

Homelessness Budget

2025-2026 Proposed Funding Allocation

Given the substantial impact of homelessness-related expenditures on the City’s budget, this appendix provides a comprehensive summary across departments, core services, budget programs, and funding sources.

Homelessness expenditures are allocated from various funding sources and are structured according to the City’s organizational framework, which is divided into City Service Areas (CSAs), Core Services, and specific Budget Programs. Each Budget Program is funded by one or more designated funds. Table 1 presents an overview of the major costs associated with homelessness services within the City of San José. It is important to note that indirect costs, such as supporting administrative staff and ancillary expenses, or the impacts of homelessness on City services, are not included here but are absorbed within other departments such as, but not limited to, Environmental Services, Fire, Police, Transportation, and the City Manager’s Office.

Table 1: Homelessness Programs Across the Organization

City Service Area	Neighborhood Services		
Department	Housing	Parks, Recreation, and Neighborhood Services	Public Works
Core Service	Homeless Response and Solutions	Community Services	Strategic Support – Neighborhood Services
Budget Program	Congregate Shelter	Encampment Management	Interim Housing Development and Maintenance
	Homeless Administrative Support		
	Homeless Hygiene & Meals		
	Homeless Outreach and Engagement		
	Homeless Prevention, Shelter Diversion and Rental Assistance		
	Homeless Supportive Services		
	Interim Housing Construction and Operations		
	Rapid Rehousing		

This section outlines the 2025-2026 Proposed Operating Budget for homelessness expenditures, categorized by high-level spending categories (Table 2), department and budget program (Table 3), and fund and budget program (Table 4), all of which can be found in the department’s respective sections within this budget document. Additional insights on homeless expenditures are available in Appendix C: Interim Housing Forecast in the City’s latest Five-Year Forecast¹. Related performance measures can be found within the Housing Department and Parks, Recreation and Neighborhood Services Department sections, and the Neighborhood Services CSA section of the Operating Budget.

¹ <https://www.sanjoseca.gov/home/showpublisheddocument/118372/638763510988270000>

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Table 2: Homelessness Budget by Spending Category

Citywide Homelessness Budget in 2025-2026 Proposed Operating Budget (\$ Millions)		
Spending Category	2024-2025 Adopted	2025-2026 Proposed
Interim Housing / Safe or Alternative Sleeping ¹	124.4	44.4
Encampment Management and Abatement	32.2	30.0
Outreach and Supportive Services	29.9	9.4
Prevention and Rapid Rehousing	26.1	5.0
Administrative and Programmatic Support	3.5	2.3
Total	216.1	91.1
Unallocated or Reserve Funding ²	20.1	10.9

¹The 2025-2026 Proposed Budget of \$44.4 million for Interim Housing / Safe or Alternative Sleeping does not represent the full funding anticipated for interim housing operations in that fiscal year. This figure excludes one-time remaining funds from 2024-2025 that are expected to be recommended to be rebudgeted into 2025-2026 as part of the 2025-2026 Adopted Budget process. Interim housing including safe sleeping sites were estimated to cost \$128.5 million in 2025-2026 as forecasted in the City's 2026-2030 Five-Year Forecast and Revenue Projections.

²Designated for future year spending

Table 3: Homelessness Budget by Department and Budget Program

Citywide Homelessness Budget in 2025-2026 Proposed Operating Budget by Department and Budget Program (\$ Millions)		
Department and Budget Program	2024-2025 Adopted	2025-2026 Proposed
Housing Department	131.8	58.5
Congregate Shelter	0.3	0.0
Homeless Administrative Support	3.5	2.3
Homeless Hygiene & Meals	2.7	2.0
Homeless Outreach and Engagement	20.6	7.2
Homeless Prevention, Shelter Diversion and Rental Assistance	18.2	1.5
Homeless Supportive Services	6.6	0.2
Interim Housing Construction and Operations	71.9	41.8
Rapid Rehousing	7.9	3.5
Parks, Recreation and Neighborhood Services Department	32.2	30.0
Encampment Management	32.2	30.0
Public Works Department	52.1	2.6
Interim Housing Development and Maintenance	52.1	2.6
Total	216.1	91.1
Unallocated or Reserve Funding*	20.1	10.9

