



# City of Chula Vista

## Staff Report

**File#:** 16-0376, **Item#:** 9.

CONSIDERATION OF AN ADDENDUM TO FINAL ENVIRONMENTAL IMPACT REPORT (FEIR) 02-04; 2) CONSIDERATION OF AN AMENDMENT TO THE OTAY RANCH FREEWAY COMMERCIAL SPA PLAN (PCM 12-16) AND ASSOCIATED REGULATORY DOCUMENTS, INCLUDING PLANNED COMMUNITY DISTRICT REGULATIONS, AND DESIGN PLAN TO REFLECT THE ADDITION OF MULTI-FAMILY RESIDENTIAL USE AND MIXED USE DESIGNATIONS WITHIN FREEWAY COMMERCIAL NORTH (FC-2). THE PROJECT ALSO INCLUDES A SUPPLEMENTAL PUBLIC FACILITIES FINANCE PLAN; 3) CONSIDERATION OF A TENTATIVE MAP (PCS15-0007); 4) CONSIDERATION OF A MASTER PRECISE PLAN (MPA15-0018); AND 5) CONSIDERATION OF A DESIGN REVIEW PERMIT (DR16-0030).

- A. RESOLUTION NO. 2016-187 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA: CONSIDERING THE SECOND ADDENDUM TO FEIR-02-04; APPROVING THE AMENDMENT TO OTAY RANCH FREEWAY COMMERCIAL SECTIONAL PLANNING AREA (SPA) PLAN, DESIGN PLAN, AND ASSOCIATED REGULATORY DOCUMENTS; AND APPROVING OTAY RANCH FREEWAY COMMERCIAL NORTH MASTER PRECISE PLAN
- B. ORDINANCE OF THE CITY OF CHULA VISTA APPROVING AMENDMENTS TO OTAY RANCH FREEWAY COMMERCIAL SECTIONAL PLANNING AREA (SPA) PLANNED COMMUNITY DISTRICT REGULATIONS (FIRST READING)
- C. RESOLUTION NO. 2016-188 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING TENTATIVE SUBDIVISION MAP CVT 15-0007 FOR OTAY RANCH PLANNING AREA 12 FREEWAY COMMERCIAL NORTH
- D. RESOLUTION NO. 2016-189 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING DESIGN REVIEW PERMIT DR16-0030 TO CONSTRUCT A 212-UNIT MULTI-FAMILY DEVELOPMENT WITH TWO-CAR GARAGES, RECREATION AREAS, AND ASSOCIATED OPEN SPACE ON 8.14 ACRES WITHIN THE OTAY RANCH FREEWAY COMMERCIAL NORTH DEVELOPMENT

### RECOMMENDED ACTION

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

### SUMMARY

Baldwin & Sons, LLC ("Applicant" or "Developer") is requesting to amend the Freeway Commercial Sectional Planning Area (SPA) Plan and the associated Planned Community (PC) District Regulations, in order to develop a mixed use center with a combination of commercial, multi-family, and mixed use residential on an approximately 36-acre site in the northern portion of the Freeway Commercial SPA. The project also includes a Tentative Map and a Master Precise Plan that establishes a unified, walkable, mixed use community intended to enhance living, working, shopping,

and transit options in the area. An EIR Addendum with additional information and analysis concerning potential land use impacts as a result of the proposed amendments will also be considered. On September 24, 2015, the applicant filed applications to process all of the subject items.

## **ENVIRONMENTAL REVIEW**

### **Environmental Notice**

The Project was adequately covered in previously adopted/certified Final Environmental Impact Report (FEIR 02-04) for the Otay Ranch Freeway Commercial Sectional Planning Area (SPA) Plan - Planning Area 12. Pursuant to the California Environmental Quality Act State Guidelines Section 15162, a Second Addendum to FEIR 02-04 has been prepared for the project.

### **Environmental Determination**

The Director of Development Services has reviewed the proposed project for compliance with the California Environmental Quality Act (CEQA) and has determined that the project was adequately covered in 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 prepared a Second Addendum to FEIR 02-04.

### **BOARD/COMMISSION RECOMMENDATION**

On August 10, 2016, the Planning Commission took action and voted 5-0-2 with two Commissioners being absent that the Council adopt the resolutions and the ordinance.

