

The Rental Assistance Program

One program, one set of rules, one place to go

Prepared by Phil Koen, Member of the Finance Commission. The Commission has adopted no position on this material, and nothing in it represents a finding or view of the Commission or of the Town. No organization or individual is accused of wrongdoing; where a public statement is answered, it is the position that is answered and not the person.

Why this review. The disbursement of public money has raised questions that remain unanswered — who qualifies, how much they receive, on what evidence, and how often. They are the Town Council's to answer. What follows identifies them, and recommends a written program definition that would materially improve how the money is used.

THE GOAL THE TOWN SHOULD ADOPT

Stop evictions before they happen — a strict one-time emergency payment for past due rent, an emergency rental deposit on a new unit, or utility bills.

Past due rent

Emergency deposit on a new unit

Utility bills

THE RULE THAT MAKES IT ONE PROGRAM

One payment. To the landlord — or the utility. Never to the tenant. Once in any twelve months.

What is under review — how the Town's money is administered

Four things govern how public money reaches a household: the definition of the program, the documentation an applicant must produce, the criteria for approval, and whether a refusal is recorded. The Town has defined none of them.

UNDER REVIEW — THE ADMINISTRATION OF TOWN MONEY

- The definition — who qualifies, for how much, and how often. No adopted document states any of it.
- The documentation — what an applicant must produce to be considered. The Town has never named a single document, and publishes no list.
- The criteria for approval — the test a request is measured against, and who applies it. Neither is stated in any instrument the Town holds.
- And no provider reports a refusal — a household turned away leaves no trace with the Town, so consistency cannot be tested.
- None of the four has ever been defined, so none can be consistently applied or verified. Every gap is the Town's, not a grantee's.

NOT UNDER REVIEW

- No organization's fitness to hold Town money is judged here. The subject is the Town's rules.
- No organization's conduct or competence is examined, and no misuse of funds has been found.
- No provider is recommended or removed, and nothing reduces Town spending.
- Only Town money carries the Town's rules, so the question is how the Town administers it.

This is Phase 2 of the Finance Commission's Community Grant Review; Phase 1 covered the whole Community Grant Program and every grant type, and the definition and reporting terms proposed here are drafted to apply program-wide — 99 grants to roughly 50 organizations over the past five years.

AND WHAT IS NOT IN DISPUTE

Real households facing eviction have been helped, and the people who helped them are unpaid volunteers. Nothing here disputes that. The questions above are about what the Town wrote down — and written rules are not a barrier to the resident who has not called yet. Their absence is.

Every decision chose who delivers it — none defined the program

One contract provider was in place from the start. At each step since, the Council chose who would deliver rental assistance — and never said what the program is.

September 3, 2019 agenda report, Item 9, p. 3; AGR 20-138 (October 6, 2020) and AGR 25-126 (June 25, 2025), §§ 1.1, 2.2, 2.6, 2.11 and Exhibit A; FY 2023-24 grant agreement and proposal; June 4, 2024 resolution, Item 18, Exhibit A; June 18, 2024 minutes, Item 21; April 22, 2025 agenda report, Item 3, and minutes; August 19, 2025, Item 13 staff report, Attachment 1, desk item and minutes; August 4, 2026, Item 18.

WHEN	WHAT WAS ON THE TABLE	WHO WAS CHOSEN, AND ON WHAT FOOTING	WHAT WAS DEFINED ABOUT THE PROGRAM
2019 to 2020, renewed June 2025	2019: staff raise contracting for long-established services. 2020: a five-year services contract, \$15,000 a year — renewed June 25, 2025 to June 30, 2030	Services contract. One provider, signed by the Town Manager and paid from the Community Development budget, outside the grant process	Defined by contract: one-time aid to prevent eviction, re-house, or avoid a shut-off; low-income Los Gatos households; 12 a year; a conflict clause
September 2023	A competitive one-time grant, \$12,000, in a category for one-time projects only	Competitive one-time grant. A second provider — a new organization's project	Nothing. The applicant's proposal set the terms: low income, with no measure of it; \$300 to \$500, paid to the applicant
June 2024	June 4: \$25,000 "for additional one-time rental assistance grants." June 18: compete it, \$10,000 cap	One-time grants, not competed. Amended to up to three, divided equally — two took \$12,500 each	Nothing. The same motion gave nutrition to a single organization — one service consolidated, the other split, with no reason recorded
April 22, 2025	Staff: one sustaining provider, as more efficient	No direction recorded	Nothing
August 19, 2025	The sustaining list staff carried forward: all \$20,000 to the contract provider — one provider for the whole service	Sustaining grants. A Council member's desk item: \$10,000 each to last year's two grantees, as the listed provider had not applied for those grants. Adopted as \$20,000 to the two, for staff to "fairly appropriate"	Nothing. Three organizations now deliver it — one by contract, two by sustaining grant — where two years earlier there was one, weeks after the contract was renewed to 2030. No reason recorded.
August 4, 2026	A \$20,000 supplemental for sustaining recipients	Sustaining grant. \$5,000 more to one of the two	Nothing adopted. Storage and hotels not funded

