



Reducing Unsheltered Homelessness Focus Area



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Performance Dashboard

Long-Term Goal. Move toward functional zero in unsheltered homelessness by proactively and effectively managing the shelter system, increasing throughput into permanent housing, and improving data systems to guide investment.

Introduction and Challenges

What's going well

San José has made unprecedented investments to reduce unsheltered homelessness and its environmental impacts. The City has expanded shelter and safe parking capacity at record speed and sustained compliance on 26 miles of priority waterways, preventing re-encampments and reducing environmental discharge.

Survey data shows encouraging results:

- **Perceptions of Downtown improved:** agreement with statements about downtown San José trended positive from FY2024 to FY2025, with statistically significant gains in “good place for dining” (+4%), “good place for entertainment” (+3%), and “enjoy visiting” (+3%).
- **Neighborhood Cleanliness improved** by 4 percentage points between FY2024 and FY2025, including stronger ratings for streets/sidewalks (+6%), downtown (+4%), freeway corridors (+4%), and public parks (+4%).

The main challenges moving forward

Despite these gains, key challenges continue to threaten progress toward functional zero:

- **Shelter supply shortfall.** Even with new shelter and safe parking sites coming online, overall demand far exceeds current capacity. Progress toward functional zero will depend less on building thousands of additional shelter beds and more on accelerating throughput from shelter into permanent housing. → **This work is closely tied to the City's broader *Building More Housing* focus area.**
- **Unsustainable funding.** Operations remain heavily dependent on General Fund resources, with limited secured long-term revenue. Without more stable, ongoing funding, the shelter system cannot be sustained or reliably operated to support functional zero.
- **Displacement pressures.** Enforcement along waterways has relocated individuals into new parts of the city, creating additional outreach and shelter needs. These pressures divert resources and disrupt progress toward system stability.
- **Data limitations.** Gaps in real-time tracking of how many people are entering homelessness versus exiting into programs (inflow-outflow) slow efforts to forecast demand and manage the system proactively.



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1. Shelter System Capacity & Operations. The City continues to face a shortfall in units and spaces despite recent expansion.

While the City has rapidly expanded shelter and safe parking capacity, a February 2025 Budget Priority Study Session identified a gap of over **3,064+ units** beyond what is currently funded. The Housing Department also estimated that there were **5,477 unsheltered individuals** citywide. Eight new or expanded interim housing and safe parking sites are expected to bring total capacity to **1,840 units and spaces** online by Calendar Year 2025. At the same time, standardizing outreach and engagement will be critical to ensuring that available capacity is fully utilized and that more residents are successfully connected to shelter, services, and housing.



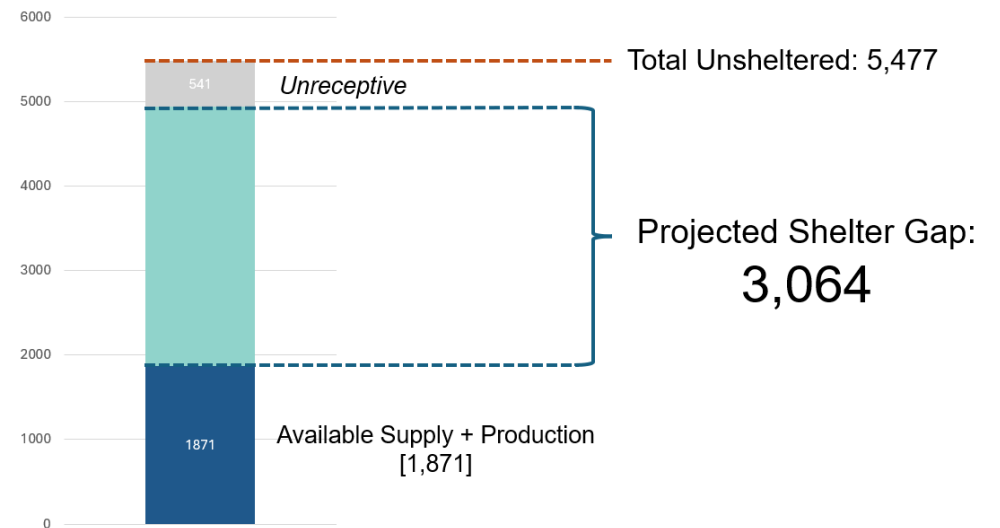
Significant investments are bringing new shelter and safe parking sites online at record speed.



