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# San Jose invests \$30 million to double capacity at tiny home site for the homeless

The federal government will chip in \$1 million to help pay for the \$30 million expansion of the housing site



SAN JOSE, Calif. — September 22: A view of HomeFirst's Emergency Interim Housing site at Rue Ferrari in San Jose, Calif., is photographed on Wednesday, Sept. 22, 2021. (Dai Sugano/Bay Area News Group)



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San Jose Mayor Matt Mahan plans to double the size of the city's oldest emergency interim housing site, but it will come at a high cost to taxpayers — \$30 million.

The site, located at 5898 Rue Ferrari in South San Jose, is set to add 134 beds on top of the existing 124, as well as a laundry area and community center. Beyond using its own dollars, San Jose is also getting \$1 million in federal funding, which Mahan and U.S. Rep. Jimmy Panetta, a Democrat whose district includes South San Jose, announced at a press conference on Thursday morning.

“It’s an investment in the people here — giving them that privacy, safety, and dignity,” Panetta said.

Other sources of funding include:

- \$11.5 million from San Jose’s general fund
- \$15.9 million from California’s [Homeless Housing, Assistance and Prevention](#) Grant Program
- \$2.5 million from San Jose’s multi-source housing fund

Rue Ferrari — which has already served over 300 people since the “tiny home” community opened in 2021 — is one of six emergency interim housing sites that San Jose has constructed in the last three years. Hundreds of people remain on a waiting list for interim housing.

Following the expansion of Rue Ferrari, annual operating costs are expected to increase from \$3.7 million to \$5.2 million. Along with the three other existing interim housing sites, plus the four other interim housing sites in the pipeline, annual operating costs for interim housing are expected to be \$25 million in 2024-25, [increasing to \\$70 million by 2030](#).

At the press conference at Rue Ferrari, Mahan touted the early success of the [city’s emergency interim housing programs](#). Of the 1,500 people the sites have served so far, around half go on to find permanent housing, and — contrary to neighbors’ concerns around interim housing — the city has seen a reduction in calls for service in neighborhoods where interim sites have opened.

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“These sites help stabilize people and get them connected,” Mahan said. Ending street homelessness is one of the mayor’s main priorities — and he has made emergency interim housing sites like these central to his strategy.

The Public Works department expects to approve a contract for construction by the end of this month, said Deputy City Manager Omar Passons. The construction on the new units is expected to be completed by the summer of 2025.

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