

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT FOR ARBITRATION SERVICES RELATED TO MOBILE HOME RENT INCREASE PETITIONS AND TO AMEND THE FISCAL YEAR 2025–2026 BUDGET ACCORDINGLY

WHEREAS, the Capitola City Council adopted Ordinance No. 1060 in 2023, establishing Chapter 2.18 of the Capitola Municipal Code to regulate mobile home rent stabilization and provide a dispute resolution process for residents; and

WHEREAS, Capitola Municipal Code Section 2.18.090 requires that upon the filing of a petition challenging a rent increase, the City Administrator assign an impartial arbitrator to conduct a hearing and issue a binding decision; and

WHEREAS, on March 17, 2025, Cabrillo Mobile Home Estates issued a notice of rent increase to residents at 930 Rosedale Avenue, and affected homeowners have submitted valid petitions to the City pursuant to Capitola Municipal Code Section 2.18.090(B); and

WHEREAS, the Park Owner of Cabrillo Mobile Home Estates and the Affected Homeowners mutually agreed to the appointment of Hon. Amy Hogue with Signature Resolution, LLC to serve as the Arbitrator in the rent dispute; and

WHEREAS, funding for arbitration services will be provided through the City's General Fund and Housing Trust Fund;

WHEREAS, the City Council desires to authorize the City Manager to enter into a professional services agreement with Signature Resolution, LLC and to amend the FY 2025–2026 budget to allocate funds for the associated costs of arbitration services from the General Fund and Housing Trust Fund;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Capitola as follows:

1. The City Council hereby authorizes the City Manager to execute a Professional Services Agreement with Signature Resolution, LLC, to provide arbitration services related to mobile home rent increase petitions pursuant to Chapter 2.18 of the Capitola Municipal Code.
2. The City Council authorizes a budget amendment to the FY 2025–2026 budget in an amount not to exceed \$60,000 to fund the arbitration services. The funds shall be appropriated from the General Fund (\$10,000) and the Housing Trust Fund (\$50,000).
3. The City Manager is further authorized to take all necessary actions to implement the agreement and ensure timely arbitration of pending petitions.
4. This resolution shall become effective immediately upon adoption.

This Resolution shall take effect immediately upon its adoption.

I HEREBY CERTIFY that the above and foregoing resolution was passed and adopted by the City Council of the City of Capitola at its regular meeting held on the 23rd day of October, 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Joe Clarke, Mayor

ATTEST:

Julia Gautho, City Clerk