



Terwilliger Center for Housing



The six-story, 229-unit class A property—originally built in 2006—was in excellent physical condition at the time of acquisition. (Community Solutions)

ULI CASE STUDY: MARKET STREET VILLAGE

— ★ —
WINNER

ULI TERWILLIGER CENTER

2025

**JACK KEMP EXCELLENCE
IN AFFORDABLE
AND WORKFORCE
HOUSING AWARD**

SAN DIEGO, CALIFORNIA

LOCATION:

699 14th Street
San Diego, California

PROJECT TYPE:

Rehabilitation; affordable housing
with services

UNITS:

229

SIZE:

176,000 square feet

COST:

\$92.3 million

COMPLETION DATE:

January 2025

OWNER:

Community Solutions International
Inc./BDP Impact Real Estate

PROPERTY MANAGEMENT:

ConAm and Wakeland Housing &
Development Corp.

PARTNERS:

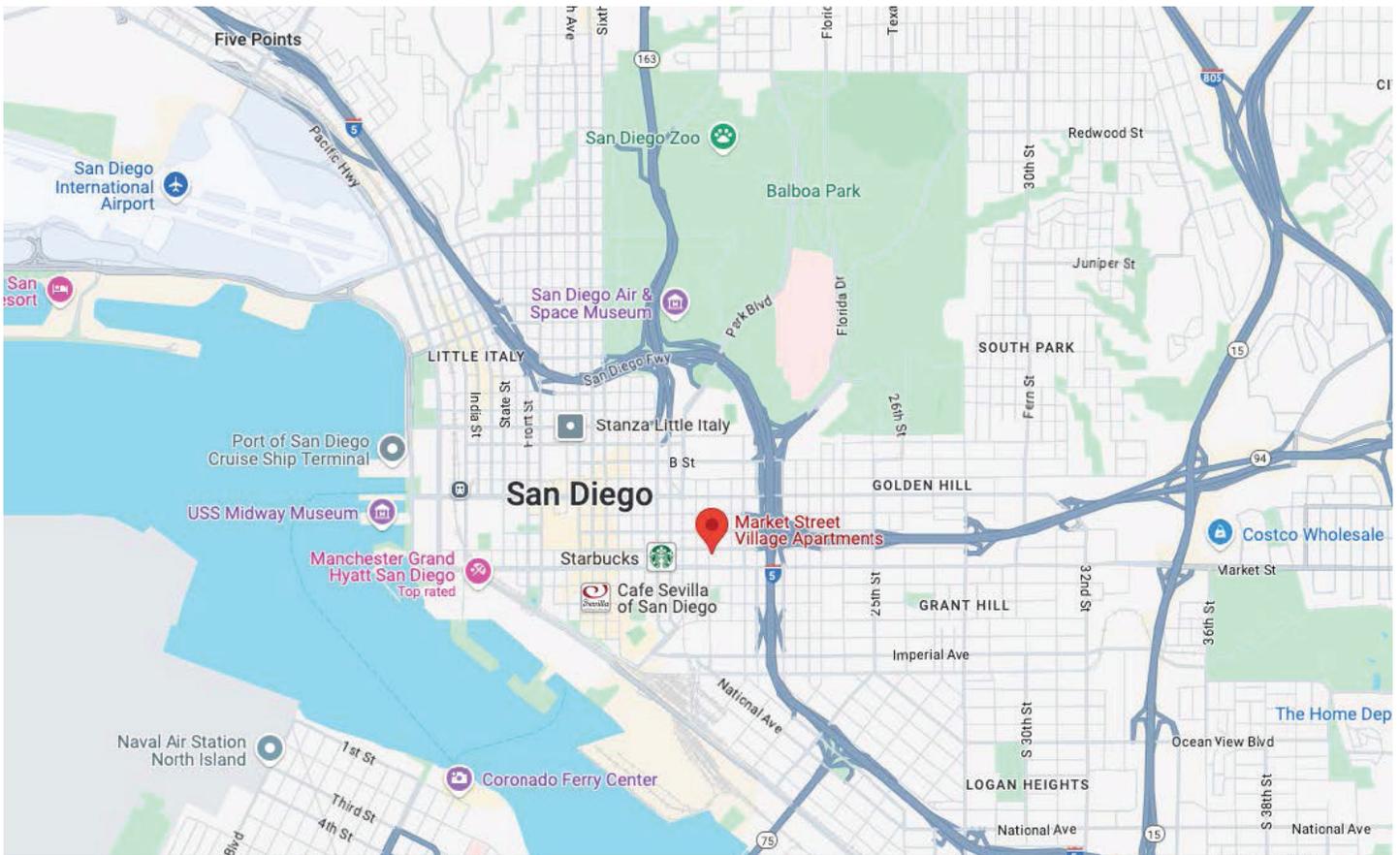
National Equity Fund/Morgan Stanley
(senior debt); Kaiser Permanente,
UnitedHealth Group, Ford Foundation,
Wells Fargo, The Prebys Foundation,
The Leon Levine Foundation, Truist
Bank, Woodforest Bank, IWP Family
Office, The Benenson Foundation,
(impact equity investors); Alliance
Healthcare Foundation and BQuest
(local concessionary capital);
Regional Task Force on Homelessness
(system coordination); Veterans’
Administration and local providers
(case management)

