



COUNTY OF SAN DIEGO

LAND USE AGENDA ITEM

BOARD OF SUPERVISORS

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DATE: November 5, 2025

04

TO: Board of Supervisors

SUBJECT

FIRST AMENDMENT TO THE DEFENSE AND INDEMNIFICATION AGREEMENT FOR THE OTAY RANCH RESORT VILLAGE 13 PROJECT AND RELATED CEQA EXEMPTION (DISTRICT: 1)

OVERVIEW

The Otay Ranch Resort Village 13 project (Project) is a mixed-use community located on an 1,869-acre site in the Otay Subregional Plan Area. The site is located east of State Route 125 (SR-125) and west of State Route 94 (SR-94), approximately 0.25 miles east of the City of Chula Vista and 12 miles southwest of the community of Jamul. The Project, which included a General Plan Amendment, Specific Plan, Zone Reclassification, Site Plan, and Tentative Map, was approved by the Board of Supervisors (Board) on November 18, 2020 (4). An Environmental Impact Report (EIR) was adopted at that time and is on file with Planning & Development Services.

The Project consists of 1,938 residential units, 40,000 square feet of commercial uses, a 10.1-acre public elementary school site that would be operated by the Chula Vista Elementary School District, 25.1 acres of public/private parks, a 6.1-acre homeowners' association (HOA) neighborhood facility, a 2.3-acre joint use site for a fire station and sheriff storefront, 9.0 miles of multi-use community trails and pathways, 790.3 acres of preserve/open space land to be conveyed to Otay Ranch Resource Management Plan (RMP) Preserve, an additional 69.3 acres of biological open space, and 76.4 acres of internal open space.

In December 2020, opponents of the project filed a lawsuit challenging the County's approvals and certification of the EIR, among other actions taken with respect to the Project, entitled *Center for Biological Diversity et. al. v. County of San Diego, et. al.* (Lawsuit). In March 2025, the opponents and Applicants entered into a Settlement Agreement to stay the Lawsuit. The Settlement Agreement requires the Applicants to make several revisions to the Project (Revised Project) and return to the Board for consideration.

The County and Applicants are parties to the Defense and Indemnification Agreement (Agreement) in connection with the Project, dated December 3, 2020. The Agreement required security to be posted in the amount of \$1,000,000 in connection with the litigation risks associated with the County's processing and/or approval of the Project.

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In response to the Settlement Agreement, today's request is a request by the applicant for the Board to amend the Defense and Indemnification Agreement (Agreement). This would be the first amendment to the Agreement and would authorize the release of the entire security in the interim while a Revised Project is processed as required by the Settlement Agreement. This amendment would require the security to be reinstated prior to the Board considering the Revised Project, and immediately if, for any reason, litigation on the original Project resumes. The Applicants have indicated they tentatively plan on resubmitting the Revised Project in late 2025 or early 2026.

RECOMMENDATION(S)

DEPARTMENT OF PLANNING & DEVELOPMENT SERVICES

1. Find that the approval of the First Amendment to the Agreement (Attachment A on file with the Clerk of the Board) is not subject to the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Sections 15060(c)(3) and 15378(b)(4 and 5).
2. Approve and authorize the Director of Planning & Development Services to execute the First Amendment to the Defense and Indemnification Agreement and release the \$1,000,000 security.

EQUITY IMPACT STATEMENT

This action supports the processing of a Revised Project, which would provide new housing opportunities in unincorporated San Diego County. The Revised Project would also support economic development and opportunities for employment regarding the construction of the Project and future commercial and educational uses that would be part of the master planned community. This amendment to the Defense and Indemnification Agreement would release the security for the Applicants to process a Revised Project, thereby supporting housing, commercial, and educational opportunities for residents in San Diego County.

SUSTAINABILITY IMPACT STATEMENT

This action supports the processing of a Revised Project, which would be designed to be a sustainable community and include additional mitigation measures for greenhouse gas emissions, wildfire risk, and evacuation. All buildings would be required to be fully electric, and all single-family and commercial buildings will incorporate a net-zero energy design. The Revised Project will also reduce the development footprint and preserve an additional 292 acres of open space. These improvements are essential for ensuring the community is safe, resilient, and environmentally responsible.

FISCAL IMPACT

There is no fiscal impact associated with the approval of the amendment, as the Project is privately initiated and located on private property. If approved, the security of \$1,000,000 will be released to the Applicant for the processing of a private project. There will be no change in net General Fund costs and no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

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ADVISORY BOARD STATEMENT

N/A

INVOLVED PARTIES

Lakeview 1, LLC (Owner/Applicant)

Lakeview 2, LLC (Owner/Applicant)

Moller Otay Lakes Investments, LLC (Owner/Applicant)

BACKGROUND

The Otay Ranch Resort Village 13 project (Project) was approved by the Board of Supervisors (Board) on November 18, 2020 (4). The Project is a master planned community on an undeveloped 1,869-acre site located east of State Route 125 (SR-125) and west of State Route 94 (SR-94), approximately 0.25 mile east of the City of Chula Vista and 12 miles southwest of the community of Jamul, within the Otay Subregional Plan Area. The Project included a General Plan Amendment (GPA), Specific Plan, Zone Reclassification (Rezone), and a Site Plan to increase the residential density allocation, amend zoning requirements to develop the site, and the set design standards for future development.

