



# COUNTY OF SAN DIEGO

## AGENDA ITEM

### BOARD OF SUPERVISORS

PALOMA AGUIRRE  
First District

JOEL ANDERSON  
Second District

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Third District

MONICA MONTGOMERY STEPPE  
Fourth District

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Fifth District

**DATE:** February 10, 2026

# 10

**TO:** Board of Supervisors

### SUBJECT

**ADOPTION OF RESOLUTION OF INTENTION TO SELL SURPLUS REAL PROPERTY - 11.71 ACRES ON COTTONWOOD AVENUE, SANTEE - COUNTY PARCEL NUMBER 2013-0091-A; AUTHORIZATION TO CONDUCT PUBLIC AUCTION AT COUNTY OPERATIONS CENTER; DIRECTION TO COMMIT USE OF EXCESS REVENUE FROM POTENTIAL FUTURE EDGEMOOR PROPERTY SALE TO FACILITATE DEVELOPMENT OF MISSING MIDDLE HOUSING; AND APPROVAL OF CEQA EXEMPTION (DISTRICT: 2)**

### OVERVIEW

On December 3, 2013 (18), the Board of Supervisors (Board) declared County of San Diego (County) Parcel Number 2013-0091-A (Property 1) surplus to County needs. Property 1 is further identified as Assessor's Parcel Number (APN) 381-051-17 and consists of approximately 11.71 acres of vacant land located immediately south of the Edgemoor Skilled Nursing Facility. In November 2016, the County issued a Notice of Availability (NOA) per State of California Surplus Land Act (SLA) and attempted to sell the property twice to repay the Edgemoor Development Fund, per Board Policy F-38, *Edgemoor Property Development* (Board Policy F-38).

On August 1, 2024, the County issued the NOA as required by SLA to local public entities, as defined by Section 50079 of the Health and Safety Code, that have jurisdiction over the surplus land. The NOA was also sent to California Housing Finance Agency Certified Housing Sponsors, as defined by Section 50074 of the Health and Safety Code, that have notified the California Department of Housing and Community Development of their interest in surplus land for affordable housing development. In accordance with SLA, interested parties were given 60 days to respond to the NOA. The County did not receive interest from any public entities, but did receive proposals from three housing sponsors, and entered into a good faith negotiation period with the selected developer as required by SLA. However, the County and the selected developer could not agree on mutually satisfactory terms for the sale.

Today's request is for Board authority to take the actions necessary to sell Property 1 to the highest bidder in accordance with California Government Code Sections 25520 et seq. If the Board takes the actions recommended on February 10, 2026, then on March 20, 2026, the Director of General Services, or designee, will conduct the bid openings for the sale of Property 1, open sealed bids from bidders, open the floor for oral bids, select the highest responsible bidder, and return to the

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Board at a later date for the final acceptance of the selected bid and approval of the sale. As permitted by California Government Code Section 25527, if the winning bidder is represented by a licensed real estate broker, a commission equal to two percent of the sale price will be paid to the broker from the sale proceeds. In addition, as required by Section 54233 of the California Government Code, County will record a restrictive covenant against Property 1. This covenant will state if 10 or more residential units are developed on the property, then at least 15% of the total units shall be rented or sold at affordable housing cost or affordable rent to lower income households, as defined in Section 54233. The minimum bid for Property 1 is \$15,000,000, representing an as-is value based on an appraisal addendum dated August 23, 2025. Pursuant to Board Policy F-38, the net proceeds from the sale of the property will be deposited to the Edgemoor Development Fund.

## **RECOMMENDATION(S)**

### **CHIEF ADMINISTRATIVE OFFICER**

1. Find that the proposed actions are exempt from review under the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15312 as it is the sale of surplus government property that is not located in an area of statewide, regional, or areawide concern identified in Section 15206(b)(4) of the State CEQA Guidelines.
2. Approve and adopt the Resolution entitled: RESOLUTION OF INTENTION TO SELL REAL PROPERTY AND NOTICE INVITING BIDS FOR REAL PROPERTY NUMBER 2013-0091-A. **(4 VOTES)**
3. Direct the Clerk of the Board of Supervisors (Board) to post the adopted Resolution and advertise the County's Notice of the Adoption of the Resolution of Intention to Sell Real Property Number 2013-0091-A in accordance with the Government Code Sections 25528 and 6063.
4. Authorize the Director, Department of General Services, or designee, to conduct the bid opening and select the highest responsible bidder for Real Property Number 2013-0091-A on March 20, 2026 and return to the Board for the final approval of the highest bidder.
5. Direct the Chief Administrative Officer to commit use of excess revenue from the potential future sale of a portion of the Edgemoor Remainder Parcel (APN 381-050-81) after payment of outstanding debt service to facilitate the development of Missing Middle housing in San Diego County and return to the Board to appropriate the excess revenue.

