



# Memorandum

**TO:** NEIGHBORHOOD SERVICES AND EDUCATION COMMITTEE **FROM:** Lee Wilcox

**SUBJECT:** City Council Focus Area Status Report: Reducing Unsheltered Homelessness

**DATE:** December 1, 2025

Approved

Date:

12/2/2025

## **RECOMMENDATION**

Accept this status report on the City's Reducing Unsheltered Homelessness Focus Area implementation and progress toward building the long-term infrastructure required for learning and continuous improvement.

## **BACKGROUND**

On September 30, 2025, the City Council approved the *Focus Area Model 2.0*—a framework designed to strengthen and accelerate progress on San José's most significant, cross-cutting challenges.<sup>1</sup> The model organizes City efforts into five Focus Areas:

1. Increasing Community Safety
2. Reducing Unsheltered Homelessness
3. Cleaning Up Our Neighborhoods
4. Growing Our Economy
5. Building More Housing

Model 2.0 represents a major shift from data reporting to a shared learning model, structured through quarterly cycles of planning, executing, reflecting, and improving. Each Focus Area is supported by a logic model—a framework linking long-term goals to near-term actions and measurable results—and by a regular cadence of retrospective

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<sup>1</sup>See September 30, 2025, City Council, Item 3.4, City Council Focus Areas Semi-Annual Status Report. <https://sanjose.legistar.com/View.ashx?M=F&ID=14796341&GUID=F10DEA6B-E69E-4648-A366-E7C99FB38D05>

learning sessions that enable teams to adjust strategies in real time and report insights to the City Council.

## **ANALYSIS**

### *Building the Infrastructure for Long-Term Impact (June–December 2025)*

Between July and September 2025, the Administration focused staff capacity around building logic models that would serve as the foundation for a shared long-term vision for each Focus Area. Since Council approval, the Administration has focused on establishing the *people, processes, and technology* that will sustain this new performance learning infrastructure.

<b>MONTH (2025)</b>	<b>MILESTONE</b>	<b>PURPOSE</b>
JULY- SEPTEMBER	Completion of FY 2025–2026 logic models and retrospective training series <ul style="list-style-type: none"> <li>• Conducted staff workshops and deep-dive consultations</li> <li>• Articulated Long-Term Goals, Problem Areas, Change Initiatives, and Near-Term Goals</li> <li>• Established indicators and metrics to serve as feedback loops</li> <li>• Initiated implementation of select change initiatives</li> </ul>	Established foundations for shared understanding and learning
SEPTEMBER 30	Council adoption of Model 2.0	Formalized governance and accountability structure
OCTOBER– NOVEMBER	Completion of retrospective trainings and dashboard buildouts <ul style="list-style-type: none"> <li>• Provided retrospective trainings for execution leaders in each Focus Area; training on performance leadership</li> <li>• Held first monthly retrospectives in each Focus Area</li> <li>• Conducted user experience interviews for public dashboards</li> <li>• Finalized data structure and collected data sets for dashboards</li> </ul>	Capacity building and operational rollout
DECEMBER	Committee briefings and launch of first-iteration of dynamic public dashboards	Community learning

Additionally, during the initial two-month period since the City Council formally accepted the new model, teams have been learning how to apply *execution-as-learning*—testing small changes, documenting observations, and refining their approach. This process builds the City’s internal capacity for adaptive learning while maintaining focus on results.

Through this model, City leadership is encouraging curiosity and reflection through questions such as:

- What are we seeing in our metrics to date? How do we make sense of what we are seeing?
- What did we observe from this past cycle? What went well? What could have gone better?
- What barriers are limiting progress? What are we learning as a result?
- What is a main issue we should address to continue making progress?
- What will we adjust in the next cycle to have the most impact?

Staff invite Committee members to ask similar questions during these updates, as Committee reports offer an opportunity to learn together about how our collective efforts are working in practice. During Committee discussions, we welcome conversations about what we are learning from implementation—what the data, stories, and staff experiences suggest about the effectiveness of current interventions. These updates are not intended to modify problem areas, near-term goals, or success measures, which are established and adjusted by the full City Council through the budget process. However, Committee members are encouraged to explore how we measure success, such as opportunities to disaggregate or contextualize existing data, where available, to deepen understanding of outcomes and equity impacts.

As Committee members delve deeper into the focus areas and become the subject matter experts that can inform City Council discussions, the Committee conversations they facilitate can help shape how we learn and support the City Council’s broader decision-making.

### *Focus Area Updates*

This Committee oversees the following Focus Area(s): Reducing Unsheltered Homelessness.

The September 30, 2025, City Council presentation included a brief walk-through of the Reducing Unsheltered Homelessness Focus Area long-term goals; problems that are preventing the City from reaching its goal; the near-term goals staff committed to accomplishing to address the goals; and the change initiatives tied to those near-term goals. The Committee presentation update will include:

- A brief reminder of the long-term goal and near-term fiscal year goals;

- A summary of progress to date, drawing from retrospective learnings; and
- Key lessons learned and next steps to strengthen implementation.

A few major lessons learned are summarized below; more learnings are expanded upon in the Committee presentation.

