



CITY COUNCIL STAFF REPORT



December 7, 2021

ITEM TITLE

Memorandum of Understanding: MOU Between the City of Chula Vista, City of San Diego and Tri Pointe Homes Regarding Processing Expectations Related to Entitlement Review and Future Annexation for the Nakano Project

Report Number: 21-0210

Location: East of Interstate 805 and south of Otay Valley Regional Park adjacent to jurisdictional boundaries of Chula Vista and San Diego

Department: Development Services

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

Recommended Action

Adopt a resolution authorizing a Memorandum of Understanding for the development and future annexation of the Nakano Property.

SUMMARY

This item requests City Council approval of a proposed Memorandum of Understanding (“MOU”) between the City of Chula Vista, the City of San Diego, and Tri Pointe Homes regarding the processing of the entitlement review and for the future detachment of a 23.8-acre parcel located in the City of Chula Vista and annexation of same into the City of San Diego.

ENVIRONMENTAL REVIEW

The Director of Development Services has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a “Project” as defined under Section 15378 of the State CEQA Guidelines because it will not result in a physical change in the environment; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the activity is not subject to CEQA. Thus, no environmental review is required.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

Not applicable

DISCUSSION

The subject property (the “Nakano property”) is an unimproved 23.8-acre parcel located within the City of Chula Vista, south of the Otay River, east of Interstate 805, and adjacent to the jurisdictional boundary between the City of Chula Vista and the City of San Diego. The property is located in the Otay Mesa Community Plan area of the City of San Diego. All existing utilities are located within Dennery Road, which is located in the City of San Diego. Additionally, there is an adjacent multifamily development east of the Nakano property that is entirely within the City of San Diego.

Tri Pointe Homes desires to build multifamily residential homes on the property. Although the property is entirely within the City of Chula Vista, the Nakano property does not have direct access to City of Chula Vista utilities and services. If developed, services would need to be provided by the City of San Diego. As a result of this jurisdictional complexity, the Nakano property is a candidate for “reorganization” from the City of Chula Vista to the City of San Diego. The reorganization will entail a sphere of influence boundary amendment and resolutions from both cities necessary to initiate an application with the San Diego Local Agency Formation Commission (“LAFCO”) to amend the City of Chula Vista’s and the City of San Diego’s sphere of influence boundaries. This action would ultimately detach the property from the City of Chula Vista and annex the property to the City of San Diego.

The proposed MOU is an agreement to meet and confer to coordinate the orderly development of the property, ensuring that all parties will:

1. Provide an open exchange of information regarding the project.
2. Attempt to reach agreement on all items of mutual concern regarding the project.
3. Work together to determine whether and when more formal implementing agreements are necessary and work together on the terms of such.
4. Coordinate plans, studies, and environmental document preparation and review.
5. Address design and impacts to public facilities, including (but not limited to) streets and parks, and agree to work together on a plan to provide services, which will be provided to LAFCO.
6. Agree that the project shall be entitled in the City of Chula Vista prior to annexation into the City of San Diego.
7. Agree that the City of Chula Vista will be the lead agency for review under the California Environmental Quality Act (“CEQA”), with the City of San Diego as the responsible agency, as defined in Public Resources Code Sections 21067 and 21069, respectively.
8. Meet and negotiate should any disagreements arise.

The MOU does not commit the City of Chula Vista to the project, or to any definite course of action. It specifically states that each party reserves the right to exercise its full discretion as to all matters which it is, by law, entitled or required to exercise its discretion relative to the project, individually and collectively. The City does not waive its right to review, object to, or challenge any action taken by any other party to the MOU relative to the project or any portion thereof.

The MOU will be valid for a two-year term, with two, one-year extensions authorized, if all parties consent. Any party to the MOU can terminate the agreement with written notice to other parties.

The MOU was approved by the City Council of the City of San Diego on July 20, 2021 (Attachment 1). The MOU has been signed by Tri Pointe Homes, property owner and the City of San Diego representatives listed in Attachment 1.

Staff recommends that the City Council authorize the City Manager to sign the Nakano property MOU.

DECISION-MAKER CONFLICT

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 property which 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 (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 current year fiscal impact associated with entering into the MOU. All project review costs are borne by the applicant resulting in no net impact to the General Fund or the Development Services Fund as a result of this action.

ONGOING FISCAL IMPACT

There is no ongoing fiscal impact as a result of this action.

ATTACHMENTS

1. Memorandum of Understanding for the Nakano Project

*Staff Contact: Laura C. Black, AICP, Assistant Director of Development Services
Tiffany Allen, Director of Development Services*