



**CITY OF SAN DIEGO
OFFICE OF COUNCILMEMBER RAUL CAMPILLO
DISTRICT SEVEN**

MEMORANDUM

DATE: January 10, 2025
TO: Charles Modica, Independent Budget Analyst
FROM: Councilmember Raul A. Campillo *Raul A. Campillo*
SUBJECT: **Budget Priorities for Fiscal Year 2026**

This memorandum serves as an addendum to my [initial budget priorities](#) for Fiscal Year 2026 (FY26), submitted in September 2024.

The failure of Measure E and the missed opportunity to address San Diego’s structural budget deficit have placed the City in a stark fiscal position. Moving forward, we must focus on what the City does best: delivering essential public safety services, maintaining and enhancing neighborhood infrastructure, and fostering economic development.

Given our budgetary constraints, it is crucial that we collaborate effectively with public and private partners to address urgent regional challenges, particularly in homelessness and behavioral health service delivery. As the budget process continues, we must proactively identify and quantify anticipated service gaps to allow for better coordination as we call on partners to leverage resources towards shared responsibilities.

Despite the complexity of the financial challenges we face, I remain confident in your office, this Council, and our administration’s ability to provide diligent, transparent, and innovative solutions that prioritize the needs of our residents.

Potential Resource and Mitigation Options:

As the City works to minimize budgetary impacts to core services, I support pursuing the following budget mitigation measures identified within [IBA Report 25-01](#). These include aligning City fees with market rates, considering alternative financing mechanisms and potential resources to offset General Fund costs, and identifying opportunities to achieve full cost recovery for City-provided services.

- Measure B Implementation – *Estimated \$78.6 million*
- Measure C Implementation – *Estimated \$33.9 million*
- Parking Meter Rate Adjustment – *Estimated \$9.6 million*
- Strategic Use of Infrastructure Fund Contributions – *Estimated \$8.8 million*

Opportunities for Regional Collaboration:

While homelessness prevention, diversion, and maintenance of our existing shelter system remain a priority of mine for FY26, I have included estimated funding needs that are best addressed by the County and external partners. These amounts are provided to support coordinated resource requests among the Council, regional partners, and advocates. Any additional expenditures and planned commitments related to homelessness services should be considered pending results of Measure C or the identification of any additional resources.

County of San Diego:

Community Harm Reduction Shelter: In conjunction with the County of San Diego’s Behavioral Health Services, the Harm Reduction Interim Shelter program provides safe, low-barrier interim shelter and supportive services for up to 44 adults experiencing unsheltered homelessness in the City of San Diego who are also experiencing co-occurring substance use and mental health conditions.

Approximate Cost: \$2,178,735

Rosecrans Shelter: The Rosecrans Shelter provides up to 150 shelter beds for people experiencing homelessness through collaboration among the City, the County of San Diego, San Diego Housing Commission, the Lucky Duck Foundation, and Alpha Project. The shelter is operated on County-owned land and provides unique on-site behavioral health services funded by the County of San Diego.

Approximate Cost: \$4,659,272

On-site Behavioral Health and Substance Use Disorder Services: The City of San Diego’s contracted homelessness service providers face significant challenges related to the opioid and substance use epidemic. Addressing the needs of program participants who are experiencing a substance use disorder (SUD) has become an increasing challenge for homelessness services staff. The resources necessary to address this growing reality are reliant on support systems that are not fully integrated into the homelessness crisis response system and are either limited or difficult to access. County support to fund a dedicated team of SUD counselors available on-site

across shelter programs and alongside street outreach programs would help address a critical gap in services for persons experiencing homelessness and struggling with substance abuse.

Approximate Cost: \$1,600,0000

Women and Family Shelter: The Rachel's Women Center provides critical behavioral health services in partnership with the County of San Diego as well as several other co-located services that will be accessible to shelter residents. Expansion of the existing shelter would allow the program to grow from 40 to 175 beds for single women, including seniors and families led by single women. In FY 2024, 577 requests for family shelter through the Coordinated Shelter Outreach Program went unfulfilled due to a lack of capacity to serve families with children. In addition, 5,141 referrals for individuals who identified as women were unable to be completed because of limited shelter bed availability. The data supports an increased need for these resources. This new program will also support feedback received through stakeholder group sessions by providing non-congregate and semi-congregate shelter options.

Approximate Cost: \$5,100,000

cc: Michael Simonsen, Chief of Staff, Office of Councilmember Raul A. Campillo

RAC/syp