

May 22, 2015

Dennis Campbell, Project Manager
County of San Diego Planning & Development Services
5510 Overland Ave., Suite 310
San Diego, CA 92123

SUBJECT: Draft Environmental Impact Report, General Plan Amendment and Specific Plan Amendment for Otay Ranch Village 13 Master Planned Community – Resort Village (PDS2004-3800-04-003; PDS2004-3810-04-002; PDS2004-3600-04-009; PDS2004-3100-5361A & B; Log No. PDS2004-04-19005; SCH No. 2004101058)

Mr. Campbell,

A-6-1 Thank you for allowing the San Diego Local Agency Formation Commission (LAFCO) to provide comments on the above referenced project. LAFCO is responsible for encouraging the efficient provision of public services and has purview over changes to local government organization and any associated sphere of influence actions. Usually, LAFCO is a responsible agency for environmental review when jurisdictional changes and/or sphere amendments are proposed.

Within its discretionary review of proposed sphere of influence and/or jurisdictional boundary changes, LAFCO requires the proposal's associated environmental documents to contain, at a minimum: a discussion of the required jurisdictional and/or sphere of influence changes; a description of the ability of existing agencies to provide services; a detailed description of existing and proposed infrastructure; and a discussion of the proposed provision of public services to the subject territory. Therefore, we offer the following comments:

A-6-2 The Draft Environmental Impact Report for the proposed Otay Ranch Village 13 project describes the project as a mixed-use development, located on an undeveloped 1,869-acre site within the 23,000-acre Otay Ranch Final Program EIR, and identified as the Proctor Valley Parcel. The land uses proposed by the project include: 1,881 single-family residences on 525 acres; a 14-acre mixed use site that includes 57 multi-family residences and up to 20,000 square feet of commercial use; 29 acres of park land; a 17-acre resort site including 200 guest rooms and up to 20,000 square feet of commercial use; a two-acre public safety site for a fire station; a 10-acre elementary school site; 144 acres of manufactured open space; 1,089 acres of preserve open space; and 39 acres for roadways.

The DEIR Section S.1, Project Synopsis, states that municipal services to serve the project site are proposed to be provided by the San Diego Rural Fire Protection District

(FPD) for structural fire protection and emergency medical services; the San Diego County Sanitation District (SD) and the City of Chula Vista for sewer services; and the Otay Water District (WD) for the provision of water services.

The Otay Ranch Village 13 project site is located within the adopted sphere of influence and authorized service area for the San Diego Rural FPD; however, the project area is not presently located within the adopted sphere of influence or authorized service areas of the San Diego County SD or the Otay WD; nor is the project site located within the adopted sphere of influence for the City of Chula Vista. Accordingly, LAFCO discretionary approvals for sphere of influence changes and/or annexation of the project site to the respective agencies are required.

Because the proposed Otay Ranch Village 13 project requires LAFCO review and discretionary approvals to facilitate the extension of sewer and water services to the proposed project area, San Diego LAFCO will serve as a responsible agency for the project's environmental review under the California Environmental Quality Act (CEQA).

As part of the required sphere of influence changes associated with the extension of sewer and water services to the Otay Ranch Village 13 project area, LAFCO must review the adopted sphere of influence and conduct a Municipal Service Review for each of the affected agencies in accordance with Government Code Sections 56430 and 56425.

Attached to these DEIR comments is a letter, dated January 29, 2013, from LAFCO to the Otay Ranch Village 13 property owners that identifies the needed sphere and service reviews for the project, and describes the specific sphere of influence and jurisdictional changes that should be evaluated by the sphere and service reviews. The DEIR for the Otay Ranch Village 13 project should reference the required sphere of influence and municipal service reviews, and describe all sphere of influence and jurisdictional changes needed to facilitate the proposed extension of sewer and water services to the project area.

In March 2014, responding to state-wide emergency drought conditions, the Board of Directors for the Otay WD activated Level 2 – Supply Alert Condition of its Drought Response Plan. On May 14, 2015, The San Diego County Water Authority announced additional imported water allocation restrictions for its member agencies; Otay WD has been designated for a 20% emergency water conservation regulation from July 2015 to June 2016. The Draft EIR Water Supply Section for the Otay Ranch Village 13 project should be revised to reflect the current Otay WD drought response level and describe the potential effects to water supply for the project.

