

# Item 3.4: Second Quarter City Council Focus Area Status Report for Fiscal Year 2025-2026

*San José City Council March 10, 2026*

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**Jennifer Schembri**, Deputy City Manager, Increasing Community Safety

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# Agenda

- 1 Focus Area Background
- 2 Execution as Learning – Focus Area Portfolio Update
- 3 Next Steps

# Focus Areas

An Opportunity to Evolve

Complex long-term initiatives requiring significant staff capacity and cross-department coordination

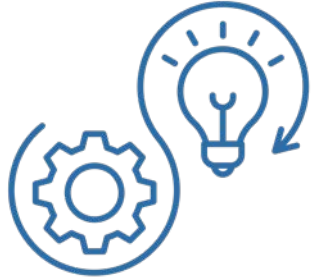
Focus Areas (5)

Core Services (74)  
Budget Programs (259)

Services that the City routinely delivers and Departments largely manage independently

# Focus Areas

## Philosophy and Principles



**We are cultivating an organizational mindset of learning and continuous improvement that will drive results for our community**

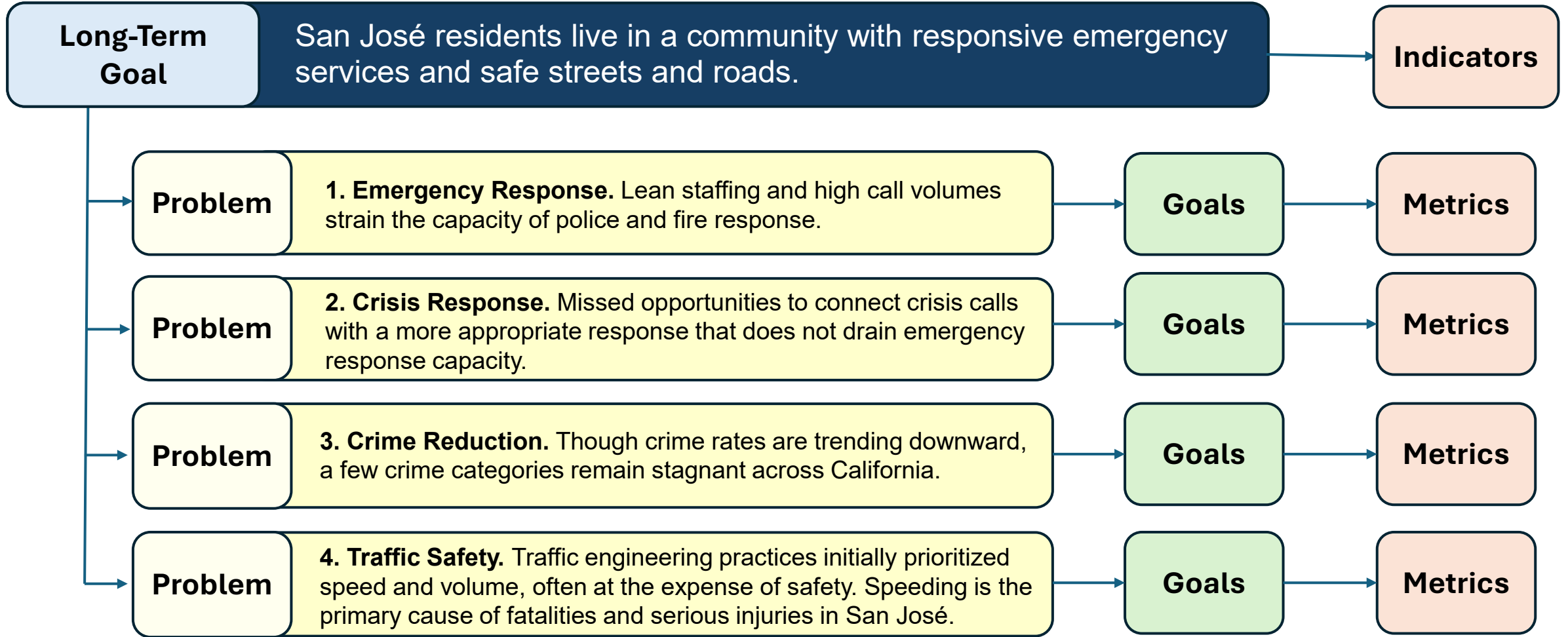
- While data support storytelling, numbers alone do not show progress and require context setting
- Learning in public builds trust and accountability
- Retrospection contributes to learning and understanding
- Progress requires humility, iteration, and commitment



# **Increasing Community Safety Focus Area**



# Increasing Community Safety Focus Area





# Increasing Community Safety Focus Area

## Long-Term Goal

San José residents live in a community with responsive emergency services and safe streets and roads.

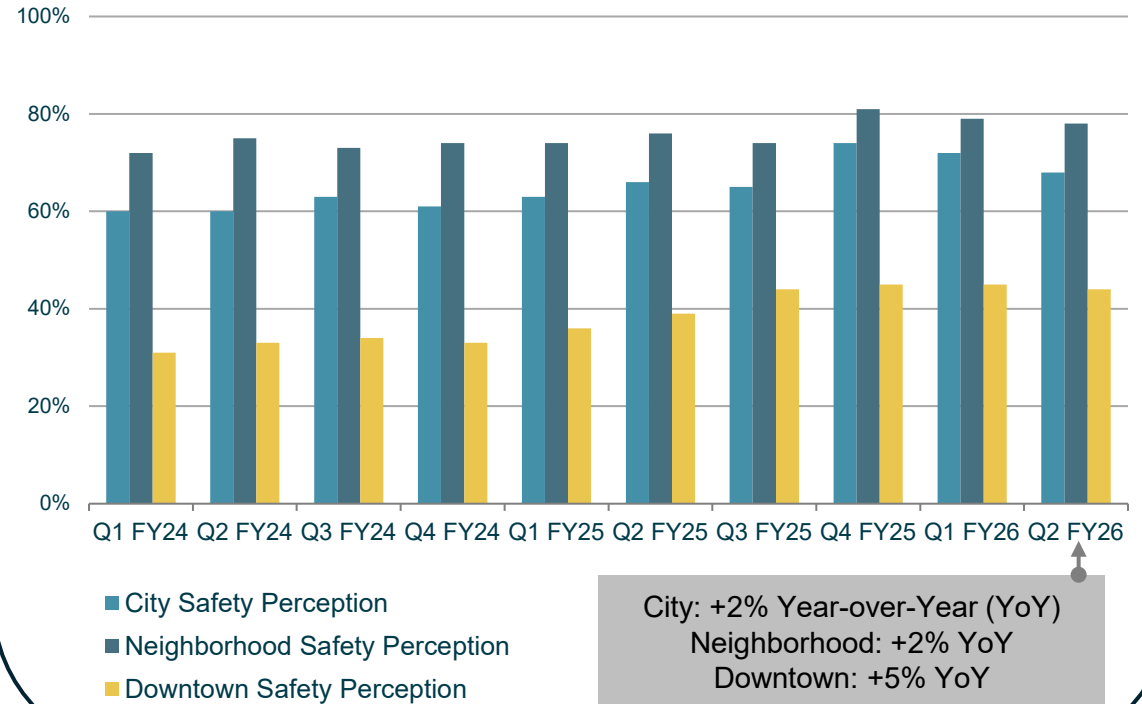
## Context

**What's going well.** San José is proud to be recognized as the nation's safest major city, thanks to low crime rates, strong public safety services, and connected neighborhoods. As of June 2025, more than 80% of residents said they feel safe in their neighborhood—an increase of 10% since September 2023.

**Main Challenges Moving Forward.** While overall crime rates continue to decline and remain lower than in peer cities, ongoing efforts are needed to keep this progress moving forward. Lean staffing and high 911 call volumes continue to put pressure on police and fire response times. On our streets, speeding is the primary cause of fatalities and serious injuries. The City is advancing a safety-first approach to transportation to make our streets safer for everyone.

## Indicator

**Resident Safety Perception**  
% of residents rating San José as "very safe" or "somewhat safe"





# Increasing Community Safety Focus Area

## Long-Term Goal

San José residents live in a community with responsive emergency services and safe streets and roads.