## **DISCUSSION**

### **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 First Addendum to the FEIR analyzed the impact of the General Plan and General Development 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 are found to be less than significant for the current SPA Plan and Tentative Map proposed project and were adequately covered in FEIR 02-04. Therefore, in accordance with Section 15164 of the CEQA Guidelines, the City has prepared the Second Addendum to the FEIR. The Second Addendum provides an environmental analysis of the potential impacts associated with implementing the proposed Freeway Commercial SPA Plan Amendment.

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**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 1). 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. One of the two anticipated hotels is currently under construction, in conformance with the existing commercial entitlement, and anticipated to be completed by spring of 2017. The remainder of the FC-2 site remains vacant and undeveloped.

FC-2 includes approximately 36 acres under two ownerships, Village II Town Center, LLC and SunRanch Capital Partners, LLC (see Locator Map, Attachment 1).

**Existing General Plan, SPA Plan Land Use Designations and Land Use**

	General Plan	Otay Ranch General Development Plan	CV Municipal Code Zoning	PC District Land Use Designation	Existing Land Use
Site – Freeway Commercial	Retail Commercial and Mixed Use Residential	Freeway Commercial and Mixed Use	Planned Community (PC)	FC2a – Commercial Hotel FR2b - Multi-family Residential FC2c –Mixed Use - Comm/MF Park	FC2a – currently under development FC2b, FC2c, park – vacant. FC-1 developed as Otay Ranch Town Center mall.
North	Commercial Retail	N/A - the EastLake II Freeway Commercial	Planned Community (PC)	Freeway Commercial - FC	Existing Commercial shopping center
South	Eastern Urban Center	EUC (Millenia)	Planned Community (PC)	D1	25K proposed retail
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

**Project Description**

The proposed project (“Project”) is an urban mixed use multi-family neighborhood with amenity-rich open space. It will include up to 600 multi-family residential units, 300 hotel rooms, 15,000 square-

feet of mixed use ground floor retail, and a two-acre highly amenitized public park. It is consistent with the GP and GDP goals and vision for Freeway Commercial North and is intended to enhance living, working, shopping, and transit options in the Freeway Commercial North while increasing residents' opportunities for social interaction and recreation. The proposed amendment to the Freeway Commercial SPA Plan implements the Chula Vista GP and Otay Ranch GDP policy objectives for the Freeway Commercial North (i.e. provision of hotels and high density residential with ancillary commercial in a mixed use urban character setting that includes an urban park, GDP Sec II.1.C).

In conformance with the GP and GDP, the project proposes converting approximately 27 acres of Freeway Commercial land use to Multi-Family Residential, 2 acres of Freeway Commercial to Mixed Use, and 2 acres of Freeway Commercial to Public Park uses. 7.6 acres will remain Freeway Commercial use and will accommodate two hotels.

The Hotel corner is situated along Olympic Parkway, west of Town Center Drive for maximum visibility from the SR-125 and Olympic Parkway. Two hotels are anticipated to be built, providing 148 and 152 rooms each, for a total of 300 hotel rooms in the Project. The commercial component of the Mixed Use district will be located along the east side of Town Center Drive, and will contain at least 15,000 square-feet of retail and general commercial space. The commercial space will be provided on the ground floor with residential above, with active frontage to Town Center Drive. Of the proposed 600 dwelling units, 308 are proposed east of Town Center Drive and 292 are proposed west of Town Center Drive. Residential East will consist of for-rent multi-family residential, at the density of 30 dwelling units per acre. Residential West will contain for-sale homes, and will consist of two distinct residential products, both attached multi-family. The townhome product will provide 212 units in the form of 8- and 12-plexes. Three to four-story tall buildings with individual character and massing will serve as a backdrop for the centrally located Public Park. It will create the desired urban height and an interesting skyline that will be viewed from surrounding neighborhoods. The lower density rowhome product will consist of 80 units and will be three-story high 3- and 4-plexes with private back yards and upstairs decks. At 14 dwelling units per acre (DU/ac), the rowhomes will provide a desired balance with the 30 DU/ac apartments and 26 DU/ac townhomes.

Three different types of residential products ensure diversity and add an interest and distinctive character to the neighborhood. Each of the neighborhoods within the Project make up a dense, walkable community that offers modern smaller-scale living accommodations within walking distance to local shops, dining and services within the village, and the immediate surrounding area. It supports an active community that is bike and pedestrian-friendly and is in proximity to available surrounding diverse amenities.

#### Proposed Amendments

The following is a brief summary of the proposed amendments to the Freeway Commercial SPA Plan, Design Plan, and PC District Regulations.