The Project, as approved by the Board in 2020, included a mixed-use community that consists of 1,938 residential units, approximately 40,000 square feet of commercial use, approximately 25.1 acres of public/private parks, a 6.1-acre homeowners association (HOA) neighborhood facility, an approximately 2.3-acre joint use site for a fire station and sheriff storefront, a 10.1-acre school site, 9.0 miles of multi-use community trails and pathways, 790.3 acres of preserve/open space land to be conveyed to the Otay Ranch Resource Management Plan (RMP) Preserve, an additional 69.3 acres of biological open space, and 76.4 acres of internal open space.

In December 2020, opponents of the project filed a lawsuit challenging the County's approvals and other actions taken with respect to the Project entitled *Center for Biological Diversity et. al. v. County of San Diego, et. al.* (Lawsuit). The Lawsuit challenged the Environmental Impact Report's (EIR) failure to adequately address the risk of wildfire, substantial vehicle trips and increased greenhouse gas emissions generated by the Project.

In March 2025, the opponents and the Applicants entered into a Settlement Agreement to temporarily suspend legal proceedings in the Lawsuit. The Settlement Agreement requires the Applicants to make certain revisions to the Project (Revised Project) and return to the Board for consideration. As a result of the Settlement Agreement, the Project footprint was reduced, and the Revised Project will be required to preserve 292 additional acres of open space. The Settlement Agreement also allows the Applicants to apply for up to 812 additional housing units, increasing the total housing units from 1,938 units up to a maximum of 2,750 units. Required measures were also added to address wildfire risk and evacuation, such as providing a continuous surveillance program for wildfire ignitions, wildfire safety education for future residents, and installing sprinkler systems in multi-family homes that meet National Fire Protection Association Standard 13. Required measures to address greenhouse gas emissions include incorporating a net-zero energy design for single-family and commercial buildings, all-electric buildings, prohibiting natural gas infrastructure, and creating a greenhouse gas mitigation fund of at least \$15 million,

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which will fund greenhouse gas emissions reduction projects in San Diego County. The Applicants have stated that they plan to submit the necessary applications to revise the project to incorporate these changes and measures in the near future.

The County and Applicants are parties to the Defense and Indemnification Agreement (Agreement), which was required as part of the approval of the original Project. The Agreement required security to be posted in the amount of \$1,000,000 in connection with the risks associated with the County's processing and/or approval of the Project. This is a request by the applicant for the County to release the security in the interim while the Revised Project is processed, and to require the security to be reinstated prior to the Board considering any Revised Project and immediately if, for any reason, litigation on the Project resumes.

ENVIRONMENTAL STATEMENT

This action includes the amendment of a Defense and Indemnification Agreement to release the security of \$1,000,000 while the Revised Project is being processed. The proposed action to amend the Agreement is not subject to the California Environmental Quality Act (CEQA) because it is an administrative action and is not considered a project as defined by CEQA under Sections 15060(c)(3) and 15378(b)(4 and 5).

The Project was reviewed for compliance with CEQA. An Environmental Impact Report (EIR) was approved and certified on November 18, 2020, for the Otay Ranch Resort Village 13 and is on file with Planning & Development Services under PDS2004-3910-04-19-005. When the Revised Project is submitted, a new environmental document will be prepared to analyze the environmental impacts of the Revised Project.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed action supports the Strategic Initiatives of Sustainability, Equity, and Community in the County of San Diego's 2025-2030 Strategic Plan by ensuring that San Diego is a vibrant region with planning, development, infrastructure, and services that strengthen the local economy. The Project proposes new housing opportunities that help meet the needs of a diverse community (Equity Initiative), the Revised Project would reduce the development footprint and preserve an additional 292 acres of open space and implement additional mitigation to address greenhouse gas emissions and wildfire risk and evacuation impacts (Sustainability Initiative), and the Project proposes infrastructure for safety services to support a safe community (Community Initiative).

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Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Dahvia Lynch', is written over a light gray rectangular background.

DAHVIA LYNCH
Deputy Chief Administrative Officer

ATTACHMENT(S)

Note: Due to the size of the attachments, the documents are available online through the Clerk of the Board's website at www.sandiegocounty.gov/content/sdc/cob/bosa.html.

Attachment A – First Amendment to the Defense and Indemnification Agreement for Otay Ranch Resort Village 13

Attachment B – Settlement Agreement

Attachment C – Planning Documentation