

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
CHULA VISTA APPROVING THE AFFORDABLE HOUSING
TRANSFER AGREEMENT FOR OTAY RANCH VILLAGE 8
EAST BETWEEN THE CITY AND HOMEFED OTAY LAND II,
LLC

WHEREAS, the Housing Element of the City of Chula Vista's General Plan contains an 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 to low income and the remaining five percent (5%) to moderate income households; and

WHEREAS, HomeFed Village III Master, LLC and Flat Rock Land Company, LLC (collectively, "Village 3 Owner") own the property known as Otay Ranch Village 3, Parcels R-6, R-19 and R-20 of Otay Ranch; and

WHEREAS, on June 15, 2021, the City approved the Tentative Subdivision Map CVT-20-0004 for Otay Ranch Village 3 R-19 ("R-19 Tentative Map") by Resolution No. 2021-123 and Tentative Subdivision Map CVT-20-0005 for Otay Ranch Village 3 R-6 and R-20 ("R-6 and R-20 Tentative Map") by Resolution Number 2021-124 which included Condition No. 10 and 15 respectively, requiring that the Village 3 Owner enter into an amended Balanced Communities Affordable Housing Agreement ("Amended Village 3 Agreement"); and

WHEREAS, the Village 3 Owner is required to build an additional 38 units consisting of 19 low income housing units and 19 moderate income housing units ("Remaining Village 3 Affordable Housing Obligation") based upon 10% of the total number of residential units of 1,638 within Village 3; and

WHEREAS, in satisfaction of the condition the Village 3 Owner desires to transfer the Remaining Village 3 Affordable Housing Obligation to Otay Ranch Village 8 East, owned by HomeFed Otay Land II, LLC ("Village 8 East Owner"); and

WHEREAS, consistent with Policy 3.4 of the City's Housing Element of the General Plan, the City has determined that the unique conditions for the development of Village 3 provide an unreasonable hardship for the new construction of units within said Village in light of such factors as the difficulty in integrating due to significant price and product disparity; and

WHEREAS, as set forth in the Village 3 SPA Plan, the Village 3 Affordable Housing Obligation may be deferred to a future village or location within Otay Ranch Planning owned by Village 3 Owner or its affiliate; and

WHEREAS, it is the intent of Village 8 East Owner and the City, by execution of the Transfer Agreement, to allow the transfer of the Remaining Village 3 Affordable Housing Obligation for 19 low income housing units and 19 moderate income housing units ("Transferred

Affordable Housing Obligation”) to the development of Otay Ranch Villages 8 East, Owner of which is an affiliate of Village 3 Owner; and

WHEREAS, on February 18, 2020, the City approved the Village 8 East Sectional Planning Area (SPA) Plan amendment by Resolution No. 2020-036 and the Village 8 East Tentative Subdivision Map for Chula_Vista Tract No. 13-03 by Resolution No. 2020-037, of which Condition Number 7 requires the Village 8 East Owner to enter into an Affordable Housing Agreement with the City prior to approval of Village 8 East Owner’s first Final Map for Village 8 East; and

WHEREAS, the SPA Plan currently provides for the construction of approximately 3,276 total dwelling units within Village 8 East, with a requirement for five percent of these units being designated for low-income households and five percent for moderate-income households, consisting of 328 affordable units; and

WHEREAS, the City finds that the public interest would be served by allowing the Remaining Village 3 Affordable Housing Obligation to be produced or operated within Village 8 East based upon: (1) proximity to public transit; (2) proximity to employment; (3) proximity to services and entertainment; and (4) proximity to the proposed University, which would provide access to university services for the residents and affordable units for students and faculty. Additionally, the provision of the Transferred Affordable Housing Obligation within the Property will not be significantly detrimental to achieving balanced residential communities and will provide at a minimum the equivalent number of required affordable units with comparable rent and occupancy restrictions; and

WHEREAS, the Village 8 East Owner and City wish by this Agreement to assure the satisfaction of the Village 3 Transferred Affordable Housing Obligation, on the terms described in the Affordable Housing Transfer Agreement for the 38 units, increasing the Village 8 East affordable housing obligation to 366 units consisting of 183 low income units and 183 moderate income units.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chula Vista, that it approves the Transfer Agreement between the City and HomeFed Otay Land II, LLC, to authorize the transfer of 38 affordable units from Village 3 to Village 8 East, in substantially the form presented, with such minor modifications as may be required or approved by the City Attorney, a copy of which shall be kept on file in the Office of the City Clerk, and authorizes and directs the City Manager to execute same.

Presented by

Approved as to form by

Tiffany Allen
Deputy City Manager

Glen R. Googins
City Attorney