



THE CITY OF SAN DIEGO

TODD GLORIA

MAYOR

M E M O R A N D U M

DATE: April 3, 2026

TO: Honorable Council President Joe LaCava and Members of the Council

FROM: Mayor Todd Gloria

SUBJECT: Homelessness Spending Overview

As the City develops the Fiscal Year 2027 draft budget, it is important to review the City's investments in homelessness services and the measurable outcomes those investments are producing. Undeniably, all levels of government are responsible for the health, safety, and stability of all residents, including those without stable housing, and addressing homelessness remains one of San Diego's most complex and visible challenges. Through the dedicated work of the City of San Diego's (City) Homelessness Strategies and Solutions Department (HSSD), the San Diego Housing Commission (SDHC), and our community partners, the City is beginning to see measurable progress as targeted investments in outreach, shelter, and housing programs help reduce homelessness and connect individuals and families to long-term stability. These results demonstrate that our approach is working and underscore the importance of continuing to invest in proven strategies that deliver both compassionate support and tangible improvements for neighborhoods across the city. This memorandum provides an overview of those investments, highlights the progress we are seeing and identifies potential areas to increase operational efficiency via strategic reductions as we move forward with the FY 27 budget development process.

We Are Starting to See Results in Homelessness Counts

According to the 2025 Regional Task Force on Homelessness Point-in-Time Count, homelessness in the City of San Diego decreased by 13.5 percent, representing one of the largest reductions among major jurisdictions in California. Unsheltered homelessness in the City saw a four percent reduction. Importantly, this decrease does not include the 844 individuals participating in the City's Safe Parking and Safe Sleeping programs, meaning the true impact of our efforts is even greater.

The data also shows meaningful progress among specific populations that have historically experienced higher vulnerability. Compared to 2024 levels:

- Unsheltered veteran homelessness declined by 22 percent
- Unsheltered youth homelessness declined by 23 percent
- Unsheltered family homelessness declined by 66 percent

These reductions follow continued investment by the City and our partners to expand services specifically designed to support these subpopulations. Most notably, the reductions connect directly to the City's Community Action Plan on Homelessness. Two of the three short term goals included eliminating youth and veteran homelessness.

We are also seeing measurable progress in targeted geographic areas. In February 2026, the San Diego River Park Foundation announced a nearly 50 percent reduction in unsheltered homelessness along the San Diego River. This progress is due in large part to the State's Encampment Resolution Funding (ERF) Grant—a collaborative effort between the City, County, and the City of Santee, allowing outreach teams and service providers to focus resources and provide housing pathways for individuals living in the riverbed. As of late January 2026, the project has served 129 individuals, and 69 individuals have transitioned into housing. There are currently 39 individuals in emergency housing who continue to work with their case managers to find long-term, stable housing. An additional by name list of approximately 120 individuals has been created for those who remain in the riverbed area, and outreach workers continue to provide services and connections to available resources.

Our sustained investments in homelessness programs are showing quantifiable results. These signs of progress demonstrate that now is not the time to substantially change course. While both the State and the Federal government are reducing funding for critical services for this vulnerable population, now is not the time to reverse course.

Success in Service and Housing

City-funded programs have played a central role in this progress. From January 2021 through November 2025, the City has served 31,696 people experiencing homelessness across all programs, including more than 3,620 children and 1,820 veterans. During that same period, City-funded programs helped 6,835 individuals transition into long-term housing.

In calendar year 2025 alone, City-funded programs served more than 10,340 people, with over 1,465 individuals successfully exiting to housing.

Additionally, among all Continuums of Care in the state receiving HHAP funding, the San Diego region has the third highest rate of progress on successful placements to permanent housing. For a region as large as ours, this is a good indicator of housing placement progress.

These results demonstrate that our strong partnerships, persistence, and investments in shelters, Safe Parking, Safe Sleeping, and focused outreach can deliver results that residents can see in their neighborhoods.

Cost Per Bed Night Analysis

To assist with HSSD’s deliberation on improving operational efficiencies and identifying potential budget reductions, the Department has compiled a cost per bed night analysis of shelters, the Safe Sleeping program, and the Safe Parking program.

Figure 1 below demonstrates the cost effectiveness of the City’s Safe Sleeping and Safe Parking programs, with a weighted average cost per bed night of \$48 and \$26, respectively, compared to the shelter weighted average of \$68 per bed night. The intent of Figure 1 is to help the City make data-informed investments and reductions as well as identify areas to increase cost efficiencies.

