



CITY COUNCIL STAFF REPORT



February 11, 2025

ITEM TITLE

Otay Ranch Village Seven Sectional Planning Area: Amend the Otay Ranch Village Seven Sectional Planning Area Plan, Including Associated Regulatory Documents, and a Tentative Map

Report Number: 25-0028

Location: Generally, south of Birch Road, east of La Media Road, west of California State Route 125, and north of Otay Ranch Village Eight West

Department: Development Services

G.C. § 84308 Regulations Apply: Yes

Environmental Notice: The Project is substantially covered in the previously certified Final Environmental Impact Report (“FEIR”) and Mitigation Monitoring and Reporting Program (“MMRP”) for the Otay Ranch Village Seven Sectional Planning Area Plan (FEIR 04-06; SCH #2003111050; certified by City Council Resolution No. 2004-330 on October 12, 2004). However, minor technical changes and/or additions are necessary, and a First Addendum to FEIR 04-06 has been prepared.

Recommended Actions

Conduct a public hearing and

- 1) Adopt a resolution:
 - a. certifying the First Addendum to FEIR 04-06;
 - b. approving amendments to the Chula Vista General Plan, the Otay Ranch General Development Plan, and the Otay Ranch Village Seven Sectional Planning Area Plan in accordance with the required findings; and
 - c. approving a Tentative Map incorporating the proposed changes to the Otay Ranch Village Seven Sectional Planning Area in accordance with the required findings and subject to conditions.
- 2) Place an ordinance on first reading approving modifications to the Otay Ranch Village Seven Planned Community District Regulations. **(First Reading)**

SUMMARY

Baldwin & Sons (the “Applicant”) proposes to amend the Otay Ranch Village Seven Sectional Planning Area (“SPA”) Plan and the associated Planned Community District Regulations to reclassify 287 previously approved and analyzed single-family residential units for multifamily development (the “Project”). The Applicant’s proposal seeks to allow for housing types more appropriate for the Project Site based on existing development and changes in adjacent land uses since the initial approval of the Otay Ranch Village Seven SPA Plan in 2004. The Project includes a Tentative Map to assign units to three multi-family neighborhoods (R-3, R-4, and R-8).

ENVIRONMENTAL REVIEW

The Director of Development Services has reviewed the proposed Project for compliance with the California Environmental Quality Act (“CEQA”) and determined that the Project is substantially covered in the previously certified FEIR for the Otay Ranch Village Seven SPA Plan (FEIR 04-06; SCH #2003111050; certified by Resolution No. 2004-330 on October 12, 2004). Minor technical changes or additions to this document are necessary to account for the expected Project impacts of reclassifying the dwelling units. However, none of the conditions described in Section 15162 of the CEQA Guidelines calling for the preparation of a subsequent or supplemental environmental impact report exist; therefore, a First Addendum to FEIR 04-06 was prepared for the Project (Attachment 2).

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

On December 11, 2024, the Planning Commission considered the proposed amendments to the Otay Ranch Village Seven SPA Plan, associated regulatory documents, and a Tentative Map. The Commission voted 6-1-0 to adopt Resolution No. 2024-16 (Attachment 3), recommending the City Council adopt a resolution and an ordinance approving the amendments and the Tentative Map. The primary concerns from the Commission were reduced revenues from upzoning the subject neighborhoods from single-family to multifamily residential uses and parking, which the Applicant addressed during the hearing.

DISCUSSION

Background

The Otay Ranch Village Seven SPA Plan and its associated Tentative Maps were originally approved on October 12, 2004, authorizing a total of 1,501 dwelling units. The 2004 approval authorized 1,204 residential units for immediate development in the northern portion of the Village.

On February 26, 2013, the City Council approved the removal of a portion of Village Seven and incorporated it into Villages Eight West and Eight East as part of General Plan and Otay Ranch General Development Plan (“GDP”) amendments designed to support the City’s University and Regional Technology Park. This decrease of approximately 40 acres in the land area of Village Seven resulted in a reduction in the planned residential development from 1,501 to 1,456 units.

Since the approval of the Otay Ranch Village Seven SPA Plan in 2004, 1,120 housing units have been constructed, leaving 336 units unbuilt. The Applicant proposes to reclassify 287 of the remaining units from single-family to multifamily housing and develop them as part of the Project, leaving 49 units undeveloped. Given the small sizes of the Applicant’s remaining parcels, development according to the original SPA Plan documents would limit the number of dwelling units to between 34 and 66 total units leaving over 200 entitled units undeveloped.