## Problem

1. Emergency Response.

## Context

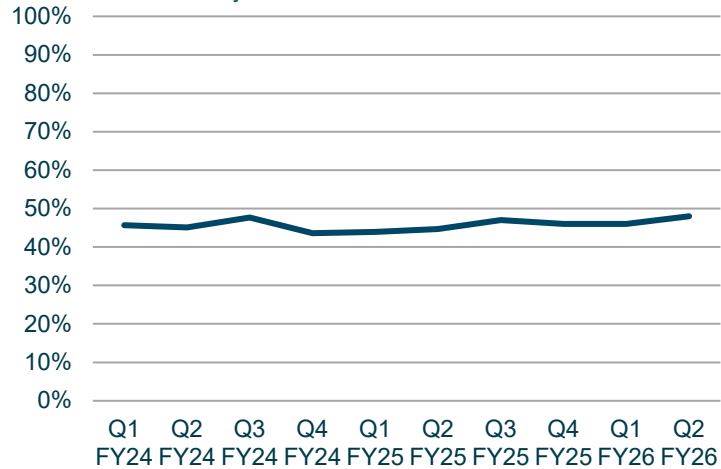
The San José Police and Fire Departments are among the most respected public safety agencies in the industry. The City is also a leader in developing innovative emergency response solutions.

The policing profession faces a workforce crisis nationwide, making it harder than ever to recruit and retain qualified officers. Fire station demands challenge existing capacity, especially near the City's central core.

The City is increasing academy recruitment efforts and implementing new opportunities to improve emergency response deployment capacity.

### Police Priority 1 Response Compliance

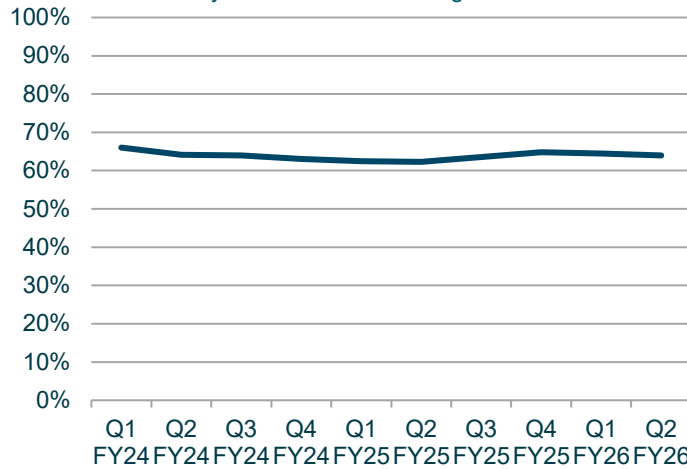
% of time the first dispatched Police unit arrives to Priority 1 calls in less than six minutes



Police Priority 1 Response: +3% YoY  
Police Priority 1 Call Volume: +4.5% YoY

### Fire Priority 1 Response Compliance

% of time the initial responding Fire unit arrives to Priority 1 calls in less than eight minutes



Fire Priority 1 Response: +2% YoY  
Fire Priority 1 Call Volume: -6% YoY



# Increasing Community Safety Focus Area

## Long-Term Goal

San José residents live in a community with responsive emergency services and safe streets and roads.

## Problem

**3. Crime Reduction.**

## Context



Compared to other large cities, the City stands out for having lower rates of both violent crime and property crime.

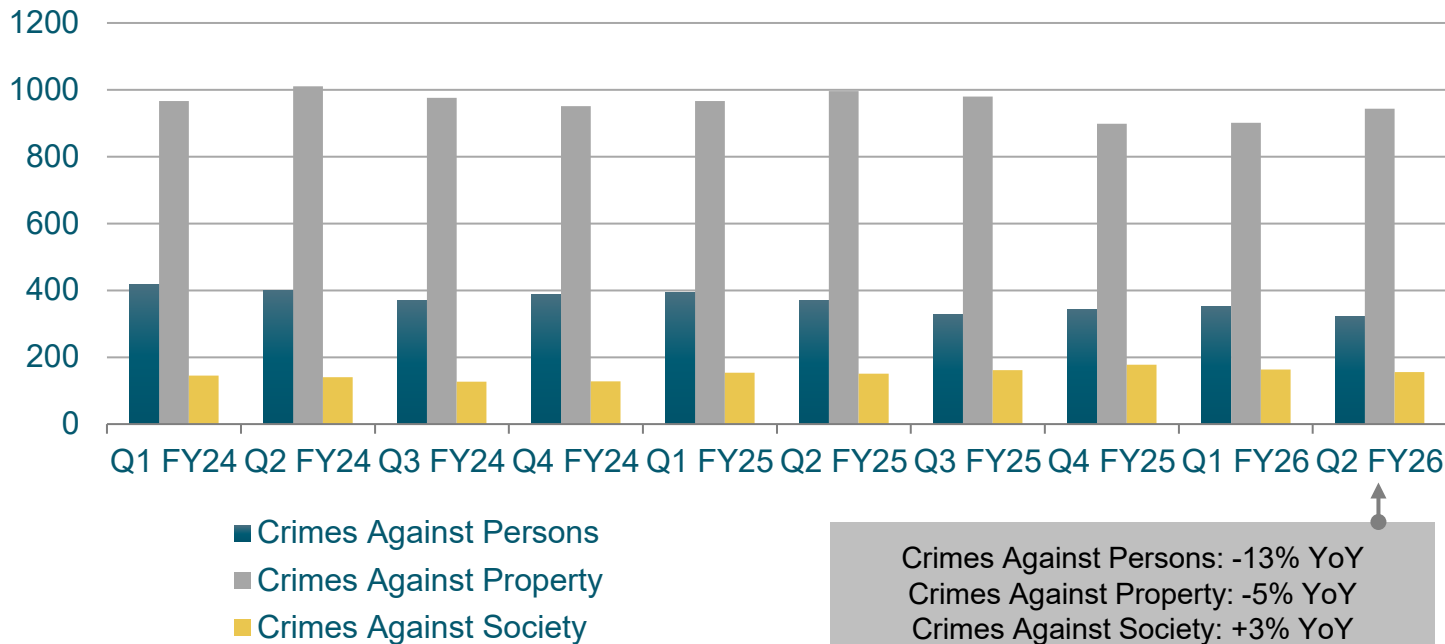


Some crime types across California remain stagnant.



The City is pursuing targeted crime reduction strategies.

### Crimes per 100,000 Population



Crimes Against Persons: -13% YoY  
 Crimes Against Property: -5% YoY  
 Crimes Against Society: +3% YoY



# Increasing Community Safety Focus Area

## Long-Term Goal

San José residents live in a community with responsive emergency services and safe streets and roads.

## Problem

### 4. Traffic Safety.

## Context



The City has made important strides towards Vision Zero over the past decade.

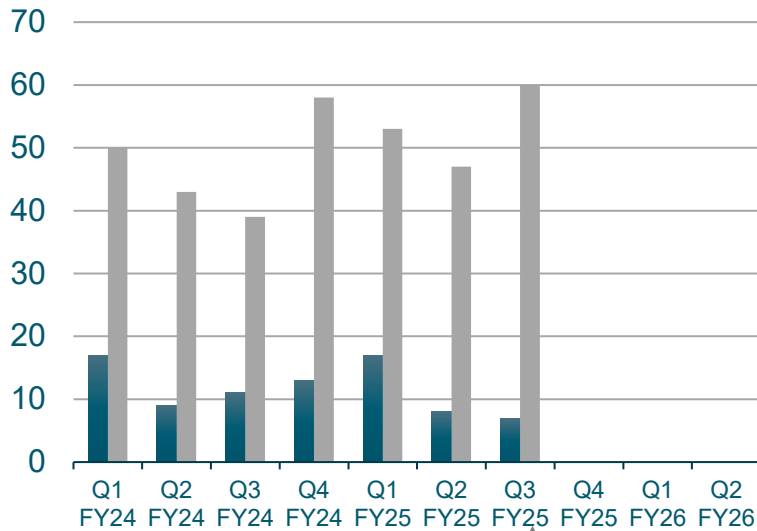


Changing driving behavior and building safer streets in a large City takes time.



