COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS
TUESDAY, SEPTEMBER 30, 2025

MINUTE ORDER NO. 9

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; AND APPROVAL OF RELATED 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 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. The property is zoned TC-R-14, 14 to 22 residential units per acre. In November 2016, the County issued a Notice of Availability 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.

On August 1, 2024, the County issued the Notice of Availability (NOA) as required by SLA to local public entities, as defined by Section 50079 of the Health and Safety Code, that have jurisdiction where the surplus land is located and 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 the development of affordable housing. 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 were not able to 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 September 30, 2025, then on October 27, 2025, the Director of General Services, or designee, will conduct the bid openings for the sale of Property 1, open bids from bidders, open the floor for oral bids, select the highest responsible bidder, and return to the Board on December 9, 2025 for the final acceptance of Property 1 selected bidder and approval of the sale. As allowed by Government Code 25527, if the winning bidder is represented by a licensed real estate broker, a commission will be paid from the proceeds of the sale to the licensed real estate broker at the rate of two percent of the sale price. As required by Section 54233 of the California Government Code, at the time of sale, the County will record a restrictive covenant against Property 1. The restrictive covenant will state that 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, *Edgemoor Property Development*, 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 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 bidder for Real Property Number 2013-0091-A on October 27, 2025, and return to the Board for the final approval of the highest bidder.

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 is now in 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 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 state 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 for a period of 45 or 55 years, respectively, from the date of occupancy. 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. If approved, this request will result in DGS staff costs of approximately $60,000 in Fiscal Year 2025-26. The funding source is charges to client departments.

If the sale of Parcel Number 2013-0091-A (Property 1) is completed, this will result in revenue of $15,000,000 anticipated in Fiscal Year 2026-27. Pursuant to Board Policy F-38, *Edgemoor Property Development*, 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. There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT
N/A

ACTION:
This item was withdrawn at the request of the Chief Administrative Officer.

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