

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
AMENDING THE 2025-26 FISCAL YEAR CITY BUDGET AND CAPITAL IMPROVEMENT
PROGRAM BUDGET**

WHEREAS, it is necessary to adopt the 2025-26 Fiscal Year Budget for all City funds and Capital Improvement Program; and

WHEREAS, the City Council conducted budget study sessions, heard and considered public comments, had modified and proposed a budget accordingly, and on June 26, 2025, adopted such budget for the Fiscal Year July 1, 2025 through June 30, 2026; and

WHEREAS, on May 23, 2024, the City Council authorized a Professional Services Agreement with Ben Noble Planning in the amount of \$124,375 to implement Housing Element programs, funded through a combination of REAP 2.0 grant funds and General Plan funds; and

WHEREAS, the City adopted the majority of Housing Element implementation measures in 2024 but incurred added costs associated with multifamily housing amendments, leaving a remaining balance of \$46,611 under the Ben Noble Planning agreement; and

WHEREAS, the agreement with Ben Noble Planning must be amended to include additional funding for Housing Element implementation of Programs 1.6 and 1.7, including zoning code updates for the Capitola Mall site; and

WHEREAS, in response, staff, in coordination with Ben Noble Planning, developed three potential approaches to update the Zoning Code and General Plan: (1) Expedited Objective Standards, (2) Objective Standards with enhanced public engagement, and (3) Form-Based Code, with costs ranging from \$45,781 to \$150,000 depending on scope, timeline, and level of public input; and

WHEREAS, it is necessary to amend the Fiscal Year 2025-26 Adopted Budget to increase appropriations in the General Plan Update and Maintenance Fund account number 1313-00-00-000-4305.900 in the amount of \$ _____; and

NOW, THEREFORE, BE IT HEREBY RESOLVED by the City Council of the City of Capitola that the 2025-26 Fiscal Year Budget is hereby amended, including Exhibit A (Budget Amendment) to this Resolution; and

BE IT FURTHER RESOLVED that the Administrative Services Director is directed to enter the budget into the City's accounting records in accordance with appropriate accounting practices, and the City Manager, with the Finance Director's assistance, shall assure compliance therewith.

I HEREBY CERTIFY that the foregoing Resolution was passed and adopted by the City Council of the City of Capitola on the 28th day of August 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Joe Clark, Mayor

ATTEST:

Julia Gautho, City Clerk