It is important to note that Figure 1 does not include the staff time and hard costs associated with evacuating and temporarily relocating residents and repairing shelters that are damaged due to natural disasters such as flooding. Additionally, as described below, some sites serve sensitive populations with multiple conditions across varying demographics that require treatment. These population-specific services and treatments may drive up the cost per bed night of some shelters.

Average Safe Parking			
Total	Capacity	Total Budget	Cost per bed-night
	455	\$4,250,000.00	\$26

Average Safe Sleeping			
Total	Capacity	Operating Budget	Cost per bed-night
	767	\$ 13,463,954	\$48

Cost Per Bed Night						
District	Shelter	Capacity	Operating Budget	SDHC Admin	Total Budget	Cost per bed-night
D7	Salvation Army Interim Family Shelter	93	\$ 678,266	\$ 35,698	\$ 713,964	\$ 21
D9	Alcohol Use Disorder (AUD) Interim Shelter	56	\$ 688,681	\$ 34,434	\$ 723,116	\$ 35
UD	Casa Mariposa (DV Shelter)	164	\$ 3,000,000	\$ -	\$ 3,000,000	\$ 50
D2	Safe Haven @ VVSD Campus	22	\$ 438,715	\$ -	\$ 438,715	\$ 55
D3	Father Joe's Villages Bishop Maher Center	28	\$ 592,313	\$ 51,709	\$ 644,022	\$ 63
D8	16th & Newton Shelter	326	\$ 7,164,653	\$ 358,233	\$ 7,522,886	\$ 63
D3	SDYS Youth Emergency Shelter	15	\$333,882	\$33,382	\$ 367,264	\$ 67
D8	Barrio Logan Family Shelter (Travelodge)	168	\$ 4,101,272	\$ 114,084	\$ 4,215,356	\$ 69
National City	South County Lighthouse Shelter (San Diego Rescue Mission)	37	\$ 901,322	\$ 45,066	\$ 946,388	\$ 70
D2	Veterans Village Interim Shelter (VVSD @ VVSD)	40	\$ 1,009,324	\$ 50,466	\$ 1,059,790	\$ 73
D3	Rachel's Promise Center for Women and Children	210	\$ 5,344,064	\$ 267,204	\$ 5,611,268	\$ 73
D3	17th & Imperial	140	\$ 3,596,385	\$ 176,160	\$ 3,772,545	\$ 74
D3	Connections Interim Housing	70	\$ 1,840,878	\$ 99,768	\$ 1,940,646	\$ 76
D2	Single Adult & Seniors Shelter (FJV @ VVSD)	130	\$ 3,611,671	\$ 180,584	\$ 3,792,255	\$ 80
D3	Urban Street Angels TAY Shelter	52	\$2,028,182	\$ 181,818	\$ 2,210,000	\$ 116
D2	Community Harm Reduction Shelter (C-HRT)	44	\$ 1,872,655	\$ 93,633	\$ 1,966,288	\$ 122
D3	Safe STAY (SDHC Office Campus)	43	\$ 1,780,708	\$ 169,292	\$ 1,950,000	\$ 124
	Total	1638	\$38,982,971	\$ 1,891,531	\$40,874,502	\$ 68

Figure 1: Cost per Bed Night for Shelter, Safe Sleeping, and Safe Parking Sites. FY 26.

Shelters

The City has various types of shelter programs including non-congregate, semi-congregate, and congregate. In addition, understanding the needs of the homelessness population, the City has created new shelter options for specific

populations including families with children, transition-age youth, and seniors. Today, the City funds 17 traditional shelter programs totaling over 1,470 emergency shelter beds.

In addition to a safe place to stay, shelters provide wraparound services including meals, showers, restrooms, laundry, storage, case management, and housing navigation. These programs serve as a temporary solution and offer support while individuals work towards transitioning to long-term or permanent housing. In calendar year 2025, City-funded traditional shelters served more than 3,540 individuals, with 674 individuals exiting to permanent housing.

Safe Sleeping Program

The Safe Sleeping Program offers a safe, legal place to stay as an alternative to traditional congregate shelters. Participants are provided with tents and access to supportive services that include meals, restrooms, showers, handwashing stations, laundry facilities, 24-hour security, and comprehensive case management. The program also offers housing navigation and workforce training designed to help individuals transition to permanent housing.