Amend applicable text, tables, and exhibits to reflect changes in zoning necessary to implement the mixed use zoning district with 600 dwelling units, 15,000 square-feet of mixed use commercial and a 2-acre park.

1. Update the SPA Plan to be consistent with the GP/GDP objectives and policies regarding the

Otay Ranch Freeway Commercial North as a “High quality mixed-use transit supportive development within FC-2 with hotels, commercial retail, park and high-density uses through a cohesive, coordinated design that integrates well with the Freeway Commercial South (FC-1) shopping center.”

2. Rezone FC-2 parcel from Freeway Commercial to Mixed Use.
3. Update the Site Utilization Plan from an entirely Commercial land use in FC-2 to Commercial Hotel, Multi-Family Residential, Mixed Use, and Public Park.
4. Update the Project obligations and standards arising from the addition of Residential land use:
  - a. Development Concept: update the Land Use Pattern; add Density Transfer provisions; provide an Affordable Housing Plan; describe the new Urban and Landscape Design concepts.
  - b. Mobility: update the Circulation exhibit; provide new Street Sections.
  - c. Grading: update the Storm Water quality requirements.
  - d. Parks, Recreation and Open Space: include Park, Open Space, and Preserve Conveyance obligation based on the projected 600 dwelling units.
  - e. Development Phasing: add Residential and Mixed Use components to the existing Commercial phasing schedule; update the Phasing exhibit.
  - f. Public Facilities: update the Potable and Recycled Water and Sewer demand projections; update student generation rates and the resulting School obligations; update the Police and Fire Services information; include the CPF obligation of 2.2 acres and implementation procedure.
  - g. Design Plan: add a Conceptual Site Plan exhibit for FC-2 and update the Design Review Planning Areas for the FC-2 parcel. Specific Design Guidelines for the Project are provided in the new Master Precise Plan.
  - h. PC District Regulations: Update Land Use District definitions and exhibit; update the Permitted Use matrix for the new Residential, and Mixed Use districts; update Property Development Standards for the new uses, including lot and building standards, parking requirements, common and private open space provisions.

## ANALYSIS

### 1. SPA Plan Amendment

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

The Freeway Commercial SPA Plan adopted in 2004 and subsequently amended in 2007 includes regulations for both the Freeway Commercial North (FC-2) and Freeway Commercial South (FC-1) sites. The proposed amendment addresses changes to the Freeway Commercial North site only. The applicant is proposing amendments to the SPA Plan in order to develop 600 multi-family residential units, mixed use format commercial consisting of 15,000 square-feet of ground floor commercial retail, and a 2-acre highly amenitized urban park. The SPA Plan amendment would make the document consistent with the GP and GDP as amended in May, 2015.

The proposed new Site Utilization Plan reflects the location of the uses and corresponding acreages in the planning area. Commercial uses are proposed to be sited where they will have optimal visibility and accessibility. Two hotels will be located at the northwest corner of the site with direct visibility from the SR-125 and Olympic Parkway. Ground floor retail and general commercial will be located

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along the east side of Town Center Drive to activate the pedestrian promenade. Residential uses span both sides of Town Center Drive, and are in proximity to transit, shopping, entertainment, employment and adjacent uses such as schools and trails. A highly-amenitized 2-acre Public Park located in the center of the Project along the west side of Town Center Drive is intended to link all of the uses together.

The amended SPA Plan would allow for a reduction of the Landscape Buffer along Olympic Parkway, along the project frontage between SR-125 and Eastlake Parkway, from 75 to 30 feet with Design Review approval by the Planning Commission. Olympic Parkway is designated as a Scenic Roadway in the GP. The GP defines an urban scenic corridor as a route that traverses an urban area, with the scenic corridor offering a view of attractive and exciting urban scenes. The nature of the proposed Project at this location is more urban than the rest of the scenic corridor continuing east toward the Olympic Training Center. A mixed use residential building with ground floor commercial frontage will have a prominent location at the corner of Olympic Parkway and Town Center Drive, creating an activated pedestrian environment. Urban-type three to four story residential buildings with enhanced frontages with a generous amount of windows, balconies, and pedestrian stoops will line the sidewalk on Olympic Parkway, east of Town Center Drive.