PROJECT WEBSITE:

<https://www.marketstreetvillage.com>

CONTACT:

Ellie Kendall, Vice President of
Investor Relations, BDP Impact
Real Estate, Community Solutions
International Inc.



Location and neighborhood were central factors in selecting the Market Street Village property for acquisition. (Community Solutions)

Project Overview

Market Street Village is a 229-unit, six-story, class A property acquired to preserve affordability and directly support San Diego’s homelessness reduction efforts, particularly for veterans with rental subsidy vouchers from the U.S. Department of Housing and Urban Development and Department of Veterans Affairs program Veterans Administration Supportive Housing (HUD-VASH). The project team identified an existing high-quality building with strong location fundamentals proximate to transit, health care, and a grocery store. Compared with new construction, the acquisition delivered affordability faster and at materially lower per-unit cost. The first residents were moving in within approximately 90 days of site identification and purchase.

The model integrates the property into San Diego’s coordinated housing placement system, linking supply (vacancies) to organized demand (by-name list referrals of those experiencing homelessness). Approximately half of the units are reserved for veterans (via HUD-VASH) and others exiting homelessness, with the balance preserved as workforce housing, generally ≤ 80 percent area median income (AMI) with reduced rents.

“ Market Street Village is a concrete example of a broader vision: intentionally linking the housing we create or acquire to the goal that everyone’s basic housing needs are met. ”

– Rosanne Haggerty, president,
Community Solutions



Underscoring the project's philosophy that affordable housing should be delivered in high-quality, amenity-rich settings, amenities include a fitness center, community spaces, and secure parking. (Community Solutions)

Planning and Design

The planning for Market Street Village was less about architectural redesign and more about system integration and community alignment. Before acquisition, Community Solutions and BDP Impact engaged with the San Diego Continuum of Care, the Regional Task Force on Homelessness, and the regional Department of Veterans Affairs Medical Center to map out referral pathways. Clarifying which service partners would provide on-site support ensured the property could be promptly connected to the city's list of individuals experiencing homelessness.

Location and neighborhood context were central factors in selecting the property for acquisition. The acquisition of the Market Street Village building, originally built in 2006, offered several advantages that aligned with resident needs and system goals designed to support long-term housing stability: direct access to public transit, a grocery store on the ground floor, and proximity to health care and employment centers.

The property includes a mix of studios and one- and two-bedroom apartments. Underscoring the project's philosophy that affordable housing should be delivered in high-quality, amenity-rich settings, amenities include a fitness center, community spaces, and secure parking.

“ This project helps build the bridge between mainstream housing developers and homelessness-response organizations. ”

– Rosanne Haggerty, president,
Community Solutions



The mixed-income approach also creates a community where formerly homeless veterans and others live alongside workforce households in a high-quality property. (Community Solutions)

Costs and Financing

The \$92 million total development cost of Market Street Village was capitalized through a blended stack of mission-driven and private financing. At \$403,000 per unit, the project represents a cost-effective preservation strategy compared to new affordable housing development in San Diego, which typically ranges between \$574,000 and \$900,000 per unit. Importantly, the acquisition avoided the typical multiyear entitlement and construction timeline, allowing units to come online for households with urgent housing needs within months rather than years.

