

**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 2024–2025 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**, on April 8, 2025, the City issued a Request for Qualifications (RFQ) to identify qualified arbitration professionals to assist in the implementation of the mobile home rent stabilization ordinance; and

**WHEREAS**, California Hearing Officers, LLP submitted a proposal in response to the RFQ and has been determined by staff to be qualified to provide the required arbitration services; 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 California Hearing Officers, LLP and to amend the FY 2024–2025 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 California Hearing Officers, LLP, 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 2024–2025 budget in an amount not to exceed \$120,000 to fund the arbitration services. The funds shall be appropriated from the General Fund (\$70,000) 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 \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

\_\_\_\_\_  
\_\_\_\_\_, Mayor

ATTEST:

\_\_\_\_\_  
\_\_\_\_\_, City Clerk