Village Seven includes the Federal Aviation Administration's ("FAA") Very High Frequency Omnidirectional Range Tactical ("VORTAC") air navigation system, situated on approximately 50 acres in the village's southwest corner. This facility supports both military and civilian aircraft navigation. While the Village Seven SPA Plan designates the VORTAC site as "undesigned" with potential for future development, the FAA has not indicated any plans to abandon, develop, or sell the site.

The Applicant believes the original Site Utilization Plan for Village Seven no longer represents the highest and best land use given the transformation of the surrounding area into a higher-intensity, mixed-use district anchored by the Village Eight West Town Center located south of the Project Site. The Applicant believes the upzoning of their remaining parcels in Village Seven from single-family to multifamily would better complement the higher-density housing and Town Center core of Village Eight West.

The requested upzoning would not increase the number of units in Village Seven but would instead allow for multifamily housing options to be constructed instead of the single-family homes originally entitled with the 2004 approvals.

Chula Vista General Plan

The Applicant's three properties (R-3, R-4, and R-8; see Attachment 4) currently have a General Plan land use designation of RLM (Low-Medium Residential), allowing residential densities between three and six dwelling units per acre. A portion of Neighborhood R-3, located within the VORTAC site, is also designated as Mixed Use Residential. The proposed amendment changes the designations of the Applicant's portion of Neighborhood R-3 and all of R-8 to RMH (Medium-High Residential), which allows densities between 11 and 18 dwelling units per acre. Neighborhood R-4 would be redesignated as TC (Town Center), with allowable densities between 18 and 45 dwelling units per acre. If the VORTAC is ever decommissioned and sold by the FAA, the property will go through a separate entitlement process.

The requested amendment would increase residential density of 14.5 acres in Village Seven and supports the City's Housing Element by facilitating a broader range of housing types, particularly rental options, while enhancing connectivity to the emerging mixed-use Town Center in Village Eight West. Additionally, the proposed amendment promotes compatibility with planned and developing adjacent uses and aligns with the Chula Vista General Plan's Land Use & Transportation, Economic Development, Housing, Public Facilities & Services, and Environmental objectives and policies (Attachment 5a).

Otay Ranch General Development Plan

The Otay Ranch GDP identifies Village Seven as an urban village comprised of single-family and multifamily residential uses, a mixed-use district located in the village core, a public park, two schools, and areas of open space. The GDP allows for 1,456 dwelling units to be built in Village Seven. The Project does not result in an overall increase in the residential units beyond the currently approved threshold. Instead, the Project reclassifies 287 residential units to the Medium-High Residential and Town Center land use designations.

The proposed amendments to the GDP also include revisions to the Village Land Use Table (Attachment 5, see page II-14, Exhibit 50: Village Seven Land Use Table) to reflect previous approvals (indicated as "2013 Amendment" in the table below). These revisions reflect corrections to the land area of Village Seven following the removal of certain property from its boundary into Villages Eight West and Eight East. The revisions also recalculate acreages associated with the formerly planned uses for the removed property. These changes are cleanup items carried over from amendments approved in 2013 and are not initiated by

the current application.

The table below reflects the cumulative changes in the GDP land use designations associated with the 2013 amendment and the current application:

**Village Seven
General Development Plan Land Use Entitlements vs. Proposed Amendments**

Land Use	Original Land Uses		2013 Amendment		Current Application		Proposed Land Uses		
	Acres	Units	Acres	Units	Acres	Units	VORTAC Ac. In	Ac. Rest of V7	Units
Low-Medium Village Density Residential	154.3	1,053	0	0	-8.2	-287	42	104.1	721
Medium-High Density Residential	37.9	448	-7	-45	14.5	166	0	45.4	614
Town Center	0	0	0	0	3.1	121	0	3.1	121
Mixed-Use	3.7	0	0	0	0	0	3.7	0	0
School Site (S-2)	25.6	0	-25.6		0	0	0	0	
Open Space/CPF/Misc.	141	0	-7		-9.4	0	6	118.6	
Circulation	62.9	0	-3		0	0	0	59.9	
TOTAL	425.4	1,501	-42.6	-45	0	0	51.7	331.1	1,456

The proposed GDP amendment will remain consistent with the recommended General Plan amendments for this area, per the Chula Vista Municipal Code (“CVMC”), and the Project will remain consistent with the Otay Ranch GDP’s land use goals and objectives of integration and compatibility within the village and with adjacent communities and natural resources (Attachment 5).

Village Seven SPA Plan

The majority of the Village Seven SPA has already been developed, except for the VORTAC site and the Applicant’s three remaining undeveloped parcels that are the subject of this Project. The scope of the SPA Plan amendment is confined to the rezoning of the Applicant’s parcels.