CS Large Cities Housing Fund

The CS Large Cities Housing Fund is a nonprofit-controlled vehicle designed by Community Solutions and BDP Impact. The fund aggregates impact capital from health systems, philanthropic investors, and financial institutions, providing returns capped at approximately 9 percent. The fund competes effectively in aggressive real estate markets by

operating at market speed and offering sellers the certainty of private-market transactions. Acquired assets are permanently transitioned to public-purpose use. Since its close in 2024, the fund has raised more than \$135 million, with a successor fund now in development to expand reach across additional U.S. cities.

The CS Large Cities Housing Fund's acquisition of the Market Street Village property also reflects a deliberate evolution in strategy. The fund's early acquisition efforts focused on older class B properties, which were less expensive but often smaller and harder to operate efficiently. Market Street Village represents a tactical shift toward higher-quality, larger, and centrally located buildings. These properties not only reduce operating costs through scale but can also provide residents with better access to transit, health care, and everyday amenities.

PRO FORMA: MARKET STREET VILLAGE

Source	Amount (\$)
CS Large Cities Housing Fund	23,143,946
Hard debt: National Equity Fund	67,140,756
Subordinate loan: Alliance Healthcare Foundation	1,000,000
Subordinate loan: BQuest	1,000,000
Charitable Housing Program Grant: California Municipal Finance Authority	10,000
Total sources	92,294,702

Use	Amount (\$)
Acquisition (land + improvements)	82,640,344
Soft costs (including legal fees, loan costs, closing costs, and capitalized reserves)	3,342,391
Hard costs	2,808,562
Other costs: Developer fee	3,503,405
Total uses	92,294,702

“ We saw an opportunity to acquire a high-quality building with lower-cost capital. In exchange, we were able to lower rents and connect the building to make units available to individuals exiting homelessness. ”

– David Foster, president, BDP Impact Real Estate

Policy Profile: Market Street Village

ULI Terwilliger Center's Policy Profiles highlight the public policies that made the project possible. They showcase local, state, or federal tools—such as financing incentives, regulatory changes, or permitting reforms—and distill lessons other communities can adapt to expand housing affordability and choice.

Overview

Market Street Village in San Diego demonstrates how state and local policy tools, when paired with impact capital, can rapidly expand affordable housing in high-cost, high-barrier markets. Through adaptive reuse and nonprofit ownership, the project leverages existing housing stock to meet urgent community needs while avoiding the lengthy and expensive new-construction process.

The following policies helped shape this model:

- **The California property tax welfare exemption** lowered operating costs and supported below-market rents without relying on the Low-Income Housing Tax Credit (LIHTC).
- **The San Diego Regional Task Force on Homelessness Coordinated Entry System**—in partnership with the San Diego Housing Commission—linked half the units directly to veterans and other households exiting homelessness via the community's by-name list.
- **California Adaptive Reuse Legislation** (Assembly Bill 2011 and Senate Bill 6, 2022) reinforced the policy legitimacy of acquisition and conversion strategies, enabling the Large Cities Housing Fund to act at “market speed” within a supportive regulatory environment.



Market Street Village in San Diego demonstrates how state and local policy tools, when paired with impact capital, can rapidly expand affordable housing in high-cost, high-barrier markets. (Community Solutions)

“ The CS Large Cities Housing Fund is designed to move at market speed—looking like a private equity buyer. Sellers won’t wait for multiple public approvals or complex LIHTC structures.”

– David Foster, president, BDP Impact Real Estate

California Property Tax Welfare Exemption

A critical financing lever was the California property tax welfare exemption, which provides relief for qualifying nonprofit-owned affordable housing properties. By pairing this exemption with income and rent restrictions, the project is able to stabilize operations and keep rents below market without relying on the LIHTC. Unlike LIHTC, the exemption involves more streamlined compliance via income verification, rather than complex multisource reporting. This not only simplifies compliance requirements but also enhances flexibility in tenant selection, allowing units to be directly matched to households on the by-name list of veterans and others exiting homelessness.

