



The City of San Diego

NOTICE OF A PUBLIC HEARING BY THE COUNCIL OF THE CITY OF SAN DIEGO REGARDING A PROPOSED FIRST AMENDMENT TO GROUND LEASE DISPOSITION AGREEMENT BETWEEN THE CITY OF SAN DIEGO AND 101 ASH VENTURE LP, A CALIFORNIA LIMITED PARTNERSHIP, RELATED TO THE LEASE AND REDEVELOPMENT OF THE REAL PROPERTY LOCATED AT 107 ASH STREET WITHIN THE SAN DIEGO CIVIC/CORE PLANNING NEIGHBORHOOD OF DOWNTOWN SAN DIEGO AS AFFORDABLE HOUSING.

NOTICE IS HEREBY GIVEN that the Council of the City of San Diego ("City Council") will hold a public hearing on September 15, 2026, at the hour of 2:00 p.m., or as soon thereafter as the matter can be heard, in the City Council Chambers, 12th Floor, City Administration Building, 202 "C" Street, San Diego, California, pursuant to California Government Code section 52201 ("Section 52201"), for the purpose of considering a proposed First Amendment to Ground Lease Disposition Agreement ("First Amendment") between the City of San Diego ("City") and 101 Ash Venture LP, a California limited partnership ("Developer"), related to the lease and redevelopment of the real property located at 107 Ash Street (formerly 101 Ash Street) within the San Diego Civic/Core Planning Neighborhood of Downtown San Diego ("Property") as a mixed-use project including affordable housing ("Project").

DATE OF HEARING:	Tuesday, September 15, 2026
TIME OF HEARING:	2:00 p.m. (or as soon thereafter as the matter can be heard)
PLACE OF HEARING:	City Council Chambers, 202 "C" Street, 12th Floor, San Diego, CA 92101
CONTACT NAME:	Christina Bibler, Director City of San Diego
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CONTACT NUMBER:	(619) 236-6421
E-MAIL ADDRESS:	cbibler@sandiego.gov

The City and the Developer previously entered into the Ground Lease Disposition Agreement dated August 18, 2025 ("2025 Agreement"), which contemplates the City's long-term lease of the Property to the Developer and the Developer's completion and operation of the Project (i.e., the redevelopment of an existing commercial building into a mixed-use project, including residential rental units and retail and commercial uses) on the Property. Under the proposed First Amendment, the 2025 Agreement (including the form of the ground lease and the promissory note) will be amended to reflect several new circumstances as described in the First Amendment, including: (a) an increase of the ground lease term to 65 years (from 60 years); (b) an increase in the number of residential units to 252 (from 250), all of which will be affordable to low-income individuals and families, with the exception of three (3) manager's units; and (c) the Developer's intent to secure certain public and private financing sources for the Project.

The proposed action to approve the First Amendment, which will facilitate the Developer's adaptive reuse of the Property into 100% affordable housing, is categorically exempt from CEQA pursuant to CEQA Guidelines Section 15332 (In-Fill Development Projects) which exempts projects characterized as in-fill development that are: 1) consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designations and regulations; 2) occur within city limits on a project site of no more than five acres substantially surrounded by urban uses; 3) have no value as habitat for endangered, rare or threatened species; 4) would not result in any significant effects relating to traffic, noise, air quality, or water quality; and 5) can be adequately served by all required utilities and public services.

Approval of this action would facilitate the development of a mixed-use project which includes affordable housing units and commercial (retail/childcare) uses on a public agency-owned site. The project is seeking to maximize the density of the site through the use of affordable housing and childcare density bonuses. As such, the project would comply with the San Diego Municipal Code (SDMC) Section 156.0304(c) and would be exempt from needing a development permit. The project site is approximately 1.3 acres, is located within City limits, and is surrounded by urban uses. The project is located on developed land which has no value as habitat for endangered, rare or threatened species. The project is in a Vehicle Miles Traveled (VMT) efficient area for both VMT per Capita and VMT per Employee and therefore, would not result in a significant transportation impact. The building would be required to comply with the California Building Code and City regulations as it relates to interior noise and thus would not result in a significant noise impact. The proposed improvements are predominantly interior alterations to modify the building for residential and commercial uses and construction activities are not anticipated to exceed the emissions thresholds identified in the City's CEQA Significance Determination Thresholds. Additionally, the project would be required to comply with all applicable San Diego Air Pollution Control District rules and regulations as it relates to construction emissions including, but not limited to, rules related to fugitive dust and odors. The project does not include any components which would impact water quality and would be required to comply with the City's storm water regulations which provide minimum storm water requirements to protect water quality. Therefore, the project would not result in significant effects to air quality or water quality. There are existing utility connections to the site and the project would upgrade existing utility connections, as needed, to ensure they can accommodate the proposed uses. Additionally, there are emergency public services (i.e., police and fire-rescue services) available in the area that can provide service to the project site as needed. Therefore, the project can be adequately served by all required utilities and public services. Thus, this action meets the criteria for a Class 32 exemption.

