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City of San Diego Announces Tentative Lease Deal to Pave Way for Historic Homeless Shelter Campus

MAYOR PROPOSES FIRST REAL, PERMANENT CITY EFFORT TO ADDRESS HOMELESSNESS, CITY COUNCIL TO VOTE ON NEGOTIATED LEASE FOR PLANNED HOPE @ VINE CAMPUS

SAN DIEGO – As the latest and perhaps most significant, long-term step in the City of San Diego's continued efforts to address homelessness, Mayor Todd Gloria has announced a lease deal to transform a 65,000-square-foot commercial building in Middletown into a state-of-the-art shelter campus. The Hope @ Vine campus would deliver homelessness services in a compassionate, modern and dignified way to tens of thousands of residents over the next three decades.

"For years, past mayors and city councils have only engaged in ad-hoc, piecemeal, temporary approaches to addressing homelessness. Our proposal for Hope @ Vine ensures that the City's response to homelessness is serious and will provide opportunity for those who are homeless now, and may become homeless in the future, to come off the streets and into care for years to come," said Mayor Todd Gloria. **"With this proposal, we are looking to deliver the change that San Diegans want to see with regard to addressing homelessness on our streets, and that is what Hope @ Vine will be able to do."**

The City and the property owner have tentatively agreed on a [30-year lease](#) at a cost of \$1.95 per square foot with annual 3.5% increases and an estimated \$12.5 million in facility maintenance costs over the term. The agreement provides benefits to the City including:

- 19 months of rent waived (\$2.4 million in savings).
- \$5 million unrestricted contribution from property owner.
- Property owner responsible for mitigation of any potential hazards identified during renovation process.
- The property is not available for purchase; however, the City has first right of refusal (ROFR) should landlord sell property.
- If property is sold within five years, City would receive profits from sale (14% of net).

- Deal includes adjacent parcel of land that can serve multiple uses including for additional shelter and services.

“This is more than just a standard building lease – this agreement aims to provide a transformative shelter project that will bring people off the street and help them get the skills and support they need to improve their lives,” said Christina Bibler, Director of the City’s Economic Development Department. **“We’re investing in a space that all San Diegans can be proud of and will provide services in a modern, comfortable and respectful way.”**

Located just west of Interstate 5, the proposed Hope @ Vine campus is across the freeway from Middletown and conveniently located near a trolley line and other Downtown homelessness services. Under the proposal being presented to the City Council, the City would have authorization to spend up to \$18 million to modernize and adapt the existing structure into a transformative campus. The facility’s layout allows for separate individual shelters each serving distinct populations including seniors and families. Site improvements call for a commercial kitchen, laundry facilities, dining areas, indoor and outdoor recreation areas, showers and restrooms.

With proposed onsite services to include job training, meals, housing navigation and behavioral health services, annual operating costs are anticipated to be \$26.4 million; this will save money compared with operating multiple smaller shelter sites. The long-term lease allows the City to adjust operations as the needs of the unsheltered and sheltered population evolve.

The San Diego City Council is set to review the Hope @ Vine project and proposed lease terms during a public hearing on Monday, July 22.

Expanding shelter opportunities is a key priority for Mayor Gloria and is a component of the City’s Comprehensive Shelter Strategy. Since 2021, the City has increased the number of options for people to get off the street and on a path to housing by roughly 1,400, which includes shelter beds, Safe Sleeping sites and Safe Parking sites. According to the Regional Task Force on Homelessness’ most recent Point in Time Count, roughly 3,000 people remain unsheltered in the city of San Diego.

At Monday’s Council meeting, staff from the Homelessness Strategies and Solutions Department will also present an update to the Strategy, which was first released in June 2023.

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