*Designated for future year spending

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Table 4: Homelessness Budget by Funding Category, Fund and Budget Program

Citywide Homelessness Budget in 2025-2026 Proposed Operating Budget by Fund and Budget Program (\$ Millions)			
Funding Category	Fund and Budget Program	2024-2025 Adopted	2025-2026 Proposed
Local	Real Property Transfer Tax Fund	74.2	62.3
	Congregate Shelter	0.3	0.0
	Encampment Management	1.4	6.7
	Homeless Administrative Support	2.9	1.4
	Homeless Hygiene & Meals	2.0	2.0
	Homeless Outreach and Engagement	6.6	2.3
	Homeless Prevention, Shelter Diversion and Rental Assistance	2.6	0.8
	Homeless Supportive Services	1.0	0.0
	Homeless Reserves (Homelessness Prevention and Homelessness Support Services)	9.3	9.8
	Interim Housing Construction and Operations	34.7	33.1
	Interim Housing Development and Maintenance	13.5	2.6
Rapid Rehousing (RRH)	0.0	3.5	
Local	General Fund	90.7	23.6
	Encampment Management	30.8	23.3
	Homeless Hygiene & Meals	0.0	0.0
	Homeless Outreach and Engagement	0.3	0.3
	Homeless Prevention, Shelter Diversion and Rental Assistance	0.2	0.0
	Interim Housing Construction and Operations	17.0	0.0
	Interim Housing Development and Maintenance	38.6	0.0
	Rapid Rehousing (RRH)	3.8	0.0
State	Homeless Housing, Assistance, and Prevention Fund	34.4	10.4
	Homeless Administrative Support	0.1	0.4
	Homeless Outreach and Engagement	10.9	1.3
	Homeless Prevention, Shelter Diversion and Rental Assistance	3.0	0.0
	Interim Housing Construction and Operations	5.8	8.1
	Rapid Rehousing (RRH)	4.1	0.0
	Housing Ending Fund Balance	10.5	0.7
Federal	Multi-Source Housing Fund	16.2	4.1
	Congregate Shelter	0.0	0.0
	Homeless Administrative Support	0.6	0.5
	Homeless Hygiene & Meals	0.0	0.0
	Homeless Outreach and Engagement	0.7	2.7
	Homeless Prevention, Shelter Diversion and Rental Assistance	6.4	0.7
	Interim Housing Construction and Operations	8.5	0.3

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Citywide Homelessness Budget in 2025-2026 Proposed Operating Budget by Fund and Budget Program (\$ Millions) Continued			
Funding Category	Fund and Budget Program	2024-2025 Adopted	2025-2026 Proposed
Local	Low And Moderate Income Housing Asset Fund	1.2	0.8
	Homeless Administrative Support	0.0	0.0
	Homeless Outreach and Engagement	0.3	0.3
	Homeless Supportive Services	0.2	0.2
	Interim Housing Construction and Operations	0.6	0.3
	Rapid Rehousing (RRH)	0.0	0.0
Local	Housing Trust Fund	1.2	0.3
	Homeless Hygiene & Meals	0.7	0.0
	Homeless Outreach and Engagement	0.1	0.3
	Homeless Prevention, Shelter Diversion and Rental Assistance	0.4	0.0
Federal	Home Investment Partnership Program Fund	11.7	0.1
	Homeless Outreach and Engagement	1.8	0.1
	Homeless Prevention, Shelter Diversion and Rental Assistance	4.5	0.0
	Homeless Supportive Services	5.4	0.0
	Interim Housing Construction and Operations	0.0	0.0
State	Building Homes and Jobs Act Fund	6.7	0.4
	Homeless Prevention, Shelter Diversion and Rental Assistance	1.1	0.0
	Interim Housing Construction and Operations	5.3	0.0
	Housing Ending Fund Balance	0.3	0.4
Total		236.3	102.0