The exceptions to the exemptions listed in CEQA Guidelines Section 15300.2 would not apply in that no cumulative impacts were identified, no significant effects on the environment were identified, the project is not adjacent to a scenic highway, no historical resources would be affected by the action, and the project was not identified on a list of hazardous waste sites pursuant to Section 65962.5 of the Government Code.

The proposed redevelopment of the Property under the 2025 Agreement, as modified by the First Amendment (collectively, "Disposition Agreement"), will provide a public benefit to the City, consistent with the definition of "economic opportunity" in California Government Code section 52200.2. The Property, in its current condition, may be considered an underutilized use of

City-owned real property. The redevelopment of the Property will provide 249 units of 100% affordable housing for extremely low-, very low-, and low-income households during the entire lease term. Redevelopment of the Property is anticipated to generate prevailing wage construction jobs during the rehabilitation process and many permanent jobs upon completion. The proposed ground floor commercial space will generate taxable revenue and new property tax revenue. The proposed redevelopment will also reduce construction-related carbon emissions compared to ground-up development and will support resource conservation, downtown revitalization, and reduced urban sprawl. The Property is located within walking distance of trolley lines and bus routes, which will reduce greenhouse gas emissions and contribute to the City's climate action goals. Under the ground lease structure of the Disposition Agreement, the Property will revert to City ownership at the end of a 65-year lease term.

COMMUNICATIONS

Instructions for providing testimony during the September 15, 2026, City Council Meeting are posted on the City Clerk's website at <https://www.sandiego.gov/city-clerk/officialdocs/participate-council-meetings>. The amount of time allotted for each speaker will be determined at the discretion of the Chair, who will generally allow between one and three minutes per speaker depending on the number of speakers in the queue for that item.

Comments may also be submitted electronically using the City Clerk webform at <https://www.sandiego.gov/form/agenda-comment-form> by indicating the agenda item number for which you wish to submit your comment. Comments submitted using this form will be distributed to the City Council and made a part of the record but will not be read into the record. Please note that electronic comments submitted using this form are limited to 500 words, but attachments are allowed. If the size limitations are met, please send materials to cityclerk@sandiego.gov.

Additionally, you may write a letter to the Mayor and City Council, Attention: City Clerk, City Administration Building, 202 "C" Street, San Diego, CA 92101-4806, Mail Station 2A; OR you can reach us by FAX: (619) 533-4045. All communications will be forwarded to the Mayor and City Council. The public may view the meetings on public television (within the City of San Diego only) on City TV Channel 24 for Cox Communications and Time Warner Cable or Channel 99 for AT&T, or view the meetings online, located at http://sandiego.granicus.com/player/camera/5?publish_id=1648.

In accordance with the Brown Act, the agenda will be posted 72 hours in advance of the City Council meeting. Please refer to the City Clerk's website to view the agenda, and for further instruction and applicable deadlines for submitting public comment or written materials.

If you wish to challenge the City Council's actions on the above proceedings in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence to the City Council at or prior to the public hearing.

REQUESTS FOR ACCESSIBILITY MODIFICATIONS OR ACCOMMODATIONS

As required by the Americans with Disabilities Act (ADA), requests for agenda information to be made available in alternative formats, and any requests for disability-related modifications or accommodations required to facilitate meeting participation, including requests for alternatives to observing meetings and offering public comment as noted above, may be made by contacting the City Clerk at (619) 533-4000 or via email cityclerk@sandiego.gov. The City is committed to resolving accessibility requests swiftly in order to maximize accessibility.

The following documents are available for public inspection and copying during regular office hours (8:00 a.m. to 5:00 p.m., Monday through Friday) at the office of the City Clerk, 202 C Street, City Administration Building (CAB), 2nd Floor, San Diego, California 92101. When you arrive at CAB please contact the Office of the City Clerk at 619-508-1638 and a member of their staff will further assist you:

1. The existing Ground Lease Disposition Agreement dated August 18, 2025.
2. The proposed First Amendment to Ground Lease Disposition Agreement, which includes a revised form of the ground lease and the promissory note.
3. A written staff report to the City Council, which describes the 2025 Agreement and the proposed First Amendment.
4. The updated Section 52201 Summary Report, which describes and specifies:
 - a. The costs of the Disposition Agreement to the City;
 - b. The estimated value of the interests to be conveyed by the City to the Developer pursuant to the Disposition Agreement at the highest and best use permitted under the general plan or zoning;
 - c. The estimated value of the interest to be conveyed determined at the uses specified and with the conditions, covenants, and development costs required by the Disposition Agreement;
 - d. The compensation to be paid to the City pursuant to the transaction;
 - e. An explanation of the difference, if any, between the compensation to be paid to the City under the transaction, and the fair market value at the highest and best use consistent with the general plan or zoning; and
 - f. An explanation of why the sale and development of the Property will assist in the creation of economic opportunity.

Diana J.S Fuentes
San Diego City Clerk

Publish Dates:
08-28-2026
09-04-2026