

BUDGET SUMMARY
LOS GATOS RENTAL DISPUTE RESOLUTION PROGRAM

Agency name: Project Sentinel
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COST OF SERVICES: July 1, 2025 - June 30, 2026

Proposed Town of Los Gatos Grant Project Expenses	
Salaries	\$ 25,700.00
Benefits	\$ 4,346.00
Office Supplies	
Communication	
Publications/Printing/Advertising	
Travel	
Rent/Lease/Mortgage	
Utilities	
Insurance	
Equipment Rental/Maintenance, Specify:	
Other, Specify: Indirect cost rate 22%	\$ 5,654.00
Total Expenses	\$ 35,700.00

PROJECT SENTINEL

PROPOSAL TO PROVIDE SERVICES FOR THE LOS GATOS RENTAL DISPUTE RESOLUTION PROGRAM

July 1, 2025 – June 30, 2026

I. AGENCY DESCRIPTION

Project Sentinel is a nonprofit organization committed to addressing housing issues and ensuring fair housing access. Established in 1976 by community members concerned about barriers faced by minorities and other groups, the organization has grown significantly over the past four decades. Today, Project Sentinel serves a population of over 4.5 million with a staff of 44, operating out of seven offices in Redwood City, Santa Clara, Gilroy, Fremont, Sacramento, Milpitas, and Modesto. Its work is supported by numerous funding sources, including 19 contracts for housing information, counseling, and dispute resolution; 23 contracts for fair housing services; and multiple contracts and foundation grants supporting homeownership services such as foreclosure prevention and first-time homebuyer education.

Each year, the agency handles more than 16,000 inquiries, opens approximately 3,000 cases, delivers over 300 public presentations and workshops, and distributes thousands of multilingual educational materials. Project Sentinel has extensive experience managing rental housing dispute resolution and rent stabilization programs, administering three rent control ordinances for Mountain View, Hayward, and Los Gatos, as well as mandatory mediation programs in Palo Alto, Fremont and Campbell.

With a proven track record in fair housing and dispute resolution, Project Sentinel's experienced team is well-equipped to continue administering the Rental Dispute Resolution Program for the Town of Los Gatos. The agency's existing partnerships with cities, counties, and federal agencies ensure a stable financial foundation, and its long-standing reputation as a trusted nonprofit demonstrates its ability to sustain these services effectively. The program's primary objectives are to educate the community about housing rights and responsibilities, prevent minor disputes from escalating into major conflicts that could lead to eviction or homelessness, and facilitate impartial mediation. By promoting direct communication and providing neutral support, Project Sentinel empowers individuals to resolve their housing concerns constructively.

II. PROGRAM OPERATIONS – DIRECT SERVICES

In recent years, residential rental rates across Silicon Valley have remained high, driven by a persistent housing shortage, rising demand, and economic fluctuations. While some areas have experienced periods of housing stabilization, overall affordability remains a significant challenge, particularly for individuals and families whose incomes have not kept pace with increasing housing costs. The impact is especially severe for low- and middle-income households, many of whom face growing financial strain as rents continue to outpace wage growth.

Administration of Ordinances:

The Town of Los Gatos is part of the growing number of jurisdictions in Santa Clara County that maintains a Rent Control Ordinance as well as a Mobile Home Ordinance. Tenants are increasingly concerned about being forced out of their living arrangements due to increasing rents, while housing providers are anxious to use the Ordinance to meet their ultimate goal of bringing their rental units to “market level.” To meet the mounting needs of both these populations, owners and renters, Project Sentinel provides information, education and administers the rent dispute resolution services under these Ordinances.

In the 20+ years Project Sentinel has administered the Los Gatos Ordinance, and has provided ancillary services such as counseling, information, and appropriate referrals to all tenants and landlords, regardless of whether they are subject to the Ordinance.

A. Information & Education

Because lack of knowledge is one of the main generators of conflict, one of the primary ingredients of our conflict resolution program is to inform and educate tenants and landlords about their respective rights and responsibilities. Well-informed tenants and landlords can often avoid conflict, or, when in the midst of a conflict, are more apt at working towards realistic solutions. To achieve this result, we will perform the following activities and routine components of Project Sentinel’s information, education and outreach:

1. Website & Social Media. Project Sentinel offers a website, www.housing.org, which informs and educates members of the community on conflict resolution and other services. Various forms and educational material are available on the site, such as flyers and publications, as well as links to helpful resources for tenants and landlords such as the Rental Dispute Resolution program of Los Gatos. Our office is available for e-mail communication and conducts a significant level of communication directly through phone calls and email. Through our social media accounts, we keep readers involved in the latest news and trends in the housing area.