#### *Problem Area 1: Shelter System Capacity & Operations*

- The City undertook an unprecedented volume of shelter expansion this fiscal year, opening the Taylor Street Navigation Hub, Casa Linda Hotel, Bristol Hotel, Fontaine Inn, Alura Hotel, Motel 6, and the Rue Ferrari expansion, which placed significant operational strain on teams across multiple departments.
- Standing up large amounts of new supply and simultaneously coordinating with the County on the development of a more effective coordinated entry system required substantial cross-department collaboration and continuous alignment between operational teams and executive leadership.
- Ensuring proper prioritization and rapid filling of new units, particularly during the Columbus Park activation<sup>2</sup> and associated abatements, demanded real-time communication structures, intensive data sharing, and daily tactical coordination.
- A key learning was that transitioning shelter operations, reducing systemwide costs, and aligning with County processes at the same time creates complex interdependencies that require stronger governance, clearer communication pathways, and ongoing executive-level engagement.
- The experience demonstrated that major system transitions cannot be isolated; aligning shelter expansion, coordinated entry reform, operational stabilization, and budget pressures requires a highly integrated approach and sustained cross-department teamwork.

#### *Problem Area 2: Sustainable Funding*

- As the City worked with the County to align on a coordinated entry system, and simultaneously adjusted budgets, reduced contract costs, and explored subsidy layering opportunities, it became clear that long-term financial sustainability depends on expanded County partnership.
- A key learning is that successfully leveraging CalAIM dollars will require coordinated service delivery models tied to client acuity (e.g., behavioral health and substance use services), achieved through a more integrated approach with County behavioral health systems.
- Establishing effective CalAIM revenue drawdown mechanisms will require shared infrastructure, agreement with health plan administrators, stronger utilization of HMIS and further integration with County systems to ensure accurate service documentation, billing compliance, and data alignment.
- The primary insight is that sustainable funding strategies, CalAIM, subsidy layering, and other revenue sources, cannot be fully realized without joint data,

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<sup>2</sup> <https://www.sanjoseca.gov/home/showpublisheddocument/125619/638971570673030000>

service, and operational alignment with the County, reinforcing the need for a more formalized intergovernmental funding partnership.

### *Problem Area 3: Environmental Compliance & Public Spaces*

- As the City established No-Encampment Zones (NEZ) across 26+ miles of waterways defined under the City's Stormwater Permit, areas previously estimated to include roughly 1,200 unsheltered individuals, teams faced the challenge of not having sufficient shelter capacity to accommodate everyone as abatements proceeded and new units came online in staggered phases.
- The pace of abatements and the establishment of NEZs put into motion unsheltered individuals relocating to new parts of the city. This led to the Parks, Recreation, and Neighborhood Services Department (PRNS) BeautifySJ team needing to refine encampment trash pick-up routes to serve newly established encampment locations and the Housing Department needing to shift the outreach and engagement strategy.
- These dynamics placed increased operational pressure on PRNS-BeautifySJ and the Police Department Neighborhood Quality of Life team, which were responsible for monitoring migration patterns, maintaining NEZ compliance, and responding quickly to re-encampments in newly impacted neighborhoods.
- A key insight is that maintaining clean waterways and other areas that have established NEZ and public spaces cannot be achieved solely through enforcement; it requires synchronized expansion of outreach, real-time monitoring, and coordinated shelter placement strategies to minimize migration and sustain compliance citywide.

### *Problem Area 4: Data & Forecasting Infrastructure*

- The City's effort to build a long-term homelessness forecasting model highlighted that accurate forecasting depends on consolidating departmental datasets into a unified, governed data environment, work anchored in the *Homelessness Data Consolidation Project*.
- Establishing this shared data infrastructure required extensive coordination with data gatekeepers and departmental leads to determine hosting environments, data organization, governance structures, permissions, and long-term maintenance requirements.
- Developing the citywide data lakehouse and the related access, taxonomy, and integration standards required close partnership with the Information Technology Department and significant technical onboarding for staff, reinforcing the need for dedicated capacity to sustain this work.
- A key insight is that forecasting cannot proceed without this foundational infrastructure; the last year and a half of work on data consolidation and governance has been essential to setting the conditions for improved inflow-outflow visibility and long-term decision-support tools.

*What's Next: Continuing to Learn and Build*

The Administration views FY 2025–2026 as a pilot year for Model 2.0 that is focused on optimizing current services and building the infrastructure, tools, and culture needed for long-term success.

Key next steps include:

- Continue iterating on functionality of public facing dashboards – improving usability and data shared for each Focus Area.
- Continue sequenced implementation of near-term goals and associated change initiatives.
- Refining processes and metrics through monthly retrospectives and interdepartmental coordination.
- Building capacity through additional training on data literacy, goal setting, and performance leadership.
- Cultivating a work environment and team culture that ensures our staff feel supported to test new approaches, identify challenges early, and learn openly. What this looks like is staff feeling comfortable publicly working through discussions on projects where any missed targets are valued as learning opportunities, knowing that experimentation in this space requires creativity, iteration, and public learning without fear of personal blame.

The Administration's learning from this foundational work will be reported on during communications to City Council in Spring 2026, which will include further updates on results-to-date across all Focus Area near-term goals. As this first year of Focus Area Model 2.0 implementation represents an important step in building the long-term infrastructure for performance, learning, and results, staff will also provide relevant implementation insights with recommendations for further improvement in the second year of execution. While this work takes time to refine, the City is already gaining valuable insight from implementation and developing the systems and culture needed for major, lasting impact.

December 11, 2025

**Subject: City Council Focus Area Status Report: Reducing Unsheltered Homelessness**

Page 7

## **COORDINATION**

This memorandum was coordinated with the City Manager's Budget Office, City Attorney's Office, Housing, and Parks, Recreation and Neighborhood Services.



Lee Wilcox

Assistant City Manager, City Manager's Office

For questions, please contact Jiri Rutner, Division Manager, Housing Department, at [jiri.rutner@sanjoseca.gov](mailto:jiri.rutner@sanjoseca.gov).