



City of Chula Vista

Staff Report

File#: 16-0442, **Item#:** 12.

CONSIDERATION OF AN ADDENDUM TO FINAL EIR 13-01; AMENDMENTS TO CHULA VISTA GENERAL PLAN, OTAY RANCH GENERAL DEVELOPMENT PLAN, OTAY RANCH VILLAGE 3 NORTH AND PORTION OF VILLAGE 4 SPA PLAN, AND PLANNED COMMUNITY DISTRICT REGULATIONS; AND RELATED TENTATIVE MAP AND AGREEMENTS

- A. RESOLUTION NO. 2016-253 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA CONSIDERING THE ADDENDUM TO FEIR 13-01; APPROVING AMENDMENTS TO THE CHULA VISTA GENERAL PLAN AND THE OTAY RANCH GENERAL DEVELOPMENT PLAN TO REFLECT PROPOSED CHANGES TO THE SECTIONAL PLANNING AREA PLAN FOR OTAY RANCH VILLAGE 3 NORTH AND A PORTION OF VILLAGE 4
- B. RESOLUTION NO. 2016-254 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING A SECTIONAL PLANNING AREA AMENDMENT (MPA16-0008) FOR THE OTAY RANCH VILLAGE 3 NORTH AND A PORTION OF VILLAGE 4 PROJECT, SUBJECT TO THE CONDITIONS CONTAINED IN THIS RESOLUTION
- C. RESOLUTION NO. 2016-255 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING TENTATIVE MAP CVT-16-02 (PCS16-0002) FOR THE OTAY RANCH VILLAGE 3 NORTH AND A PORTION OF VILLAGE 4 PROJECT, SUBJECT TO THE CONDITIONS CONTAINED IN THIS RESOLUTION
- D. ORDINANCE OF THE CITY OF CHULA VISTA APPROVING AMENDMENTS TO THE OTAY RANCH VILLAGE 3 NORTH AND A PORTION OF VILLAGE 4 SECTIONAL PLANNING AREA (VILLAGE 3 SPA) PLAN'S PLANNED COMMUNITY DISTRICT REGULATIONS TO MODIFY ZONING, CLARIFY DEVELOPMENT STANDARDS, REVISE REQUIREMENTS, AND ADD PERFORMANCE STANDARDS IN COMPLIANCE WITH THE AMENDED SPA PLAN FOR VILLAGE 3 (FIRST READING)
- E. RESOLUTION NO. 2016-256 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING THE COMMUNITY PURPOSE FACILITIES AGREEMENT FOR OTAY RANCH VILLAGE 3 BETWEEN THE CITY AND HOMEFED VILLAGE III MASTER, LLC.
- F. RESOLUTION NO. 2016-257 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING AN AGREEMENT REGARDING CONSTRUCTION OF NEIGHBORHOOD PARK P-1 IN OTAY RANCH VILLAGE 3 AND A PORTION OF COMMUNITY PARK P-2 IN OTAY RANCH VILLAGE 4 BETWEEN THE CITY AND HOMEFED VILLAGE III MASTER,

LLC.

- G. RESOLUTION NO. 2016-258 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING A BALANCED COMMUNITIES AFFORDABLE HOUSING AGREEMENT FOR OTAY RANCH VILLAGE 3 BETWEEN THE CITY AND HOMEFED VILLAGE III MASTER, LLC.
- H. RESOLUTION NO. 2016-259 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING AFFORDABLE HOUSING TRANSFER AGREEMENT BETWEEN THE CITY AND HOMEFED VILLAGE III MASTER, LLC, TRANSFERRING A PORTION OF THE VILLAGE 3 AFFORDABLE HOUSING UNIT OBLIGATION TO VILLAGE 8
- I. RESOLUTION NO. 2016-260 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING A GRANT OF EASEMENTS, LICENSE AND MAINTENANCE AGREEMENT FOR OTAY RANCH VILLAGE 3 AND A PORTION OF VILLAGE 4 SECTIONAL PLANNING AREA (VILLAGE 3) BETWEEN THE CITY AND HOMEFED VILLAGE III MASTER, LLC.
- J. RESOLUTION NO. 2016-261 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING A BASIN MAINTENANCE AGREEMENT FOR OTAY RANCH VILLAGE 3 AND A PORTION OF VILLAGE 4 SECTIONAL PLANNING AREA (VILLAGE 3) BETWEEN THE CITY AND HOMEFED VILLAGE III MASTER, LLC.