## **EQUITY IMPACT STATEMENT**

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Parcel Number 2013-0091-A (Property 1) is among 25 sites in the City of Santee (City) that were recently rezoned to reduce the residential density and could support the development of the moderate-income category of housing. It is anticipated that the approval of today's recommendations will increase housing production that meets the needs of the community in the City. As required by Surplus Land Act (SLA) Government Code Section 54222.5 and California Department of Housing and Community Development, the County will record a restrictive covenant against Property 1 at the time of sale, which states that if 10 or more residential units are developed on Property 1, then at least 15% of the total number of units developed on the property shall be sold or rented as affordable housing. The revenue resulting from the sale of Property 1 will be deposited to the Edgemoor Development Fund and used to support annual debt service for the Edgemoor Skilled Nursing Facility.

#### **SUSTAINABILITY IMPACT STATEMENT**

Today's proposed action contributes to the County of San Diego's Sustainability Goal No. 1 to engage the community to partner and participate in decisions that impact communities and Goal No. 2 to provide just and equitable access to develop land for housing needs.

#### **FISCAL IMPACT**

Funds for this request are included in the Fiscal Year 2025-26 Operational Plan in the Department of General Services (DGS). If approved, today's requests will result in costs and revenue of \$220,000 in Fiscal Year (FY) 2025-26, which includes DGS staff costs of \$60,000 for sale of Property 1, ongoing homeless encampment cleanup efforts of \$60,000 on the Edgemoor properties, \$80,000 for pre-planning efforts such as survey work, appraisal and staff time to prepare for a future Board request to declare a portion of the Remainder Parcel surplus, and \$20,000 to support the identification of how excess revenue can be used to develop of Missing Middle housing and report back. The funding source is Edgemoor Development Fund revenue.

If the sale of Parcel Number 2013-0091-A (Property 1) is completed, this will result in revenue of \$15,000,000 anticipated in FY 2026-27. Pursuant to Board Policy F-38, *Edgemoor Property Development* (Board Policy F-38), the net proceeds from the sale of the property will be deposited to the Edgemoor Development Fund to support the annual debt service for the Edgemoor Skilled Nursing Facility. Per Board Policy F-38 revenue generated in excess of debt service payments, can be used to pay for costs associated with management, maintenance or marketing of the Edgemoor property. Based on Recommendation 5, alternative uses to fund Missing Middle housing will be identified. There will be no change in net General Fund cost and no additional staff years.

#### **BUSINESS IMPACT STATEMENT**

N/A

#### **ADVISORY BOARD STATEMENT**

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N/A

## **BACKGROUND**

### **Property History**

In the 1920s, the County of San Diego (County) acquired approximately 426 acres of land in what is now the City of Santee (City). The property has been used for the County for the Edgemoor Skilled Nursing Facility and the Las Colinas Detention and Reentry Facility, sold or leased to private entities, conveyed to the City for public purposes, or is undeveloped.

County Parcel Number 2013-0091-A (Property 1) is the only County-owned undeveloped residential land north of the San Diego River. Property 1 is also identified as Assessor's Parcel Number (APN) 381-051-17 and consists of approximately 11.71 acres of vacant land located immediately south of the Edgemoor Skilled Nursing Facility between Cottonwood Avenue and Park Center Drive in the City (Attachment A, Location Map). The property was recently re-zoned by the City to TC-R-14, which allows 14 to 22 residential units per acre. A buyer that contemplates a development that deviates from the City General Plan or Municipal Code will assume all costs associated with a General Plan Amendment or rezone and work with the City Planning Department to determine process and timing.