The proposed 30-foot buffer in FC-2 must have the following features: it must be heavily landscaped; the urban environment along the scenic corridor will be activated with plazas in openings between buildings; provide pedestrian connections from Olympic Parkway to the project and provide commercial uses along Town Center Drive; and the landscaping must be attractive. The SPA Plan contains Exhibit 5 that shows a conceptual cross-section for the proposed reduced enhancement buffer at this location.

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

Based on Chula Vista Municipal Code Chapter 17.10, the Project generates 4.7 acres of Parkland Acquisition and Development (PAD) obligation. Per Section 5.3 of the Project Development Agreement executed on June 16, 2015, the applicant will satisfy this obligation by providing and developing 2.0 acres of onsite parkland. In-lieu fees equivalent to the remaining 2.7 acres of parkland acquisition and development will be used to further amenitize the 2-acre park, which will be constructed by the Applicant and turned over to the City as a turnkey facility. This approach is consistent with the mechanism used to construct similar highly-amenitized urban parks in the nearby Millenia project. The following table summarizes the planned park funding, assuming current PAD Fee rates. Actual funds to be expended will be subject to the PAD Fee in place at the time the park obligation comes due per the Development Agreement.

Description	Acquisition	Development	Total
Total PAD Requirement, Acres	4.7	4.7	
Less Permanent Easement, Acres	(2.0)	-	
<b>Remaining Obligation, Acres</b>	<b>2.7</b>	<b>4.7</b>	
Remaining Obligation, MF DUs (128 DU/ 1 Acre)	345.60	601.60	
Current In-Lieu Fee, per MF DU	\$ 9,408	\$ 3,980	
<b>Current In-Lieu Fee Obligation, Total</b>	<b>\$ 3,251,405</b>	<b>\$ 2,394,368</b>	<b>\$ 5,645,773</b>

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The Applicant is granting a 2-acre property to the City in a permanent easement for public use. Per the Development Agreement, the Developer is responsible for all costs of maintaining the park. Prior to approval of the first final map for the project, a Community Facilities District (CFD) or other funding mechanism will be established to fund the perpetual maintenance of the park.

Per the Otay Ranch Resource Management Plan (RMP), parcel FC-2 has a preserve land conveyance obligation of 43.5 acres that will be conveyed upon approval of the first final map.

#### *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. The Project will require 2.2 acres of CPF. In accordance with the provisions of Section 5.3.2 of the executed and recorded Development Agreement for Freeway Commercial North, the applicant may satisfy its CPF requirement by the provision of the CPF land offsite, at the discretion of the Development Services Director. The required 2.2 acres of CPF will be provided for within a 6.5 acre site available to be converted in Village 7.

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

The PC District Regulations function as the zoning regulations for the Otay Ranch Freeway Commercial SPA. The PC District Regulations would be amended to include the new land uses. FC-2 is proposed to be divided into 3 sub-land use districts (zones): H for hotels, RM for Multi-Family Residential, MU for Mixed-Use, and P for Park. The Land Use District exhibit has been revised to reflect these land use districts. The amended Permitted Use Matrix and Property Development Standards contain the regulations for the residential and mixed-use commercial/residential use districts.

The PC District Regulations identify the parking standards for each land use category. Freeway Commercial North will be adopting the currently utilized Otay Ranch parking standards within Village 2, with the following modifications that require all parking to be provided on-site.

City of Chula Vista Code	Otay Ranch <sup>(3)</sup>	Freeway Commercial North <sup>(4)</sup>
Dwellings, Multiple: 1-br – 1.5 spaces/unit 2-br – 2.0 spaces/unit 3+-br – 2.0 spaces/unit	RM1 (8-14.9 du/ac): 2.33 spaces/unit <sup>(1)</sup>	RM: 2.33 spaces/unit
	RM2 (15+ du/ac) <sup>(2)</sup> :	R/MU <sup>(2)</sup> :
	1-br – 1.5 spaces/unit 2-br – 2.0 spaces/unit 3+-br – 2.25 spaces/unit	1-br – 1.5 spaces/unit 2-br – 2.0 spaces/unit 3+-br – 2.25 spaces/unit

(1) 1 covered space, 0.33 guest space included

(2) 0.33 guest space included

(3) Tandem parking allowed

(4) Tandem parking allowed. A two-car tandem parking garage counts as 1.75 spaces.