Current expansion will not close the **3,064+ unit shortfall**, limiting progress toward functional zero.



Optimizing existing operations is necessary, but additional capital and innovative lower-cost models are required to meet demand and to maximize the impact of outreach and engagement efforts.



* The February 2025 Budget Priority Study Session referenced 1,871 units as available supply + production. The updated figure (~1,840) reflects recent adjustments and changes in available shelter capacity.



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Goal 1.1: Bring all planned 705 shelter units online by the end of Calendar Year 2025.

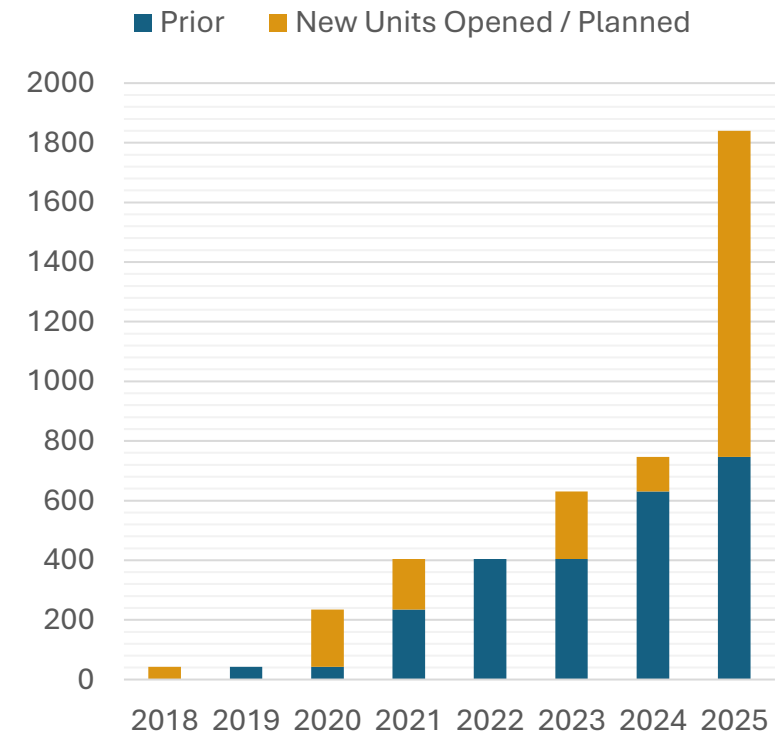
What is the City doing next? The City is working to bring all planned shelter and safe parking sites online by the end of Calendar Year 2025, expanding capacity to meet current demand and provide more pathways out of unsheltered homelessness.

What do we think might happen as a result?

- Increased supply of shelter and safe parking will reduce the number of residents experiencing unsheltered homelessness.
- Greater availability of shelter options will ease pressure on public spaces and waterways.
- Expanded system capacity strengthens progress toward achieving functional zero.

How will we know if this is working? We will report quarterly on the insights gathered by following measures:

- Success Measures
 - # of new shelter and safe parking spaces opened by end of Calendar Year 2025 (target: 705).
 - Ensure that at least 70% of Council Districts have shelter options operational.



Shelter and Safe Parking Sites
Opened / Planned by Year



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Goal 1.2: Standardize shelter system operations, budgets, and performance metrics across all 24 sites to decrease costs by up to 20% by June 2026.