Impact on Market Street Village: The exemption enabled long-term affordability without layering tax credits or subsidies. By lowering operating costs, the policy helped reduce rents for workforce households and support voucher acceptance for very low-income households exiting homelessness.

San Diego Housing Commission and Regional Task Force on Homelessness Partnership Framework

A strong partnership between the San Diego Housing Commission (SDHC) and the Regional Task Force on Homelessness (RTFH) underpins the region’s coordinated entry system. Through this framework, the RTFH maintains a by-name list and referral process that matches available units to households

experiencing homelessness, while SDHC administers HUD-VASH veteran housing vouchers and other rental assistance streams.

Impact on Market Street Village: This policy structure made it possible for Market Street Village to align immediately with the region’s homelessness response system. The coordinated entry framework ensured that 115 units were directly linked to eligible veterans and other high-priority households, creating a streamlined referral pipeline that minimized vacancy loss and maximized placement speed.

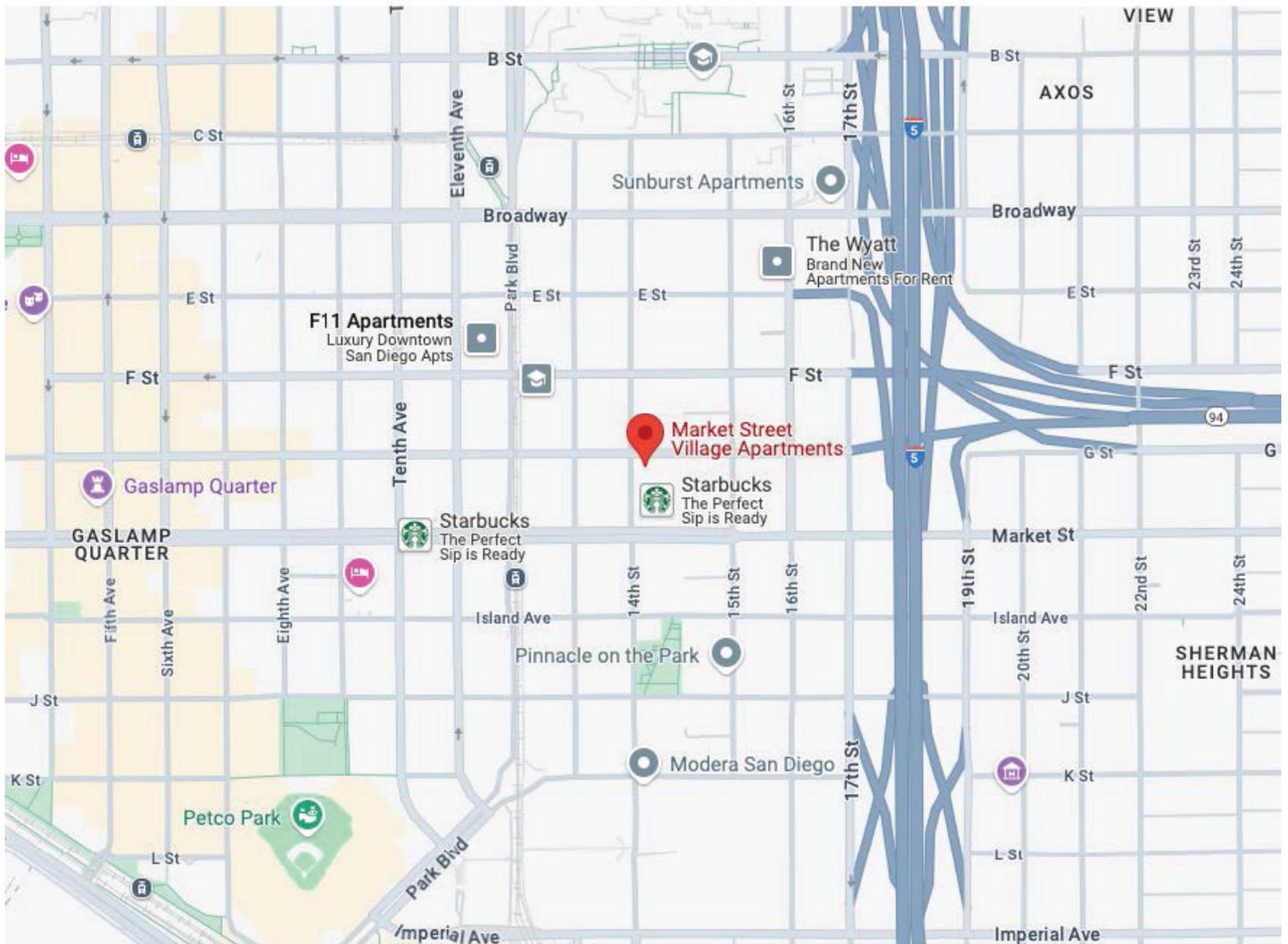
California Statewide Push for Adaptive Reuse and Conversion Incentives