The City is investing in infrastructure improvements and new roadway technologies to increase safety.

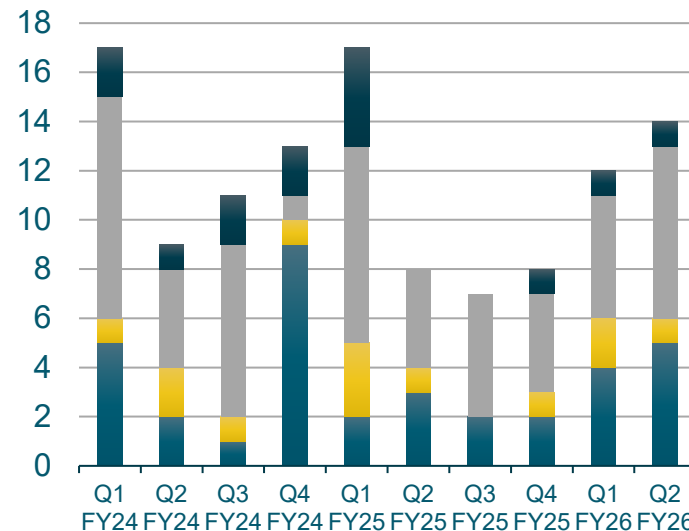
### Killed and Severe Injuries (KSI\*) due to Traffic Collisions



■ Fatal Injuries  
■ Severe Injuries

KSI: +34% YoY  
(based on Q3 FY25 most recent)

### Traffic Fatalities by Decedent Mode



■ Bicyclist  
■ Pedestrian  
■ Motorcyclist  
■ Motor Vehicle Occupant

Fatalities: +4 YoY



# Increasing Community Safety Focus Area

- Blue: Complete
- Green: On Track
- Yellow: Needs Attention
- Red: Off Track
- Gray: Not Started

**Long-Term Goal** San José residents live in a community with responsive emergency services and safe streets and roads.

**Problem 1. Emergency Response.**

**Problem 3. Crime Reduction.**

Goal 1.1 Police Marketing and Recruitment. ●

Goal 3.1 Real-Time Intelligence Center. ●

Goal 1.2 Police Report Transcription Pilot. ●

Goal 3.2 Organized Retail Theft Detail. ●

Goal 1.3 Police Patrol Deployment Projects. ●

Goal 3.3 Mission Street Recovery Station. ●

Goal 1.4 Fire Station 32. ●

Goal 3.4 Proposition 36. ●

Goal 1.5 Fire Closest Unit Dispatch. ●

Goal 3.5 SJ Youth Empowerment Alliance. ●

**Problem 2. Crisis Response.**

**Problem 4. Traffic Safety.**

Goal 2.1 911-988 Call Transfer Program. ●

Goal 4.1 Traffic Safety Projects. ●

Goal 2.2 988 Community Education. ●

Goal 4.2 Automated Traffic Enforcement. ● / ●

Goal 2.3 First Responder Fee Program. ●

Red Light Running / Speed Enforcement



## Increasing Community Safety Focus Area

### Long-Term Goal

San José residents live in a community with responsive emergency services and safe streets and roads.

### Key Lessons Learned through Portfolio Retrospectives:

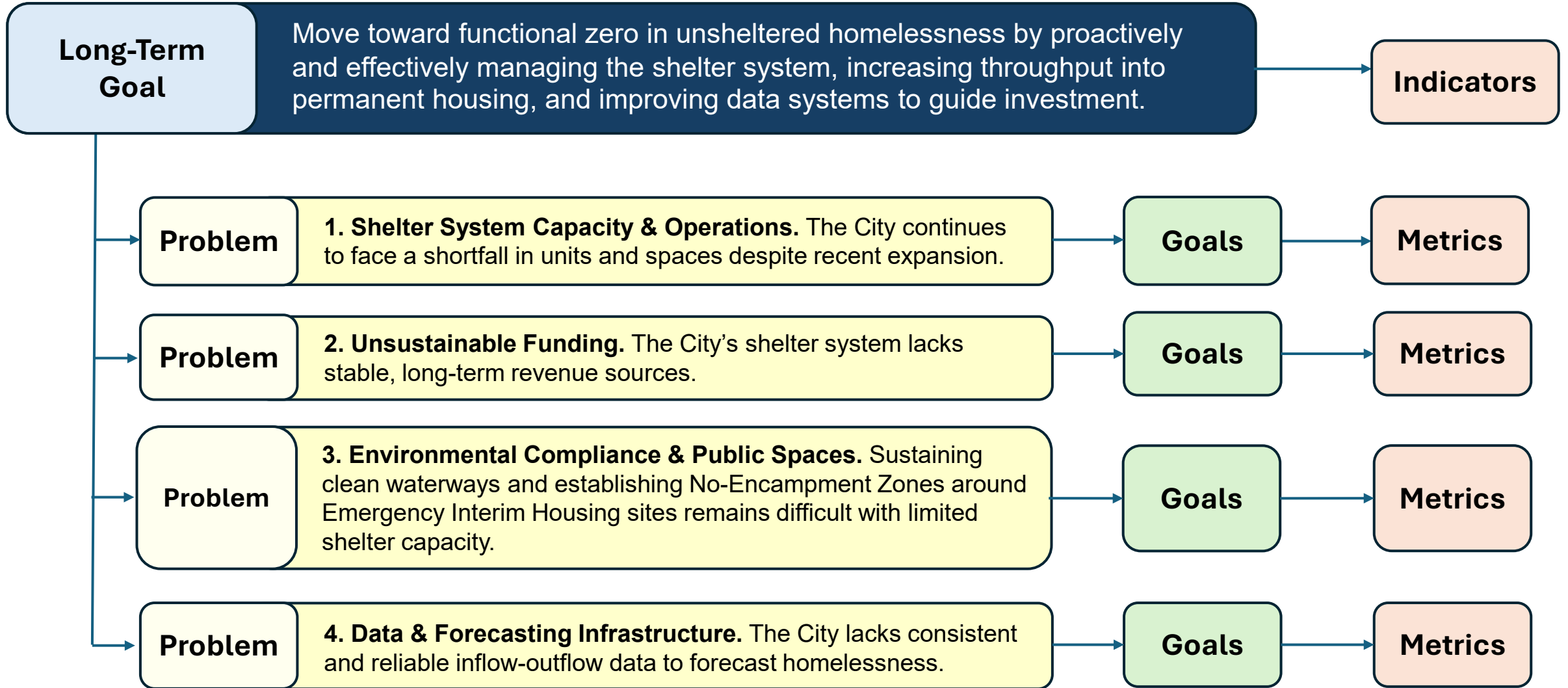
- Pilots have helped inform what can be scaled (e.g., two-officer units, district-wide dispatching) from what requires refinement or a different approach (police report transcription pilot). Meanwhile, other pilots are collecting evidence of early impact (e.g., SJYEA demonstration sites, first responder fee, red light running program)
- Long-term success will require strong interagency coordination for cross-jurisdiction efforts like crisis response, behavioral health, and solving crimes
- Budget uncertainties challenge progress for local initiatives like fire station expansion and automated speed enforcement program, while the City is also impacted by county and state budget uncertainties (e.g., Prop 36, Mission Street Recovery Station)



# Reducing Unsheltered Homelessness Focus Area



# Reducing Unsheltered Homelessness Focus Area





# Reducing Unsheltered Homelessness Focus Area

## 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.

## Context

**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.

### Main Challenges Moving Forward.

- 1. 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 *Building More Housing* focus area.**
- 2. 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.
- 3. 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.
- 4. 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.