Should you have any questions, or if San Diego LAFCO may be of any further assistance, please contact me at (858) 614-7788.

Sincerely,



ROBERT BARRY, AICP
Local Governmental Analyst III

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Cont.

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January 29, 2013

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Dear Rob and Stephen:

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It was good to see the both of you on January 18th, to discuss LAFCO's application and Municipal Service Review (MSR) and Sphere of Influence (SOI) requirements for development of Otay Ranch – Village 13. As we discussed, the primary LAFCO issue associated with development of Village 13 pertains to the provision of public services, namely sewer and water service, and fire protection. Potential service providers for Village 13 are the City of Chula Vista, San Diego County Sanitation District (SD), Rural Fire Protection District (FPD), and Otay Water District (WD). In order to determine which of these agencies should extend service to Village 13, a thorough review of each agency needs to be conducted to determine which local agency can most cost-effectively and efficiently provide service.

Alternate Members

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Sam Abed
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Jo MacKenzie
Vista Irrigation District

Harry Mathis
Public Member

At the January 18th meeting we also discussed that it will be your (affected landowner) responsibility to prepare a service review and sphere update proposal for consideration by LAFCO. To be adequate for LAFCO purposes, the sphere and service review proposal will need to contain a balanced and comprehensive analysis of proposed and alternative public service providers. The reason why proposed and alternative service providers need to be reviewed is related to compliance requirements with State Law (Government Code Sections 56430 and 56425). The end result will be a review and eventually a proposal that will provide you and LAFCO with guidance as to the most logical service providers. We encourage and ask that you confer with LAFCO staff throughout the report preparation process to ensure that the MSR/SOI proposal satisfies LAFCO's needs and compliance requirements. Below is a discussion of pertinent topics that you should become familiar with before preparation of a sphere and MSR proposal.

Executive Officer

Michael D. Ott

Counsel

Thomas Bosworth

- **Timing of Sphere and Service Review:** With the exception of the Rural FPD, Village 13 is currently not within the jurisdictional boundaries and spheres of influence of local service providers.¹ While the site is currently within the boundaries of the Rural FPD, actual fire protection and emergency medical services can probably be provided more efficiently by the City of Chula Vista. This and other service delivery matters need to be fully analyzed and documented in the MSR/SOI study. Potential service providers for water, wastewater, and fire protection services include the City of Chula Vista (sewer and fire protection service, plus general governmental services), Otay Water District (water service), San Diego County Sanitation District (sewer service), and Rural Fire Protection District (fire protection and emergency medical services). Prior to initiating a jurisdictional boundary change application with LAFCO, you will need to complete the sphere of influence and service review update proposal. Timing the initiation in this matter will ensure conformance with mandatory/statutory requirements that specify that jurisdictional boundary changes must be consistent with applicable spheres of influence (Government Code Section 56375.5).
- **Responsibility for Preparation of and Funding a Focused Sphere and Service Review Study:** Any associated jurisdictional boundary changes to effectuate the extension of services are sought by the landowner (Baldwin & Sons and Otay Lakes LP) for development of Village 13. Accordingly, it will be the responsibility of the landowner to prepare and submit a focused MSR/SOI Review proposal addressing the extension of key services (e.g., sewer, water, and fire). Among other things, the MSR/SOI Review proposal will contain a balanced, comprehensive, and comparative analysis of the effectiveness and efficiency of potential sphere/jurisdictional changes (e.g., Alt. 1: annexation to San Diego County SD & Otay WD and fire protection by Rural FPD; Alt 2: annexation to Chula Vista / Otay WD, and detachment from Rural FPD, etc.).
- **Involvement of LAFCO Staff in the Preparation of the MSR/SOI review proposal:** While the MSR/SOI proposal will be funded and prepared by the landowner, the proposal will be submitted to LAFCO staff for review. The landowner will want to actively involve LAFCO staff in the formulation and review of draft documents. If LAFCO staff agrees that the study(ies) were prepared in accordance with LAFCO guidelines and the Cortese-Knox-Hertzberg Act, then the MSR/SOI proposal will be scheduled for review and consideration by the Commission. Prior to scheduling the MSR/SOI for LAFCO consideration, the landowner shall pay applicable processing fees, including but not limited to Sphere and MSR Update fees and CEQA fees. If a recently adopted environmental document (e.g., county EIR on tentative map, GP/zoning amendment) satisfies LAFCO's responsible agency requirements under CEQA, then LAFCO's CEQA fees may be reduced or waived. Note that the MSR component of the landowner proposal represents an informational document and is not subject to CEQA, however, the sphere component is subject to CEQA. If the Commission adopts MSR/SOI determinations consistent with the MSR/SOI review proposal, LAFCO will essentially inherit the document and it will become