Safe Sleeping participants often have not and will not accepted other shelter or service options. They are often chronically homeless and have multiple conditions needing treatment. In FY 25, 39.5 percent of participants at Safe Sleeping self-identified as having three or more conditions, including physical and mental health conditions, mental health disorder, drug use disorder, chronic health conditions, HIV/AIDS, developmental disability, or physical disability. For context, 24 percent of participants at emergency shelters self-identified similarly. Depending on a person's conditions and severity—and their personal circumstances that may further complicate a service path—they may not be immediately housing-ready. Helping such neighbors stabilize and strengthen their lives is a key aspect of services at Safe Sleeping. Further, they require a different level of service to ensure participants are connected to necessary services and then, once housed, remain housed in an effort to reduce overall recidivism rates.

While Safe Sleeping participants are more likely to be chronically homeless and have multiple conditions needing treatment, in calendar year 2025, the Safe Sleeping Program served 1,854 individuals with 207 individuals successfully exiting to long-term housing.

Safe Parking Program

The City also funds the Safe Parking Program which provides designated parking lots for individuals living in their vehicles so they can safely stay overnight while receiving services that help them transition into permanent housing. Participants receive access to a parking space, restrooms, on-site security, housing navigation, job training, and treatment programs and other resources, as needed.

In contrast to Safe Sleeping participants, participants in the Safe Parking Program are often newly homeless. They have lost their housing but still have a vehicle and often have a source of income. Safe Parking serves to get individuals and families back on a better path by providing security and help with housing navigation while participants can save money for their move back to housing.

The program has been particularly effective with the opening of the H Barracks Lot Safe Parking location, which has helped reduce vehicle habitation in the City's coastal communities. These sites are successfully operated by Jewish Family Service of San Diego, whose team continues to demonstrate how structured programs combined with supportive services can move people toward stable housing.

In calendar year 2025, the Safe Parking Program served a total of 1,105 individuals, and 240 individuals exited to long-term housing.

Outreach

Outreach is an effective service that meets people where they are and builds relationships with unsheltered individuals to foster connections to critical resources. The City's Coordinated Street Outreach Program is operated by People Assisting the Homeless (PATH) San Diego. The program uses trained social workers and peer specialists to connect unsheltered residents with housing and supportive services. In addition to PATH San Diego, the City also has an agreement with Downtown San Diego Partnership who provides outreach services in the neighborhoods of Downtown San Diego. In calendar year 2025, 4,047 individuals were served through the City's outreach programs. Of the 4,047 people served, 430 people successfully exited to permanent or other forms of long-term housing.

In July 2025, the City and the California Department of Transportation (Caltrans) entered into a Delegated Maintenance Agreement (DMA). Structured around Governor Gavin Newsom's model encampment ordinance to expedite the removal of encampments throughout California, the agreement ensures a faster and far more efficient process to clear encampments and connect those living in them with resources that will ultimately end their homelessness. The agreement covers a five-mile stretch of State right-of-way immediately surrounding Downtown San Diego and helps streamline the process for the City's outreach workers to go onto State property to offer available shelter and housing resources to people in encampments and authorizes the City to clear trash and debris. A total of two Outreach Specialists have been assigned to cover the five-mile stretch of State right-of-way identified in the DMA. As of the end of calendar year 2025, approximately 300 abatements have been completed and over 190 tons of trash have been removed within the DMA area. Taking place separately before all abatements, outreach workers were on site to offer individuals residing in the area connections to resources, and nearly 100 individuals have since been connected to shelter options and services.

In addition to the Riverbed ERF grant, the City carried out two additional ERF projects in 2025. These projects work to address encampments and provide outreach and connections to resources, supportive services, and housing for individuals residing in the encampment areas. The City concluded its first ERF project in October 2025. The project was located around the old Central Library in the East Village neighborhood. The project served 76 individuals and successfully transitioned 52 individuals to housing. The second project focuses on encampments along the I-15 corridor and remains active today. As of January 2026, 99 individuals have been served, and 43 individuals have moved into housing.

Responsible Investments Are Critical to Enforcement and Encampment Abatement

As the Council considers the FY 27 budget, it is critical to recognize that decisions about homelessness funding have a direct impact on the City's ability to enforce local regulations and address encampments in public spaces.