## Indicators

**# of New Units Online**  
(705 by Calendar Year 2025)



**Cost Reduction**  
(up to 20% across 24 sites)



**No-Encampment Zones Maintained**

≤ 65 re-encampments/  
quarter in waterway  
NEZs;



**No-Encampment Zones Maintained**

≥ 80% of re-encampments  
resolved within NEZs  
in 2 business days)



**Forecasting Tool Updates**  
(quarterly, multi-department data)





# Reducing Unsheltered Homelessness Focus Area

## 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.

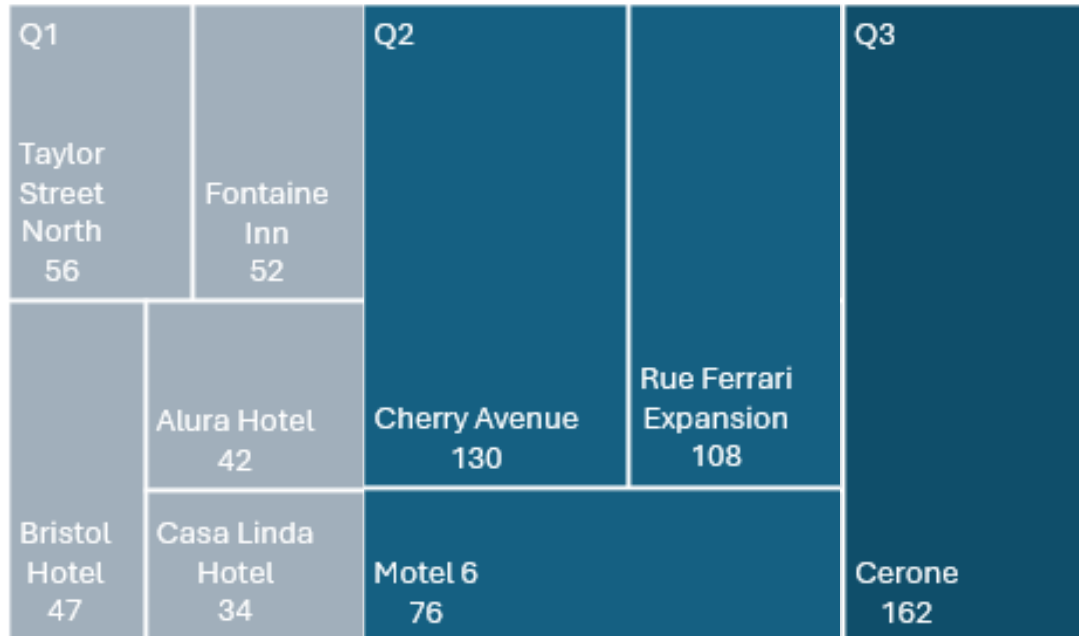
## Problem

1. Shelter System Capacity and Operations.

## Context

Shelter Openings and # of Units, FY 2025 - 2026

■ Q1 ■ Q2 ■ Q3



Bringing multiple sites online at once required tight cross department coordination and highlighted the need to standardize operating models.



The Cerone site, representing 162 units, did not open as anticipated in December due to delays in finalizing a required security agreement with VTA.



Across the shelter portfolio, this work highlighted the operational realities of delivering multiple sites concurrently.



# Reducing Unsheltered Homelessness Focus Area

- Blue: Complete
- Green: On Track
- Yellow: Needs Attention
- Red: Off Track
- Gray: Not Started

**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.

**Problem**

**1. Shelter System Capacity and Operations.**

**Problem**

**3. Environmental Compliance and Public Spaces.**

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



**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.



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



**Goal 3.1** Maintain environmental compliance in 26 miles of priority waterways & corridors by maintaining No-Encampment Zones (NEZs), limiting re-encampment and displacement impacts.



**Goal 3.2** Maintain NEZs in public spaces around Emergency Interim Housing sites to limit re-encampment & ensure site accessibility.



**Problem**

**2. Unsustainable Funding.**

**Problem**

**4. Data and Forecasting Infrastructure.**

**Goal 2.1** Sustain and stabilize diversified funding sources to reduce reliance on one-time or annual allocations.



**Goal 2.2** Implement CalAIM billing for eligible services to sustain operations & reduce reliance on General Fund.



**Goal 4.1** Improve homelessness forecasting and reporting tools.



**Goal 4.2** Strengthen HMIS data exchange with County and deploy new reporting tools.





# Reducing Unsheltered Homelessness Focus Area

## 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.

### Key Lessons Learned through Portfolio Retrospectives

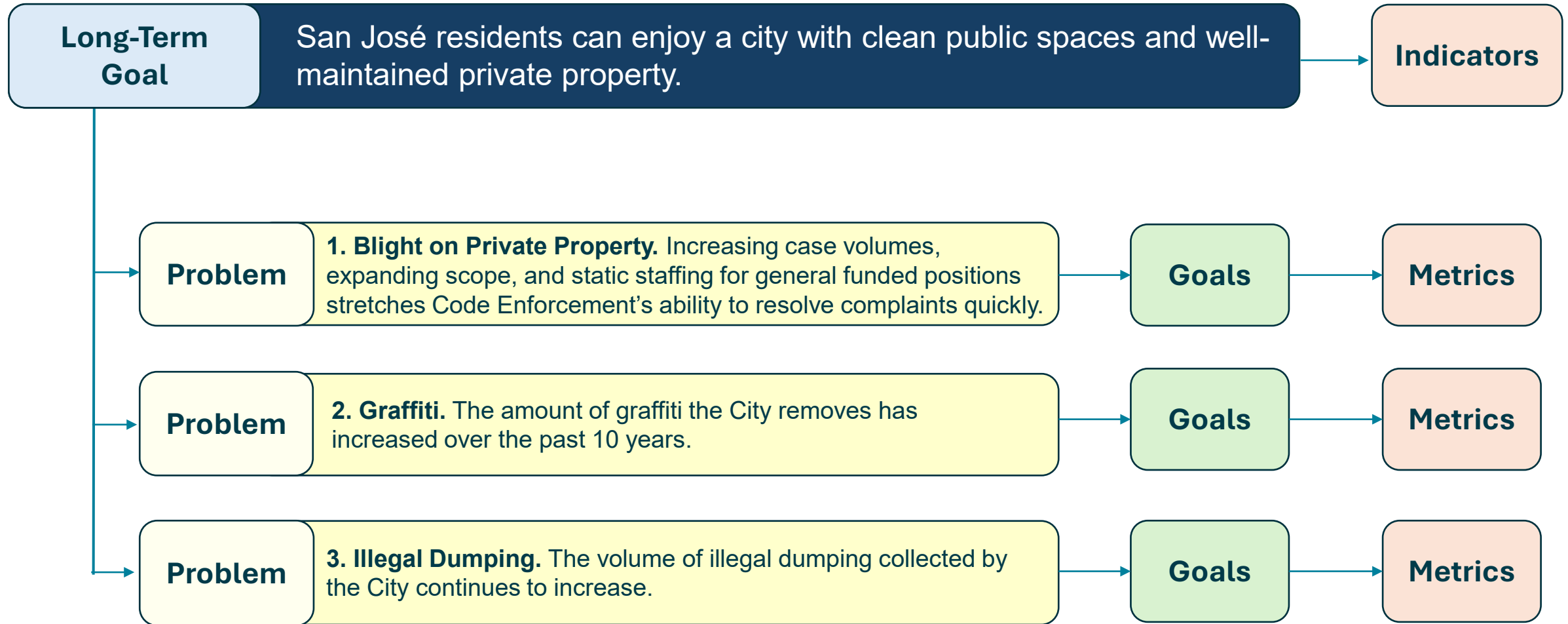
- **Shelter Site Activation:** Executing the development of shelter capacity requires coordinated delivery from many departments and contractors, resulting in schedule delays; complex partnerships can extend opening timeframes, requiring sustained coordination.
- **Standardizing Operations:** Policies, staffing models, and budgets change as system optimization is running parallel with system expansion with the final new sites coming online; cost savings take time to materialize because they require partner negotiations, contractual amendments, and alignment of operations to new contract provisions.
- **Building CalAIM Architecture:** Building the infrastructure for medical billing and coding at sites to receive service expenditure reimbursements requires more reliance than anticipated on County infrastructure and further system integration.
- **Shelter Capacity and Enforcement:** Keeping priority areas clear can relocate people into other neighborhoods and increase vehicle habitation pressure, creating continuous operational redundancy for outreach, shelter, and field teams.
- **Tracking Outcomes:** Data-sharing limits (including restrictions on law enforcement access) mean that teams, particularly the Enhanced Engagement Program Team (Housing Department) and the Neighborhood Quality of Life Team (Police Department), often need parallel systems, which may require system enhancements for clear data and outcome comparisons and reporting.