DEFINE THE PROGRAM FIRST — THEN CHOOSE WHO DELIVERS IT

The only document that defines the program is the contract. Staff have twice proposed one provider; every Council choice since has been about who receives the money, never what the program is. Define it first — then choose who delivers it, on capability, with the reporting in hand.

So three organizations defined it themselves

With no Town definition, each provider applied its own — different criteria, different applications, different decision makers. Two of the three are funded through the community grant program, as sustaining grants, whose recipients are invited to apply and resubmit every two years; the third works under a services contract.

Practices from the three providers' FY 2025-26 reports and the proposals incorporated into their executed agreements, and AGR 25-126, Exhibit A, Scope of Services dated May 28, 2025, which states no percentage-of-poverty threshold; a grant report states 275%. One provider's written process was furnished August 18, 2026. No instrument the Town holds makes a three-day notice a condition of funding; the statement that one provider will not act before a notice is served was made in verbal communications. The \$20,000 grant was divided \$10,000 each; household counts are the grantees' own unverified figures, and staff indicate the two passed-through disbursements may have supported five or six households rather than two. The contract's twelve-household goal has never been reported against.

	One provider	The second provider	The third — the services contract
Eligibility criteria	Its own proposal governs; no income test	Low-income, case by case under its own proposal	Low- and extremely low-income Los Gatos families; no percentage stated
Three-day notice required to fund?	Not stated as a condition — the notice is asked for "where one applies"	Not required — stated triggers include a notice, lost income, a rent increase or an extraordinary expense	Not stated in the contract — but described publicly, by a board member of that provider, as typically not funding without an eviction notice
The application	Ten documents, eight unconditional, plus fourteen items on the call	Identification, a lease and documents corroborating the situation, case by case	A formal assessment of low-income status
Who decides	Four team members must approve	The provider, case by case	The agency, on a case-management cycle
Who is paid	The landlord only, always	The applicant, or the landlord when arrears are deep	Not stated in the contract
Repeat help	Its own records and every conference in its diocese	Nothing outside itself	One-time, per the scope of services
Town money allocated, FY 2025-26	\$10,000 — transferred to it under the \$20,000 grant	\$10,000 — its own share of the same grant	\$15,000 — the annual services contract
Los Gatos households served, FY 2025-26	2 reported	6 reported	None reported — 12 a year committed

NEVER DEFINED, NEVER STANDARDIZED, NEVER VERIFIED

Three eligibility standards, three applications, three decision makers and three payment rules — for eight households reported in FY 2025-26. No adopted document defines the program, and none answers the question that decides urgency: whether a three-day notice is required before Town money moves.

What a resident cannot find out before asking

The program has no page of its own on the Town’s website. A search for rental assistance returns 3,988 results and reaches none of it.

Town of Los Gatos site search for ‘rental assistance,’ August 25, 2026. Local Services and Resources (losgatosca.gov/3041), last updated December 17, 2025. Housing Resources Guide, prepared by the Town’s Community Development Department, last updated 2026, checked section by section. Intake, document and payment practices from the three providers’ FY 2025-26 reports and executed agreements. Each answer below is a defensible choice by the organization that made it. None of them is a choice the Town made.

