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# **City of San Diego Advances Plan to Transform 101 Ash St. Building into 100% Affordable Housing**

**MAYOR: RESPONSIBLE RESOLUTION THAT TURNS PRIOR CIVIC FAILURE INTO CIVIC BENEFIT WITH 200+ AFFORDABLE HOMES**

SAN DIEGO – In a decisive step to resolve one of the most challenging civic issues in recent memory, the San Diego City Council today unanimously voted to advance a plan to convert the long-vacant 101 Ash St. building into 100% affordable housing with community-serving spaces.

The lease agreement approved today marks a turning point in the City's effort to finally bring closure and meaningful public benefit from a property that has become a symbol of government missteps conducted under the prior administration, which the Gloria Administration has corrected.

**"This is about turning the page and doing right by San Diegans,"** said Mayor Todd Gloria. **"For years, the question has been asked: What is the City of San Diego going to do about 101 Ash Street? Today, we've set the path for a new beginning. We're transforming this civic debacle by the prior administration into a community asset that will provide affordable homes for San Diegans, childcare, and real public value for decades to come."**

Under the [ground lease disposition agreement](#), 101 Ash Venture LP plans to turn the currently vacant office building into 247 affordable homes for households earning between 30% and 80% of the area median income (AMI) – those at most risk of becoming homeless. The homes will be a mix of studio, one-, two- and three-bedrooms to help serve a variety of family sizes.

The City of San Diego will not contribute direct funding to the project. Instead, it will loan the value of the building – with 4% interest – to the developer and receive rental payments and loan repayments overtime. This structure allows the project to move forward without new taxpayer costs while still ensuring long-term revenue and ownership for the City.

The project will also help revitalize the area and enhance the quality of life for residents by including at least 25,000 square feet of retail, food or grocery space and a 4,000-square-foot childcare center for children ages 0 to 5.

**“Converting this vacant office building into affordable housing will be a huge help to the many residents who eventually find a home there,”** said District 3 Councilmember Stephen Whitburn, who represents Downtown. **“This residential project will also help activate the surrounding blocks and contribute to the revitalization of the Civic Center area.”**

**“This unique site empowers us to think big, innovate and tackle the region’s most pressing issue, affordable and accessible housing,”** said Economic Development Director Christina Bibler. **“This is exactly what our region needs in a time of crisis: big, bold ideas and the tenacity to re-envision a vacant, underperforming skyscraper into an exciting adaptive-reuse conversion from hundreds of offices to homes.”**

In 2023, through the Civic Center revitalization efforts, the City initiated a process to explore redevelopment opportunities for the site and issued a notice of availability for all of the Civic Center properties, including 101 Ash St., with a focus on affordable housing as a priority. Following that effort, the City pursued negotiations on a 100% affordable housing development as an adaptive reuse of the building, which repurposes the site and will relieve the City of ongoing maintenance and security costs following the close of the two-year escrow period.

101 Ash Venture LP anticipates financing the project with multiple funding sources, including tax credits, and has two years to complete due diligence and secure financing. The developer is required to provide regular updates on the status of funding commitments to the City, which will be published on the City’s website, and contains protections for the City and taxpayers that allow the City to terminate the agreement if financing is not obtained.

The agreement outlines that 101 Ash Venture LP will lease the building as-is and be responsible for the environmental review and all design, entitlements and construction. They will also be required to maintain and operate the property in good working and orderly condition for the life of the term. At the end of the 60-year lease, the City will retain ownership of the land and the fully improved building, securing long-term benefits for the community.

Construction on the project could start as soon as spring of 2026.



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