

U.S. Department of Homeland Security
U.S. Citizenship and Immigration Services
Immigrant Investor Program
131 M Street, NE, Mailstop 2235
Washington, DC 20529



**U.S. Citizenship
and Immigration
Services**

Date: May 29, 2024

Discovery California LLC
C/O HomeFed Corporation
1903 Wright Place, Suite 220
Carlsbad, CA 92008

Application: Form I-956F, Application for Approval of an Investment in a Commercial Enterprise

Applicant(s): Discovery California LLC
RC2200000461

Re: Initial I-956F, Application for Approval of an Investment in a Commercial Enterprise
INF2360005686

On November 22, 2023, Discovery California LLC (“the Regional Center”) filed a Form I-956F to request an Initial I-956F, Application for Approval of an Investment in a Commercial Enterprise in accordance with section 203(b)(5)(F) of the Immigration and Nationality Act (“INA”). The Regional Center was initially approved for designation in the Regional Center Program (“the Program”)¹ on December 7, 2023.

Specifically, the Form I-956F requests the following:

- Determination of EB-5 compliance for Initial I-956F, Application for Approval of an Investment in a Commercial Enterprise.

Effective as of the date of this notice, and as discussed further below, USCIS approves the Regional Center’s request.

¹ INA § 203(b)(5)(E) and its predecessor at Sec. 610 of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act of 1993, Pub. L. 102-395 (repealed by the EB-5 Reform and Integrity Act of 2022, Div. BB of the Consolidated Appropriations Act, 2022, Pub. L. No. 117-103).

I. Determination of EB-5 Compliance for an Initial I-956F, Application for Approval of an Investment in a Commercial Enterprise

Through this Form I-956F and the documents submitted, the Regional Center requests determination of EB-5 compliance for an Initial I-956F, Application for Approval of an Investment in a Commercial Enterprise. The Regional Center presented evidence asserting that Otay Village 8E Lender LLC, the new commercial enterprise (NCE), seeks to raise up to \$249.6 million in equity from up to 312 immigrant investors through the sale of Class A units in a private offering. The NCE will use the proceeds of the offering to make a loan to HomeFed Village 8E LLC, the job-creating entity (JCE). The JCE will use the EB-5 capital to partially fund and/or repay bridge financing connected to the development and construction of the Otay Village Phase III Project, which consists of the following four components within the Otay Ranch Master Planned Community in Chula Vista, California (“Project”):

- Horizontal development (grading, utilities, roads, parks, and landscaping) of an approximately 576.5-acre tract of land for the future build out of the Village 8 East residential community. Estimated development cost is \$423.3 million; and
- Vertical development of the Stirling multifamily residential community in Village 8 West (Cota Vera Phase I), which consists of 272 two-story rental townhomes located generally at 2045 Paseo Belluno, Chula Vista, California 91913. Estimated development cost is \$150.2 million;
- Vertical development of the Luminary multifamily residential community in Village 8 West (Cota Vera Phase I), which consists of 267 apartments ranging in size from studios to 3-bedrooms located generally at 6000 Luminary Drive, Chula Vista, California 91913. Estimated development cost is \$116.5 million; and
- Vertical development of the Artesian multifamily residential community in Village 3 (Escaya), which consist of 220 apartments ranging in size from studios to 3-bedrooms located generally at 1151 Encanto Loop, Chula Vista, California 91913. Estimated development cost is \$89.1 million.

The Project’s total development budget is estimated at approximately \$779.1 million. The anticipated capital stack is comprised of the \$249.6 million EB-5 loan, three construction loans totaling \$216.5 million, and \$312.9 million developer equity. The construction phase of the Project is expected to last from July 2023 to June 2027.

After review of the documents submitted in connection with this request, USCIS has determined that the Regional Center has demonstrated that the Initial I-956F, Application for Approval of an Investment in a Commercial Enterprise complies with the EB-5 requirements.

The Regional Center asserts construction activity will last longer than 2 years. Therefore, USCIS approves the Form I-956F based on evidence submitted indicating that the investment from EB-5 petitioners will

create sufficient direct jobs and indirect/induced jobs in accordance with INA § 203(b)(5)(E)(iv)(I)² to support 312 EB-5 investors.

USCIS also approves the Regional Center's assertion that the Project is located in a census tract³ that qualifies as a high unemployment area (HUA) category of targeted employment area (TEA) in accordance with INA § 203(b)(5)(D)(viii).

The HUA designation is valid until two years from the filing date of this I-956F application.⁴

The approval of an I-956F shall be binding for purposes of the adjudication of subsequent Forms I-526E, Immigrant Petition by Regional Center Investor, filed by immigrants investing in the same offering described in this I-956F application, and of petitions by the same immigrants filed under INA § 216A unless—

- (I) the applicant engaged in fraud, misrepresentation, or criminal misuse;
- (II) such approval would threaten public safety or national security;
- (III) there has been a material change that affects eligibility;
- (IV) the discovery of other evidence affecting program eligibility was not disclosed by the applicant during the adjudication process; or
- (V) the previous adjudication involved a material mistake of law or fact.

² INA § 203(b)(5)(E)(iv)(I) permits aliens seeking admission to satisfy only up to 90 percent of the job creation requirement with jobs that are estimated to be created indirectly through investment. An employee of the new commercial enterprise or job-creating entity may be considered to hold a job that has been directly created. If the jobs estimated to be created are created by construction activity lasting less than 2 years, Applicants may satisfy only up to 75 percent of the job creation requirement with jobs that are estimated to be created indirectly through investment. INA § 203(b)(5)(E)(iv)(II). If the number of direct jobs estimated to be created has been determined by an economically and statistically valid methodology, and such direct jobs are created by construction activity lasting less than 2 years, the number of such jobs that may be considered direct jobs for purposes of clause (iv) shall be calculated by multiplying the total number of such jobs estimated to be created by the fraction of the 2-year period that the construction activity lasts. INA § 203(b)(5)(E)(v)(II)(cc).

³ The Application contains a TEA analysis prepared by Baker Tilly US LLP dated August 31, 2023. The Regional Center's assertion that the Project qualifies as a HUA is based on the unemployment rate in San Diego County, Census Tract 06073013317, which contains the addresses for the Luminary, Artisan, and Stirling subprojects noted in section I of this notice. The source data is the Census Bureau's 2017-2021 Five-Year American Community Survey.

⁴ An immigrant investor who has invested the required amount of capital in a TEA designated as a HUA during the period in which the area is designated will not be required to increase the amount of investment due to the expiration of the designation.

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If the Regional Center has any questions concerning its designation under the Immigrant Investor Program, please contact the USCIS by email at:

USCIS.ImmigrantInvestorProgram@uscis.dhs.gov

Sincerely,

A handwritten signature in black ink that reads "Alissa Emmel". The signature is written in a cursive style with a large initial "A" and "E".

Alissa L. Emmel

Chief Immigrant Investor Program

cc: SGG Immigration LLP
C/O Michele Franchett
707 Wilshire Boulevard, Suite 3200
Los Angeles, CA 90017