



# CITY COUNCIL STAFF REPORT



**April 21, 2026**

## **ITEM TITLE**

Approve Issuance of Bonds: Approve the Issuance of Tax-Exempt Multifamily Housing Revenue Bonds for the Acquisition, Construction, and Equipping of the Sol Vista Apartments Project and Certain Other Matters Relating Thereto

**Report Number:** 26-0139

**Location:** Southwest corner of Santa Victoria Road and Santa Diana Road (Village 2)

**Department:** Housing and Homeless Services

**G.C. § 84308 Regulations Apply:** No

**Environmental Notice:** The proposed Project (the “Project”) is adequately covered in the previously adopted Final Supplemental Environmental Impact Report (“FSEIR”) for the Otay Ranch Village Two Comprehensive SPA Plan Amendment (FSEIR 12-01; SCH #2003091012; and incorporated by reference in City Council Resolution No. 2014-207 on November 4, 2014).

## **Recommended Action**

Conduct a public hearing and adopt a City Council resolution authorizing the issuance of tax-exempt bonds for the Project pursuant to the Tax Equity and Fiscal Responsibility Act of 1982, as amended (“TEFRA”).

## **SUMMARY**

The Project is a proposed 96-unit affordable housing development to be developed by Baldwin & Sons, Inc. (the “Project Sponsor”) within Village 2 in Eastern Chula Vista, to be called Sol Vista Apartments. The proposed resolution would approve the issuance of tax-exempt multifamily housing revenue bonds for construction of the Project on behalf of the City of Chula Vista (“City”) as the local jurisdiction, in compliance with TEFRA. A separate action being considered concurrently would authorize the issuance of the bonds to the Project on behalf of the Chula Vista Housing Authority (“Housing Authority”) as governmental lender.

## **ENVIRONMENTAL REVIEW**

The Project has been reviewed for compliance with the California Environmental Quality Act (“CEQA”), and it has been determined that the Project was adequately covered and addressed in the previously certified FSEIR for the Otay Ranch Village Two Comprehensive SPA Plan Amendment (FSEIR 12-01, SCH

#2003091012, and incorporated by reference in City Council Resolution No. 2014-207 on November 4, 2014), in that the Project is within the scope of the program approved in 2012, and that the FESIR adequately describes the Project for the purposes of CEQA. Therefore, no further environmental review is required.

## **BOARD/COMMISSION/COMMITTEE RECOMMENDATION**

The Housing and Homeless Advisory Commission considered the item on Wednesday, March 25, 2026. It voted 3-0 to make an advisory recommendation to the Housing Authority in support of the item.

## **DISCUSSION**

### **Background**

The Project Sponsor is the master developer of the Village 2 SPA. The Village 2 SPA is subject to an Affordable Housing Agreement, which requires that ten percent (10%) of the 2,786 units approved for development within Village 2 be set aside for low and moderate-income households. The Project would partially fulfill this requirement.

The Project is one component of a 599-unit mixed-use development to be constructed at the intersection of Santa Victoria Road and Santa Diana Road/Birch Road, as shown in Attachment 1. The Chula Vista Planning Commission approved the 599-unit development on December 13, 2023, under Planning Commission Resolution No. 2023-24. The Project was approved in accordance with California Gov. Code, §§ 65915-65918, (aka California's Density Bonus Law or "CDBL") which allows for various reductions in development standards in exchange for providing onsite affordable housing. In accordance with CDBL, the Project was approved for reductions in onsite parking, private open space, common usable space, and public plaza space. While the 96-unit affordable component will be a standalone building, it is treated together with the rest of the development as a single project for the purposes of the City's land use approvals. Under the Project's Density Bonus Regulatory Agreement, which was executed as of July 8, 2025, all 96 units will be restricted to low-income households earning at or below eighty percent (80%) of the Area Median Income for San Diego County (the regulatory agreements associated with the tax credits and bonds will have deeper income targeting, and the most restrictive layer automatically applies). The Project will consist of 37 one-bedroom units, 31 two-bedroom units, and 28 three-bedroom units.

The Project is located to the south and west of the intersection of Olympic Parkway and La Media Road. The area is considered a "moderate resource" neighborhood according to the California Tax Credit Allocation Committee ("CTCAC") [2025 opportunity map](#). The adjacent neighborhood to the east of La Media Road is considered a "high resource" neighborhood, and other nearby districts are considered "highest resource." There are a number of amenities less than one mile from the Project site, including Otay Ranch Senior High School, Saburo Muraoka Elementary School, Mater Dei Catholic High School, Grove Park, and Paterna Park. Heritage Park and Heritage Station (an MTS Rapid bus stop) are approximately 1.3 miles away from the Project site. The Otay Ranch Town Center, with grocery stores and major retail outlets, is approximately 1.5 miles away. Additionally, the larger mixed-use development at this site will include 11,400 square feet to be occupied by a commercial tenant.