Neighborhoods R-3 and R-8 are currently designated as Single-Family Three (SF3) under the existing SPA Plan, which permits single-family residences on lots exceeding 5,000 square feet. These neighborhoods are within a short walking distance from high intensity uses and are planned for future integration with the adjacent mixed-use urban village of Cota Vera within Village Eight West. The proposed amendment seeks to rezone both neighborhoods to Residential Multifamily One (RM1), allowing for densities ranging from eight to 14.9 dwelling units per acre.

Neighborhood R-4 directly abuts a high-density multifamily neighborhood and the Town Center district in Village Eight West. This neighborhood is currently zoned as Single-Family Four (SF4) in the SPA Plan, permitting single-family homes on lots smaller than 5,000 square feet. The amendment proposes to rezone Neighborhood R-4 to Town Center (TC), which accommodates densities between 18 and 45 dwelling units per acre, further enhancing compatibility with the abutting neighborhood (Attachment 6).

Design Plan

The Village Seven Design Plan serves as a blueprint for outlining the intended character and design elements of the planned community. Minor amendments are proposed to incorporate updated architectural influences, such as Contemporary Spanish Mediterranean, California Farmhouse, and California Coastal styles. Additionally, the design criteria for the three neighborhoods transitioning from single-family to multifamily residential are being updated.

Affordable Housing Program

Minor amendments reflect the proposed Project changes and changes to housing policies in the City of Chula Vista and the State of California.

Public Facilities Financing Plan and Fiscal Impact Analysis

A Public Facilities Financing Plan (“PFFP”) is required by CVMC section 19.92.030 for any SPA Plan or Tentative Map. The purpose of the PFFP is to establish compliance mechanisms and standards to ensure public facilities, infrastructure, and services will exist or concurrently be provided to meet the demands of infrastructure and climate protection generated by new development. The Project includes an updated memo to the previously approved PFFP for Village Seven (Attachment 7). The Project does not result in an increase of units in Village Seven beyond the previously approved 1,456 units. Additionally, the facilities necessary to serve Village Seven have already been completed, and as demonstrated by the technical studies for the Project, the existing facilities have sufficient capacity to serve the proposed multifamily units in neighborhoods R-3, R-4, and R-8. No additional or offsite facilities are required. Therefore, the PFFP analysis prepared by a qualified consultant determined that no update or supplement to the PFFP is necessary.

Pursuant to the requirements of CVMC section 19.09.040, the Applicant prepared an updated fiscal impact analysis for the Project (Attachment 7). The Applicant utilized the City of Chula Vista fiscal year 2024-25 model. The base (current entitlement) scenario that includes single-family homes results in larger revenues to the City due to the estimated assessed values on single-family homes being higher than those assessed on multifamily homes. Based on the adjusted Fiscal Impact Analysis Model prepared for the Project, the Project is estimated to cumulatively generate a net positive fiscal impact totaling \$1.22 million during the first 20 years of operation. This compares with a net positive fiscal impact of \$4.38 million during the first 20 years of operation projected for the base (current entitlement) scenario.

Air Quality Improvement Plan

Updates reflect the proposed Project and changes in state building and energy codes. Code references and greenhouse gas reduction measures have also been updated, but none of the proposed changes have any impact on the existing MMRP or thresholds established in the original PFFP.

Water Conservation Plan

Updates reflect the proposed changes in residential unit type, the net effect of which is a reduction in projected water use by approximately 36.4 percent compared to the original SPA Plan. None of the proposed changes to the Water Conservation Plan result in changes to the MMRP or thresholds established in the original PFFP.

Non-Renewable Energy Conservation Plan

Updates reflect proposed changes in the Village Seven SPA Plan and to California Building and Energy codes, which have no impact on the MMRP or thresholds established in the original PFFP.

Fire Protection Plan

Proposed amendments to the Fire Protection Plan for Village Seven reflect the proposed Project changes, but the requirements of the original plan remain applicable with some minor adjustments. The 100-foot Fuel Modification Zones will remain the same throughout the Village Seven Project area. None of the proposed changes to the Fire Protection Plan result in changes to the MRRP, conditions of approval, or thresholds established in the original PFFP.

Planned Community District Regulations

The Planned Community District Regulations reflect the change from 287 single-family to 287 multifamily residential units, as well as updated development standards and regulations associated with the density changes.

Like the GDP amendment, the SPA Plan amendment includes additional revisions to tables and exhibits that reflect corrections to the Village Seven boundaries. These revisions were never updated in the Village Seven SPA Plan following the transfer of property to Villages Eight West and Eight East in 2014. These revisions are cleanup items carried over from previously approved amendments by other property owners' actions and are not initiated by the current application.

The Project would also allow Design Review applications to be administratively approved by the City's Zoning Administrator, implementing a more streamlined approach to the Design Review process in Village Seven. This approach would align with the approval procedure established in other Otay Ranch villages. Zoning Administrator decisions could be appealed to the Planning Commission, consistent with appeal procedures within CVMC Title 19 (Planning & Zoning).