2. Collaboration. The agency will pursue joint ventures with other community-based organizations, as well as providing quick and accurate referrals. The agency has a strong tie to other dispute resolution agencies such as the Peninsula Conflict Resolution Center and the Bay Area Coalition of Community Mediation. Project Sentinel works closely with a number of other organizations that serve minority, new immigrant and other underserved populations. The Asian Law Alliance provides Project Sentinel with translated materials on rental rights and responsibilities and is a source for legal referrals, along with the Law Foundation of Silicon Valley, when necessary.

3. Public presentations. Project Sentinel makes public presentations to the general community, housing industry and social service providers.

4. Literature distribution. Project Sentinel has developed brochures specific to the Los Gatos Rental Dispute Resolution Program. The brochures are distributed at the City Hall, Library, Senior & Community Center and various expos and fairs.

B. Rent Dispute Resolution

Project Sentinel will, upon receiving an inquiry from a Los Gatos resident, determine whether the housing problem is appropriate for the dispute resolution process. The process is as follows:

Step 1: Provide Information or referral services via telephone, email, mail or in person and advise all parties regarding Program procedures;

Step 2: Provide conciliation services;

Step 3: Coordinate mediation when conciliation is not sufficient;

Step 4: Coordinate arbitration when the dispute is not resolved at the mediation level.

1. Provide information to persons with questions about landlord and tenant relations for properties situated within the jurisdiction's boundaries. Direct services will be delivered full-time, five days a week during normal office hours, which are 9:00 am to 4:00 pm. The Director of Dispute Resolution Programs will personally oversee the initial telephone responses and subsequent case handling for this contract. All the specific requirements set forth in the Request for Proposals are currently being performed for the Town of Los Gatos. We offer a performance standard in which 75% of initial calls will be answered on the first call, 90% will be handled within 24 hours and 100% will normally be handled within 48 hours. Packets will be mailed within 24 hours of an appropriate request. Conciliations will be promptly addressed, and cases will be moved to mediation on a timely basis. Mediations will be scheduled at the convenience of the people involved in a dispute, which can include evenings and weekends.

2. Refer calls to appropriate agencies when the caller's request falls outside the scope of Project Sentinel's services. The effectiveness of the referrals will be ensured by Project Sentinel's established network of resources and ongoing collaborations with other organizations.

3. Dispute resolution services of counseling, conciliation, mediation, and arbitration will be delivered by professional staff with some support by trained and experienced dispute resolution neutrals.

Enforcement of the rent control limits in the Ordinance and Regulations is not automatic. A rent increase will be reviewed only if an eligible tenant or tenants file a timely petition to dispute the increase. Generally, a petition challenging a 5% increase will not be accepted, unless the tenant or tenants allege a Service Reduction, which is a failure by the landlord to provide a basic service such as adequate plumbing.

Once a valid petition is received, there is a three-part dispute resolution process. At the first step, Project Sentinel staff contact both sides to resolve the dispute through telephone conciliation. The second step is mandatory attendance at a mediation session. If the case is not resolved at these two steps, the tenant can request binding arbitration. The content of all communications made by any party during the conciliation and mediation steps is maintained by Project Sentinel as confidential. Arbitration hearings are recorded. The recordings and the Arbitration Decision are available for review through the Town.

4. The Director or other agency staff will attend any necessary meetings with the Town of Los Gatos as requested by city officials.

5. Staff will maintain a database for easy retrieval of case handling, including the number and type of cases, client demographics, the nature of disputes, and their follow-up and resolution. This database includes information on agreement compliance. Evaluation forms will be collected from clients. The agency will provide quarterly and year-end reports including this information. The agency routinely maintains records of all telephone contacts, including the nature of the call, type of caller and referral sources. These activities are currently being performed for Los Gatos and other cities with which we contract. The agency has a separate dedicated telephone number for the Los Gatos program to ensure that residents of Los Gatos receive direct assistance quickly.

C. Advisory Role Activities

1. Project Sentinel will advise the Town from time to time and at its request, regarding the status of the Program and of the Los Gatos rental housing community.
2. Project Sentinel will coordinate with and assist the Town Attorney's office in any litigation arising out of any petition processed pursuant to the Program.

