



TOWN OF LOS GATOS
FINANCE COMMISSION REPORT

MEETING DATE: 04/13/2026

ITEM NO: 4

DATE: April 6, 2026
TO: Finance Commission
FROM: Chris Constantin, Town Manager
SUBJECT: Receive the Fiscal Condition Assessment and Fiscal Impact Analysis for Proposed and Planned Growth Memorandums and Provide Feedback for the Town Council.

RECOMMENDATION:

Receive the Fiscal Condition Assessment with Five-Year and Long-Term Financial Projections and Fiscal Impact Analysis for Proposed and Planned Growth Memorandums and provide feedback for the Town Council.

BACKGROUND:

In December 2025, the Town began work with NHA Advisors with sub-contract support from Raftelis Financial Consultants and Willdan. Raftelis is leading the first study with the development of a baseline long-term financial model. Willdan is supporting the second study, focusing on fiscal impact analysis that incorporates proposed and planned growth based on the Housing Element Plan and General Plan, with sensitivity analysis regarding the percentage of new units designated as affordable. Both studies will support the future Asset, Liability Management (ALM) study.

DISCUSSION:

A preliminary Fiscal Condition Assessment with Five-Year and Long-Term Financial Projections and Fiscal Impact Analysis for Proposed and Planned Growth was presented to the Finance Commission at their February 2, 2026, meeting. The Commission requested an assumptions memo for the five-year and long-term forecast and changes to methodology for the study focused on the fiscal impact of proposed and planned growth based on the Housing Element.

PREPARED BY: Kristina Alfaro
Administrative Services Director

Reviewed by: Town Manager and Town Attorney

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Memos were posted to the Town's Finance website on March 18, 2026, to allow sufficient time for review. Both memos are also attached.

CONCLUSION:

Receive both memos and provide feedback for the Town Council.

ENVIRONMENTAL ASSESSMENT:

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

Attachments:

1. Fiscal Condition Assessment with Five-Year and Long-Term Financial Projections Assumption Memo
2. Updated Fiscal Impact Analysis for Proposed and Planned Growth