The amended Planned Community District Regulations for Village Seven include minor modifications to maximize design flexibility and streamline processes (Attachment 8). For example, the required private and common open space may be combined to meet the minimum open space standard.

Parkland Obligations

The construction of the Project (287 multifamily units) results in a parkland acquisition and development obligation of 2.25 acres.

After accounting for an existing parkland acquisition credit of 0.89 acres associated with parkland dedications previously provided in Village Seven in excess of their obligation and a Village Seven 2004 SPA outstanding parkland obligation of 0.07 acres, the Project's net parkland acquisition obligation is 1.43 acres.

The parkland development obligation for the project is 2.25 acres plus an outstanding obligation of 0.07 acres in the Village Seven 2004 SPA, totaling 2.32 acres.

The Applicant has elected to pay in-lieu fees equivalent to 1.43 acres to satisfy the parkland acquisition and 2.32 acres to satisfy the parkland development portion of the Parkland Acquisition and Development ("PAD")

fee, in accordance with Chapter 17.10 of the CVMC.

Tentative Map

The Project's proposed Tentative Map (Attachment 4) consists of two multifamily residential lots and two open space lots in Neighborhood R-8, one multifamily residential lot in Neighborhood R-3, and one multifamily residential lot in Neighborhood R-4. This also reflects the allocation of a total of 287 multifamily units to Neighborhoods R-3 (43 units), R-4 (121 units), and R-8 (123 units).

Access to Neighborhood R-8 is provided from La Media Road, access to Neighborhood R-4 is provided from La Media Road and Santa Luna Street, and access to Neighborhood R-3 is provided from Magdalena Avenue. All of these are public streets and have been constructed to their final design standards under the full buildout of the Village.

Housing Impact Statement

The Project would re-entitle previously approved dwelling units within the Otay Ranch Village Seven SPA. CVMC Chapter 19.91 requires residential developments consisting of 50 or more dwellings to provide a minimum of 10 percent of the total number of dwellings as affordable for low- and moderate-income households. Ten percent (10%) of the 287 units approved for development will be reserved as housing affordable to lower-income households, with five percent (5%) being reserved for low-income households and five percent (5%) for moderate-income households.

The Project Site is not identified in the General Plan's Housing Element as a site that could accommodate a portion of the City's obligation toward the indicated regional housing need.

Compliance with Council Policy No. 400-02 (Public Participation)

The Applicant held a community meeting on June 25, 2024, at the HUB at Otay Ranch Town Center with one City staff representative in attendance. No one from the public attended this meeting.

Property owners and residents within 500 feet of the Project Site were notified by mail of the community meeting, and the Montecito Ridge Homeowners Association provided residents within Village Seven with a meeting notice via e-mail.

DECISION-MAKER CONFLICT

~~Staff has reviewed the decision contemplated by this action and has determined that it is not site-specific and consequently, the 500-foot rule found in California Code of Regulations Title 2, section 18702.2(a)(11), is not applicable to this decision for purposes of determining a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov't Code § 87100, et seq.).~~

~~Staff is not independently aware and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision-maker conflict of interest in this matter.~~

Staff has reviewed the property holdings of the City Council members and has found no property holdings within 1,000 feet of the boundaries of the subject property. 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)(7) or (8), 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 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

All processing costs associated with the Project are borne by the Applicant. There are no current-year fiscal impacts to the General Fund or the Development Services Fund as a result of this action.

ONGOING FISCAL IMPACT

The base (current entitlement) scenario projects a net positive fiscal impact to the City totaling \$4.38 million over 20 years, and the proposed scenario projects a net positive fiscal impact totaling \$1.22 million over the same period, a difference of \$3.2 million. The base scenario that includes single-family homes results in greater real property tax revenues to the City due to the estimated assessed values on single-family homes being higher than multifamily homes. General Fund expenditures are anticipated to be incurred to accommodate the development and population growth in community services, public safety, maintenance costs and other general government costs.

ATTACHMENTS

1. Location Map
2. First Addendum to FEIR 04-06 and Technical Reports
3. Planning Commission Resolution No. 2024-16
4. Tentative Map
5. General Plan and Otay Ranch General Development Plan Amended Pages
 - a. Project Narrative & General Plan/Sectional Planning Area Consistency Analysis
6. Otay Ranch Village Seven Sectional Planning Area Plan Amendment and Appendices
7. Update Letter to Public Facilities Financing Plan and Fiscal Impact Analysis
8. Otay Ranch Village Seven Planned Community District Regulations
9. Disclosure Statement

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