What documents are needed	Ten items from one provider. Case by case from another. A formal assessment from the third. No Town list.
What the Town publishes	A resources list naming two organizations, and a \$500 maximum — the provider raised its own figure to \$2,000 for FY 2025-26. No eligibility, no documents, no application.
What the Town’s housing guide says	Nothing. The Housing Resources Guide, last updated 2026, names two of the three funded providers without connecting either to rental assistance, and does not list the third.
Which door to knock on	Three intake paths, and no published list. The Town’s contract provider is also an intake partner in a county-wide prevention system reached on one number and one website — which no Town page names.
How much help is available	No published maximum.
Who receives the money	Landlord only, always. Or the applicant by cheque or transfer. Or unstated — the third’s contract does not say.
How long a decision takes	A two-day callback. Or one to two days of review. Or a case-management cycle.
Whether help can come twice	One checks its own records and its whole diocese. One checks nothing. No one checks all three.

THE FINDING

No document the Town ever issued told a resident what the program was.

What one applicant must produce

One of the three providers has written its process down and given it to the Commission. It is a serious process, and nothing below is a criticism of it. The finding is that the Town never asked for it, never published it, and never asked anyone else to match it.

DOCUMENTS THE APPLICANT MUST PROVIDE

- California driver's license
- Last earnings statement
- Two recent bank statements
- Copies of any benefits received — SSI, EBT or General Assistance
- A signed consent form
- A completed budget form
- Full landlord details — name, email, phone, and where rent is paid
- First and signing pages of the lease
- A three-day notice, where one applies
- A Section 8 award letter, where one applies
- Failure to provide any of these results in no assistance given.

AND BEFORE THAT, ON THE CALL

- Two members must be on every call, returned within two days
- Name, ZIP code, and how they were referred
- Whether other agencies were contacted, and the outcome — callers are sent to the agency matching their ZIP first
- Whether assistance came from this conference in twelve months, or from any conference in the diocese
- Date of birth, address, phone, email, state ID and expiry, employment
- Household size and the ages of everyone in it
- Reason for the request, friends or family who could help, and future plans
- Fourteen items, written into a report. Payment goes to the landlord, on the approval of four team members.

The provider's own written description of its rental assistance process, furnished to the Commission on August 18, 2026, following a meeting on August 12.

WHY THIS IS THE SHARPEST DISPARITY IN THE PROGRAM

Different payment levels and different triggers have arguments behind them, and providers have made those arguments. A different document burden under the same Town money has none that anyone has offered — the Town requires not one of the items above, of this provider or any other, and publishes no list for residents. A household that cannot assemble ten items is refused at one door and approved at another, and because no provider reports denials or referrals out, neither outcome reaches the Town.

What the Town spent, and what it bought

Across seven fiscal years — FY 2020-21 through FY 2026-27 — the Town has committed \$187,000 to rental assistance. Grants are shown as awarded; every household figure is the grantee’s own reported number, and the Town has reconciled none of them.

\$187,000 is the CEAP services contract at \$15,000 a year for seven years (\$105,000) (AGR 20-138 \$2.6; AGR 25-126 \$2.6 from FY 2025-26) plus \$82,000 in rental assistance grants; the CARE grant is excluded because its reports show it funded salary. Per-household figures are assistance actually delivered: FY 2023-24, \$11,922.38 across 23 households; FY 2024-25, \$19,876 across 16, being the \$25,000 awarded less \$4,613.03 returned and non-assistance expenses; FY 2025-26, \$20,000 across 8. No rental assistance grant existed before FY 2023-24, and no output reporting exists for the contract in any year. FY 2026-27 is the adopted allocation, not yet reported against. Program scoring: West Valley Feasibility Study, April 7, 2026, Item 15, Table 2.

Fiscal year	CEAP contract	Grants awarded	Households reported	Per household, grant side — assistance delivered
FY 2020-21	\$15,000	none	not reported	—
FY 2021-22	\$15,000	none	not reported	—
FY 2022-23	\$15,000	none	not reported	—
FY 2023-24	\$15,000	\$12,000 (\$11,922 delivered)	23	\$518
FY 2024-25	\$15,000	\$25,000 (\$4,613 returned unspent)	16 (8 each)	\$1,242
FY 2025-26	\$15,000	\$20,000	8	\$2,500
FY 2026-27	\$15,000	\$25,000	not yet reported	—
Change, FY 2023-24 to FY 2025-26	no change	+\$8,000	down two-thirds	up nearly fivefold

THE TWO MOVEMENTS — AND NOTHING TO MEASURE EITHER AGAINST

Households served fell by two-thirds while the amount per household rose nearly fivefold, in three years. No Town rule produced either movement, and no Town document explains why it happened. Nor has the Town ever measured the need: it holds no estimate of how many Los Gatos households face eviction in a year, so it cannot say whether eight households is most of the need or a fraction of it. The Town’s own regional study scores rental assistance the only one of twenty-four programs highest on both impact and feasibility, and its first recommendation is a plan with clear goals and measurable outcomes.