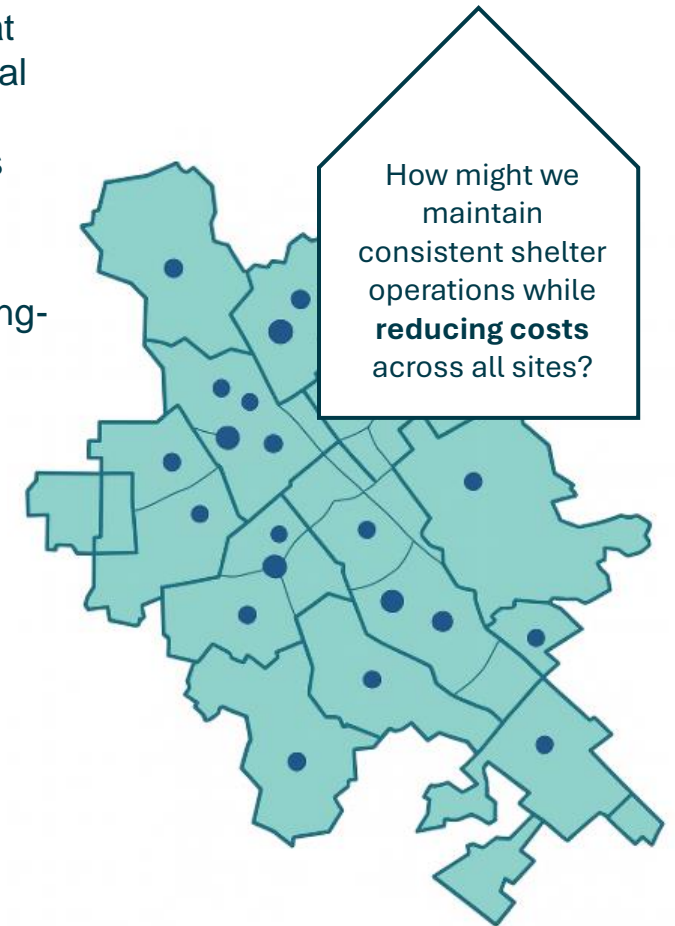
What is the City doing next? The City is working to standardize shelter system operations, budgets, and performance metrics across all shelter and safe parking sites, creating a consistent framework that improves efficiency, transparency, and service delivery. With all sites expected to be operational, annual operating costs are projected to reach roughly **\$80M**. Because no new capital projects are being planned, the focus is on opening the planned sites, stabilizing the current portfolio, ensuring resources are used effectively, and driving efficiencies that reduce ongoing costs.

What do we think might happen as a result?

- Standardized operations and reporting will reduce costs, improve accountability, and strengthen long-term sustainability.
- Stabilizing the existing portfolio and improving inventory and caseload tracking will support service delivery and throughput into permanent housing.

How will we know if this is working? We will report quarterly on the insights gathered by following measures:

- Success Measures
 - Achieve an average occupancy/utilization rate of 95% across all shelter and safe parking sites.
 - Implement per-unit operating cost reductions of up to 20% across 1,840 units at 24 sites.
- Operational Measures
 - Ensure 100% of shelter and safe parking sites implement a standardized 1:25 caseload management ratio.
 - Implement a digital inventory tracking system across 24 sites and 1,840 units to ensure high utilization and support long-term facility management.





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Goal 1.3: Improve outreach & engagement tracking to increase placements into programs, services, shelter, and housing.

What is the City doing next? The City has expanded its in-house outreach team to 10 staff in FY2024–25, with plans for further expansion in FY2025–26. By bringing outreach staff in-house, San José can more quickly adjust priorities, improve accountability, and strengthen data collection. Standardized tracking of engagements and referrals will make it easier to measure results and improve outcomes.

What do we think might happen as a result?

- Consistent engagement and referral tracking will improve accountability and highlight service gaps.
- Improved engagement will increase successful placements into programs, services, shelter, and housing.

How will we know if this is working? We will report quarterly on the insights gathered by following measures:

- Success Measures
 - $\geq 75\%$ of total engagements conducted by outreach teams result in placement into programs, services, shelter, and/or housing.
 - $\geq 50\%$ of cross-departmental or jurisdictional referrals for unsheltered response are resolved.