On December 3, 2013 (18), the Board of Supervisors (Board) declared Property 1 surplus to County needs and adopted a Resolution declaring the County's intention to sell the property. On January 28, 2014 (6), Property 1 was offered for sale through a competitive bidding process, the Board approved the sale, but the bidder elected to cancel the transaction. On September 12, 2017 (9), the Board again adopted a Resolution of Intention to Sell Real Property and Notice Inviting Bids, offered the property for sale, and approved the sale to the highest bidder. A Purchase and Sale Agreement for Property 1 was executed and escrow opened on October 31, 2017. Although obtaining development entitlements was not a condition to complete the sale, the ability to sell Property 1 was impacted by zoning issues that affected the ability to develop the property as contemplated at the time of the bid opening, which resulted in escrow being canceled.

The County worked with the City on a rezone that shifted high-density housing from Property 1 and the adjacent County parcel immediately south (Property 2) to the 21-acre Edgemoor Remainder Parcel, located east of the Las Colinas Detention and Reentry Facility (APN 381-050-81). In October 2022, the City approved a General Plan Amendment, Town Center Specific Plan Amendment, and a Zoning Amendment Ordinance. As a result, Property 1 was rezoned to TC-R-14, allowing 14 to 22 residential units per acre. This change reduced the residential density and made the property eligible for by-right residential development. The rezone became effective on November 26, 2022, and the County is now once again pursuing the sale of Property 1.

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On August 1, 2024, the County issued a Notice of Availability (NOA) to public entities and housing sponsors as required per Surplus Land Act (SLA); interested parties were given 60 days to respond to the NOA. The County did not receive any proposals from public agencies but did receive proposals from three housing sponsors. As required per SLA, Government Code Section 54227, the County selected a proposal based on the greatest number of affordable units proposed. However, after almost eight months of good faith negotiations, the parties could not agree on mutually satisfactory terms for the sale. California Housing and Community Development confirmed that the County complied with the requirements of the SLA, and as such, the County can now sell the property to the public.

Today's request is for Board approval to take the actions necessary to sell Property 1 to the highest responsible bidder in accordance with California Government Code Sections 25520 et seq. Pursuant to Board Policy F-38, *Edgemoor Property Development* (Board Policy F-38), the net proceeds from the sale of the property will be deposited to the Edgemoor Development Fund to support the annual debt service for the Edgemoor Skilled Nursing Facility. The Edgemoor Development Fund, established in 1979, is intended to accumulate sale and lease revenues from the County-owned Edgemoor properties. In 2002, the County financed the Edgemoor Skilled Nursing Facility through long-term debt and created a repayment strategy which includes applying revenues in the Edgemoor Development Fund against debt service payments. To date, the remaining debt service outstanding for the Edgemoor Skilled Nursing Facility is \$28.1 million through the final maturity in Fiscal Year 29-30.

Property 1 and the Remainder Parcel are the last two Edgemoor properties with significant land value to support repayment of the Edgemoor Development Fund debt service. The northern portion of the Remainder Parcel is zoned Park/Open Space, including the historic Polo Barn, while approximately 17 acres is vacant and rezoned by the City in November 2022 for high-density housing development. Staff will return to the Board of Supervisors in 2026 with a request to declare surplus and dispose of a portion of the Remainder Parcel, per SLA. County intends to retain 5 acres of the southern portion and offer approximately 12 acres for surplus and sale.

Assuming Property 1 is sold for at least \$15 million, then the subsequent sale of a portion of Remainder Parcel property could generate revenue in excess of the remaining debt service. Once the debt has been paid, excess revenue from the lease or sale of remaining Edgemoor properties could be allocated to support the Board's goals around housing.

The Board has expressed interest in supporting Missing Middle housing, which is a non-deed restricted housing type intended to provide smaller homes, starter homes, and naturally attainable housing opportunities. Although Missing Middle housing is intended to be more attainable by providing smaller footprints, such as townhomes and smaller multi-unit buildings, and thus a lower purchase price, Missing Middle housing is typically not deed-restricted to a specific area median

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income population. Non-deed restricted Missing Middle housing purchase prices are open to market fluctuations and often remain out of reach to many San Diego County households. Staff are working to facilitate the construction of Missing Middle housing through County-wide policy updates (e.g., Senior & Starter Homes, Housing Unlocked, Inclusionary Housing Ordinance) and development projects on County surplus land that would include deed restrictions per SLA. These efforts align with Board housing priorities and were recently discussed in the Housing Forward workshop presented to the Board on November 19, 2025 (1).