III. SUMMARY OF EXPERIENCE AND KNOWLEDGE

Project Sentinel has a long-standing track record of successfully providing administrative and hearing process services based on rent stabilization ordinances in the Bay Area. No other agency in this area has a similar record.

For several years, this agency has been administering the rent stabilization petition process in for the City of Mountain View, City of Hayward and Town of Los Gatos and rental mediation programs for the Cities of Palo Alto, Campbell and Fremont. In addition to these services, the agency serves as the first point of contact for many other jurisdictions throughout Santa Clara County, where it provides counseling on the tenant's and landlord's rights and responsibilities and administers voluntary and mandatory tenant-landlord mediation programs.

All staff members in the agency's office are trained as mediators and are experienced in working with both volunteer and professional mediators in diverse capacities. The staff is

experienced in all stages of casework, including case development, and monitoring and evaluating compliance with cases that are conciliated or mediated. As one of the founding members of the Bay Area Coalition for Community Mediation (BACCM), Project Sentinel works closely with other organizations to implement the Dispute Resolution Programs Act in the Bay Area, and to promote dispute resolution as a recognized and effective means of resolving problems. Project Sentinel is an active member of the California and National Association for Community Mediation (NAFCM).

IV. STAFFING

Individuals seeking help in resolving rental housing problems are currently served by a staff of case managers who provide advice, referrals, and other information to help parties resolve their problems. The seasoned personnel of Project Sentinel, providing conflict resolution services, has completed one or more mediation courses involving a minimum of 40 hours of classroom and subsequent ongoing training. Following training, staff also participates in internal reviews, monitoring their performance. Staff are mentored by more experienced members of staff. The staff has Spanish bi-lingual capacity. In addition to our regular staff, volunteer members of the community occasionally help us to provide collateral services. In all cases, volunteers are closely supervised and mentored by members of our regular staff.

Project Sentinel is a HUD designated agency for Santa Clara County for the provision of housing counseling services. As such, the staff is knowledgeable of HUD regulations for subsidized property and in mortgage default and delinquency counseling.

Our Conflict Resolution Specialist, Jamila Ghanm, brings nearly two years of dedicated service to the Los Gatos tenant-landlord program, assisting with the administration of the city's ordinances, providing essential education and information, and facilitating rent dispute resolution. With an LLM in U.S. Law specializing in International Human Rights from Santa Clara University and a background in law from the University of Baghdad, she offers extensive experience in program management, advocacy, case management, and community outreach. Her expertise in legal analysis and dispute resolution allows her to serve as a valuable advisor, ensuring tenants and landlords have the resources and guidance needed to navigate housing concerns effectively.

The Dispute Resolution Staff is supervised and managed by Isenia Macias, who is the Director of Dispute Resolution Programs. Isenia will provide direct service and supervision. Isenia brings both a social services and mediation background to the work of the Dispute Resolution department and conducts education seminars and workshops in both Spanish and English. She reports to the Executive Director of the agency, who in turn reports to Project Sentinel's Board of Directors. The composition of the Board of Directors reflects the agency's geographical diversity as well as its services.

Mediators appointed to Project Sentinel's panel of mediators must have at least two years of mediation experience, and a minimum of 40 hours of training. They are also required to sign a

Code of Professional Conduct and Ethics for Mediators, and to follow Project Sentinel's philosophy in dealing with cases. Project Sentinel's arbitrators are highly skilled attorneys with significant prior experience in arbitration and dispute resolution.

V. AGENCY'S FINANCIAL AND ORGANIZATIONAL STRUCTURE

(1) Financial Structure

Financial Stability: This agency has been in existence since 1976 with a current annual budget in excess of two million dollars, funded by more than 30 contracts and with a reserve sufficient for reasonable cash flow. Project Sentinel has been providing dispute resolution services since 1992 and is currently funded to provide these services to 12 municipalities in Santa Clara County. Project Sentinel is subject to an annual audit by an outside CPA firm and for the past years has received no negative findings. The Health Trust's Financial and Administrative Support Services (FASS) provides accounting services to the agency. The FASS is known for its comprehensive and transparent financial services to nonprofit organizations.