State legislation such as AB 2011 and SB 6, both passed in 2022, encouraged housing development through adaptive reuse of existing buildings. While Market Street Village was a market-rate multifamily acquisition rather than a commercial conversion, these laws reflect a policy climate that legitimizes “reuse-first” solutions.

Impact on Market Street Village: The broader policy trend toward adaptive reuse helped normalize the fund’s acquisition model, signaling to local jurisdictions and investors that preservation and conversion are vital to scaling housing supply.

Key Takeaways for Policy and Practice

- **Pair policy incentives with capital innovation.** State tax exemptions can achieve long-term affordability more flexibly than LIHTC when combined with impact equity and mission-driven debt.
- **Integrate housing and homeless systems.** Coordinated entry and by-name list frameworks ensure that affordable units measurably reduce homelessness rather than simply expanding the supply of low-cost housing.
- **Legitimize “reuse-first” strategies.** State and local adaptive reuse policies can accelerate affordable housing production by removing regulatory uncertainty and validating acquisition and preservation as policy-backed pathways.



Market Street Village represents the CS Large Cities Housing Fund’s tactical shift toward acquiring larger, high-quality, centrally located buildings to permanently transition to public-purpose use. (Community Solutions)

Community Engagement

Community engagement at Market Street Village was centered on system-level alignment, since the acquisition of an existing property avoided the typical discretionary approvals. The focus was on embedding the project within the continuum-of-care framework and ensuring strong cross-sector collaboration. The Regional Task Force on Homelessness served as a critical partner for Market Street Village. RTFH led San Diego’s participation in Community Solutions’ national Built for Zero initiative to design the local referral, placement, and support systems for residents experiencing homelessness. The

Built for Zero framework guides communities to deploy comprehensive, real-time data to reduce homelessness. The by-name list is a central pillar of this approach. Integrating Market Street Village into the RTFH’s by-name list ensured that apartment vacancies were matched rapidly to veterans and chronically homeless individuals with vouchers. Regular case conferencing and data sharing between RTFH, the Veterans Administration (VA), and other service partners allowed barriers to be resolved quickly.

On-site, the collaboration among ConAm (property management), Wakeland Housing (supportive services), and the VA (case management for HUD-VASH voucher holders) created a blended model of professional housing management and targeted tenant support. Community Solutions' Property Management Plus model reframes property management beyond rent collection and maintenance to emphasize coordination with service providers to support residents. Staff are trained to identify challenges early—such as job loss, health needs, or arrears—and work with service partners to resolve issues before they escalate. In a large mixed-income property such as Market Street Village, this proactive model strengthens tenant stability.

Community-Based Partnerships

Beyond formal partners, Community Solutions leveraged relationships with local health systems, philanthropists, and civic organizations who had invested in the CS Large Cities Housing Fund. This broader engagement reinforced public confidence that the project was advancing both affordability and health equity goals. The project's significant contribution to ending veteran homelessness was an issue with strong local resonance with the military community in San Diego.

“Property Management Plus with ConAm and Wakeland HDC offers a layered approach that keeps tenancies stable and integrates with the community's housing system.”

– David Foster, president, BDP Impact Real Estate

Construction Process

Market Street Village represents a light-touch conversion compared to traditional rehabilitation or new construction. Rather than pursuing a multiyear, ground-up development, the team identified an existing high-quality building with strong location fundamentals such as proximity to transit, health care, and a grocery store. Compared with new construction, the acquisition delivered affordability faster and at a lower per-unit cost.