RECOMMENDED ACTION

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

SUMMARY

The Otay Ranch Village 3 North and a Portion of Village 4 Sectional Planning Area ("Village 3"), located at Heritage Road and Main Street (Attachment 1), was approved in December 2014 (Otay Ranch Village 3 North and a Portion of Village 4 Sectional Planning Area Plan, *et. al*), with 1,597 housing units, Office and Industrial uses, Community Purpose Facilities, Open Space and Preserve, a Neighborhood Park and a School site on approximately 436 acres of land. Today the land is owned by HomeFed Village III Master, LLC (Applicant), and the Applicant is proposing amendments to the approved SPA plan and related planning documents, as well as a new Tentative Map, in order to reconfigure lots, realign streets and modify land uses to make the project more marketable (the "Project"). The revised Village 3 Plan remains consistent with the 2014 residential authorization and the development area remains substantially within the boundaries of the previously analyzed development footprint.

As proposed, the Project requires amendments to the Chula Vista General Plan, the Otay Ranch General Development Plan, and the Village 3 SPA Plan, as well as a new Tentative Map and an Addendum to Final Environmental Impact Report (FEIR) 13-01.

Item	Permit
General Plan Amendment	MPA16-0015
General Development Plan Amendment	MPA16-0016

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SPA Amendment	MPA16-0008
Tentative Map	PCS16-0002
Addendum to FEIR 13-01	PER16-0001

ENVIRONMENTAL REVIEW

Environmental Notice

The Project was adequately covered in previously adopted Final Environmental Impact Report for the Otay Ranch University Villages Project - (FEIR 13-01) (SCH #2013071077), and only minor technical changes were required; therefore Addendum (*per16-0001*) has been prepared.

Environmental Determination

The City's Director of Development Services has reviewed the Project for compliance with the California Environmental Quality Act (CEQA) and determined that the Project is substantially covered in the previously adopted Final Environmental Impact Report for the Otay Ranch University Villages Project - (FEIR 13-01) (SCH #2013071077), 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 Director of Development Services has caused the preparation of an Addendum to FEIR 13-01 (PER16-0001) for consideration.

For information, the proposed Water Quality/ hydromodification basin south of Main Street is outside the boundaries of the FEIR 13-01 but was previously evaluated in the Villages 2, 3 and a Portion of Village 4 Environmental Impact Report (2006).

BOARD/COMMISSION RECOMMENDATION

On November 9, 2016, the Planning Commission approved Resolution MPA16-0015; MPA16-0016; MPA16-0008; PCS16-0002; PER16-0001, recommending that the Chula Vista City Council (Council) approve:

- 1) A Resolution considering the Addendum to FEIR 13-01 and amending the Chula Vista General Plan and the Otay Ranch General Development Plan; and
- 2) A Resolution approving amendments to the Otay Ranch Village 3 North and a Portion of Village 4 Sectional Planning Area (SPA) Plan; and
- 3) A Resolution approving the Otay Ranch Village 3 North and a Portion of Village 4 Tentative Map; and
- 4) An Ordinance amending the Planned Community District Regulations in the Otay Ranch Village 3 North and a Portion of Village 4 Sectional Planning Area (SPA) Plan; and

DISCUSSION

Chula Vista General Plan (CVGP)

Applicant proposes to amend very limited portions of the CVGP to facilitate implementation of the development plan for Otay Ranch Village 3. With the proposed amendments, the Village 3 project will remain consistent with the Chula Vista General Plan's Land Use & Transportation, Economic

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Development, Housing, Public Facilities & Services, Environmental and Growth Management objectives and policies. The proposal includes amendments to CVGP land use designations for the site, as shown in Attachment 3 and Table 1. The proposed Village 3 plan remains compatible with adjacent land uses, and no impacts to adjacent development are anticipated.