What was promised, and what the money paid for

Every proposal was incorporated into its agreement by reference, so each number below sits inside a Town contract — and every one of them is written as an estimate.

PROMISED, AND REPORTED

- FY 2023-24: the proposal committed 24 to 40 households at \$300 to \$500 each. Twenty-three were reported, averaging \$518
- Its own published report for that year shows 68 served across eight Bay Area cities — 30 in San Jose, 23 in Los Gatos — Town money directed to Town residents by the grantee's choice, not by any instrument
- FY 2024-25: the proposal stated that at \$12,500 it intended to reach 22 households. Each of the two grantees reported eight — and one delivered \$7,376, returning \$4,613 unspent
- FY 2025-26: the proposal set 10 households as a conservative estimate and up to 20, across both organizations. Eight were reported
- No figure in any proposal binds the grantee, and no result was ever measured against one.

THE TOWN NEVER SAID WHAT CARE BUYS

- The Town has awarded a CARE sustaining grant every year since at least FY 2021-22 and never stated whether it funds rental assistance
- Both final reports and the grantee's own ledger answer that: FY 2024-25 shows Direct Assistance at \$0.00 against \$17,668.61 of coordinator salary and \$2,605.37 of benefits
- So the program is \$35,000, not \$55,000.

THE CONTRACT SITS ELSEWHERE

- Only the services contract promised a number — ten households a year from July 1, 2020, and twelve a year, three a quarter, under the 2025 renewal
- It is administered separately from the community grant program, so its output reporting was never part of the grant file this review was given
- It already covers deposit assistance to house unhoused persons — the same cost the Council was asked to fund again on August 4
- Neither the August 2025 motion nor the August 4 staff report mentions the contract at all

Proposals attached as Exhibit A to the executed FY 2023-24, FY 2024-25 and FY 2025-26 grant agreements. CARE figures from the FY 2024-25 final report and the grantee's own ledger. Deposit assistance to house unhoused persons is in the Scope of Services at Exhibit A to AGR 25-126, which the August 2025 minutes and the August 4, 2026 staff report do not mention. City counts: the grantee's 2023-2024 Rental Assistance Program Report, page 3.

THE COMMON THREAD

Neither grant committed to any number at all. The one instrument that names an output is the contract, and its reporting has never reached the grant file.

What proves the service was delivered

Until June 2026 no grantee was asked for financial support — a narrative form and a video were the whole requirement. The first back-up produced shows money leaving an account. It does not show that a household qualified, owed rent, or kept its home.

One grantee's Audit Documentation for FY 2023-24 (28 pp., 25 payments to 22 recipients) and FY 2024-25 (24 pp., 9 payments to 8 recipients), produced for the July 31, 2026 deadline; the executed agreements and proposals incorporated as Exhibit A; the grantee's final reports and published process description. The second FY 2024-25 grantee's back-up remains outstanding.

52

pages of back-up produced

34

payments, shown only as checks or statement lines

0

applications or eligibility determinations

0

leases, landlords or arrears balances

WHAT A PAYMENT MUST SHOW	WHAT WAS PRODUCED	WHAT A CASE FILE WOULD SHOW
The household qualified	No application, income check or eligibility determination	The application, the documents verified, and the eligibility determination — with who made it
It lived in incorporated Los Gatos	“A street accessible from” a named road, in place of an address	A verified address inside incorporated Los Gatos, as the Council required on August 19, 2025
Rent was owed	No lease, no landlord, no arrears balance — so a \$1,676 payment cannot be tested against anything	The lease or other evidence of tenancy, and the arrears the payment was calculated against
The payment was authorized	Nothing. The review by three members and the vote before payment, as described to the Town, left no record	The review and the vote authorizing payment, dated and signed
The money reached housing	Cancelled checks and bank statement segments: proof a payment left, not where it went	The payee — landlord or utility — and confirmation the funds were applied to rent
Town dollars paid for it	One general account, other activity blacked out, no ledger. Two payments reported as split between sources, with no allocation record	Full monthly statements with running balances, and a ledger assigning each payment to Town funds

