

**COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS
TUESDAY, FEBRUARY 10, 2026**

MINUTE ORDER NO. 10

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 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

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

ACTION:

ON MOTION of Supervisor Montgomery Steppe, seconded by Supervisor Aguirre, the Board of Supervisors took action as recommended, on Consent, adopting Resolution No. 26-011, entitled: RESOLUTION OF INTENTION TO SELL REAL PROPERTY AND NOTICE INVITING BIDS FOR REAL PROPERTY NUMBER 2013-0091-A.

AYES: Aguirre, Anderson, Lawson-Remer, Montgomery Steppe, Desmond

State of California)
County of San Diego) §

I hereby certify that the foregoing is a full, true and correct copy of the Original entered in the Minutes of the Board of Supervisors.

ANDREW POTTER
Clerk of the Board of Supervisors



Signed
by Andrew Potter