The six-story, 229-unit, class A property—originally built in 2006—was in excellent physical condition at the time of acquisition. As such, the work plan focused only on targeted capital investments: upgrading common areas, reconfiguring select spaces for resident services, and addressing age-appropriate building systems. This approach preserved the building's high-quality amenities while positioning it for long-term affordability and service integration.

The decision to pursue acquisition with modest upgrades was both strategic and pragmatic. In San Diego, new affordable housing routinely costs between \$574,000 and \$900,000 per unit. Entitlement, financing, and construction timelines mean that a new construction project can take five or more years to deliver. By contrast, Market Street Village was acquired in late 2024 at an all-in cost of \$403,000 per unit, with the first new residents moving in within 75 to 90 days of closing. This rapid delivery was particularly vital in meeting urgent demand for HUD-VASH voucher holders and others on the by-name list who had struggled to secure housing in a tight market.

The construction process also demonstrates the advantages of a “reuse first” model. Rather than waiting for lengthy permitting and financing cycles, the team leveraged the building's existing quality and prime location to deliver a turnkey solution.

Housing Affordability and Unit Mix

Market Street Village employs a dual affordability strategy. Roughly 50 percent of the units (115 total) are reserved for households at or below 30 percent of AMI, supported by HUD-VASH, Section 8, and other vouchers. These placements are coordinated through the RTFH using a by-name list to ensure that units

are targeted to those most in need. The remaining 50 percent (114 units) are reserved as workforce housing, affordable to households earning up to 80 percent of AMI.

AFFORDABILITY LEVEL	UNITS	% OF TOTAL	STUDIOS	1BR	2BR	RENT RANGE*
≤30% AMI (VOUCHER-SUPPORTED)	115	50%	54	61	0	\$2,123–\$2,729
61–80% AMI (WORKFORCE)	114	50%	36	43	35	\$2,123–\$2,729
TOTAL RENTAL UNITS	229	100%	90	104	35	

* Voucher-supported units are underwritten at these rent levels but covered directly by subsidy payments, making them affordable to very low-income residents.

Marketing and Performance

Market Street Village demonstrates a lease-up strategy that prioritizes both speed and system alignment. Vacancies are first offered to the regional housing system—including the VA and Continuum of Care—ensuring that households on the by-name list, particularly veterans with HUD-VASH vouchers, are given immediate access to available units. The goal: to complete referrals and placements within 30 days of unit availability. For the remaining workforce units, leasing follows traditional multifamily practices but at restricted rents under the California property tax welfare exemption.