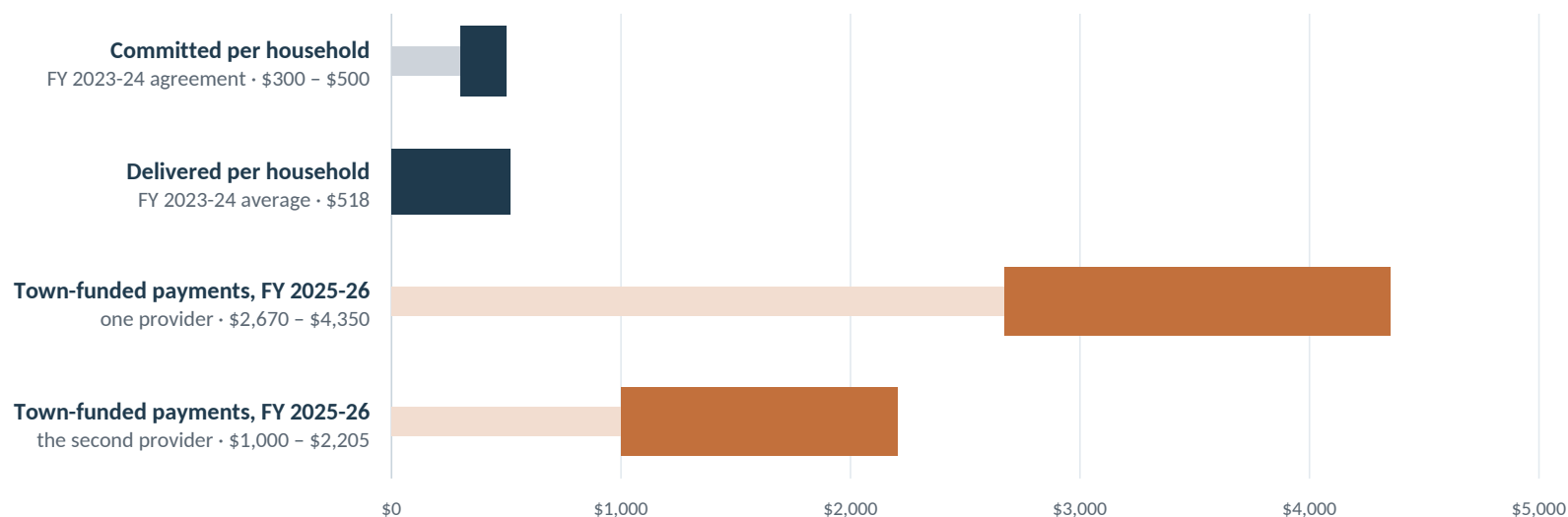
THE CASE FILE IS THE EVIDENCE

The process described to the Town — intake, documents, review, a vote — generates a file for every payment. None was produced. At about eight payments a year per provider, keeping one is not a heavy request. The files stay with the provider, open only to authorized Town reviewers; reports to the Town remain aggregate, with no applicant names. One standard, for every provider.

The program changed shape, and no Town rule moved it

Every figure below is Town money, in a filed report or an incorporated proposal the Town holds. Dark bars are what the Town bought in FY 2023-24; amber bars are what its money paid two years later.

Exhibit A to the FY 2023-24 agreement (24 to 40 households at \$300 to \$500); FY 2023-24 final report (\$11,922.38 across 23 households, average \$518); FY 2025-26 final report and its financial appendix, including the grantee's statements on arrears and the \$500 payment. Read with care: staff indicate two FY 2025-26 disbursements may have supported five or six households rather than two, in which case the certified report understates the count rather than the amount.



WHAT CHANGED, AND WHO CHANGED IT

Nearly five times the average payment, to a third of the households. The provider's reason is on the record and it is a serious one: a \$500 payment does not clear arrears that typically run \$1,500 to \$2,500, so it does not stop the eviction. It may well be right. It was never put to the Council, and no Town document adopted it — the Town left the decision unmade.

The program the Town should define

The Town writes the rules, so every line below is a choice, not a constraint — and it has been solved nearby already.

