Salvation Army announces its biggest project to date: a $100 million center to serve homeless people

The downtown San Diego facility will be named the Rady Center following a donation from longtime philanthropists Ernest and Evelyn Rady.
SAN DIEGO — The Salvation Army on Thursday announced its most ambitious local project, one that will provide more shelter and services for homeless people than anywhere else in San Diego County.

The 200,000-square-foot, $100 million project comes at a time when the county is seeing a surge of people living outdoors and a recent report revealed that the number of newly homeless people is outpacing the number of people who are housed each year.

The new building at Seventh Avenue and E Street is expected to open in the winter of 2025-26 under the name Rady Center in honor of longtime Salvation Army supporters, philanthropists Ernest and Evelyn Rady.

During a press conference at the rooftop of the Andaz Hotel overlooking the site of the new center, Ernest Rady spoke briefly about his latest donation and said he was grateful to be able to help the people he sees struggling on the street.

This year’s count of homeless people found 8,427 individuals living outdoors or in shelters throughout the county, a 10 percent increase from the previous count in January 2020.

New shelters and new affordable housing units have opened in the eight months since the count was conducted, but many cities throughout the county still are seeing homeless encampments alongside streets and in canyons. In August, the Downtown San Diego Partnership’s monthly count of homeless people downtown reported a record high of 1,609 people living on sidewalks or in vehicles.

The partnership’s September count showed the numbers have continued to increase and had reached 1,623.

The Rady Center will replace the Salvation Army’s Centre City Corps facility at 825 Seventh Ave. and will provide shelter, housing and services for more than 200 people
through a mix of interim shelter beds and transitional, permanent supportive and low-income housing. It is predicted to serve 7,100 homeless people over the next 10 years.

The Radys have donated $30 million for an endowment to the center and have pledged another $5 million if a matching $30 million is raised.

With a $10 million gift from Margaret A. Cargill Philanthropies and other donations and pledges, the Salvation Army has raised $21 million toward the $30 million matching goal and is launching a capital fundraising campaign to acquire the rest.

The $100 million price tag includes the Centre City Corps property, which is owned by the nonprofit and valued at about $12 million, said Salvation Army Lt. Col. Lee Lescano.

The nonprofit Wakeland Housing and Development Corp. is the project’s lead developer and will raise about $60 million through tax credits and federal, state and local grants, Lescano said.
The Salvation Army’s Centre City Corps building, as seen from the rooftop of the Andaz Hotel, will be raised and replaced by the new Rady Center, which will opened in about four yea (Meg McLaughlin/The San Diego Union-Tribune)

Megan Dowell, homeless services director for the Salvation Army, said the Centre City Corps building opened in 1974 and provides shelter beds for 34 men, a food pantry, outreach teams and Pathway of Hope, a case management program to help families break the cycle of generational poverty.

With demolition about a year away, Dowell said the Salvation Army will create a plan to continue to serve people during the 18- to 24-month span before the new center opens.

The 100-room Silvercrest housing project for seniors next to the Centre City Corps facility will not be affected by the redevelopment of the site.

An architect for the new center has not been chosen yet, so the Salvation Army does not yet know the number of stories that will be in the new building. The documents, bidding
and permitting process is expected to begin next month and take a full year, followed by site preparation at the end of 2023.

Once open, the center will include 60 shelter beds for interim housing up to six months. An additional 20 beds will provide transitional housing for six to 12 months, and 30 studios with a kitchen and bathroom will provide bridge housing for six to 12 months.

Another 60 units with a kitchen and bathroom and operated by Wakeland will provide permanent supportive housing for 60 to 70 people, and 30 one-bedroom units operated by Wakeland will provide affordable housing for 30 to 90 people.

Tamera Kohler, CEO of the Regional Task Force on Homelessness, attended the Thursday announcement and called the project fantastic.

“The Salvation Army does such a critical service,” she said, adding that she especially liked the endowment to ensure the program’s longevity and the fact that the nonprofit already owns the site.

In 2018, the Radys donated $50 million to the Salvation Army, at the time the third-largest gift ever given to the charity, toward the construction of the 140-bed Rady Residence at Door of Hope, which opened in Serra Mesa in 2020. A portion of the donation went to the new Rady Center.

The Salvation Army had operated its headquarters and main warehouse just blocks away from the Centre City Corps building for 41 years, but it moved from downtown last year. Its new offices and warehouse opened in June 2021 in Otay Mesa.
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