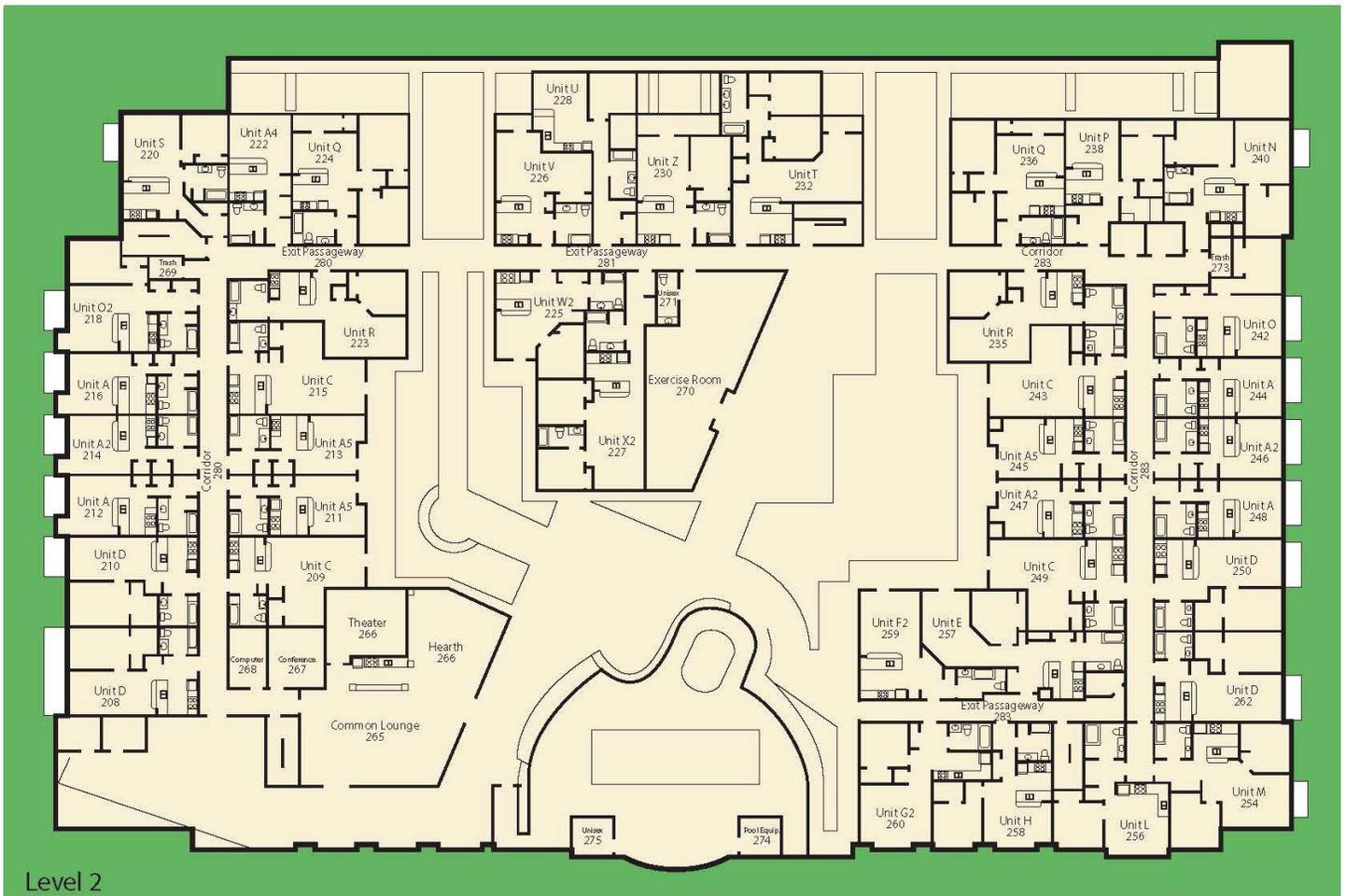
tracked above the 90 percent threshold, a reflection of the property’s supportive services infrastructure and its Property Management Plus model, which treats eviction as a last resort and relies on interventions, mediation, and case management to sustain tenancies.

Resident Retention and Housing Stability

Performance monitoring goes beyond occupancy to focus on housing stability. The fund’s portfolio-wide target is that 90 percent or more of residents remain housed or exit on positive terms (such as a move to other permanent housing or family reunification). At Market Street Village, stability has consistently

“Property management is the glue. Our Property Management Plus approach . . . treats management as part of the housing system: it’s not just about collecting rent and maintenance, but actively sustaining tenancies so housing becomes a platform for stability and contribution.”

– Rosanne Haggerty, president, Community Solutions



Level 2

Approximately half of the units at Market Street Village are reserved for veterans and others exiting homelessness, with the balance preserved as workforce housing with reduced rents. (Community Solutions)

Market Street Village has also shown that high-quality, centrally located assets remain attractive to both voucher-holders and workforce households. Stability of voucher income has ensured reliable operating performance. Workforce households have responded positively to the below-market rents in a city where median market rents remain unaffordable to many middle-income earners.

Importantly, Market Street Village’s performance metrics are designed not only to measure property-level success but also to reinforce system-level accountability. Data on placement efficiency, tenant stability, and referral patterns are shared with the Regional Task Force on Homelessness and the VA. This real-time integration allows Market Street Village to function as part of a broader homelessness response ecosystem. This coordinated approach has been part of a roughly 39 percent decrease in veteran

homelessness across San Diego City and County since 2019. An estimated 650 veterans were counted in January 2025 compared to 1,068 in 2019.

