



Municipal Code Update: Affordable Housing Production

Planning Commission

Item 5.1

April 24, 2024

Overview

Amend Chula Vista Municipal Code (CVMC)

- Chapter 19.90 (Affordable Housing Incentives)
- Section 19.58.460 (Objective Design Standards)

Additions to CVMC

- Chapter 19.91 (Inclusionary Housing)
- Chapter 19.93 (Residential For-Sale Affordable Unit Requirements)
- Chapter 19.94 (Marketing, Application, Lottery, and Waitlist Requirements for Affordable Rental Housing Projects)

Housing Element Commitments

RHNA Obligations

Income Category (% of County AMI)	6 th Cycle Unit Obligation	Percent	Percent of Affordable
Extremely and Very Low (<51%)	2,750	25%	43%
Low (51 to 80%)	1,777	16%	28%
Moderate (81 to 120%)	1,911	17%	30%
Above Moderate (> 120%)	4,667	42%	
Total	11,105		

Source: City of Chula Vista Housing Element of the General Plan, adopted July 13, 2021.
Percentages are rounded. RHNA = Regional Housing Needs Assessment

Housing Element Commitments

Action 3.4

- Review and update Balanced Communities Policy (Inclusionary Housing) within 36 months of Housing Element adoption

Action 3.6

- Update Chapter 19.90 (Density Bonus) within 24 months of Housing Element adoption

Action 4.1

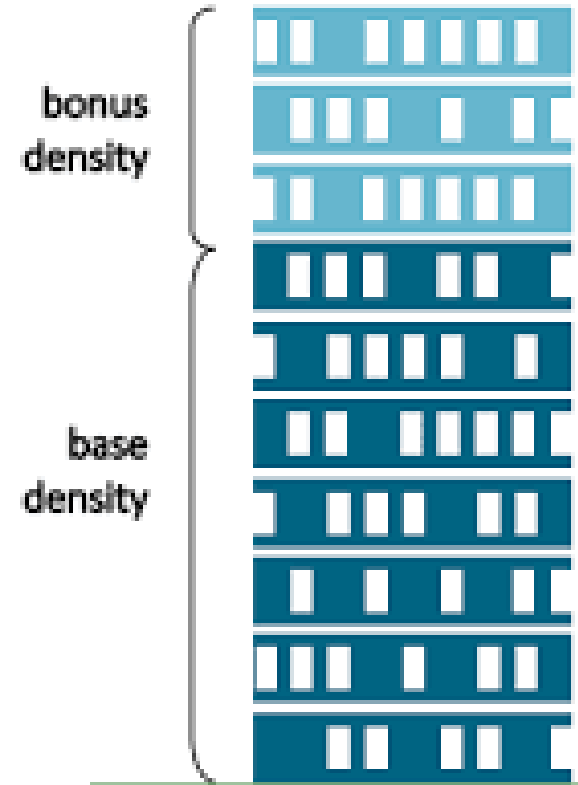
- Affirmatively further fair housing

Chapter 19.90 - Density Bonus *Proposed Amendments*

State law (Gov't Code Section 65915)

- Development incentives in exchange for affordable units
- Amended frequently

Local Update to defer to State law



Inclusionary Housing *History*

Goal: Provide affordable housing to meet population needs & distribute throughout the City.

1981

- Balanced Communities Policy
- Projects 50+ units, 10% affordable

2005

- In-lieu fee established
(\$12,422/market rate unit)

2012

- Administrative guidelines established
- Western Chula Vista exempted

2022

- Western Chula Vista exemption repealed

Chapter 19.91 - Inclusionary Housing

Stakeholder Engagement



Chapter 19.91 - Inclusionary Housing *Proposal*

RECOMMENDATIONS

	Existing Policy	Initial Policy Recommendations (Oct 2023)	Revised Policy Recommendations (Mar 2024)
Inclusionary Unit Requirement	10%	10%	10%
Project Size Threshold *	All new residential development with 50 or more units	All new residential development, with pro rata in lieu fee for fractional units	All new residential development with 10 or more units
Ownership Housing Affordability Mix	50% moderate- and 50% low-income	50% moderate- and 50% low-income	50% moderate- and 50% low-income
Rental Housing Affordability Mix	50% moderate- and 50% low-income	30% moderate-, 30% low-, and 40% very low-income	50% moderate- and 50% low-income

