CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO:	HONORABLE MAYOR AND CITY COUNCIL	**FROM:**	Erik L. Soliván
SUBJECT:	**Agreement with Bell Properties, Inc. for Professional Property Management Services**	**DATE:**	July 20, 2026

Approved Date: 7/28/26

COUNCIL DISTRICT: Citywide

RECOMMENDATION

Adopt a resolution authorizing the Housing Director, or his designee to:

(a) Negotiate and execute an agreement, amendments, modifications, extensions, and all related documents necessary with Bell Properties, Inc., for professional property management services for the City of San José's Shelter Portfolio locations for an initial 10-month term beginning on or about September 1, 2026 through June 30, 2027, for compensation not to exceed $5,220,080; and

(b) Exercise up to three additional one-year options to extend the term of the agreement, subject to the appropriation of funds.

SUMMARY AND OUTCOME

This memorandum provides the City Council with recommended actions that will allow the Housing Director, or his designee, to negotiate and execute an agreement and all related documents with Bell Properties, Inc. (Bell Properties) for professional property management services.

Authorizing the Housing Director, or his designee, to take these actions will enable the Housing Department (Department) to centralize property maintenance services across the City's Shelter Portfolio (SP) sites. These actions will support the continued operation of SP sites by providing routine and preventive maintenance, janitorial services, emergency repairs, landscaping, pest control, and other facility maintenance services

necessary to maintain a safe, functional, and habitable environment for residents and staff.

BACKGROUND

Over the past several years, the Department has significantly expanded its SP in response to the homelessness crisis, reaching 22 sites in Fiscal Year 2025-2026. As the City's SP has grown, the Department has shifted its focus toward developing a centralized operational model that supports long-term fiscal sustainability and improves preventive maintenance planning, emergency repair response, asset preservation, and property oversight across the SP system. Through a comprehensive cost analysis conducted during Fiscal Year 2025-2026, the Department identified the potential to reduce annual costs by up to 20% by consolidating property management services from individual service providers to a centralized property manager. Although cost savings are estimated to be less than 20% in Fiscal Year 2026-2027 due to the phased transition plan discussed further below, full cost savings at that level are anticipated to be realized in future fiscal years.

The Department conducted a competitive request-for-proposals process to identify a qualified contractor to provide professional property management services for the SP. Following an evaluation of five proposals received in accordance with the criteria established in the Request for Proposals, Bell Properties was selected as the most qualified candidate to provide centralized property management services.

ANALYSIS

Operational Efficiency and Cost Savings

Centralizing property maintenance operations will create more consistent service levels, response times, and performance standards. It will improve preventive maintenance, unit turnover, emergency response, and oversight through shared staffing, work-order tracking, and standardized reporting. Centralization will also reduce duplicative administrative and vendor costs while creating purchasing efficiencies. This structure will allow social service providers to focus more fully on participant services rather than property and facility maintenance.

Portfolio Transition and Implementation

Beginning October 1, 2026, Bell Properties will assume responsibility for centralized property management and maintenance services across 15 SP sites through a phased implementation process, with Bell Properties assuming full responsibility of the portfolio by December 1, 2026. Table 1 below provides site details and transition schedules for each site.

The remaining six motel-based shelter sites, Alura Hotel, Bristol Hotel, Casa Linda, Fontaine Inn, Motel 6, and the Motel Voucher Program at 1560 N First Street, as well as the Navigation Center, are not included within the scope of this agreement. The motel-based sites are excluded because the City does not own the leased facilities, and responsibility for building maintenance remains with the respective property owners under the terms of the lease agreements. The Navigation Center is excluded because operations at the facility are scheduled to conclude by the end of calendar year 2026.

Prior to the first properties transitioning to Bell beginning October 1, 2026, Bell Properties will conduct comprehensive site assessments, establish preventive maintenance schedules, develop site-specific maintenance plans, implement a centralized work order and dispatch system, and coordinate closely with each service provider to ensure continuity of shelter operations.

Under the agreement, Bell Properties will provide routine and preventive maintenance, emergency minor repairs, unit turnover services, janitorial services, groundskeeping and landscaping, pest and rodent control, asset management and deferred maintenance tracking, and other facility maintenance services necessary to maintain safe, functional, and well-maintained shelter facilities. Bell Properties will provide comprehensive, full-service facility maintenance and operations support through a centralized maintenance management system that allows the City and site operators to submit maintenance requests and track work orders from initiation through completion.

The system will provide real-time updates on work order status, response times, maintenance activities, and service history. Preventive maintenance inspections of HVAC, plumbing, electrical, fire and life safety systems, building exteriors, and other critical infrastructure will help reduce equipment failures, preserve City assets, and minimize operational disruptions. Standardized unit turnover procedures will include cleaning, repairs, inspections, and quality assurance to minimize vacancy periods and ensure each unit meets established habitability standards before occupancy. Capital improvements will remain the responsibility of the City’s Public Works Department and are not included within the scope of this agreement.

Bell Properties proposes hiring three maintenance supervisors and 26 maintenance technicians. Supervisors will float between sites, and one to two maintenance technicians will be stationed at each site daily.