“ We track three categories of outcomes: housing access (goal is <30 days from vacancy), housing stability (90 percent or more remain housed or exit positively), and life outcomes (through a health and wellness survey with Kaiser, UnitedHealthcare, IHI). Market Street is above 90 percent. ”

– David Foster, president, BDP Impact Real Estate

Lessons Learned

- **Land acquisition plus policy levers help to leverage speed and scale in production.** With the right financing model and policy support, communities can scale affordability quickly even in high-barrier markets. Market Street Village demonstrates that strategic acquisition can dramatically accelerate delivery compared to new construction. By pairing impact equity and mission-aligned debt with the California property tax welfare exemption, the project delivered affordability at \$403,000 per unit versus the \$574,000–\$900,000 per unit typical for new builds in San Diego. Just as importantly, the reuse-first approach expedited the delivery timeline to 90 days, allowing the property to immediately house veterans and others exiting homelessness and workforce families.
- **System alignment reduces homelessness.** Simply adding units is not sufficient to reduce homelessness. By tying half of all vacancies to the by-name list maintained by the Regional Task Force on Homelessness, Market Street Village ensures that each unit is part of a coordinated system response. This alignment guarantees that the building contributes directly to population-level reductions in homelessness, rather than functioning as a siloed affordable housing project.
- **Quality matters, for both residents and operations.** The fund’s early assumption that mid-market class B properties offered the best acquisition prospects gave way to a more powerful insight: higher-quality, larger assets produce better results. Class A buildings like Market Street Village not only operate more efficiently at scale but also offer low- and moderate-income residents—especially those exiting homelessness—important resources such as access to public transit and neighborhood services.
- **Data-driven property management directs success.** The Property Management Plus model highlights how property management can serve as a front-line intervention tool. In partnership with ConAm, Wakeland, and the VA, regular case conferencing and data sharing ensure that tenancy issues are addressed proactively, reducing turnover and improving resident well-being.

Conclusion

The Market Street Village conversion highlights how strategic acquisition paired with modest rehabilitation can preserve high-quality communities, lower rents for existing tenants, and rapidly integrate properties into citywide homelessness response systems. This model not only accelerates affordable housing delivery but also illustrates how impact capital, supportive policy levers, and system-level coordination can be combined to deliver homes quickly and at a fraction of the cost of new development.

The mixed-income approach also creates a community where formerly homeless veterans and others live alongside workforce households in a high-quality property. The model avoids the pitfalls of concentrating poverty, while still providing deep affordability for those with the greatest needs. The result is rapid, cost-effective delivery of affordable homes—especially for veterans and others exiting homelessness—without the complexity of LIHTC, and with measurable community-level impact.

About the Urban Land Institute

The Urban Land Institute is a global, member-driven organization comprising more than 45,000 real estate and urban development professionals dedicated to advancing the Institute's mission of shaping the future of the built environment for transformative impact in communities worldwide.

ULI's interdisciplinary membership represents all aspects of the industry, including developers, property owners, investors, architects, urban planners, public officials, real estate brokers, appraisers, attorneys, engineers, financiers, and academics. Established in 1936, the Institute has a presence in the Americas, Europe, and Asia Pacific regions, with members in 84 countries.

The extraordinary impact that ULI makes on land use decision-making is based on its members sharing expertise on a variety of factors affecting the built environment, including urbanization, demographic and population changes, new economic drivers, technology advancements, and environmental concerns.

Peer-to-peer learning is achieved through the knowledge shared by members at thousands of convenings each year that reinforce ULI's position as a global authority on land use and real estate. Each year, thousands of events, both virtual and in person, are held in cities around the world.

Drawing on the work of its members, the Institute recognizes and shares best practices in urban design and development for the benefit of communities around the globe.

More information is available at uli.org. Follow ULI on [X \(formerly known as Twitter\)](#), [Facebook](#), [LinkedIn](#), and [Instagram](#).

About the Terwilliger Center

The mission of the Terwilliger Center for Housing is to ensure that everyone has a home that meets their needs at a price they can afford. Established in 2007 with a gift from longtime member and former ULI chairman J. Ronald Terwilliger, the Center's activities include technical assistance engagements, forums and convenings, research and publications, and an awards program. The goal is to catalyze the production and preservation of a full spectrum of housing options. [Learn more.](#)

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