The City faces restrictions on enforcing encampment and encroachment rules without providing a shelter alternative. Local ordinances and legal settlements make it clear that the City must provide available shelter options before enforcement can reasonably and compassionately occur. Simply put, the City cannot enforce the law in a fair and humane manner if there are no available shelter beds or no available storage options available.

The City Council's adoption of the Unsafe Camping Ordinance in June 2023 established new regulations prohibiting encampments on public property in specific locations, including near K-12 schools, shelters, trolley tracks and transportation hubs, city parks, and open spaces such as waterways and riverbanks. Since its adoption, the ordinance has proven both effective in addressing public health and safety and widely supported by the community.

The results are already visible. Between May 2023 and September 2025, unsheltered homelessness in Downtown San Diego decreased by 62 percent.

Residents across San Diego regularly request assistance with homelessness services, enforcement, and encampment abatement. Our ability to respond to those requests depends on maintaining adequate shelter capacity and service programs.

Even so, requests for shelter referrals often remain unfulfilled and inquiries for all services, referred through 2-1-1, remain high.

Our approach must continue to prioritize compassion, dignity, and housing-focused solutions. Enforcement and abatement must always be paired with outreach and the availability of safe shelter options. Maintaining this balance requires responsible and thoughtful investments in our homelessness response system.

Reducing Reliance on the General Fund

Another important objective in the development of the FY 27 homelessness budget is continuing to reduce reliance on the City's General Fund.

HSSD has made significant progress in securing outside funding from county, state, and federal sources while expanding the impact of City programs.

Funding Source	FY23	FY24	FY25	FY26
General Fund	25,157,607	9,894,374	14,319,571	1,242,772
Measure C	0.00	0.00	0.00	32,602,464
TOT	0.00	31,413,383	36,900,000	16,987,896
Grant Funding (Federal, State, and Local)	45,145,678	38,084,793	35,923,806	33,530,368
Other Funds-Non-GF (LMIAF, PLHA Etc)	250,000	250,000	5,450,000	521,343
Opioid funding	0.00	2,697,000	2,697,000	2,988,000
Total:	\$70,553,285	82,339,550	95,290,377	87,874,055

Figure 2: Homelessness Spending by Major Funding Source. FY 23–FY 26.

In FY 23, \$25,157,607 of HSSD's \$70,553,285 budget—approximately 36 percent—came from the General Fund.

For FY 26, the proposed budget reflects a significant shift. \$1,242,772 of the \$87,874,055 budget—roughly 1.4 percent—comes from the General Fund.

This represents a notable step toward the City's long-term goal of eliminating reliance on General Fund dollars for homelessness programs. A key component of that goal is the City's success in ending the years-long court proceedings regarding Measure C. Not only does Measure C guarantee some funding toward homelessness efforts, but it also allows the City to simultaneously achieve success in improving critical infrastructure.

HSSD has made significant progress toward this goal by aggressively pursuing both competitive and block grants. Between FY 23 and FY 26, HSSD has successfully secured nearly \$100 million in external funding. Looking forward, HSSD plans to apply for Round 5 of the ERF Grant and Round 7 of the Homeless Housing, Assistance and Prevention Grant once notices of availability are released later this year. The City is also grateful for the recent announcement that the County of San Diego will contribute \$1.5 million in FY 27 toward the Casa Mariposa Domestic Violence shelter—an excellent example of multi-jurisdictional partnership. These grants, once formally accepted or awarded, will support the City's efforts to provide homelessness services without increasing pressure on the General Fund.

While the City's long-term objective is to eliminate reliance on General Fund dollars supporting homelessness programs, and HSSD is trending in that direction, this

transition must occur through a methodical and responsible approach to ensure continuity of services and program stability.

Conclusion

As we move forward with the FY 27 budget process, I look forward to continuing a collaborative approach to identify potential reductions or cost-efficiencies with the City Council, the San Diego Housing Commission, and the Homelessness Strategies and Solutions Department.

Together, we must make thoughtful decisions that allow the City to maintain a balanced budget, continue providing critical services to those who need them most, and do so in a way that reflects San Diego's commitment to compassion, accountability, and results.

Our progress demonstrates that cost-efficient investments, strong partnerships, and clear strategy can make a difference. By continuing to work together, we can build on this momentum and move closer to our shared goal of reducing homelessness across the City of San Diego.

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