



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 05/20/2025

ITEM NO: 16

DATE: May 8, 2025
TO: Mayor and Town Council
FROM: Chris Constantin, Town Manager
SUBJECT: Receive an Update on the Town's Federal Funding and Grants, Considering Federal Actions Impacting the Town

RECOMMENDATION:

Receive an update on the Town's federal funding and grants, considering federal actions impacting the Town.

BACKGROUND:

On January 27, 2025, the President's Office of Management and Budget (OMB) released memo M-25-13, initiating a temporary pause on the disbursement of federal financial assistance, including grants and loans. This action aimed to review programs aligned with the administration's policies, particularly targeting initiatives related to diversity, equity, and inclusion (DEI), and environmental projects associated with the Green New Deal. The White House provided guidance that the pause was limited to programs, projects, and activities implicated by the President's EOs, "such as ending DEI, the Green New Deal, and funding nongovernmental organizations that undermine the national interest."

On January 29, 2025, the OMB withdrew memo M-25-13 while the White House maintained that the intent of the executive orders related to the funding freeze remained unchanged, leading to ongoing confusion and legal challenges.

During the February 4, 2025, Town Council meeting, Mayor Matthew Hudes and Vice-Mayor Rob Moore requested that the Town Council discuss the potential impact of federal actions at a future meeting.

On March 18, 2025, the Town Council discussed the potential impact of federal actions on the Town's federal funding sources and requested that an update be provided every other month,

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Reviewed by: Town Manager, Town Attorney, and Finance Director

skipping July, to allow them to discuss the impacts as well as potential actions. This report serves as that update.

The landscape of federal policy, federal funding, and corresponding legal challenges continues to change. All federal funding should be closely monitored.

DISCUSSION:

Attachment 1 outlines the Town's current federal funding. In addition to this information, notable updates are included below.

Los Gatos Creek Trail Connector:

This project was recently completed, and staff will be presenting the final project close out to the Town Council in June. That project was funded through a series of grant programs including, One Bay Area Grant (OBAG), Transportation Fund for Clean Air (TFCA), Transportation Development Act (TDA), and VTA Measure B. Currently, there is \$6,193,000 of federal funding in an open OBAG grant for this project. A reimbursement request of \$790,922.28 was submitted in April. Staff continue to work with OBAG to ensure funds are reimbursed and expect the final reimbursement requests in August 2025.

Emergency Management Performance Grant (EMPG):

This grant is administered to the Town through the County. The County has informed staff that they are unable to process reimbursement of funds at this time and will continue to attempt to obtain EMPG funding. Staff will continue to monitor this situation and will not expend any further EMPG funding until reimbursement becomes more certain.

Open Space Vegetation Management (FEMA HMGP Grant):

Field implementation of this program started on March 17, 2025. Work at La Rinconada Park, Worcester Park, and Novitiate Park has been completed. Work is actively occurring on Heintz and Santa Rosa Open Space and is expected to continue through at least July. Work includes biological assessment ahead of the tree crews to support compliance with the various state and federal requirements for the project. On April 14, 2025, staff submitted the required quarterly reporting and a reimbursement request of \$118,803 to the California Office of Emergency Services for work performed between January 1 through March 31. CalOES staff has confirmed the reimbursement request is being processed. For all vegetation management grants, staff is only expending up to the amount the Town has committed to in match funding and waiting for reimbursements to come through before expending further funding.

Roadside Vegetation Management (FEMA HMGP Grant):

Phase 1 work on this project is planned to start in May 2025 with a Request for Proposal for environmental consulting services. As approved by FEMA, Phase 1 includes environmental assessment, permitting, and securing rights of entry if needed for the work. Staff expect to

revisit the scope of work with the environmental consultant as field conditions have changed since the Vegetation Management Plan was originally prepared and adopted. Work on Phase 2, which will include contracting for tree management services, will begin after FEMA approves the Phase 1 work and obligates the funding for Phase 2. Phase 1 funding is \$35,000, with all remaining funds included in Phase 2. As mentioned earlier, for all vegetation management grants, staff is only expending up to the amount the Town has committed to in match funding and waiting for reimbursements to come through before expending further funding.

Roadside USDA Grant:

This \$750,000 grant was slated to expire on March 15, 2025. Staff submitted an extension request in fall 2024, but due to changing staffing, the extension was not issued. At this time, staff continues to work with the United States Forest Service to secure renewal of the funding.

Defunding of the Federal Institute of Museum and Library Services (IMLS):

Due to the impact of the Presidential Executive Order defunding the Federal Institute of Museum and Library Services (IMLS), the Library will be discontinuing the following electronic resources as of June 30, 2025. These services had been administered at either the State level and/or our local Bay Area consortium level using pass-through funding originating from the IMLS.

- Britannica Escolar
- Britannica School Edition
- Enki eBook platform
- Flipster Digital Magazines (23 e-magazine titles)
- Gale Environmental Studies (Elementary & Middle School)
- Gale Interactive: Science (Elementary & Middle School)
- National Geographic Kids Resources
- New York Times (Online)
- ProQuest eBook Central
- Teaching Books

CONCLUSION:

The landscape of federal funding and associated legal challenges continues to evolve. Staff will continue to monitor the situation.

FISCAL IMPACT:

The Town has been awarded nearly \$10,000,000 in federal funding. Approximately \$5.5 million of this funding has not yet been received and could potentially be subject to current and future changes in federal policy.

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SUBJECT: Update on the Town's Federal Funding and Grants

DATE: March 18, 2025

ENVIRONMENTAL ASSESSMENT:

This report is not a project defined under CEQA, and no further action is required.

Attachments:

1. Town Federal Funding Update May 2025