The PC District regulations do not allow residential parking on Town Center Drive. All residential parking will be provided on-site. Similarly to the Otay Ranch standards, tandem parking is allowed for residential uses as a space-efficient solution, in order to reduce the building footprints and achieve the desired massing and higher density, consistent with the intent and vision of the SPA Plan for the

project as a high intensity urban environment. The PC District Regulations count a 2-car tandem space as 1.75 spaces; the remaining 0.25 spaces would be provided as common unassigned spaces on-site, including all required guest parking.

#### *Freeway Commercial SPA Plan Design Guidelines Amendments*

The Design Guidelines set forth design parameters that pertain to site planning, landscape architecture, architecture and signage for all developments within Planning Area 12. The Design Guidelines contain illustrations and requirements to implement the design concepts presented therein. The Freeway Commercial North Design Plan was updated to include the proposed residential and mixed use portion of the project. 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 600-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 payment of bond payments under the approved Community Facilities Districts 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 Fiscal Impact Framework to provide a consistent evaluation with those of other Chula Vista SPAs.

Based on the Supplemental FIA and the assumptions contained therein, both the currently approved plan (i.e. base) and the proposed Project are expected to generate a positive net fiscal impact of \$1.9 million in Years 0 & 1. No construction is assumed to occur on the site in the initial two years of the FIA model. From Year 2 through buildout, both the base and proposed Project are estimated to generate more revenues than expenditures, resulting in a net positive fiscal impact to the City.

The currently adopted SPA plan (base) is estimated to generate annual revenues of \$4.1 million and expenses of \$2.1 million, resulting in a net positive fiscal impact to the City of \$2.0 million annually at build-out. The proposed Project is estimated to generate revenues of \$4.8 million and expenses of \$2.3 million, resulting in a net positive fiscal impact to the City of \$2.5 million annually at build-out. Overall, the proposed Project is estimated to net approximately \$0.5 million per year more to the City than the base plan. The proposed Project's improved fiscal performance is chiefly attributable to Transient Occupancy Tax (TOT) revenues expected to result from development of the hotels.

While hotel uses are allowed under the current FC entitlement, the original FIA for the Freeway



Commercial SPA Plan did not assume hotel generated revenues because there were no assurances that hotels would be developed on either the FC-1 or FC-2 sites. The previously approved Development Agreement for the proposed Project provides financial assurances and development thresholds to ensure the City receives the anticipated tax revenue commensurate with the phasing of the hotel and residential development. The findings in the FIA show that hotel uses generate revenues for the City at a higher rate than general commercial, and the proposed project will generate over a half million dollars more than the base, as described above.

#### *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%) to moderate income households.

Based on the entitlement of 600 residential units in FC-2, 30 low-income and 30 moderate-income affordable units are required. These affordable housing units may be located either within or outside the plan area.

A Housing and Development Agreement between the City of Chula Vista and Baldwin and Sons was executed on April 21, 2016, which allows the Developer to satisfy its affordable housing obligation from credits earned by the development of off-site athlete 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 46,936 gallons per day (gpd), or 21%.

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.

#### *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 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 interfacing 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 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 demonstrate 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.

## 2. Tentative Map

The Tentative Subdivision Map proposes to subdivide 2 existing lots totaling approximately 36.2 acres into 13 lots (3 multi-family, 2 open space, 2 hotel lots, 3 mixed use, 1 park, 1 private street, 1 remainder parcel). The total number of dwelling units proposed is 600 (East residential: lot 3 - 140 units, lot 4 - 93 units, lot 5 - 88 units; and West Residential: lot 6 - 79 units, lot 7 - 140 units, lot 9 - 60 units).

*Project Access:*

Access to the project area is provided from Olympic Parkway via Town Center Drive and a private road east of Town Center Drive. Private Street A and Hotel Drive serve as the primary access points along with other internal private streets which will provide access within the project area. 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 three (3) multi-family residential lots, three (3) mixed use commercial - multi-family residential lots, two (2) hotel lots, two (2) open space lots, one (1) public park, one (1) private street, and one (1) remainder parcel. The subdivision is planned to allow a maximum of 600 residential units.

*Grading:*

The FC-2 site is a triangularly-shaped lot bounded by Olympic Pkwy on the north, SR-125 on the west, Otay Ranch Town Center Mall on the south, and Eastlake Pkwy on the east. PA-12 was sheet-graded in 2005. The topography of the site is relatively flat with elevations of about 620' above mean sea level (AMSL). Descending slopes exist on the west with a maximum height of approximately 30'. Drainage is directed to a desilting basin located north of the property. The property will be graded for 4 sheet-graded parcels for future multi-family residential developments and a park. The property will also include a water quality basin on the west and accommodate utilities, driveways, parking areas, and landscaping. 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 Chula Vista Municipal Code 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.

