



CITY COUNCIL STAFF REPORT



November 5, 2024

ITEM TITLE

Housing Policy: Amend Chula Vista Municipal Code Chapter 19.91 (Inclusionary Housing)

Report Number: 24-0272

Location: No specific geographic location

Department: Housing and Homeless Services and City Clerk

G.C. § 84308: No

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

Recommended Action

Place an ordinance on first reading to amend Chula Vista Municipal Code Chapter 19.91 (Inclusionary Housing) to update the residential threshold of applicability from ten to twenty units. **(First Reading)**

SUMMARY

This item amends Chula Vista Municipal Code Chapter 19.91 (Inclusionary Housing) to correct the threshold of applicability to twenty units, as requested by the City Council on May 21, 2024. The updated threshold was inadvertently omitted in the second reading of Ordinance 3572, adopted on May 28, 2024.

ENVIRONMENTAL REVIEW

The Director of Development Services has reviewed the proposed activity for compliance with CEQA. The activity is not a “Project” as defined under Section 15378 of the State CEQA Guidelines because the proposal consists of a reporting action, is not for a site-specific project(s) and will not result in a direct or indirect physical change in the environment. Therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines the activity is not subject to CEQA.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

Not applicable.

DISCUSSION

On [May 21, 2024](#), City Council placed Ordinance 3572 on first reading with one requested amendment to Chula Vista Municipal Code Chapter 19.91 (Inclusionary Housing) to alter the applicable threshold for properties subject to the chapter from ten to twenty units in sections 19.91.050(A), (B), and (C). During the second reading of Ordinance 3572 on [May 28](#), the original language of the ordinance was inadvertently presented and adopted.

This item amends section 19.91.050 to correct the threshold of applicability of the inclusionary requirement from ten to twenty units as directed by City Council on May 21, as follows:

19.91.050 Inclusionary Requirements.

- A. Residential or mixed-use development projects with fewer than ~~ten~~ **twenty** units shall not be required to meet the provisions of this Chapter.
- B. For residential or mixed-use development projects of ~~ten~~ **twenty** or more For-Sale units, except those projects complying with this Chapter in an alternative manner consistent with Section 19.91.080 below, 10% of the units shall be restricted For-Sale at an Affordable Housing Cost, as follows:
1. The first Inclusionary Unit required by this Chapter shall be restricted For-Sale at an Affordable Housing Cost to a Moderate-Income Household;
 2. The second Inclusionary Unit required by this Chapter shall be restricted For-Sale at an Affordable Housing Cost to a Low-Income Household;
 3. All subsequent Inclusionary Units shall follow a similar order of distribution as above such that, to the extent possible, 50% of Inclusionary Units will be restricted For-Sale to Moderate-Income Households, and 50% to Low-Income Households.
- C. For residential or mixed-use development projects of ~~ten~~ **twenty** or more Rental units, except those projects complying with this Chapter in an alternative manner consistent with Section 19.91.080 below, 10% of the units shall be restricted at an Affordable Rent, as follows:
1. The first Inclusionary Unit required by this Chapter shall be restricted as a Moderate-Income Unit;
 2. The second Inclusionary Unit required by this Chapter shall be restricted as a Low-Income Unit; and
 3. All subsequent Inclusionary Units shall follow a similar order of distribution as above such that, to the extent possible 50% of Inclusionary Units will be designated as affordable to Moderate-Income Households, and 50% to Low-Income Households.
- D. Fractional Inclusionary Units that may result from the application of these requirements may be met by rounding up to provide an additional Inclusionary Unit consistent with this Section 19.91.050(C), or by paying a fractional Housing In-Lieu Fee as noted in Section 19.91.070.
- E. If a proposed Residential Development project would result in the elimination of existing deed restricted affordable housing units, the affordable units must be replaced on a one-for-one basis with equally affordable deed restricted units with a new Affordability Agreement recorded that results in resetting and making consistent the duration of affordability consistent with the requirements of this Chapter.

DECISION-MAKER CONFLICT

Staff has reviewed the decision contemplated by this action and has determined that it is not site-specific and consequently, the real property holdings of the City Council members do not create a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov't Code § 87100, et seq.). Staff is not independently aware, and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision-maker conflict of interest in this matter.

CURRENT-YEAR FISCAL IMPACT

There is no impact to the General Fund because of this action.

ONGOING FISCAL IMPACT

There is no ongoing impact to the General Fund. Future costs associated with the review and implementation of policies are covered through the establishment of processing and monitoring fees adopted in the Master Fee Schedule.

ATTACHMENTS

None.

*Staff Contact: Stacey Kurz, Director of Housing & Homeless Services
Kerry Bigelow, City Clerk*