# **Cleaning Up Our Neighborhoods Focus Area**



# Cleaning Up Our Neighborhoods Focus Area





# Cleaning Up Our Neighborhoods Focus Area

## Long-Term Goal

San José residents can enjoy a city with clean public spaces and well-maintained private property.

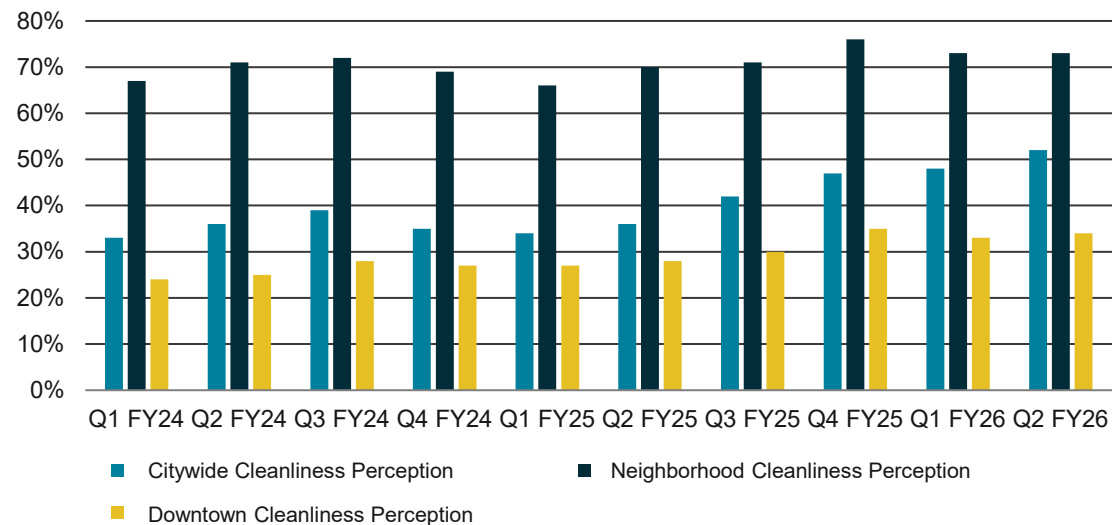
## Context

**What's going well.** As of Q2 of 2025-2026, 52% of residents reported that the City was clean, 73% that their neighborhood was clean, and 34% that Downtown was clean, compared with 33%, 68% and 25% respectively in Q1 2024.

**Main Challenges Moving Forward.** Increasing case volumes, expanding scope, and static staffing for general funded positions stretches Code Enforcement's ability to resolve complaints quickly. Volumes of graffiti eradicated and illegal dumping collected have increased steadily over time.

## Indicator

Cleanliness Perception  
% of residents rating as "very clean" or "somewhat clean"





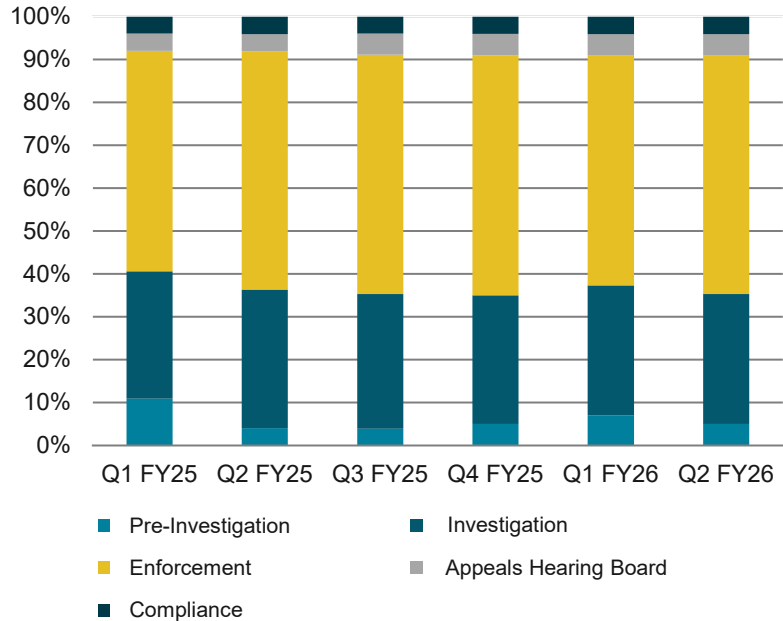
# Cleaning Up Our Neighborhoods Focus Area

**Long-Term Goal** San José residents can enjoy a city with clean public spaces and well-maintained private property.

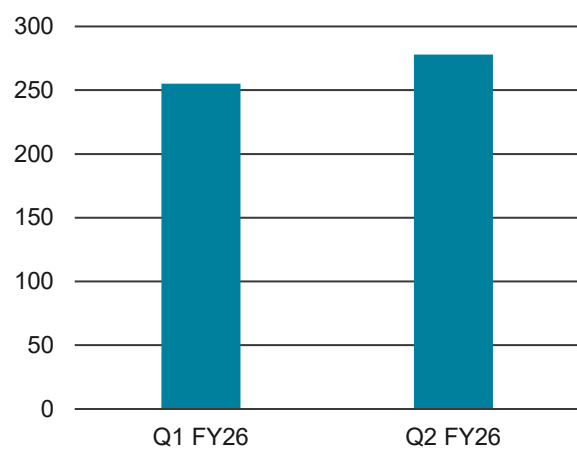
**Problem** 1. Blight on Private Property.

**Context**

Percentage of Code Enforcement Cases at Each Stage



Code Enforcement Average Case Duration in Days



Code Enforcement is working to implement recommendations from the Operational Assessment completed last fiscal year.



Code Enforcement capacity has been stretched with increasing case volumes, expanding scope, and static staffing.



Implementing recommendations from that assessment will be a major focus in the is fiscal year.



# Cleaning Up Our Neighborhoods Focus Area

## Long-Term Goal

San José residents can enjoy a city with clean public spaces and well-maintained private property.

## Problem

### 2. Graffiti.

## Context



BSJ removes graffiti quickly and effectively.

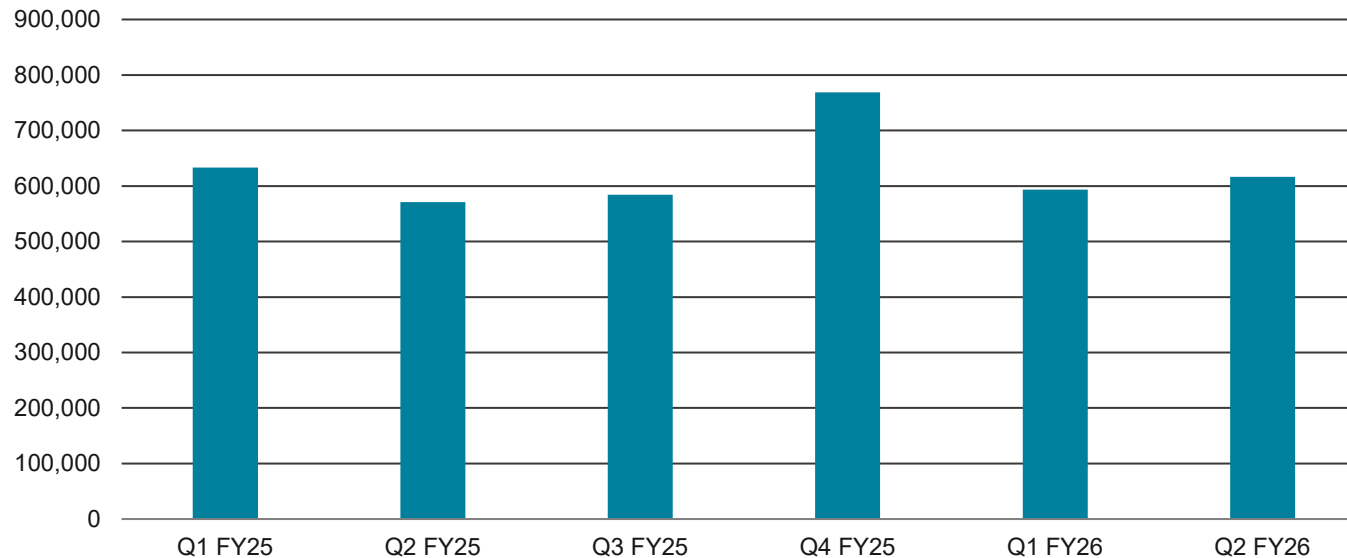


Despite an effective removal program, the volume of graffiti it removes has grown steadily over the past ten years.