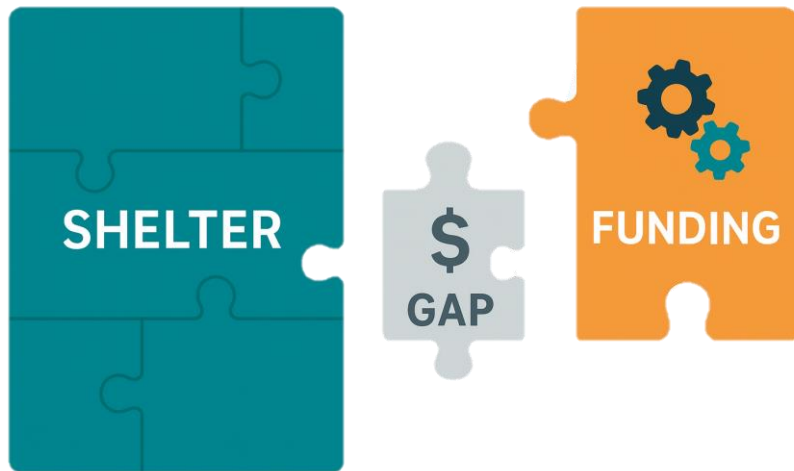
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2. Unsustainable Funding. The City's shelter system lacks stable, long-term revenue sources.

While the City has expanded shelter and safe parking capacity to meet urgent needs, the current operations rely on limited one-time funding and/or General Fund allocations. Without more stable, ongoing funding, the system risks service reductions and an inability to sustain current capacity. This directly conflicts with the long-term goal of sustaining and stabilizing funding for shelter system operations.



Significant City investments have rapidly expanded shelter and safe parking options.



Reliance on one-time or unstable funds threatens the sustainability of these investments.



Long-term funding diversification is essential to maintain and grow shelter capacity needed for functional zero.



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Goals 2.1 & 2.2: Sustain and stabilize funding sources for shelter & interim housing operations.

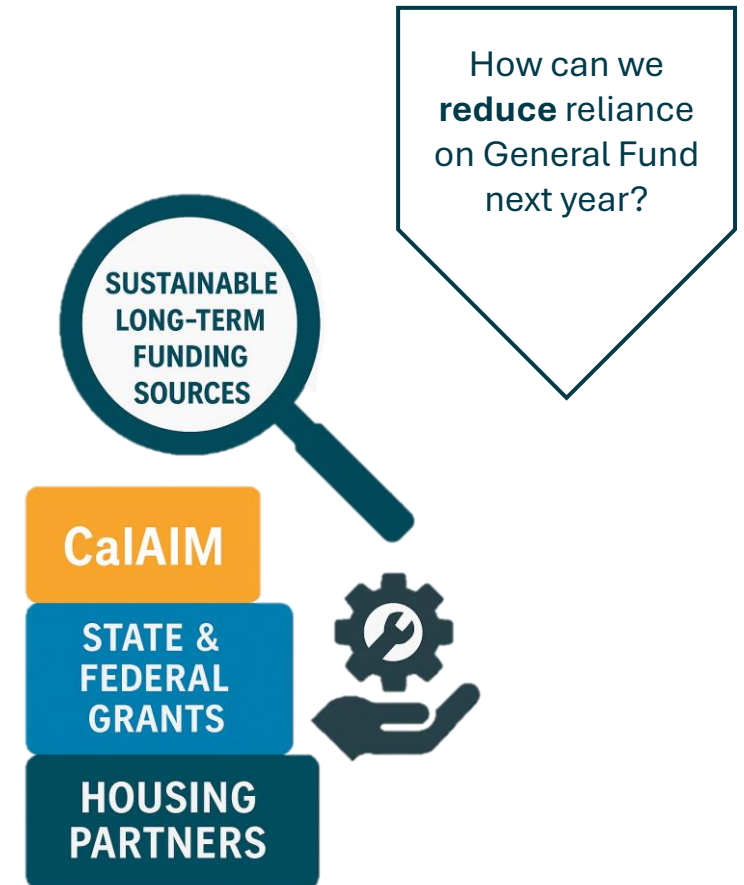
What is the City doing next? The City is prioritizing the identification and stabilization of sustainable funding sources to support sheltering and interim housing operations (Goal 2.1). This includes pursuing subsidy layering opportunities with other housing partners and exploring state and federal grant programs to strengthen financial stability. In addition, the City will implement CalAIM billing for eligible services (Goal 2.2) as one pathway to sustain operations and reduce reliance on the General Fund.

