

FOR IMMEDIATE RELEASE

Thursday, May 8, 2025

Draft FY26 Budget Continues City of San Diego's Progress on Addressing Homelessness

\$105.3 MILLION INVESTMENT WILL FUND HOMELESSNESS PREVENTION PROGRAMS AND SHELTERING OPTIONS

SAN DIEGO – The draft City of San Diego budget for Fiscal Year 2026 includes a \$105.3 million investment for tackling homelessness. This ensures resources are available to support 17 traditional shelter programs, along with two sites in the City's Safe Sleeping Program, five sites for the Safe Parking Program, Coordinated Street Outreach teams, as well as supportive services and housing navigation programs. The budget also continues to address unsafe encampments with abatements after resources are offered.

While continuing to invest in critical sheltering programs, the proposal also calls for significant investments in diversion efforts. This includes a combined \$6.5 million in funding for the Eviction Prevention Program and the Housing Instability Prevention Program, both proven to help San Diegans in-need retain existing housing.

The budget would also fund the Family Reunification Program, which connects individuals experiencing homelessness to secure homes with friends or family members.

"This is truly how we protect the progress we've made to deliver a variety of interventions that meet people where they are," said Sarah Jarman, director of the City's Homelessness Strategies and Solutions Department. **"Over the next year we expect to serve over 10,000 people through City-funded programs."**

Of the \$105.3 million included, the majority would be directed to sheltering and housing services. The total investment would be split between \$87 million for the City's Homelessness Strategies and Solutions Department (HSSD); \$5 million for the San Diego Police Department's homelessness efforts including outreach, supporting abatement operations and responding to Get It Done reports; \$3 million for the Economic Development Department's Eviction Prevention Program; and \$9.7 million for the Environmental Services Department's abatement/debris removal crews and sidewalk sanitizing.

While the draft budget continues providing resources and support to help individuals end their homelessness, it also includes \$3.5 million in ongoing funding for the Housing Instability Prevention

Program, which provides rental assistance to help keep San Diegans from falling into homelessness in the first place.

In addition, the draft budget expands shelter capacity for transition-age youth, women and families. The Safe Parking Program is set to nearly double capacity with the opening of a fifth lot this month at H Barracks for individuals and families living in their vehicles.

Reductions in the HSSD draft FY26 budget include the City's portion of the Rosecrans bridge shelter, located on County property, given the County's plans to demolish the adjacent building on the site. It also calls for eliminating the Caltrans Outreach Program and a small reduction in funding for the Homelessness Response Center, which will transition operations to other facilities.

Staff also identified \$3.6 million in operational efficiencies that will not reflect any reductions in core services. The HSSD draft budget reflects a 5% reduction in funding from the City's operating budget (General Fund) compared to FY25.

HSSD staff have continued to leverage grant funds to reduce the impact on the City's General Fund. In FY26, the City anticipates at least \$34 million in additional grant funding, with \$25.7 million from the state's Homeless Housing Assistance and Prevention (HHAP) program and \$8.5 million in other grants, including Community Development Block Grant funds. Revenue from the Measure C hotel tax is expected to generate \$33 million in funding for homelessness programs in the next fiscal year.

City departments are presenting their proposals to the City Council's Budget Review Committee this week. The Homelessness Strategies and Solutions Department budget presentation and discussion are scheduled for today, May 8. To learn more, visit the City's [Fiscal Year 2026 Draft Budget webpage](#).



###