We need to deter taggers from making graffiti in the first place.

Square Footage of Graffiti Removed by Quarter





# Cleaning Up Our Neighborhoods Focus Area

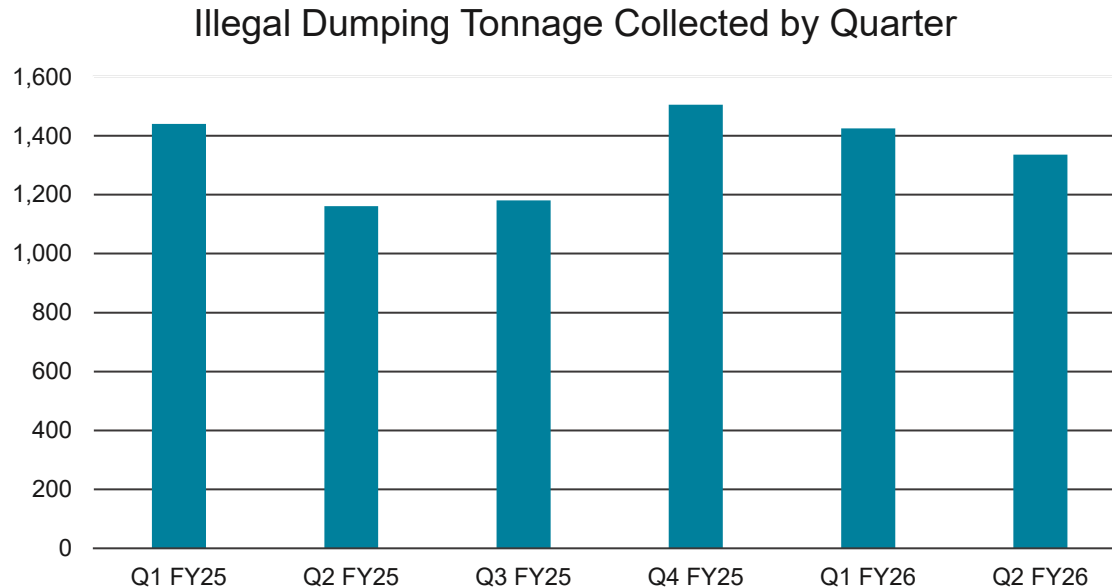
## Long-Term Goal

San José residents can enjoy a city with clean public spaces and well-maintained private property.

## Problem

### 3. Illegal Dumping.

## Context



Investments in BSJ have resulted in increase in illegal dumping collection.



Though successful so far, continuing to scale illegal dumping collection is not sustainable.



We need to reduce the volume of illegal dumping and optimize operations to handle the high volume.



# Cleaning Up Our Neighborhoods Focus Area

## Long-Term Goal

San José residents can enjoy a city with clean public spaces and well-maintained private property.

- Blue: Complete
- Green: On Track
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- Gray: Not Started

### Problem

### 1. Blight on Private Property.

Goal 1.1 Chronic Offender Resolution and Enforcement Pilot.



Goal 1.2 Escalated Enforcement Policy.



Goal 1.3 Phase 1 of CodeX.



Goal 1.4 Fine Study.



Goal 1.5 Downtown Enhanced Vacant Building and Storefront Working Group.



### Problem

### 2. Graffiti.

Goal 2.1 Graffiti Enforcement and Diversion.



### Problem

### 3. Illegal Dumping.

Goal 3.1 Illegal Dumping Enforcement.



Goal 3.2 Illegal Dumping Education.



Goal 3.3 Free Junk Pickup.



Goal 3.4 Trash and Debris Disposal.



Goal 3.5 Abandoned Shopping Carts.





# Cleaning Up Our Neighborhoods Focus Area

## Long-Term Goal

San José residents can enjoy a city with clean public spaces and well-maintained private property.

### Key Lessons Learned through Portfolio Retrospectives:

- **Goal 2.1 Graffiti Enforcement and Diversion:** In Q2 FY 2025-2026, Detectives investigated 90 new cases and authored over 100 arrest and search warrants, resulting in 10 arrests, building on the 14 arrests in Q1. One notable Q2 investigation led to a significant enforcement action, including the seizure of a loaded firearm, two homemade improvised explosive devices (IEDs), and narcotics, highlighting the broader public safety impacts of graffiti enforcement efforts.
- **Goal 3.3 Free Junk Pickup:** Multifamily hauler has conducted outreach in 20% of targeted multifamily areas identified by BeautifySJ staff as opportunity areas to reduce illegal dumping and is continuing to work through the remaining areas. The program collected 580 tons from multifamily complexes in Q2 of FY 2025-2026, compared with 485 tons in the same period in FY 2024-2025. This continues the trend from Q1 of FY 2025-2026, when 661 tons were collected from multifamily complexes compared with 464 in Q1 of FY 2024-2025. The enhanced outreach to multifamily complexes has been successful at increasing usage of the service.
- **Goal 3.5 Abandoned Shopping Carts:** Staff completed the shopping cart collection pilot program in Q2 of FY 2025-2026. The pilot program collected 734 carts over three months. The pilot highlighted the significant number of carts that could be collected if a permanent program were established. It also demonstrated that collecting data on which retailers' carts were collected could help reveal the sources of abandoned carts.



# Building More Housing Focus Area



# Building More Housing Focus Area





# Building More Housing Focus Area

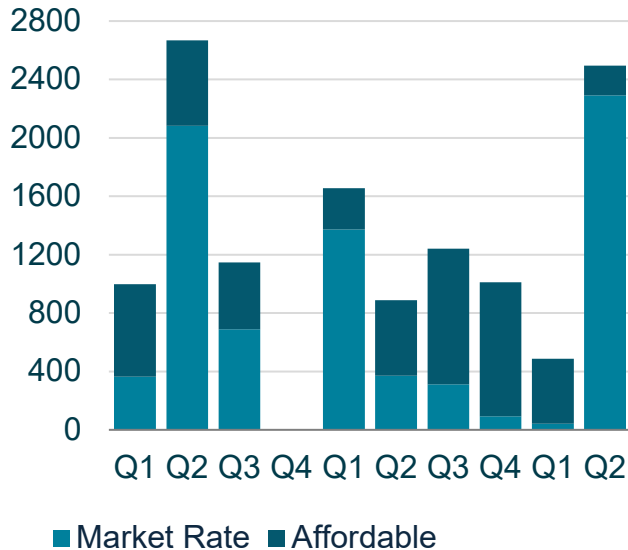
## Long-Term Goal

Meet resident's housing needs across income levels by making San José a great place to build housing.