Table 1 - Comparison of Land Uses: 2014 SPA to 2016 Project

Land Use	Land Uses Analyzed in 2014 EIR		Proposed Project Land Uses		Approved vs. Proposed Land Uses	
	Acres	Units	Acres	Units	Acres	Units
Low Medium Residential	10.5	51	0	0	-10.5	-51
Medium Residential	122.4	951	116.8	880	-5.6	-71
Medium High Residential	0	0	25.3	439	+25.3	+439
Mixed Use Residential	14.6	595	7.4	278	-7.2	-317
Mixed Use Commercial	11.3	0	0	0	-11.3	0
Prof'l & Office Commercial	0	0	8.3	0	+8.3	0
Industrial	39.9	0	40.6	0	+0.7	0
Park	7.9	0	8.1	0	+0.2	0
Open Space	129.5	0	129.5	0	0	0
Other	32.3	0	32.4	0	+0.1	0
TOTAL	368.4	1,597	368.4	1,597	0.0	0

The Project supports a number of CVGP Objectives, but a few of the more pertinent objectives are identified below:

- CVGP Objective LUT 5 - Designate opportunities for mixed-use areas with higher density housing that is near shopping, jobs and transit in appropriate locations throughout the City.
- CVGP Objective LUT 61 - Create balanced communities that can provide high quality of life for residents.
- CVGP Objective LUT 72 - Develop comprehensive, well-integrated, and balanced land uses within villages and town centers, compatible with the surrounding area.

Employment Land

The Project has been designed to maintain the level of Office and Industrial (Employment) land. As detailed above, the Mixed Use Commercial (commercial/office) designation would be eliminated, and the Professional & Office Commercial designation would increase. Although the

Mixed Use Commercial designation is being eliminated, the square footage available for Office development within the Project increases slightly (139,370 square feet as opposed to the 139,348 square feet in the 2014 adopted plan). The square footage in the original plan included 64,643 square feet of office in a mixed use configuration and 74,705 square feet on a separate office site, while the current proposal provides 8.3 acres of Professional and Office Commercial land. This allows development of the office site in a more marketable configuration, allowing a multi-story building and ample parking on the same site, which was not possible under the 2014 plan.

Active Landfill Buffer

The Project has been designed to comply with regulations prohibiting residential use within 1,000 feet of an active landfill. Although the northern edge of the Mixed Use Residential property falls within the 1,000-foot Landfill Buffer, the Project's Tentative Map has been conditioned (Tentative Map Conditions of Approval - Condition No. 47 in Attachment 11), requiring proof from the Applicant that residential units are at least 1,000 feet from the active landfill area prior to any building permit being issued. Additionally, the Applicant is required to disclose in the Conditions, Covenants & Restrictions for each Homeowners Association within the Village that the property is located in the vicinity of the Otay Landfill (Tentative Map Conditions of Approval - Condition No. 6.c).

Otay Ranch General Development Plan (GDP)

Amendments to the Otay Ranch General Development Plan are necessary to implement the proposed revisions to the Village 3 land plan (See Attachment 4). Proposed amendments include:

1. Add the Office & Professional (O) land use designation to the GDP Land Use Designation Table (to support and be compatible with CVGP land use designations)
2. Convert approximately 8.3 acres of designated multi-family and Mixed Use Commercial (MUC) within the village core to Office and Professional
3. Convert the Mixed Use Commercial (MUC) site (mix of Commercial and Office uses) to Mixed Use (MU) (mix of retail commercial and residential uses)
4. Modify the boundaries of the Mixed Use (MU), Low Medium Village (LMV) and Medium (M) residential boundaries, correlating with the new neighborhood boundaries within Village 3
5. Adjust the distribution of residential dwelling units by category, while retaining the previous overall total dwelling units of 1,597

The proposed Project is designed in conformance with the Otay Ranch GDP. The organization of the land uses within the SPA area meets the GDP objectives of integration and compatibility of land uses within the villages and with adjacent communities. The SPA land use plan also supports GDP land use goals and objectives by providing a range of housing and employment opportunities. The plan continues to adhere to the GDP specific directives for Village 3 to include a business park and village core (composed of mixed use residential/commercial, office, school, neighborhood park, and residential land uses) and residential neighborhoods that offer a variety of housing styles and densities.