### 3. Master Precise Plan

A new Master Precise Plan (MPP) for Freeway Commercial North is required by the Freeway Commercial SPA Plan (PC District Regulations, III.E.1) and provides the entitlement bridge linking the approved policies and land use designations of the Freeway Commercial SPA/Design Plan with subsequent project-level approvals within the Freeway Commercial North MPP area. It serves as a framework document by which future "Individual Precise Plans" will be evaluated for compliance with the approved MPP concepts that encompass streetscape and landscape design, signs, and architectural and lighting guidelines.

The MPP supplements the Design Plan. It provides design direction and establishes a detailed framework for building design and siting; pedestrian/vehicle/transit access; urban character/architecture/landscape architecture; and lighting/signage/street furnishings. It contains specific mandatory criteria and general design recommendations for establishing a unifying design theme in FC-2 and for achieving the planning area's intended character and use mix.

The MPP provisions are intended to ensure that FC-2 is developed as a diverse urban center in a walkable urban framework with a quality public realm. It promotes an active community that is bike and pedestrian-friendly and offers diverse amenities. Abstract Spanish with elements of Contemporary California is the defining architectural style linking the entire project together. This

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modern design with cleaner lines emphasizes building massing, interlocking volumes (i.e. scale), mixture of materials on primary facades and a strong connection to the outdoors. Three separate design checklists are included for each of the Hotel, Mixed Use, and the Residential plan areas.

#### 4. Design Review

The project includes a Design Review permit (DR16-0030) for a 212-unit multi-family development, 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 8.14-acre project site is located within neighborhood RM at the western portion of Freeway Commercial North, on a vacant, flat and mass graded parcel west of Town Center Drive. It is bordered by two future hotels on the north, a public park and mixed use commercial on the east, Otay Ranch Town Center mall on the south, and SR-125 and multi-family residential on the west.

##### *Summary of Surrounding Land Uses:*

	General Plan	Zoning	Current Land Use
Site	Retail Commercial and Mixed Use Residential	RM (Multi-Family Residential)	Vacant
East	Retail Commercial and Mixed Use Residential	R/MU (Multi-Family Residential/Mixed Use)	Vacant
North	Retail Commercial and Mixed Use Residential	H (Hotel)	Vacant, one hotel is under construction
South	Retail Commercial	Freeway Commercial	Retail Commercial
West	Residential	RM (Multi-Family Residential)	Vacant

##### *Project Description:*

The multi-family residential project, called “Suwerte,” proposes 212 attached for sale units consisting of 21 separate buildings: ten eight-plexes and eleven twelve-plexes. The units will be three to four story, 2 to 4 bedrooms each with a two-car garage. Homes range in size from 1,173 to 2,272 square-feet. Each unit has a second-floor balcony. Some of the units also feature ground-floor porches and third-floor decks. Six floor plans are proposed.

##### *Compliance with Development Standards:*

The following Project Data Table shows Freeway Commercial SPA development regulations along

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with the applicant's proposal to meet said requirements:

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Assessor's Parcel Number:	643-060-25
Current Zoning:	Multi-Family, RM
General Plan Designation:	Retail Commercial and Mixed Use Residential
Lot Area:	8.14 acres
<b>PARKING REQUIRED:</b> 2 spaces per unit + 0.33 guest space per unit* *Tandem Garages count as 1.75 space, provide additional 0.25 as common parking space  212 units x 2.33 = <b>494**</b> **70 exterior guest spaces minimum (212 units x 0.33 guest spaces)	<b>PARKING PROPOSED:</b> 168 side-by-side garage spaces (84 garages) 224 tandem spaces (128 tandem garages x 1.75) 105 exterior common spaces (70 required guest spaces and 35 additional unassigned spaces).  Total provided: <b>497</b> spaces
<b>Setbacks/height REQUIRED:</b> Front: Subject to Design Review Side: Subject to Design Review Height: 50 feet	<b>SETBACKS/HEIGHT PROPOSED:</b> 5' 10' – 20' (between buildings) 45'-4" feet
<b>OPEN SPACE REQUIRED:</b> <b>Common Useable:</b> 212 Units x 200 square feet Total = 42,400 square feet  <b>Private Useable:</b> 2 br - 80 sq. ft./unit (42 units x 80) - 3,360 sq. ft. ≥ 3 br - 100 sq. ft./unit (170 units x 100) 17,000 sq. ft. Total required: 20,360 sq. ft.	<b>OPEN SPACE PROPOSED:</b> <b>Common Useable:</b> Total = 59,450  <b>Private Useable:</b> Total = 27,822 square feet
<b>Storage Requirement:</b> 2 bedroom required: 200 cu. ft. 3 bedroom Required: 250 cu. ft. 4 bedroom Required: 300 cu. ft.	<b>STORAGE PROPOSED:</b> 2-br: 200 cu. ft. 3-br.: 250 - 417 cut ft. 4-br.: 302 cu. ft.