WHAT IT IS

- A stated need — how many households the Town expects to need help in a year, and how many it intends to reach
- One emergency payment that stops an eviction before it happens
- A stated trigger, set by the Council — risk of losing housing within about fourteen days, with or without an eviction notice
- One income test — at or below 80% of area median income, by household size
- Past due rent, a deposit on a new unit, or utility bills — paid to the landlord or utility, never the tenant
- Once in any twelve months, up to a published maximum set by the Council
- Verified residency in incorporated Los Gatos
- One documentation standard for every applicant
- Referrals from any source; checked across providers

WHAT IT ISN'T

- An ongoing or recurring subsidy
- A second payment to the same household in a year
- A program that starts only once an eviction notice is served — three court days is too little time for any application to be assembled and decided
- Storage, hotels, application fees or other post-loss costs — the Council declined to add them on August 4, 2026
- Cash to the tenant
- Applicant names in any report to the Town
- Assistance to residents of other jurisdictions — the Council required on August 19, 2025 that 100% of a funded service be delivered within incorporated Los Gatos; no instrument implements it, and one incorporated proposal budgets the money for county residents
- General operating support for an organization
- A program whose scope is set by whoever delivers it

MODELS ALREADY IN USE HERE

- The county system publishes what the Town does not: eligibility, an income table by household size, a document list, one number countywide
- Its trigger is risk within about fourteen days — a notice, or simply being unable to pay upcoming rent
- Documents stated in advance and flexible: IDs, a lease, two months of income, recent bills
- Any partner agency can refer a household to free legal help
- More than twenty partners, including the Town's contract provider and Sunnyvale Community Services
- Sunnyvale runs one named program for rent, deposits and utilities — one office, one caseworker, published hours

Sunnyvale Community Services program materials. The county-wide scope is stated in the grantee proposal attached as Exhibit A to the FY 2025-26 grant agreement. The contracting alternative: September 3, 2019 agenda report, Item 9, page 3. The 100% within-Los Gatos requirement: August 19, 2025 minutes, Item 13, adopted four to one. The August 4, 2026 request to extend the program to storage unit rent, deposits, application fees and hotel stays was not funded — Item 18. County system: Santa Clara County Homelessness Prevention System flyer, updated May 8, 2026.

AND THE DEFINITION COMES FIRST

A twelve-month lookback is already the practice at one provider, and no Town document requires it of anyone. Every line above can be adopted without deciding who delivers the program — the definition comes first, and the delivery decision follows once the reporting to judge it exists.

THE DESIGN

The motion — define the program now, hold delivery open

One program, defined in writing, at the same cost the Town pays today. Who delivers it waits for the reporting needed to judge it.

MOVED, THAT THE FINANCE COMMISSION RECOMMEND —

- 1 Define the program.** The Council adopts a written definition — one emergency payment that stops an eviction before it happens, on seven rules:

1 Trigger — risk of losing housing within about fourteen days, with or without an eviction notice	2 Income — at or below 80% of area median income, by household size, on the county's published HUD limits
3 Uses — past due rent, a deposit on a new unit, or utility bills — not storage, hotels, fees or ongoing rent	4 Payee — the landlord or utility — never the tenant
5 Frequency — once in any twelve months, with a documented exception path	6 Residency — verified, in incorporated Los Gatos
7 Maximum — \$1,750 per household, set by the Council and published before anyone calls	= At today's cost — \$35,000 — \$15,000 contract plus \$20,000 grants — across 20 households (8 reported, 12 under contract); FY 2026-27 adds \$5,000

- 2 Set the agreement terms.** Every agreement, grant or contract, requires current registration with the Attorney General's Registry; a conflict-of-interest and relationship-disclosure clause; a board roster naming independent directors; a written case-file standard, with files kept by the provider and open only to authorized Town reviewers; aggregate-only reports with no applicant names; and certification by two people.
- 3 Apply them now,** before the FY 2026-27 agreements are executed — no funding change.
- 4 Get the missing information.** Identically from all three providers and staff, in aggregate: eligibility applied, documents required, denials, payments by household, repeat-help checks, and staff's estimate of need.

HELD OPEN — NO RECOMMENDATION

Who delivers it — one provider or three, and which.

Grant or contract — follows the delivery decision.

One appropriation — and whether CARE belongs in it.

In-house administration — never priced.

The Town's review of 99 grants — not pre-empted.

ONE PROGRAM. ONE SET OF RULES. ONE PLACE TO GO.

Every request is made identically of all three providers and of staff. No organization is prevented from running its own program with private funds.