What do we think might happen as a result?

- A broader mix of sustainable funding sources will stabilize operations and reduce risk associated with heavy reliance on the General Fund.
- Implementation of CalAIM pilot and pursuit of subsidy layering and grant opportunities will expand capacity for service delivery and long-term growth.

How will we know if this is working? We will report quarterly on the insights gathered by following measures:

- Success Measures
 - Achieve a 20% throughput rate from shelter and safe parking into permanent housing.
 - Register 75% of eligible CalAIM participants by the end of FY25/26.





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3. Environmental Compliance & Public Spaces. Sustaining clean waterways and establishing No-Encampment Zones (NEZs) around Emergency Interim Housing (EIH) sites remains difficult with limited shelter capacity.

While the City has established NEZs covering 26 miles of priority creeks and waterways, over 130 miles remain outside of these protections. Limited shelter and safe parking availability means that residents moved from waterways often relocate to other neighborhoods, straining outreach and service systems. To strengthen compliance and reduce displacement pressures, the City also established NEZs around EIH sites to limit re-encampment and ensure accessibility. Without sustained funding, expanded capacity, and stronger partnerships, progress in maintaining clean waterways and accessible public spaces will be difficult to sustain.



City has maintained 26 miles of waterways & priority corridors, protecting public health & the environment.



Limited shelter capacity means displacement often pushes unsheltered residents into new areas, creating new challenges.



Sustaining compliance requires both No-Encampment Zones around waterways and EIH sites, coupled with expanded shelter/housing options and stronger partnerships with the County.



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Goals 3.1 & 3.2: Maintain compliance & public space cleanliness in 26 miles of priority waterways & establish NEZs citywide around EIH sites, limiting re-encampment & displacement impacts.

What is the City doing next? The City will sustain public space cleanliness in 26 miles of priority waterways and corridors through established No-Encampment Zones (NEZs). In addition, the City will maintain NEZs around Emergency Interim Housing (EIH) sites to limit re-encampments, reduce displacement impacts into other neighborhoods, and ensure site accessibility. These efforts will help align shelter, outreach, and environmental standards.

What do we think might happen as a result?

- Sustained compliance will keep priority waterways and EIH sites safe, clean, and accessible.
- Limiting re-encampments will reduce displacement pressures into other neighborhoods.
- Strengthened partnerships will support long-term alignment of shelter, outreach, and environmental goals.

How will we know if this is working? We will report quarterly on the insights gathered by following measures:

- Success Measures
 - Maintain ≤ 65 re-encampments per quarter within NEZs along waterways.
 - Resolve $\geq 80\%$ of re-encampments across all NEZs within two business days.
- Operational Measures
 - # of creek miles assessed as Low
 - # of creek miles assessed as Moderate/High/Very High



How might we maintain compliance & public space cleanliness while **reducing** displacement into other neighborhoods?