Chapter 19.91 - Inclusionary Housing

Review Methodology

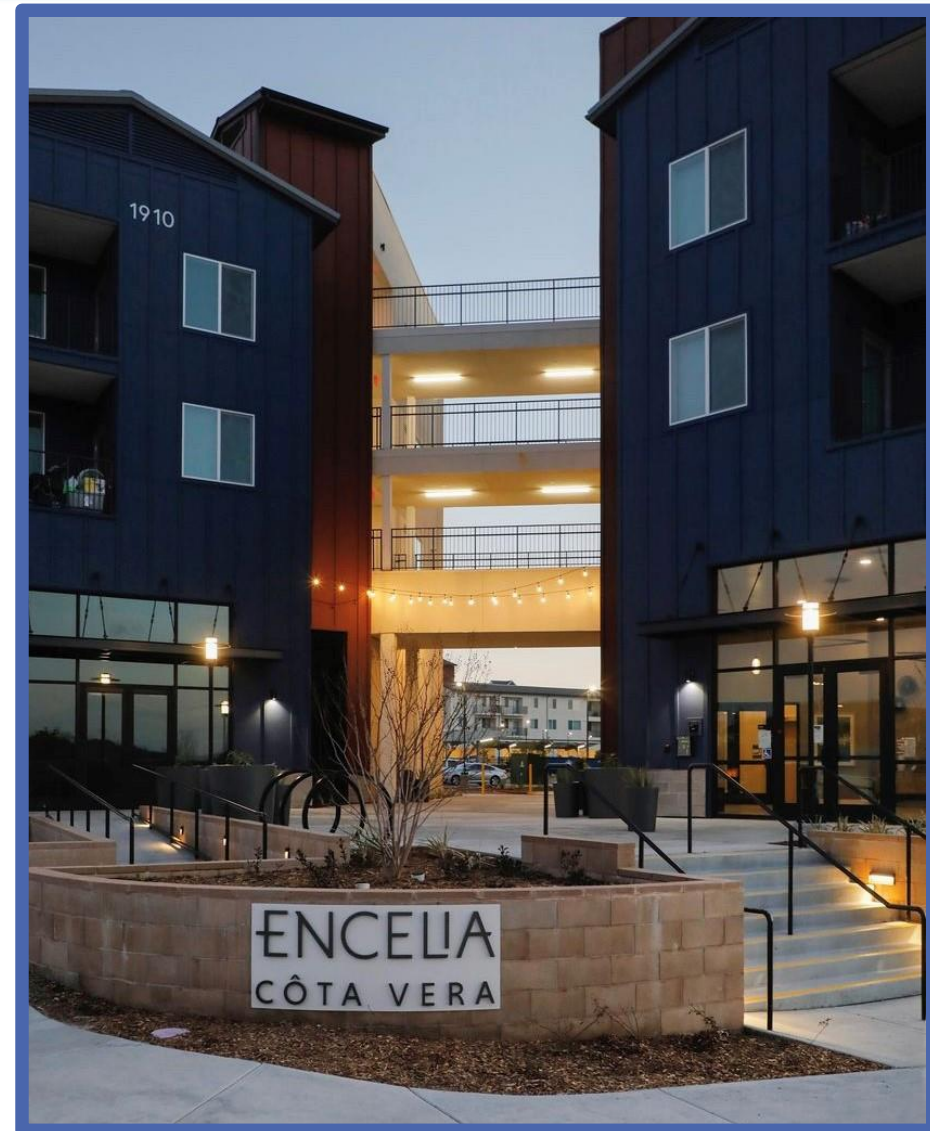
- Reviewed historic and pipeline development, zoning code and Sectional Planning Area plans
- Identified 5 typical development prototypes
- Analyzed development costs, revenue potential, and projected profit (for-sale prototypes) and net operating income (rental prototypes)
- Calculated funding gap from selling/renting at an affordable price
- Considered developer feasibility based on profit margin and yield on cost

