses the City's Connected Community goals as it provides housing to meet residents' needs and priorities.

CURRENT YEAR FISCAL IMPACT

None

ONGOING FISCAL IMPACT

None

ATTACHMENTS

1. Revised Guidelines to the Balanced Communities Policy

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