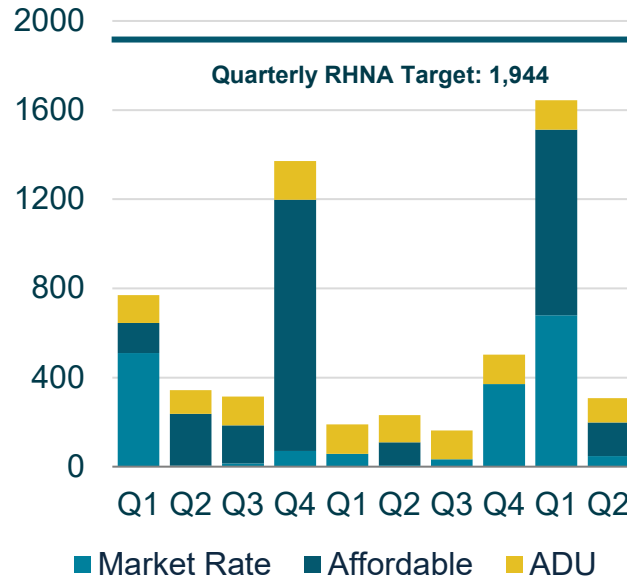
## Indicators

Since City Council approved the multifamily housing incentive program in December 2024, 1,444 units have moved from entitlement to construction, however, there are still not enough units being built.

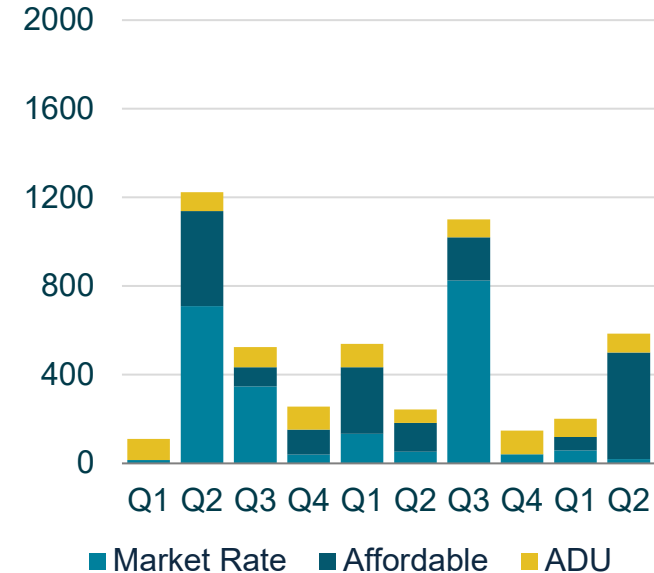
### Housing Units Entitled



### Building Permit Issued



### Certificate of Occupancy



Note: Quarterly data is based on the fiscal year calendar



# Building More Housing Focus Area

## Long-Term Goal

Meet resident's housing needs across income levels by making San José a great place to build housing.

- Blue: Complete
- Green: On Track
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- Red: Off Track
- Gray: Not Started

### Problem

### 1. Land Use, Policy, and Regulation.

Goal 1.1 General Plan 4-Year Review.



Goal 1.2 Downtown Ministerial.



### Problem

### 2. Development Services Process.

Goal 2.1 Performance Management.



Goal 2.2 CEQA Standard Conditions.



Goal 2.3 CEQA Streamlining.



Goal 2.4 Development Fee Estimator.



### Problem

### 3. Linking Land and Capital.

Goal 3.1 Cost of Development Study Session.



Goal 3.2 Financial Feasibility.



Goal 3.3 Financing Programs.



Goal 3.4 Alternative Financing Programs.





# Building More Housing Focus Area

## Long-Term Goal

Meet resident's housing needs across income levels by making San José a great place to build housing.

### Key Lessons Learned through Portfolio Retrospectives:

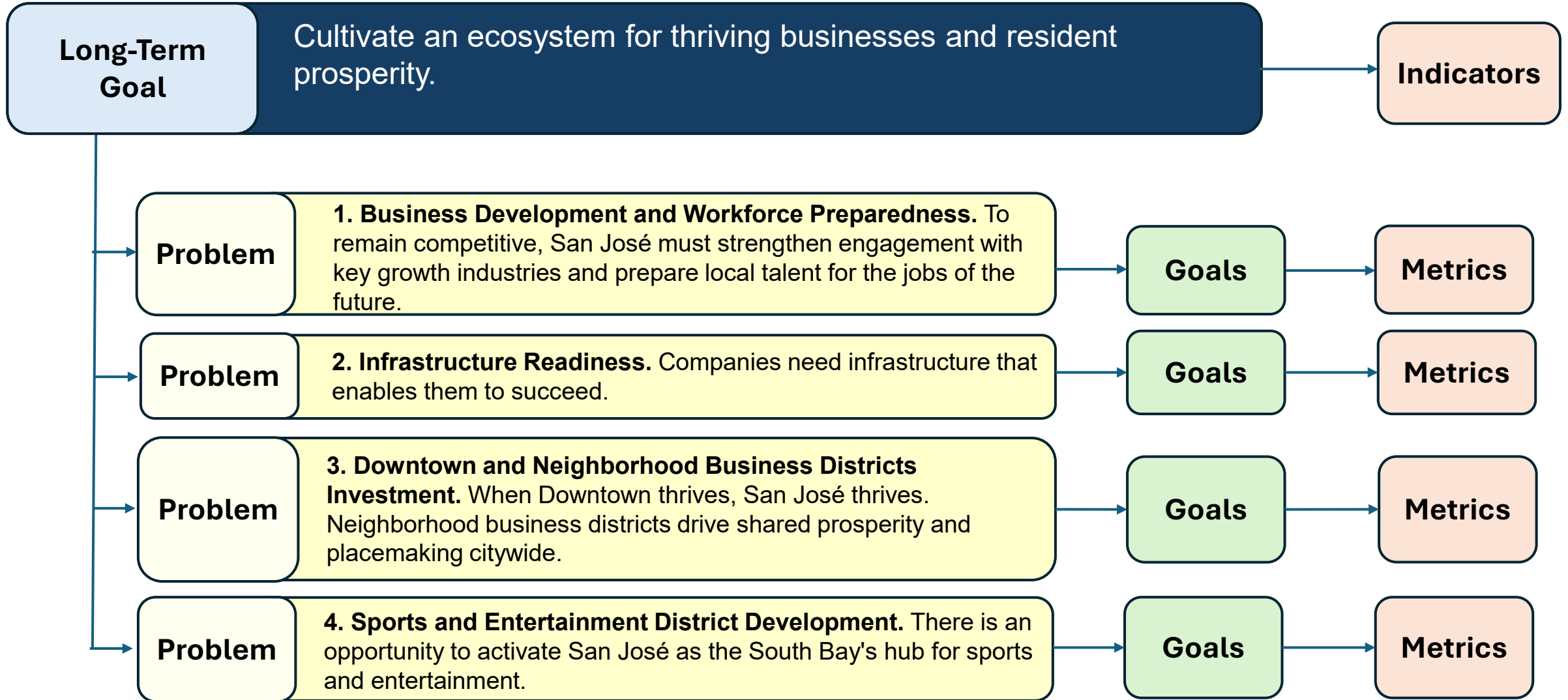
- Most housing proposals are not financially feasible right now. As a result, projects moving forward will largely depend on the City's incentive programs.
- While the City is meeting building permit timelines for affordable housing, that prioritization is extending timelines for market-rate and other development projects.
- Ongoing state requirements are limiting staff capacity to advance proactive, locally-driven housing policy work.



# Growing Our Economy Focus Area



# Growing Our Economy Focus Area





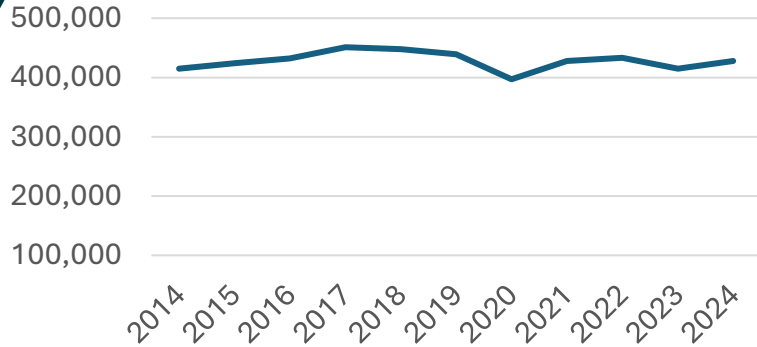
# Growing Our Economy Focus Area

## Long-Term Goal

Cultivate an ecosystem for thriving businesses and resident prosperity.

