DRAFT RESOLUTION

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS FINDING THAT FISCAL YEAR 2026-27 SUSTAINING COMMUNITY GRANTS SERVE A PUBLIC PURPOSE CONSISTENT WITH ARTICLE XVI, SECTION 6 OF THE CALIFORNIA CONSTITUTION

WHEREAS, the Town of Los Gatos has established a Community Grant Program to provide financial assistance to nonprofit organizations delivering programs and services that benefit the Los Gatos community; and

WHEREAS, the Town's Sustaining Community Grants provide funding for ongoing services that address community needs and support the health, safety, and general welfare of Town residents; and

WHEREAS, Article XVI, Section 6 of the California Constitution prohibits gifts of public funds for private purposes; and

WHEREAS, the California Supreme Court has held that an expenditure of public funds for a legitimate public purpose does not constitute a prohibited gift of public funds, even when private individuals or organizations receive incidental benefits (*County of Alameda v. Janssen* (1940) 16 Cal.2d 276, 281); and

WHEREAS, the California Supreme Court has further established that the determination of what constitutes a public purpose is primarily a matter of legislative discretion, provided that such determination has a reasonable basis (*County of Alameda v. Carleson* (1971) 5 Cal.3d 730, 745–746); and

WHEREAS, the Town Council previously approved the FY 2026-27 Sustaining Community Grant allocations at its August 19, 2025, and August 4, 2026, meetings, as further identified in Exhibit A; and

WHEREAS, following those approvals, the Town placed the disbursement of Community Grant funds on administrative hold pending review of grant administration, financial documentation, and recipient accountability requirements; and

WHEREAS, the Town Council desires to affirm the public purpose served by the previously approved Sustaining Community Grants and authorize the Town Manager, or designee, to process and disburse the previously approved grant funds upon verification that each recipient has satisfied the applicable good-standing requirements; and

WHEREAS, the Town Council has considered the services proposed by the Sustaining Grant recipients identified in Exhibit A, and recognizes that those services address community needs, including food insecurity, housing instability, homelessness, domestic violence, mental health, and other human service needs; and

WHEREAS, the Town Council finds that supporting the services described in Exhibit A advances the public health, safety, and welfare of Los Gatos residents and constitutes a legitimate public purpose; and

WHEREAS, any incidental private benefit resulting from the expenditure of grant funds is subordinate to the public benefit provided by the funded services; and

WHEREAS, the Town Council intends that Sustaining Grant funds be used exclusively for their approved purposes, subject to appropriate documentation, reporting, and accountability requirements.

NOW, THEREFORE, BE IT RESOLVED, that the Town Council of the Town of Los Gatos does hereby declare, determine, and order as follows:

1. The foregoing recitals are true and correct and are incorporated herein by reference.

2. Public Purpose. The Town Council finds that the Fiscal Year 2026-27 Sustaining Community Grants identified in Exhibit A serve legitimate public purposes by supporting human services that benefit the Los Gatos community and advance public health, safety, and welfare.

3. Findings Regarding Services. The services supported by these grants provide public benefits, as applicable, including nutritional assistance; housing stability and homelessness prevention; youth mental health counseling; hygiene and basic-needs assistance for unhoused persons; domestic violence support; and other direct human services addressing community needs.

4. Use of Public Funds. The Town Council finds that the grant expenditures identified in Exhibit A serve a direct and substantial public purpose and do not constitute prohibited gifts of public funds under Article XVI, Section 6 of the California Constitution. Funds shall be used solely for approved programs and services and not for unrelated activities or primarily private purposes.

5. Grant Administration. Prior to disbursement, each recipient shall execute a grant agreement or other documentation approved by the Town specifying authorized uses, reporting, recordkeeping, and accountability requirements. The Town Manager, or designee, shall administer compliance with these requirements and applicable Town policies.

6. Scope. This resolution applies only to the Fiscal Year 2026-27 Sustaining Community Grants identified in Exhibit A. It does not make public-purpose findings for, or authorize expenditures under, the Competitive Community Grant Program or any other grant program.

7. Authorization for Disbursement. Subject to availability of appropriated funds, completion of required documentation, and compliance with applicable laws and Town requirements, the Town Manager, or designee, is authorized to execute the appropriate grant agreement and to disburse the Sustaining Community Grants identified in Exhibit A in the amounts approved by the Town Council.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California, held on the 17th day of November, 2026, by the following vote:

COUNCIL MEMBERS:
AYES:
NAYS:
ABSENT:
ABSTAIN:

SIGNED:

_____
MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

ATTEST:

_____
TOWN CLERK OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

EXHIBIT A

FISCAL YEAR 2026-27 SUSTAINING COMMUNITY GRANTS

The Town Council finds that the following grant-funded services serve the public purposes described below, subject to the approved scope of services and the terms of each grant agreement.

GRANT RECIPIENT	PUBLIC PURPOSE	AWARD
Counseling and Support Services for Youth (CASSY)	Youth mental health counseling and support services.	$5,000
Live Oak Senior Nutrition	Nutritious meals and related services that support senior health and well-being.	$33,000
Los Gatos Anti-Racism Coalition and St Vincent de Paul	Rental assistance supporting housing stability and homelessness prevention.	$20,000 *
Los Gatos United Methodist Church	Shower services that promote hygiene and public health for unhoused individuals.	$7,800
Next Door Solutions to Domestic Violence	Safety and support services for individuals and families affected by domestic violence.	$10,000
St. Luke's Episcopal Church	Food pantry services addressing food insecurity.	$6,000
St. Vincent de Paul	Laundry assistance supporting hygiene and basic needs for unhoused individuals.	$3,700
	Rental assistance supporting housing stability and homelessness prevention.	$5,000
West Valley Community Services	Essential services and community resources for residents in need.	$20,000

** The $20,000 divided between St. Vincent de Paul and the Los Gatos Anti-Racism Coalition in accordance with the prior Council direction and subsequent agreement regarding allocation of funds.*

ATTACHMENT 1