Table 1: Fiscal Year 2026-2027 Bell Properties Site Portfolio

Site Name	Location	Unit Capacity	Type of Building	Transition to Bell Properties by
1) Rue Ferrari	5898 Rue Ferrari	190	Single and double occupancy modular pods with en-suite restrooms, shared kitchen/office/laundry modular buildings	Oct 1
2) Monterey/ Bernal	6066 Monterey Road	78	Single occupancy modular pods with en-suite restrooms, shared kitchen/office/laundry modular buildings	Oct 1
3) Via del Oro	6370 San Ignacio	135	Single occupancy modular pods, shared kitchen/restrooms/office/laundry modular buildings	Oct 1
4) Santa Teresa Safe Parking	6360 Santa Teresa Boulevard	42	RV parking spots, Conex Box office building	Oct 1
5) Branham	1 Branham Lane	168	Multi-level (three floors) buildings. Single, double, and flex (multigenerational families) units, with en-suite restrooms and kitchens. Shared laundry/community rooms and office.	Oct 1
6) Cherry Avenue	5200 Cherry Avenue	130	Single and double occupancy modular pods, shared kitchen/restrooms/office/laundry modular buildings	Nov 1
7) Plaza Hotel	96 S. Almaden Avenue	43	Hotel building with 43 rooms, communal bathrooms/showers	Nov 1
8) Pacific Motor Inn	455 S. Second Street	72	Motel building refurbished as shelter, Single occupancy rooms only	Nov 1
9) Guadalupe	702 Guadalupe Parkway	96	Single occupancy modular pods with en-suite restrooms, shared kitchen/office/laundry modular buildings	Nov 1
10) Arena Hotel	817 The Alameda	89	Hotel building refurbished as shelter, single and double occupancy rooms, outdoor space developed in parking lot	Nov 1

Site Name	Location	Unit Capacity	Type of Building	Transition to Bell Properties by
11) Felipe	928 Felipe Avenue	39	Single occupancy modular pods, shared kitchen/office/laundry modular buildings	Dec 1
12) Evans Lane	2078 Evans Lane	48	Family-sized modular pods with en-suite restrooms, shared kitchen/office/laundry modular buildings	Dec 1
13) Berryessa Safe Parking	1300 Berryessa Road	86	RV parking spots, shared office, laundry/restroom, modular buildings	Dec 1
14) Mabury	1410 Mabury Road	38	Single occupancy modular pods, shared kitchen/office/laundry modular buildings	Dec 1
15) Cerone	3950 Zanker Road	162	Single and double occupancy modular pods, shared kitchen/restrooms/office/laundry modular buildings	Dec 1
	Total units:	**1,416**		

EVALUATION AND FOLLOW-UP

During Fiscal Year 2026-2027, the Department will closely monitor implementation of the centralized property management model and evaluate its operational and fiscal performance across the SP. Staff will track key performance indicators, including maintenance response times, preventive maintenance completion, work order trends, unit turnover timelines, administrative workload, contractor performance, and overall maintenance expenditures.

The Department will also conduct a comprehensive cost analysis comparing the centralized property management model to the previous decentralized approach, including evaluation of realized operational efficiencies, administrative cost reductions, and impacts on service provider operations. Findings from this evaluation will be reported to the City Council and will inform future recommendations regarding continuation, expansion, or modification of the centralized property management model for Fiscal Year 2027-2028 through the annual budget and contracting process.

FISCAL IMPACTS

The action recommended in this memorandum will authorize the Housing Director, or his designee, to negotiate and execute an agreement with Bell Properties for centralized property management and maintenance services across the Department's SP, for an initial 10-month term beginning on or about September 1, 2026 through June 30, 2027, at compensation not to exceed $5,220,080. A total of approximately $6.1 million is budgeted in 2026-2027 for property management in the existing service provider agreements for the 15 sites that will be covered by the proposed agreement. Due to the phased transition plan, where Bell Properties will commence property management activities between October and December, property management services will be covered by the existing service agreements until the transition to Bell Properties is complete at each site. As each site transitions, the remaining budget for property management services will be liquidated from the existing service provider agreements and reallocated to the Bell Properties agreement, as needed, up to the not-to-exceed contract amount of $5,220,080. The total 2026-2027 property management expenditures will remain within the existing approximately $6.1 million budget, and no additional appropriation adjustments will be required. Any budgeted funds remaining after the transition that are not needed for the Bell Properties agreement will remain unspent and result in cost savings. The term of the contract is five years, subject to four additional one-year options and the appropriation of funds in the applicable fiscal year.

Future option-year extensions will continue to be funded through the same reallocation mechanism from existing service provider agreements, subject to future budget appropriations in each applicable fiscal year.

BUDGET REFERENCE

The table below identifies the fund and the appropriations to support the contract recommended in this memorandum.

Fund #	APPN #	Appropriation Name	Total APPN	Amt. for Contract	2026-2027 Proposed Budget Page	Last Budget Action (Date, Ord. No)
404	230G	Interim Housing Construction and Operations (15% HSP)	$51,750,000	$5,220,080	944	06/16/2026

**The 2026-2027 Proposed Operating Budget was approved on June 9, 2026, and adopted on June 17, 2026, by the City Council.*

COORDINATION

This memorandum has been coordinated with the City Attorney's Office and the City Manager's Budget Office.

PUBLIC OUTREACH

This memorandum will be posted on the City Council Agenda website for the August 11, 2026 City Council meeting.

BOARD, COMMISSION, COMMITTEE RECOMMENDATION AND INPUT

No board, commission, or committee recommendation or input is associated with this action.

CEQA

Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/
Erik L. Soliván
Housing Director

For questions, please contact Monica Velarde, Senior Analyst, Housing Department, at Monica.Velarde@sanjoseca.gov or (408) 795-1808.