## Indicators

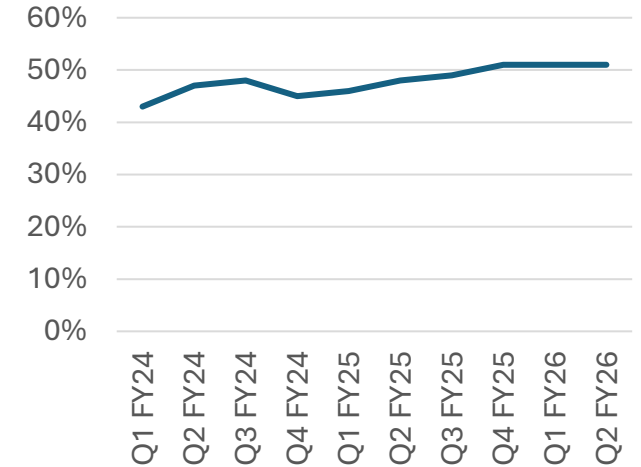
### Jobs



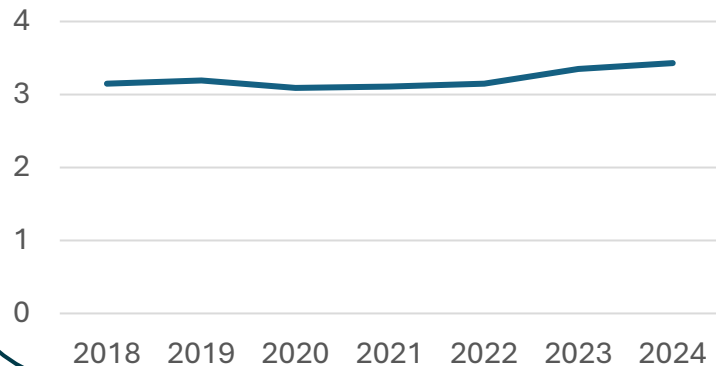
### Data Highlights

- +31k jobs since 2020, but below pre-pandemic peak
- Downtown Vibrancy +8% since FY2024
- 20<sup>th</sup> percentile earner would need to more than triple their income to enter the middle class (60<sup>th</sup> percentile)

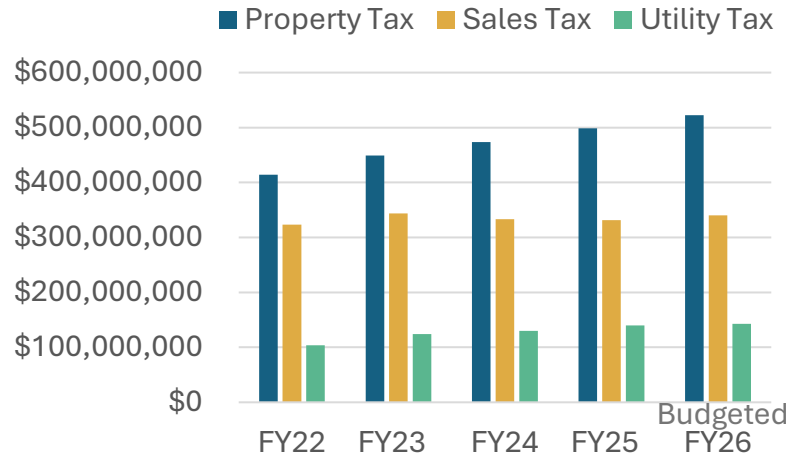
### Downtown Vibrancy



### Income Inequality



### Tax Revenue



### Small Businesses

Data in process with the Finance Department





# Growing Our Economy Focus Area

- Blue: Complete
- Green: On Track
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- Red: Off Track
- Gray: Not Started

**Long-Term Goal**

**Cultivate an ecosystem for thriving businesses and resident prosperity.**

**Problem**

**1. Business Development and Workforce Preparedness.**

**Problem**

**3. Downtown and Neighborhood Business District Investment.**

- Goal 1.1 Job Attraction and Retention. ●
- Goal 1.2 Employer Engagement. ●
- Goal 1.3 Jobs Data Analysis. ●
- Goal 1.4 Unstably Housed Workforce Development. ●
- Goal 1.5 AI Training. ●
- Goal 1.6 AI Tool. ●

- Goal 3.1 Downtown Commercial Lease Renewal. ●
- Goal 3.2 Downtown Commercial Attraction. ●
- Goal 3.3 Downtown Placemaking. ●
- Goal 3.4 Business Improvement District Formation. ●
- Goal 3.5 Small Business Grants. ●
- Goal 3.6 Small Business Streamlining. ●

**Problem**

**2. Infrastructure Readiness.**

**Problem**

**4. Sports and Entertainment District Development.**

- Goal 2.1 Energy Access. ●
- Goal 2.2 Projects in Development Pipeline. ●
- Goal 2.3 Projects in Development Pipeline. ●
- Goal 2.4 Wastewater Economic Development Lands. ●
- Goal 2.5 LS Power Permit. ●

- Goal 4.1 Sports and Entertainment District. ●
- Goal 4.2 Convention Center Expansion. ●
- Goal 4.3 Entertainment Zones. ●
- Goal 4.4 2026 Special Events. ●
- Goal 4.5 City-wide Special Events. ●
- Goal 4.6 Economic Impact Measurement. ●



# Growing Our Economy Focus Area

## Long-Term Goal

Cultivate an ecosystem for thriving businesses and resident prosperity.

### Key Lessons Learned through Portfolio Retrospectives:

- Focus on data center projects will generate revenue for the City. Estimated \$2.1 million in utility tax revenue generated by data center/large energy projects in FY 2026-2027.
- Staff will surpass goal for business improvement district formation. The small business start-up grant program has generated a lot of interest with over 250 applications to date.
- SJ26 is a momentum builder for Downtown placemaking, events, and business attraction and retention. Four Downtown business attractions secured through Q2 including Poppy & Claro, the VTA Security Building, West Coast Community Bank, and Lucid Motors.

# What's Next?

## Focus Areas and the FY 2026-2027 Budget Process

Embedding Focus Area discussion into the Budget Process to ensure co-creation of strategies aimed to meet our Long-Term Goals

### January

#### Priority Setting.

Staff will embed Focus Areas into the 2026-2027 Preliminary General Fund Forecast and Budget Priorities Study Session to cultivate a discussion that supports the City Council articulating its priorities (given budget constraints and required reductions) in advance of the Mayor's March Message.

### February

#### Mid-Year Budget Review Report.

Review and approval by the City Council.

### March

#### Mayor's March Message.

Direction given through the Message will inform exploration/scoping of future focus area work, which may include problem areas or specific change initiatives for FY 2026-2027. Any contemplated changes for the following fiscal year should be explored in this context.

### April

#### City Manager's Proposed Budget.

The Administration may propose change initiatives for FY 2026-2027, stemming from learnings derived from current year's execution.

### May

#### Budget Study Session.

The Administration will embed Focus Area learnings into a Budget Study Session.

#### Manager's Budget Addendum (MBA).

The Administration will publish an MBA that summarizes all feedback/ideas contemplated through the budget process and establishes a recommended Focus Area structure and process for FY 2026-2027.

### June

#### June Budget Message.

Through the adoption of the June Budget Message, the City Council will formally adopt Focus Area workplans for FY 2026-2027.

# Item 3.4: Second Quarter City Council Focus Area Status Report for Fiscal Year 2025-2026

*San José City Council March 10, 2026*

**Lee Wilcox**, Assistant City Manager, Reducing Unsheltered Homelessness

**Jennifer Schembri**, Deputy City Manager, Increasing Community Safety

**Angel Rios**, Deputy City Manager, Cleaning Up Our Neighborhoods

**Rosalynn Hughey**, Deputy City Manager, Building More Housing and Growing Our Economy

**Erik Jensen**, Deputy Director, City Manager's Office