the updated MSR/SOI for the subject agencies in this region of the County. The MSR/SOI proposal needs to provide supporting data and draft determinations in accordance with Government Code Sections 56425 and 56430. Attachment 1 contains suggested topics developed by the Governor's Office of Planning and Research (OPR) that should be considered when preparing the MSR/SOI proposal. Attachment 2 contains responses from affected Village 13 agencies to LAFCO's 2012 MSR/SOI Review Questionnaire.

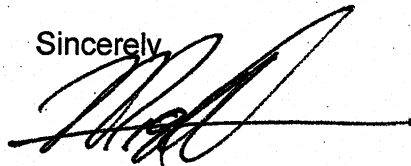
- **Geographic area of MSR/SOI:** The geographic area of the MSR/SOI proposal is Village 13. The existing and potential service providers that must be included in the proposal are: City of Chula Vista, Otay WD, Rural FPD, and San Diego County SD. Ancillary agencies or departments that also need to be addressed include: County Sheriff, Chula Vista Police and Fire Departments, Chula Vista Public Works Department (sewer service, roads, etc.), and any pertinent general governmental services of the County or Chula Vista. Since this MSR/SOI review will be a focused update, emphasis needs to be placed on the portion of the above agencies in relationship to Village 13. However, when reviewing matters such as service costs, availability of services, capacity issues, response times, infrastructure needs, etc., there may be a need to review Village 13 in relationship to the entirety of the jurisdiction(s) under review.
- **Submittal of Jurisdictional Boundary Change Application:** Depending on LAFCO's determinations regarding the MSR/SOI proposal, a jurisdictional boundary change (reorganization) application may be filed by the landowners or by an affected local agency. Initiation of the annexation (reorganization) proceedings (by the landowner or an affected local agency) will need to be deferred pending the outcome of the Commission's action regarding MSR/SOI Review proposal per requirements in State Law. Possible jurisdictional changes that may be initiated with LAFCO, include, but are not limited to the following:
 1. A reorganization involving annexation to the City of Chula Vista and the Otay Water District and detachment from the Rural Fire Protection District, or
 2. A reorganization involving annexation to the Otay Water District and the San Diego County Sanitation District, and/or
 3. Other: To be determined.
- **Miscellaneous:** In addition to engineering feasibility of different service delivery alternatives, the MSR/SOI proposal should address the cost for capital investment/service delivery under different service delivery alternatives through a fiscal impact analysis. The analysis should specifically address impact to the ratepayer/end user. Associated analysis may be incorporated into the MSR/SOI proposal, or it may occur as part of a separate document. Other matters to be addressed in the MSR/SOI proposal will be the identification of any contractual service arrangement needed between agencies (current or proposed) and/or the

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landowner for the extension of services. Copies of relevant contracts/agreements will need to be attached to subsequent plans for service with LAFCO's jurisdictional boundary change application. There may be other requirements that are identified through the course of preparing the MSR/SOI proposal. The landowner should therefore remain in close contact with LAFCO staff.

We hope this letter and attachments will help you prepare the MSR/SOI proposal. Please feel free to contact Assistant Executive Officer, Shirley Anderson, Senior Analyst, Robert Barry or me with any questions.

Sincerely,



MICHAEL D. OTT
Executive Officer

MDO:trl

¹Note that the City of Chula Vista has incorrectly indicated on page 2 of its 2012 Sphere and MSR Questionnaire that Village 13 is located within its adopted sphere of influence (Attachment 2). LAFCO records show that only a small 57 acre portion of Village 13 is located within the Chula Vista sphere. Village 13 is designated a special study area as part of the Otay WD sphere, but is not located within the District's sphere.

Attachment 1: Service Review and Sphere of Influence Update Guidelines
Attachment 2: 2012 Response from LAFCO's MSR/SOI Questionnaire

cc: Ken Lee, Sean Kilkenny, Scott Molloy