Developed a set of policy recommendations

Chapter 19.91 - Inclusionary Housing

Alternative Methods of Compliance

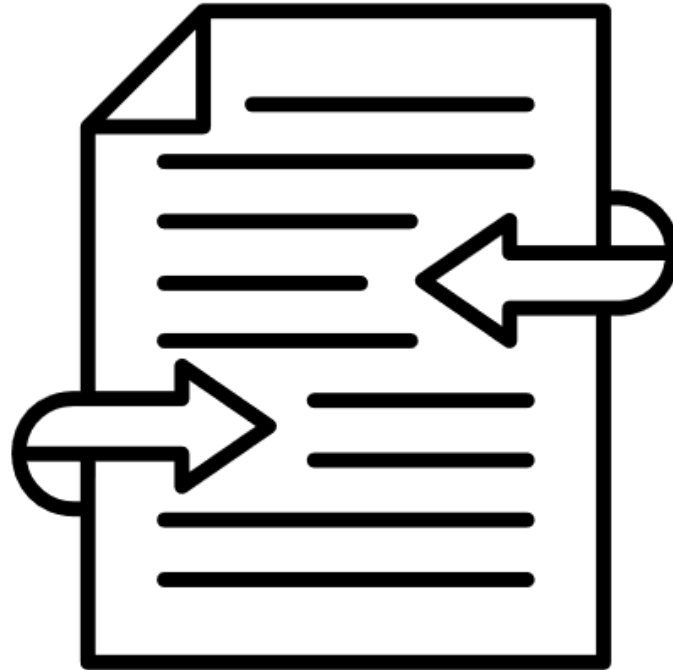
- Off-site Affordable
- Land Dedication
- Market Rate Unit Conversion
- Preservation of At-Risk Housing
- Credit for Additional Affordable Units
- Incentive Credits for Deeper Affordability



Section 19.58.460 - Objective Design Standards

Proposed Amendments

Minor clerical edits for consistency with State and local municipal code (Density Bonus, Inclusionary)



Chapter 19.93

For-Sale Affordable Unit Requirements



Codifies longtime Council Policy (453-02)
Details covered in Administrative Guidelines



**Provides criteria for advertising and sale of
affordable homeownership units**



**Requires Value Capture Agreement
(Shared Appreciation Loan)**

- City recycles principle + a portion of equity growth
- More efficient than resale restrictions

Chapter 19.94

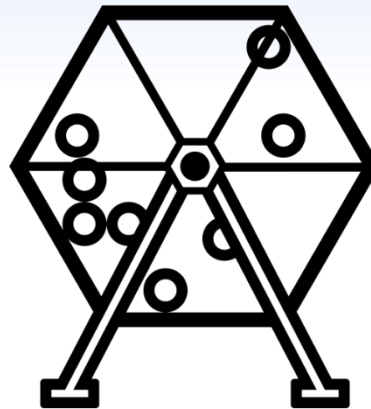
Marketing, Application, Lottery, and Waitlist Requirements for Affordable Rental Housing

- ✓ Title VI of the Civil Rights Act of 1964
- ✓ Fair Housing Act
- ✓ California's Fair Employment and Housing Act

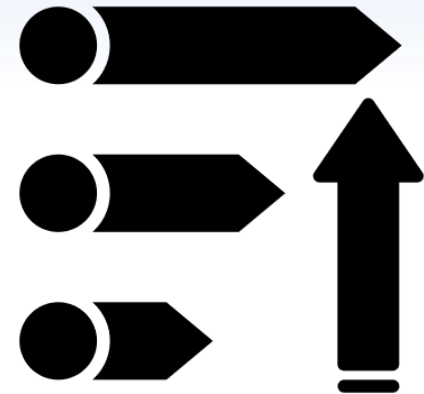
Robust Outreach



Lottery



Local Preferences



Chapter 19.94

Affordable Lottery Preferences

1st

- Chula Vista residents displaced due to government action; or
- Currently receiving program services & referred by Housing & Homeless Services.

2nd

- Received a no-fault termination of tenancy, within past 2 years, which was subject to Chula Vista Municipal Code Chapter 9.65 (Residential Tenant Protection).

3rd

- Currently live or work in Chula Vista.

4th

- All other eligible members of the general public.



RECOMMENDATION

Adopt a resolution recommending the City Council adopt the proposed ordinances approving amendments and additions to Chapter 19 of the Municipal Code.