There are three (3) separate actions that must be formally approved by the City and/or Housing Authority prior to the issuance of tax-exempt bonds by the Housing Authority:

- Inducement Resolution – This authorizes the Housing Authority, in coordination with the Project Sponsor, to apply for tax-exempt bonds on behalf of the Project. On July 16, 2025, the Housing and Homeless Advisory Commission voted to recommend adoption of the Inducement Resolution by a vote of 6-0. On August 5, 2025, the Housing Authority adopted HA Resolution No. 2025-006 authorizing the inducement of up to \$25 million in tax-exempt bonds. (At the time of application, the amount requested was reduced to \$14 million.)
- TEFRA Hearing (this action) – Under TEFRA, the City must hold a TEFRA hearing (which is a public hearing allowing members of the public to provide comment) before approving the bond issuance in its authority as the local jurisdiction.
- Issuance Resolution – This authorizes the issuance of the bonds on behalf of the governmental lender (the Housing Authority) after they have been awarded by the California Debt Limit Allocation Committee (“CDLAC”). The bond issuance resolution is scheduled to be considered immediately following the TEFRA Hearing.

### **Project Financing**

Under the proposed financing structure of the Project, the Housing Authority would be the conduit bond issuer for tax-exempt multifamily housing revenue bonds in an aggregate amount not to exceed \$14 million for new construction and operation of the Project.

The development cost is currently projected to total \$44.0 million, or approximately \$458,000 per unit. This figure excludes the cost of land acquisition, which will be contributed by the Project Sponsor, as is often done in master developments with inclusionary obligations and contributes to the per unit cost being significantly lower than the current industry average for similar affordable developments. The Project is also able to realize cost savings in a number of other ways, including but not limited to (1) a cost-effective design (a light wood frame building with a surface parking lot); (2) economies of scale from spreading the architectural, engineering, and other fixed costs across the entire 599-unit complex; (3) a simplified set of funding sources resulting in lower legal and administrative costs; and (4) no funding layers that trigger prevailing wage or similar labor wage standards.

An application was submitted on September 9, 2025, to CDLAC and to the CTCAC for the companion tax credits. On December 10, 2025, the application was approved for funding via CDLAC Resolution No. 25-352. The bond allocation and tax credit contributions will be used to substantially finance the Project. Tax credits and bond financing do not cover the entire cost of construction. In this case, the Project Sponsor does not intend to seek other public financing for the gap but will instead finance the remaining cost through private sources such as a mortgage or general partner equity contribution.

### **DECISION-MAKER CONFLICT**

Staff have reviewed the property holdings of the City Council members and have found no property holdings within 1,000 feet of the boundaries of the property that 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)(7) or (8), for purposes of the Political Reform Act. (Gov. Code, §87100, et seq.)

Staff are not independently aware, and have 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**

The Multifamily Housing Revenue Bond program is a self-supporting program, with the borrower responsible for the payment of all costs of issuance and other costs of the bonds. The City will have no financial, legal, or moral obligation, liability, or responsibility for the Project or the repayment of the Bonds for the financing of the Project. All financing documents with respect to the issuance of the Bonds will contain clear disclaimers that the Bonds are not obligations of the City but are to be paid for solely from funds provided by the Borrower. The Housing Authority will recover costs associated with bond administration by assessing fees to the Project in accordance with the Master Fee Schedule (Fee Bulletin 19-100). The current fee for bond origination is twenty basis points (0.20%) of the issuance amount, with a minimum fee of \$15,000. The origination fee range would be between \$15,000 and \$28,000.

## **ONGOING FISCAL IMPACT**

The Multifamily Housing Revenue Bond program is a self-supporting program. Staff costs associated with monitoring compliance of the regulatory restrictions and administration of the outstanding bonds will be reimbursed from an annual administrative fee paid to the Housing Authority by the owner. The current fee amount for a 96-unit development is \$17,000 annually.

## **ATTACHMENTS**

1. Project Location Map

*Staff Contact: Brian Warwick, Housing Manager  
Stacey Kurz, Director of Housing and Homeless Services*