Record Keeping: The agency maintains its accounts in accordance with the principles of fund accounting and reports income and expenses on the accrual basis of accounting. Fund groups are used as the basis for recording all financial transactions. The organization utilizes the following fund groups:

- Current Unrestricted Fund – represents sources over which the Board of Directors has discretionary control and is used to carry out operations of the organization in accordance with its by-laws.
- Current Restricted Fund – represents the resources currently available for use, but expendable only for those operating purposes specified by the contractor. Any program excess remains with the organization and is transferred to the unrestricted fund at year's end.
- Furniture and Equipment Fund is used for recording the cost of furniture and equipment and accumulated depreciation.

Internal controls such as personnel policies, personnel files, and time sheet maintenance are maintained in accordance with OMB Circular A-122.

Organizational functions and duties are structured to maintain a check-and-balance system by segregating responsibilities such as approving financial transactions, entering transactions, keeping control records, and inventories. All checks over \$5,000 require two signatures. The only authorized signatures are those of the Executive Director, the HUD Housing Counseling Director and the Board President.

Contributions are recorded when cash is received and are considered to be available for unrestricted use unless specifically restricted by the donor.

Contract Revenue is recorded as revenue when the conditions of the contract are fulfilled, and the related costs have been incurred.

In compliance with federal regulations, Project Sentinel submits an annual financial audit. The fiscal year 2023-2024 audit was conducted by Armanino, and finalized with no findings.

(2) Organizational Capacity

Organizational stability adds value to any service. Project Sentinel has over 30 years of experience in dispute resolution with a strong track record in working with local and regional governments.

Project Sentinel actively collaborates with courts, city departments, local businesses and other social service organizations to reach their client/member base. Currently Project Sentinel provides tenant/landlord counseling and dispute resolution services for Palo Alto, Los Altos, Sunnyvale, Cupertino, Milpitas, Santa Clara, Gilroy, Richmond, Merced and Unincorporated Areas of Santa Clara County as well as Fremont, Redwood City, City of San Jose, San Mateo County, and Stanislaus County. Project Sentinel administers mandatory mediation services or petition processes for local Rent Dispute Resolution and Rent Stabilization Programs in Campbell, Mountain View, Palo Alto, Hayward, and Los Gatos.

Agency's ability to incorporate the operation into existing workload:

- ***Demonstrated ability to administer a complex Rental Dispute Ordinance.***

Project Sentinel has a proven track record of servicing the Los Gatos ordinance which involves administrative complexity. The agency has a record of fast response to telephone inquiries and timely processing of cases through completion, with success rates resolving over 70% of filed petitions.

- ***Ability to provide both housing information and dispute resolution services.***

Because of the technical nature of housing disputes, Project Sentinel has developed a two-step approach in assisting the community by (1) offering timely and technically accurate information, and (2) providing dispute resolution services with a team of trained, experienced staff and volunteer mediators, and professional, paid mediators and arbitrators.

- ***Personalized service.*** Although some programs offer information through voicemail menu, all clients of Project Sentinel talk directly with a case manager and receive individualized answers to their questions. We believe that personal contact is particularly important to people who are involved in disputes that affect their homes, and that our housing counselors can help to diffuse tension and escalated emotions so that people can focus on solving their problems. Project Sentinel maintains a phone line dedicated to servicing Los Gatos residents. That phone line is attended to by the agency's Director of Dispute Resolution and/or an experienced case manager.

- ***Rapid response capabilities.*** Project Sentinel provides immediate services without requiring burdensome paperwork. We have a stated goal of answering most initial calls immediately and, if necessary, returning messages within 24 hours or less. We have the ability to arrange mediations within a short time frame. All mediations are scheduled at the convenience of disputing parties. The panels of mediators and arbitrators used by the agency are composed of experienced dispute resolution specialists.

- ***Housing industry support.*** Even if the Los Gatos Rent Dispute Resolution Program calls for mandatory mediation participation, it is still essential that all parties involved are willing to participate in the process. Because more than 85% of requests for assistance come from tenants, it is particularly important to ensure the willing participation of property owners in the process. Project Sentinel has established a solid working relationship with Tri-County Apartment Owners Association to deal with difficult landlords who are reluctant to participate in dispute resolution. Furthermore, Tri-County employees have directly solicited interpretations of the Los Gatos ordinance from Project Sentinel and have thanked the agency for its willingness to provide prompt and accurate responses.

- ***Process and Compliance Evaluation.*** Project Sentinel strives for continuous quality improvement. The program maintains an extensive database on all cases, including demographics, types of disputes and their outcomes. Client surveys reveal a compliance rate over 90% with conciliated and mediated agreements and that over 90% of program participants would use the services again, if needed.