SPA Plan Amendment

The adopted SPA Plan, approved on December 2, 2014, established the vision for Village 3 and defined the land use character and mix of uses, design criteria, circulation system, and public infrastructure requirements for the project. The SPA is now being amended in order to reconfigure lots, realign streets and modify land uses in order to make the project more marketable.

Proposed changes to the Project's land uses are summarized in Table 2 below:

Table 2. Net Change in Project's Land Uses

Land Use Designation	2014 SPA			2016 SPA			Net Change		
	Acres	SF	Units	Acres	SF	Units	Acres	SF	Units
RESIDENTIAL									
Single Family Residential			1,002			1,002			0
Multi-Family Residential			595			595			0
Total Residential Units			1,597			1,597			0
NON-RESIDENTIAL									
Industrial	28.6			29.3			0.7		
Office	5.2	74,705		8.3	139,370		3.1	64,665	
Mixed Use Retail	8.2	20,000		9.1	20,000		0.9		
Mixed Use Office		64,643		0	0			(64,643)	
Community Purpose	4.2	0		2.8	10,000		(1.4)	10,000	
Park	25.7			25.9			0.2		
School	8.3			8.3			0		

The proposed changes are described below:

- 1. Revise the single family lotting pattern to increase the variety of lot sizes and products:**
A wide variety of residential product types is proposed within Village 3, including traditional single family detached homes on lots ranging in size from 2,600 square feet to 5,000 square feet. In addition, single family detached homes are planned on lots served by alleys and courtyard driveways.
- 2. Provide a north-south meandering paseo through the single family neighborhoods, providing a pedestrian connection to the elementary school, neighborhood park and village core:** The proposed paseo builds on the Village 3 land use plan that established a pedestrian network featuring the Chula Vista Regional Trail, segments of the Chula Vista Greenbelt Trail and internal network including Village Pathway connections, enhanced Promenade Trails, and the Village Trail. This extensive pedestrian network provides

convenient walking routes to and through the village core and provides connections to the City's regional trail network.

- 3. Reconfigure the Neighborhood Park:** In support of the community focus on wellness and outdoor activities to enhance the quality of life for future residents, a reconfiguration of the Neighborhood Park is proposed. The Village Core contains village-serving commercial/retail uses, residential uses, office uses, a school site and a Neighborhood Park, creating a synergy of land uses and an environment where residents may live, work and recreate.
- 4. Relocate Community Purpose Facility (CPF) site adjacent to the Neighborhood Park:** With the proposed relocation, two of the project's three CPF sites will be located within the Village Core, improving access for the residents that are served.
- 5. Modify central entry street, Avenida Escaya:** Enhancements to the primary entrance to the project, including a grand landscaped median ("Village Green"), will create a sense of arrival and enhance the viability of the retail and commercial spaces fronting the street.
- 6. Provide an additional 3.2 acre Office (O) parcel adjacent to the existing Office parcel:** In order to expand the size and marketability of the employment opportunities within Village 3, an additional 3.2 acres of Office use are proposed. Professional & Office uses are described in the Village 3 PC District Regulations and may include high technology, bio-technical, bio-medical and public and semi-public uses. Uses described above are consistent with the proposed CVPG land use designations.
- 7. Miscellaneous:**
 - *Unallocated Units* - The total number of authorized units (1,597) within Village 3 North includes 327 authorized, but unallocated dwelling units (DUs) (189 single family and 138 multi-family). These units may be allocated to parcels within Village 3, including, but not limited to, the Mixed Use parcels and any school site or portion of any school site not utilized for school purposes. Alternatively, these units may be transferred to other villages per the density transfer provisions of the SPA Plan.
 - *Community Purpose Facility (CPF)* - Pursuant to the Restated and Amended Land Offer Agreement dated July 8, 2014, the total CPF requirement for the project is four (4) acres of land. Of the total 4-acre obligation, the Applicant will receive 1.4 acres of CPF credit for providing 1.8 acres of private parkland (on two private park sites). The remaining 2.6-acre CPF obligation will be met via alternative compliance, as authorized by CVMC 19.48.025(B)(3). The Applicant has proposed an alternate method of compliance with the CPF requirements for Village 3, whereby the CPF-1 acreage is reduced in exchange for zoning 0.94-acre parcel CPF, constructing a 10,000 SF CPF building, site and landscape improvements and reduced rent for a qualifying CPF user/tenant. The Development Services Director has determined that the proposal meets the criteria for equivalency. A draft agreement is attached as Exhibit 8 to this report.
 - *Parking* - In response to the potential parking availability conflicts within higher density neighborhoods with homes offering 5+ bedrooms, Planned Community District Regulations have been modified for the RM-2 zone (18+ units/acre), adding a requirement for an additional 0.5 parking space (onsite) for each bedroom over four (4);

