



CITY COUNCIL STAFF REPORT



April 14, 2026

ITEM TITLE

Agreements: Landscape Maintenance Agreements with HomeFed Village 8E, LLC and California Department of Transportation Related to Maintenance of Caltrans Right-of-Way in Otay Ranch Village 8 East

Report Number: 26-0093

Location: Village 8 East – West of State Route 125, South of Olympic High School, West of La Media Road

Department: Development Services

G.C. § 84308 Regulations Apply: Yes

Environmental Notice: The proposed actions are exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3), the “common sense” exemption, as it can be seen with certainty that there is no possibility that the approval of these agreements may have a significant effect on the environment.

Recommended Actions

Adopt a resolution A) approving the Landscape Maintenance Agreement between the City of Chula Vista and HomeFed Village 8E, LLC for the maintenance of a specified area within the Caltrans right-of-way associated with the Otay Ranch Village 8 East project; and B) authorizing the City Manager to execute a Landscape Maintenance Agreement with the California Department of Transportation for the same right-of-way area.

SUMMARY

HomeFed Village 8E, LLC (“HomeFed”) is developing Otay Ranch Village 8 East and requires the installation and ongoing maintenance of landscaping, fencing, slope stabilization, and related improvements within a portion of the California Department of Transportation (“Caltrans”) right-of-way along State Route 125. Caltrans requires that these improvements be maintained pursuant to a formal interagency Landscape Maintenance Agreement between the City of Chula Vista (“City”) and Caltrans. The proposed actions address this requirement.

ENVIRONMENTAL REVIEW

Approval of the Landscape Maintenance Agreement with HomeFed Village 8E, LLC and authorization for execution of the Landscape Maintenance Agreement with the California Department of Transportation are administrative actions that do not authorize any new construction or physical changes to the environment.

The physical improvements for the site were previously reviewed and approved as part of the Otay Ranch Village 8 East project. Accordingly, the proposed actions are exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3), the “common sense” exemption, as it can be seen with certainty that there is no possibility that the approval of these agreements may have a significant effect on the environment.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

Not applicable

DISCUSSION

Otay Ranch Village 8 East is a master-planned residential community currently under development by HomeFed Village 8E, LLC. As part of the project, improvements including slope grading, erosion control, landscaping, fencing, and related appurtenances are proposed within a defined portion of the Caltrans right-of-way along State Route 125. These improvements are necessary to support project design, safety, and long-term interface with the adjacent state highway.

Caltrans requires that any improvements constructed within its right-of-way be subject to its standard Landscape Maintenance Agreement (“Caltrans LMA”), which identifies long-term maintenance responsibilities and performance standards and establishes a local agency as the responsible maintenance entity (Attachment 1).

Under the Caltrans LMA, the City would be obligated to maintain the identified right-of-way area in accordance with the Streets and Highways Code, the Caltrans Maintenance Manual, and applicable encroachment permit requirements. These obligations include ongoing landscaping and irrigation maintenance; vegetation management; erosion control and slope monitoring; removal of unsheltered encampments; graffiti and debris removal; and related inspection and reporting requirements.

In addition, the Caltrans LMA includes provisions related to the SR-125 Interchanges Project Approval and Environmental Document (PA&ED) process, including potential future grading adjustments to maintain consistency with the final PA&ED design, as well as assignment of responsibility to the City for certain corrective work associated with grading performed under the encroachment permit.

Although the City would serve as the responsible public agency in the Caltrans LMA, the proposed companion Landscape Maintenance Agreement between the City and HomeFed (“HomeFed LMA”)(Attachment 2) would pass all obligations under the Caltrans LMA, including maintenance, operational, and related financial responsibilities to HomeFed. The proposed HomeFed LMA would establish the mechanism by which all obligations required under the Caltrans LMA would be assumed by HomeFed. To ensure performance of obligations associated with landscape maintenance and potential corrective grading and related work required under the Caltrans LMA, the HomeFed LMA requires the Developer to provide securities, in a form approved by the City, to guarantee completion of such work.

Additionally, HomeFed must obtain and maintain insurance coverage consistent with Caltrans requirements and name the City and State as additional insureds and fully indemnify and defend the City against claims arising from activities performed pursuant to the Caltrans LMA within Caltrans right-of-way, including

claims asserted by Caltrans. The agreement allows HomeFed to assign its obligations to the Cota Vera homeowners' association, ensuring long-term maintenance responsibility after project buildout.

If obligations under the Caltrans LMA are not performed, Caltrans retains the right under its agreement with the City to undertake corrective maintenance at the City's expense or require removal of the improvements and restoration of the right-of-way. The HomeFed LMA contractually assigns to HomeFed or its successor all responsibilities, costs, and liabilities associated with the City's obligations under the Caltrans LMA.

This pass-through structure allows the City to satisfy Caltrans' legal and operational requirements while ensuring that all costs, risks, and responsibilities associated with the Caltrans LMA are borne by HomeFed or its successor.

This staff report requests City Council approval of two related actions. First, adoption of Resolution A, approves the Landscape Maintenance Agreement between the City and HomeFed, which is a prerequisite to City assuming obligations under the Caltrans agreement. Second, adoption of Resolution B, authorizes the City Manager to execute the Caltrans Landscape Maintenance Agreement in substantially the form presented.

Authorizing execution of the Caltrans agreement at this time avoids the need for a future return to City Council once Caltrans finalizes the agreement, while preserving City Council oversight of the contractual framework and risk allocation.

DECISION-MAKER CONFLICT

Staff reviewed the property holdings of the City Councilmembers and 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 are no current or ongoing fiscal impacts to the General Fund or the Development Services Fund resulting from this action. All costs incurred processing this application are borne by the applicant.

ONGOING FISCAL IMPACT

There are no current or ongoing fiscal impacts to the General Fund or the Development Services Fund resulting from this action. All costs incurred processing this application are borne by the applicant.

ATTACHMENTS

1. Draft Landscape Maintenance Agreement with Caltrans
2. Landscape Maintenance Agreement with HomeFed Village 8E, LLC

*Staff Contact: Rebecca Bridgeford, Deputy Director of Development Services
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