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 enhanced pedestrian paths along streets, through parking lots, and landscaped areas, courtyards, and paseos to connect residents to the Town Center Park, nearby amenities and other parts of the community.*
- *Interior courtyards, paseos, promenades, and plazas are encouraged to provide more opportunities for social gathering and pedestrian connections throughout the community.*

The Freeway Commercial SPA Design Plan and Freeway Commercial North Master Precise Plan (MPP) include guidelines and policies as shown above, which stipulates that multi-family residential buildings contribute to the pedestrian-oriented design and urban character of the community. The pedestrian features throughout the site meet the intent of the Freeway Commercial SPA Design Plan as described below.

Both passive and active open space areas have been provided throughout the neighborhood and a public park is directly adjacent on the east side for the residents to enjoy. A network of enhanced pedestrian paths along the streets and between buildings and motor courts connect residents to Town Center Drive and out to the mall on the south and Olympic Parkway on the north. A large common and active paseo area is located in the center of the project and is made up of several program elements. It includes a barbeque area with tables and seating underneath a trellis; flexible use lawn space with decorative boulder seating; outdoor ping pong table; exterior lounge furniture surrounded by raised planters, movable furniture by an exterior fire place; a bocce ball court; and two children's play structures for different age groups. A bike rack is provided by the BBQ area. Additionally, a dog park is proposed at the south edge of the site, next to the BRT frontage walkway. A pool and spa with cabanas, a gas fire pit, and a restroom facility and showers is located in the southwest corner of the site. These amenities are provided for residents and promote pedestrian activities and interaction.

Buildings have been oriented to front onto the streets and the future Park, via front stoops, porches, large windows and decks that provide for a pedestrian connection, consistent with the building siting policies and guidelines of the Freeway Commercial SPA Design Plan and MPP.

While pedestrian access is a significant feature in Freeway Commercial North, increased vehicular access is also important in order to offer a variety of ways to access different areas. Dispersion of

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automobile traffic also has the effect of making areas more pedestrian friendly as cars and pedestrians have less direct interaction. Suwerte provides two vehicular access points through Public Street A on the north and Private Street A on the south.

- *Include primary architectural gateway elements on the building's corner at the intersection of Town Center Drive and the Otay Ranch Town Center Mall parking lot entry.*

Buildings at the corner of Town Center Drive and the Mall loop road are oriented towards the street and contain primary architectural elements including covered porches, steel canopies over windows, decorative roof tiles and shaped stucco parapets.

- *Provide secondary village landscape accents, such as special trees and landscaping, lighting, or public art along A Street. Design surrounding buildings and open spaces to create a sense of place at this node.*

Buildings along Private Street A incorporate pedestrian scale architectural and landscape elements, such as generously landscaped walkways, arched entry features and small outdoor plazas.

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 project's architectural style is "Contemporary/Abstract Spanish." Building facades with stucco finish provide interest and articulation through undulation in building massing, variations in height, profile, and roof form. Recessed and projecting bays, diversity of window size and shape reinforce the pedestrian scale and quality of street. The primary facades facing the streets include wood trellises, steel canopies over



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windows, decorative tiled roofs over bay sections, horizontal stucco trim, wrought iron balcony railings, and pre-cast door surrounds. Side and back building frontages incorporate projecting balconies and side patios, shaped stucco parapets, decorative corbels and exterior lights.

Garage access is provided from the back alleys and two-car garages are accessed from one of the two sides of each building. Unit access is provided from the front of the homes. Units above garages have exterior entry stairs leading up to the second floor.