- Applicant prepared a Village wide parking exhibit (Attachment 7)
- *Private Open Space* - California Rooms, which provide a transition from indoor to outdoor living space and may include features to enhance comfort and encourage entertaining (such as fireplaces, lighting and fans), may count toward Private Open Space requirement, subject to Development Services Director review/approval
 - *Side yard Setbacks for Single Family units* - The minimum side yard setback is 3.25 feet (2014 SPA) but in an effort to address practical aspects (trash, yard waste and recycling container access/storage), language has been added to require a minimum of 4 feet of usable side yard space on at least one side of the home, and to require a minimum distance between detached residences of 7.25 feet
 - *Industrial Access* - The Project includes a minor revision to Industrial parcel access. The 2014 SPA and TM included two cul-de-sacs providing access from Heritage Road to the Industrial parcel. The Proposed project eliminates the cul-de-sacs and provides driveway access at the same two locations. As a result, the gross Industrial acreage increased by 0.7 acres and the internal circulation acreage was decreased accordingly. However, there are no new impacts associated with this change.

Planned Community District Regulations

Modifications to the PC District Regulations for Village 3 are proposed in order to create a viable mixed use village core that will create a strong sense of place for residents of Village 3 and surrounding communities and meet market demand for a wider variety of single family lot sizes, multi-family products and commercial and office uses. Proposed modifications include:

1. Rezoning a Residential Multi-Family parcel to Office
2. Rezoning the Commercial/Mixed Use to Mixed Use/Residential
3. Rezoning the School Site to allow for a greater variation in residential density (in the event a school is not built on the site)
4. Modifying the zoning district boundaries to address plan and lotting changes within single family neighborhoods

Village Design Plan

The most significant change to the Village Design Plan is the Urban Theme and Character. The historical agrarian use of the land within Otay Ranch is the inspiration for the theme. Thematic architecture includes Transitional Spanish, Farmhouse and Ranch styles, interpreted in a contemporary way. Simple forms with an earth-toned palette comprised of colored stucco, stone, clay tile and wood accents compliment the architectural theme. The Village Core, with its mix of land uses, will allow for variety but maintains a strong basis in Farmhouse and Ranch architecture.

Business Park Guidelines

The Business Park Guidelines have been amended to require a Business Park Master Site Plan, subject to Design Review, concurrent with the first Design Review Proposal within the business park.

Public Facilities Financing Plan (PFFP)

Although the number of residential units has not changed since the 2014 PFFP was approved, the lot sizes, streets, and land use boundaries have been modified, so a Supplemental PFFP and Updated Fiscal Impact Analysis were prepared (Attachment 5).

The Supplemental Public Facility Finance Plan (Supplemental PFFP) addressed changes to the public facility needs associated with the Village 3 SPA Plan Amendment. The 2014 PFFP was prepared consistent with the requirements of the Chula Vista Growth Management Project and Chapter 9, Growth Management of the Otay Ranch General Development Plan (GDP). The preparation of the Supplemental PFFP is required in conjunction with the preparation of the SPA Plan Amendment for the Project to ensure that the phased development of the Project is consistent with the overall goals and policies of the CVGP, the City's Growth Management Program, and the Otay Ranch GDP, which was originally adopted by the Chula Vista City Council on October 28, 1993 and may be amended from time to time to ensure that the development of the Project will not adversely impact the City's Quality of Life Threshold Standards. This Supplemental PFFP meets the Otay Ranch GDP policy objectives.