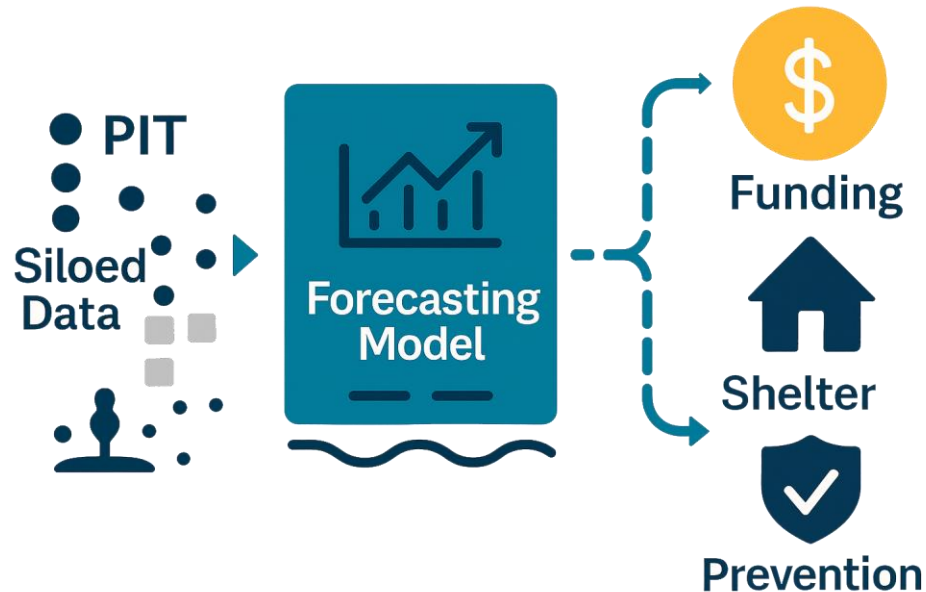
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4. Data & Forecasting Infrastructure. The City lacks consistent and reliable inflow-outflow data to forecast homelessness.

Current data relies heavily on the biennial PIT count and fragmented departmental tracking. This creates gaps in real-time understanding of how many people are entering or exiting homelessness, limits the City's ability to forecast service demand, and risks misalignment of funding and resources. Without better data and forecasting, the City cannot fully anticipate population shifts or strategically invest in shelter, prevention, and housing programs.



The City is developing new tools to provide more frequent updates than the biennial PIT count and improve reporting capacity.



Current reliance on PIT counts and siloed datasets leaves major blind spots in timely decision-making.



Better forecasting is essential to project demand and guide investments in shelter & system capacity that enable continuous throughput into permanent housing.



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Goals 4.1 & 4.2: Improve homelessness forecasting and strengthen HMIS data exchange with the County.

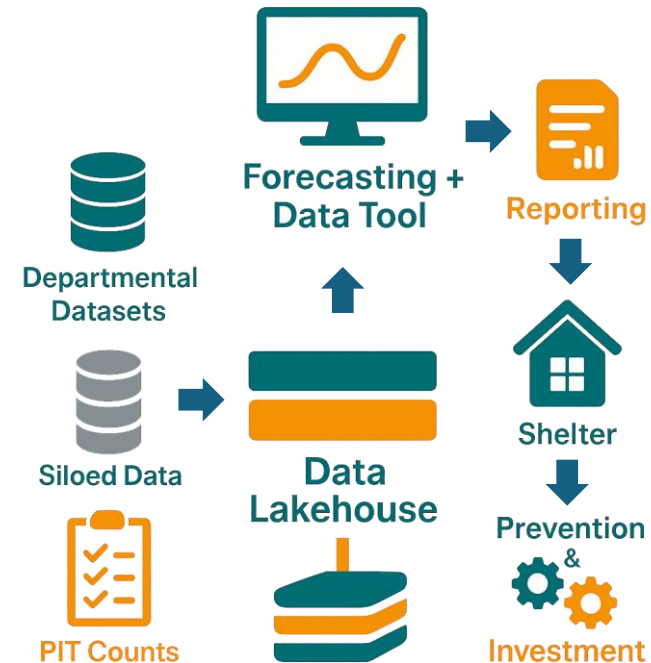
What is the City doing next? The City plans to deploy an operational version of a dynamic homelessness forecasting model (Goal 4.1) and strengthen HMIS data exchange with the County (Goal 4.2). These steps will improve reporting and forecasting, moving beyond reliance on biennial PIT counts and fragmented departmental data.

What do we think might happen as a result?

- More accurate forecasting will allow the City to anticipate inflow and outflow trends.
- Improved HMIS data sharing will support better coordination with the County.
- Leaders will have stronger insights to guide investments in shelter, housing, and prevention.

How will we know if this is working? We will report quarterly on the insights gathered by following measures:

- Success Measures
 - Maintain and update the forecasting model quarterly using integrated departmental datasets.
- Operational Measures
 - Integrate 5–10 departmental datasets into the shared data lakehouse environment to support the forecasting model.



How might we **improve** forecasting & data sharing to better guide investments?