Parking:

The Freeway Commercial SPA regulations require 2.33 spaces per unit (which includes 1 covered and a minimum of 0.33 spaces per unit for guest parking) in the RM Land Use district. The required parking is 494 spaces (212 x 2.33 spaces), and the project provides 497 spaces. Tandem parking garages are allowed, however a 2-car tandem garage counts as 1.75 parking spaces, and the developer has to provide an additional 0.25 space per tandem garage as unassigned exterior parking. Out of the 212 units, 84 have side-by-side garages and 128 units have tandem garages. There are 168 side by side garage spaces (84 x 2 spaces) and 224 tandem garages (128 x 1.75 spaces) for a total of 392 garage spaces in the project. The project provides 105 exterior common spaces, which include 70 required guest spaces (212 x 0.33 spaces) plus the 32 required unassigned exterior spaces for tandem parking (128 x 0.25 spaces), including 3 extra unassigned exterior spaces. All required parking is provided onsite.

Open Space:

The Freeway Commercial SPA regulations require 200 square feet of Common Usable Open Space per unit in the RM zoning district. The 212 units in this neighborhood require 42,400 square feet (200 sq. ft. x 212 units) of Common Usable Open Space. This project provides 59,450 square feet. The SPA Plan also requires 80 square feet of Private Open Space for two-bedroom units (80 sq. ft. x 42 units) and 100 square feet for 3 and 4 bedroom units (100 sq. ft. x 170 units) for a total requirement of 20,360 square feet. The project provides 27,882 square feet.

Storage:

Each of the residential units will provide storage space. Storage space is required for condominium projects at the rate of 200 cu. ft. for 2-bedroom unit, 250 cu. ft. for 3 bedroom unit and 400 cu. ft. for 4-bedroom unit. The project meets these requirements.

**DECISION-MAKER CONFLICT**

Staff has reviewed the property holdings of the City Council and has found that no City Council Member has property holdings within 500 feet of the boundaries of the property which is the subject of this action. Consequently, this item does not represent a disqualifying real property-related financial conflict of interest under California Code of Regulations Title 2, section 18702.2(a)(11), for purposes of the Political Reform Act (Cal. Gov. Code section 87100 *et seq.*).

In addition, staff has conducted a decision maker conflict of interest review concerning City Council Member Miesen and has determined that a potential conflict of interest may exist because it may be reasonably foreseeable that a financial effect on a business entity in which Council Member Miesen has a financial interest may be material.

Staff is not independently aware, nor has staff 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 Freeway Commercial North Project supports the Economic Vitality goal, particularly City Initiative 2.1.3 (Promote and support development of quality master-planned communities). The subsequent SPA Plan amendment implementation documents (the SPA Plan, Master Precise Plan, and TSM) support the development of a high-quality master-planned community (as described above) with a park, jobs, transit, shopping, and other amenities, all within walking distance for residents. The Project implements the Strong and Secure Neighborhoods Strategic goal by providing construction of a development project in a manner that ensures code compliance, public health and safety of the community.

### **CURRENT YEAR FISCAL IMPACT**

All costs associated with preparing and processing the SPA Plan amendment, EIR Addendum, Master Precise Plan, Tentative Subdivision Map, Design Review and all supporting documents were borne by the developer, resulting in no net fiscal impact to the General Fund or the Development Services Fund.

### **ONGOING FISCAL IMPACT**

The proposed project results in an increase of 600 units within Freeway Commercial North. The Supplemental FIA for the Freeway Commercial North Amendment estimates that during Years 0 and 1 there would be no difference in fiscal impact between the base and proposed plan.

For Years 2 through 10 (buildout), when comparing the base to the proposed Project, an increase to the net positive fiscal benefit to the City starting at approximately \$390,000 per year and increasing to over \$536,000 per year is projected, primarily attributable to Transient Occupancy Tax (TOT) revenues generated by the two planned hotels.

If approved, the proposed Project will yield an overall estimated \$2.5 million annual net positive fiscal impact to the City at buildout, compared to an estimated \$2.0 million under the adopted plan. The positive net fiscal impact resulting from this change will continue to accrue to the City well beyond the 10-year buildout of the project.

### **ATTACHMENTS**

- 1: Locator Map
- 2: Planning Commission Resolution No. PCM-12-16, PCS-15-0007, IS-12-003
- 3: Disclosure Statement
- 4A - 4O: Freeway Commercial North SPA Amendments, Tentative Map CVT 15-0007, and

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Second Addendum to FEIR 02-04  
5A - 5E: Engineering, Landscape, and Architectural plans for DR16-0030

Staff Contact: Stan Donn, AICP, Senior Planner