The Supplemental PFFP is based on the phasing and Project information presented in the proposed 2016 CVGP, GDP, and Village 3 SPA Amendments. The Applicant prepared technical analyses to supplement the technical reports associated with the original Project approvals and 2014 PFFP, to determine whether the Project's proposed amendments resulted in any changes to financing, constructing or maintaining public facilities within Village 3. The 2016 technical analyses demonstrate that none of the proposed changes to the Project result in changes to Mitigation Measures, Conditions of Approval or Thresholds established in the 2014 PFFP.

The Village 3 Fiscal Impact Analysis was also updated and shows a revised cumulative deficit per unit of approximately \$85 (compared to \$120 per unit in 2014). This negative impact will be offset through the collection of a fiscal impact deficit fee of \$85 with issuance of each residential building permit.

Air Quality Improvement Plan

Minor changes have been made to the exhibits to the Air Quality Improvement Plan to reflect the changes in the Village 3 land use plan. None of the proposed changes to the Project result in changes to Mitigation Measures, Conditions of Approval or Thresholds established in the 2014 PFFP.

Fire Protection Plan

Minor changes have been made to the exhibits to the Fire Protection Plan to reflect the changes in the Village 3 land use plan. None of the proposed changes to the Fire Protection Plan result in changes to Mitigation Measures, Conditions of Approval or Thresholds established in the 2014 PFFP.

Preserve Edge Plan

Changes are proposed to the Preserve Edge, including the minor reconfiguration of lots and

land uses along the Preserve Edge. None of the proposed changes to the Preserve Edge result in changes to Mitigation Measures, Conditions of Approval or Thresholds established in the 2014 PFFP.

Water Conservation Plan

Minor changes have been made to the Water Conservation Plan to reflect the changes in the Village 3 land use plan. None of the proposed changes to the Water Conservation Plan result in changes to Mitigation Measures, Conditions of Approval or Thresholds established in the 2014 PFFP.

Energy Conservation Plan

Minor changes have been made to the exhibits to the Energy Conservation Plan to reflect the changes in the Village 3 land use plan. None of the proposed changes to the Energy Conservation Plan result in changes to Mitigation Measures, Conditions of Approval or Thresholds established in the 2014 PFFP.

Affordable Housing Plan

Minor amendments proposed to the Affordable Housing Plan, allowing “up to” 80 moderate units and “up to” 80 low income units to be built on site. Potential affordable housing locations are limited to the Mixed Use (MU-2) site and the School (S-1) site. The School site would only be developed with residential in the event the school is not built in that location.

Agricultural Plan

No changes are proposed to the Agricultural Plan.

Community Purpose Facility Agreement

A Community Purpose Facility (CPF) Agreement has been prepared, pursuant to the Chula Vista Municipal Code, Section 19.48.025(B)(3). The Code allows, subject to the discretion of the Development Services Director and recommendation from the Planning Commission, an alternative compliance mechanism to provide CPF, provide such alternative mechanism meets certain requirements. Of the Project’s total 4-acre CPF obligation, 1.4 acres is met through the designation of two private recreation facilities (private parks), consistent with CVMC, Section 19.48.025.

The Applicant has proposed an alternative compliance mechanism for one of the three CPF sites within Village 3 (CPF-1 was originally designated as a 2.6-acre parcel). The proposal meets the Code requirements for alternative compliance as follows:

- i. The proposal is equivalent to the CPF acreage otherwise required by Section 19.48.025(B) of the Code.* The City finds that this alternative compliance mechanism more than satisfies the requirement of 2.6 acres of CPF acreage as follows: 0.94 acre CPF land credit, credit of 1.0 acre for the construction of the 10,000 square foot or more building and a credit of 0.66 acres for the rent reduction and the construction of the on-site improvements for the CPF Project and related soft costs. Exhibit “D” to CPF Attachment demonstrates a numerical summary of the alternative compliance.
- ii. The alternative meets the definition of a CPF use in Section 19.48.025(C) of the Code.* Prior to

any conveyance of the CPF Project to a third party, Developer shall record in the Official Records of San Diego County an instrument approved by the Development Services Director that restricts the use of the CPF Project to CPF uses in perpetuity. The initial use of the CPF Project will be a non-profit daycare facility and a non-profit wellness center. Other potential future CPF uses are shown in Exhibit “E” to CPF Attachment.

