COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS
THURSDAY, JUNE 25, 2026

MINUTE ORDER NO. 17

SUBJECT: AUTHORIZE EXECUTION OF A LONG-TERM GROUND LEASE AND AN AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT AND CEQA EXEMPTIONS FOR AFFORDABLE HOUSING ON COUNTY LAND AT 620 E. VALLEY PARKWAY, ESCONDIDO (DISTRICT: 5)

OVERVIEW

For many years, the San Diego region has faced a severe and chronic shortage of affordable housing units that directly impacts housing insecurity and housing cost burden for lower-income households across San Diego County. Given this housing crisis, we must leverage every available option to develop more affordable housing. One of these options that has had tremendous success, is the redevelopment of excess County of San Diego (County)-owned property into affordable homes. There are 12 County-owned surplus properties in various stages of the development pipeline for affordable homes, including 620 E. Valley Parkway in the city of Escondido.

On May 6, 2025 (21), the Board authorized the execution of a Disposition and Development Agreement (DDA) on County-owned property at 620 E. Valley Parkway between the County and San Diego Community Housing Corporation in partnership with National Community Renaissance of California (SDCHC/CORE) for the development of 100% affordable housing for seniors. Additionally, the Board authorized execution of a long-term ground lease upon SDCHC/CORE's receipt of all financing and entitlements to construct the project. On May 12, 2025, the DDA was fully executed and became immediately effective. SDCHC/CORE has requested an amendment to the DDA to: (1) immediately execute and record the long-term ground lease prior to receipt of all financing and entitlements to enable them to accept funding in the amount of $3 million from the City of Escondido, pursuant to the requirements of that acceptance; (2) allow for a two-phased project schedule, if needed, which will create better financial feasibility of the development and; (3) removal of the requirement to construct a childcare facility. Today's request is for Board approval of the amendment to DDA and to authorize execution and recordation of the long-term ground lease in advance of the SDCHC/CORE receiving all financing and entitlements, as well as approval of the relevant California Environmental Quality Act findings.

RECOMMENDATION(S)
CHIEF ADMINISTRATIVE OFFICER

1. Find that the proposed actions to authorize execution of a 99-year ground lease and amend the Disposition and Development Agreement (DDA) for development of affordable housing at 620 E. Valley Parkway, Escondido and allow for a two-phased project schedule, if needed, and removal of the requirement to construct a childcare facility are exempt from California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15332.

2. Authorize the Director, Department of General Services, to execute the First Amendment to DDA and a 99-year ground lease with San Diego Community Housing Corporation in partnership with National Community Renaissance of California or an affiliate entity, and any other attachments to the amendment, the ground lease, and the original DDA and perform any actions in furtherance of or necessary to administer or implement the DDA, as amended, and Ground

Lease, including but not limited to, approving, and executing amendments and executing restatements of one or more ground leases to complete the development of the affordable housing project.

3. Authorize the Deputy Chief Administrative Officer, Health and Human Services Agency, or a designee, to execute the Regulatory Agreement for 620 E. Valley Parkway and perform any actions in furtherance of or necessary to administer or implement the DDA, Ground Lease, and Regulatory Agreement, as amended by these actions, including approving and executing amendments and executing restatements to one or more Regulatory Agreements to complete the development of the affordable housing project.

EQUITY IMPACT STATEMENT

Today's recommendations will result in the development of much-needed affordable housing in the region. The 6th Cycle Regional Housing Needs Assessment indicates that 68,959 units are needed regionally for very low, and low-income individuals and households. Restricted affordable housing for low-income households may serve seniors, families, homeless, at-risk of homelessness, veterans, homeless with serious mental illness, and transitional aged youth. All units reserved for low-income individuals and households serve tenant populations earning below 80% area median income, currently $97,950 for a one-person household and $139,900 for a four-person household. Utilizing County excess property for development of affordable housing creates private sector jobs and economic opportunities in San Diego County and contributes to the County of San Diego efforts to address local housing shortages and meet the needs of low-income residents for years to come.

This item advances the County vision of a just, sustainable, and resilient future for all residents, specifically for those communities and populations in San Diego County that have been historically left behind. This item also aligns with the regional *Live Well San Diego* vision of healthy, safe, and thriving communities by ensuring low-income residents have access to suitable living environments and by enhancing quality of life through decent and affordable housing. Additionally, this action supports the County Housing for All initiative by ensuring the County continues to focus on prevention and housing stability by addressing root causes, such as housing affordability.

SUSTAINABILITY IMPACT STATEMENT

Today's proposed actions support the County of San Diego's Sustainability Goal #2 to provide just and equitable access and Sustainability Goal #4 to protect health and wellbeing for residents. The recommended actions support the building of safe and affordable housing for lower-income households, persons experiencing homelessness, seniors, and veterans. Together, these efforts promote long-term community sustainability by improving housing stability, increasing access to essential services, and enhancing the overall quality of life for residents. These actions also align with Sustainability Goal #6 to protect the environment by requiring sustainability features for each site that are in alignment with California Tax Credit Allocation Committee requirements, and our regional efforts to decarbonize.

FISCAL IMPACT

Funds for these requests are included in the Fiscal Year 2026-28 CAO Recommended Operational Plan for the Department of General Services, Facilities Management Internal Service Fund. If approved, this request will result in total estimated costs and revenue up to $30,000 for staff time. The funding source is an internal agreement supported by General Purpose Revenue. 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 Lawson-Remer, the Board of Supervisors took action as recommended, on Consent.

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