To augment the County's existing Missing Middle housing policy efforts, the Board could direct the Chief Administrative Officer (CAO) to commit use of excess revenue from the potential future sale of a portion of the Edgemoor Remainder Parcel (APN 381-050-81) after payment of outstanding debt service to facilitate the development of Missing Middle housing in San Diego County and return to the Board to appropriate the excess revenue. This direction to the CAO aligns with the County's Housing for All goals and the Board's Strategic Initiative for Equity – Housing: Utilize policies, facilities, infrastructure, and finance to provide housing opportunities that meet the needs of the community.

### **Bid Openings**

If the Board takes the actions recommended on February 10, 2026, then on March 20, 2026, the Director, Department of General Services, or designee (Director), will conduct the bid openings for the sale of Property 1 in accordance with Government Code Sections 25539 and County Administrative Code Section 73.2(a). The Director will open sealed written bids (Attachment E) submitted by prospective buyers, if any, and the highest bid will be announced. At that time, prospective buyers will have the opportunity to orally bid at least 5% higher than the highest conforming written bid submitted. The oral bidding will continue until the highest bid is identified. Each bidder shall submit a bid deposit in the amount of \$10,000, and may submit a written bid, an oral bid, or both. The bid deposit of the successful bidder will become part of the deposit required at the opening of escrow and will be applied to the purchase price. Bid deposits will be returned to each unsuccessful bidder.

The Director will return to the Board by mid-2026, for final acceptance of the highest responsible bidder and approval of the sale of Property 1 to the highest responsible bidder. If the Board accepts the highest responsible bidder and approves the sale, the successful bidder shall execute a PSA within five business days after the approval of the sale by the Board. At the opening of escrow, the selected bidder shall deposit into escrow the greater of \$450,000 or 3% of the selected highest bid minus the \$10,000 bid deposit that was retained by the County. The deposit will be applied to the purchase price for Property 1 at the close of escrow or paid to the County as liquidated damages if escrow does not close and the sale is cancelled due to a buyer default.

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The close of escrow will occur no later than 180 days after the opening of escrow, subject to force majeure. Per Government Code Section 54222.5 and California Department of Housing and Community Development, the County will record a restrictive covenant against Property 1 at the time of sale, which states that if 10 or more residential units are developed on Property 1, then at least 15% of the total number of units developed on the property shall be sold or rented as affordable housing.

### **ENVIRONMENTAL IMPACT**

Today's proposed action to sell surplus County Parcel Number 2013-0091-A is categorically exempt from environmental review pursuant to Section 15312 of the California Environmental Quality Act (CEQA) Guidelines as the actions involve the sale of surplus government property that is not located in an area of statewide, regional, or areawide concern identified in Section 15206(b)(4) of the State CEQA Guidelines. Additionally, no exceptions listed in CEQA Guidelines Section 15300.2 apply to the proposed actions. There are no development plans currently in place for the site, recording a restrictive covenant is required pursuant to Government Code Section 54222.5, and any potential impacts would be too speculative to analyze at this point. The proposed action of committing excess revenue, if any, from the potential future sale of a portion of the Edgemoor Remainder Parcel to the facilitate the development of Missing Middle housing is not subject to review under CEQA Guidelines Section 15060(b) given that the proposed action will not result in a direct or indirect physical changes in the environment. Once a development project has been identified, staff will return back to the Board of Supervisors for appropriation of the funds and appropriate CEQA review will be conducted at this time. See Attachment C for Notice of Exemption.

### **LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN**

Today's proposed action supports the Sustainability Strategic Initiative in the County of San Diego's 2026-2031 Strategic Plan by aligning the County's available resources with services, maintains fiscal stability, and ensures long-term solvency. This action will enhance fiscal stability through the generation of revenue from the sale of Parcel Number 2013-0091-A to repay the Edgemoor Development Fund annual debt service. This action also aligns with the draft Housing Blueprint's goal of Producing Housing for All directed by the Board on December 13, 2022 (30). This goal aims to support and implement policies to increase housing production of all kinds in areas with access to transit, jobs, and amenities that enhance quality of life for residents.

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'E. M.', is written below the text 'Respectfully submitted,'.

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EBONY N. SHELTON  
Chief Administrative Officer

**ATTACHMENT(S)**

Attachment A – Location Map

Attachment B – Site Map

Attachment C – Notice of Exemption

Attachment D – Property 1 Resolution

Attachment E – Property 1 Bid Package

Attachment F – Property 1 Notice of Adoption of Resolution