- iii. The alternative compliance mechanism is guaranteed in perpetuity.* Prior to any conveyance of the CPF Project to a third party, Developer shall record in the Official Records of San Diego County an instrument approved by the Development Services Director that restricts the use of the CPF Project to CPF uses in perpetuity.
- iv. At the time of the consideration by the Planning Commission, the applicant has executed a binding agreement, reviewed and approved as to form by the City Attorney, which ensures the availability of the alternative compliance mechanism in perpetuity.* The Planning Commission considered the CPF Agreement at its hearing on November 9, 2016.

Park Agreement

The Chula Vista Municipal Code, Section 17.10, requires that development projects provide land and improvements for neighborhood and community parks and recreational facilities; however, in the event that a project cannot provide parkland within its boundaries, the Code allows for in-lieu fees to be paid for all or a portion of the parkland obligation.

The Village 3 Project requires approximately 12.2 acres of parkland, and its SPA Plan allows for off-site dedication of park sites within the Village 4 Community Park. The Applicant will satisfy a portion of its park requirement by providing a Neighborhood Park (7.5 acres) in Village 3 in “turnkey” condition. The Project’s remaining park requirement will be satisfied with the dedication of parkland (4.7 acres) and payment of in-lieu development fees for the Community Park in Village 4.

A Park Agreement (See Park Agreement Attachment) has been prepared, detailing the terms and conditions for the Project’s compliance with its parkland obligation requirements.

Affordable Housing Agreement

The Village 3 Project is required to build 80 low income housing units and 80 moderate income housing units (“Village 3 Affordable Housing Obligation”) based upon 10% of the total number of residential units of 1,597 authorized within Village 3.

The Tentative Map for Village 3 requires the Owner to enter into an Affordable Housing Agreement (“Village 3 Agreement”) with the City of Chula Vista. The Affordable Housing Agreement (see attachment below) describes the terms and conditions for Village 3 to meet its Affordable Housing Obligation.

Housing Transfer Agreement

Pursuant to the Village 3 SPA Plan, the Village 3 Affordable Housing Obligation may be deferred/ transferred to a future village or location within Otay Ranch, provided that the recipient village is owned by Village 3 Owner or its affiliate. The Housing Transfer Agreement (see attachment below) describes the terms and conditions whereby a portion of Village 3’s Affordable Housing Obligation (64 low income housing units and 33 moderate income housing units) shall be transferred to the

development of Otay Ranch Villages 8 West and 8 East (collectively, "Village 8"). Village 8 Owner is an affiliate of Village 3 Owner.

Grant of Easement, License and Maintenance Agreement

The City will enter into the Grant of Easements, License and Maintenance Agreement ("GELMA") with the Master Developer to grant non-exclusive easements and rights of way across City-owned property in order to maintain landscaping, geo-grid walls and other improvements. HomeFed Village III Master, LLC (Owner), will initially be responsible for the maintenance obligations but these will be transferred to the Escaya Community Association or other sub-associations in the future. The GELMA includes insurance and indemnity obligations in favor of the City.

Basin Maintenance Agreement

The City and the Master Developer will enter into the Basin Maintenance Agreement for The Otay Ranch Village 3 in order to impose maintenance obligations for the storm water basins servicing Otay Ranch Village 3. In addition, the Basin Maintenance Agreement imposes obligations upon the Master Developer to post security with the City to ensure continued maintenance of the basins. The Master Developer will initially have responsibility for the maintenance obligations and the security posting obligations; however, these obligations will ultimately be transferred to the Escaya Community Association.

EIR Addendum

The City's Director of Development Services has reviewed the Project for compliance with the California Environmental Quality Act (CEQA) and determined that the Project is substantially covered in the previously adopted Final Environmental Impact Report for the Otay Ranch University Villages Project - (FEIR 13-01) (SCH #2013071077), 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 Director of Development Services has caused the preparation of an Addendum to FEIR 13-01 (PER16-0001) for consideration.

Tentative Map

The Tentative Map reflects the Project's land use plan, as described above.

Access to the project area is provided from Heritage Road via Main Street. Avenida Escaya is the primary access point into Village 3, with secondary access from Santa Maya and Paseo Cultura. All streets will conform to the guidelines set forth in the Village 3 SPA plan and City of Chula Vista street design guidelines.

The subdivision consists of Single Family, Multi-Family and Mixed Use lots, along with Office, Industrial, CPF, School, Parks and Open Space lots. The subdivision is planned for 1,597 units, 327 of which may be transferred to another Village in the future.

The Village 3 site is bordered by Heritage Road to the west and north, Main Street to the south, and open space to the east. The topography of the site is sloped, descending from northeast to southwest. Water quality basins are located south and east of the site. Grading plans shall conform

to the City's Subdivision Manual and the City's Development Storm Water Manual requirements.

DECISION-MAKER CONFLICT

Staff has reviewed the property holdings of the City Council members and has found no property holdings within 500 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)(11), 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 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 Village 3 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, Tentative Map, EIR Addendum) support the development of a high-quality master-planned community (as described above) with a park, jobs, shopping and other amenities, all within walking distance for residents.

CURRENT YEAR FISCAL IMPACT

All application fees and processing costs are borne by the Applicant, resulting in no net impact to the General Fund or the Development Services Fund.

ONGOING FISCAL IMPACT

The proposed project results in no net increase in residential units within Village 3.

The Updated Fiscal Impact Analysis (Updated FIA) for Village 3 reflects the construction of 1,270 of the total 1,597 authorized residential units (see previous discussion of Unallocated Units) and minor adjustments to non-residential uses as previously discussed.

The Updated FIA estimates that by Year 4 of Project buildout, the fiscal impact to the City would be net positive (approximately \$145,000), with increasingly positive impacts through buildout. At buildout (Year 17), the Project is anticipated to generate a positive net fiscal impact of approximately \$320,000 annually. This reflects a decrease of nearly \$80,000 from the approved project, which was anticipated to generate annual ongoing positive impacts of approximately \$400,000.

Fiscal Impact Deficit Fee

As established with the approved project, the fiscal impact has been aggregated for Village 3, Village 8 East and Village 10. A fiscal impact deficit per unit has been calculated based on a comprehensive schedule for the three villages, summing the years with a negative fiscal impact and dividing by the sum of the total residential units in the subject villages to determine an appropriate fiscal impact deficit fee. The negative fiscal impacts projected are primarily attributable to the other villages included in the analysis (Village 8 East and Village 10). A fiscal impact deficit mitigation amount of

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\$85 per unit is indicated in the current analysis, which will be collected prior to building permit issuance (see Attachment 16, Draft City Council TM Resolution, Tentative Map Condition of Approval No. 13).

ATTACHMENTS

1. Locator Map
2. Addendum to Environmental Impact Report EIR 13-01
3. Chula Vista General Plan Amendment Justification Report
4. Otay Ranch General Development Plan Amendment Report
5. Village 3 SPA Plan Amendment, including Supplemental PFFP/Updated FIA
6. Village 3 Tentative Map
7. Parking Exhibit
8. Parks Agreement
9. CPF Agreement
10. Affordable Housing Agreement
11. Housing Transfer Agreement
12. General Easement for Landscape Maintenance Agreement
13. Basin Management Agreement
14. City Council Environmental Addendum, GPA and GDP Resolution
15. City Council SPA Plan Resolution
16. City Council TM Resolution
17. City Council PC District Regulations Ordinance
18. City Council CPF Resolution
19. City Council Park Resolution
20. City Council Affordable Housing Resolution
21. City Council Housing Transfer Resolution
22. City Council GELMA Resolution
23. City Council Basin Maintenance Resolution

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