



# Community Development & Infrastructure 2025-26 Proposed Budget

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# Presentation Overview



Our Mission



Budget Overview



Fiscal & Staffing Details



Federal/State risks & Emerging Issues



Request & Questions



## **Our Mission**

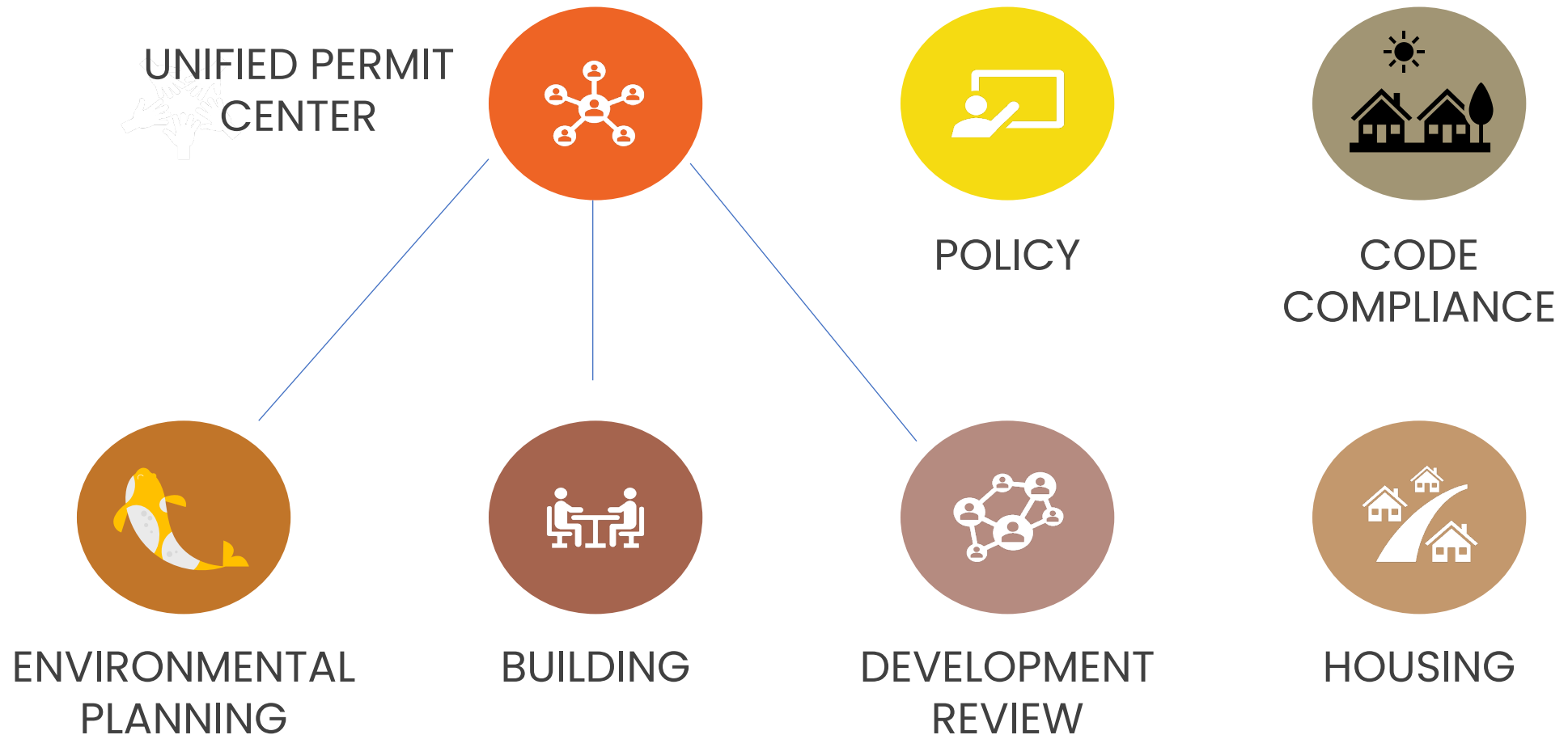
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To improve customer service, streamline projects, and to align public infrastructure and private development to further County goals in attainable housing, reliable transportation, and sustainable environment.

# Summary of Proposed CDI Budget

	2024-25 Adopted	2025-26 Proposed	Amount of Change	Percent Change
<b>Revenues</b>	\$243,570,327	\$200,326,117*	(\$43,244,210)	(18%)
<b>Expenses</b>	\$283,210,171	\$247,715,744	(\$35,494,427)	(13%)
<b>District Sales Tax Contribution</b>	\$0.00	\$4,100,000	\$4,100,000	100%
<b>General Fund Contribution</b>	\$8,227,735	\$8,460,646	\$232,911	3%
<b>Other Funds Contribution</b>	\$31,412,109	\$34,828,981	\$3,416,872	11%
<b>Funded Staffing</b>	353.5	362.5	9.00	3%
* Note – the online budget shows revenue of \$204,358,617 as it includes \$2,100,000 of District Sales Tax and \$1,932,500 of General Fund contributions to Public works.				

# Planning's Services



# CDI – Planning Summary of Proposed Budget

	2024–25 Adopted	2025–26 Proposed	2025–26 Supple- mental	Amount of Change	Percent Change
<b>Revenues</b>	\$11,473,944	\$9,295,774	\$0	(\$2,178,170)	(19%)
<b>Expenses</b>	\$19,701,679	\$17,773,920	\$0	(\$1,927,759)	(10%)
<b>District Sales Tax Contribution</b>	\$0	\$2,000,000	\$0	\$2,000,000	100%
<b>General Fund Contribution</b>	\$8,227,735	\$6,478,146	\$0	(\$1,749,589)	(21%)
<b>Funded Staffing</b>	76.5	77.5	2.0	3.0	4%

## CDI – Planning Major Budget Changes from Adopted Revenues

	Amount	Title of change in revenue
↓	\$ 703,640	Inspection services revenue decrease due to timing of multi-family project issuance
↑	\$400,000	Increase in plan check services for projected multi-family project submission
↑	\$200,000	EIR for Battery Energy Storage (has an expense offset)
↓	\$2,059,130	Decrease in State and Federal grant funding, revenue not received will be part of the rebudget process

# CDI – Planning

## Major Budget Changes from Adopted Expenses

	Amount	Title of change in expenditure/expense
↓	\$ 1,497,313	End of 4Leaf Agreement for CZU Fire permitting
↑	\$454,130	Utilities expenses (GSD Charges)
↑	\$266,346	GSD services and charges
↑	\$241,261	Software improvements – Mobile Inspector
↑	\$218,257	Increase in salaries and benefits



# CDI – Housing Funds Summary of Proposed Budget



	2024-25 Adopted	2025-26 Proposed	Amount of Change	Percent Change
<b>Revenues</b>	\$3,561,417	\$2,972,389	(\$589,028)	(17%)
<b>Expenses</b>	\$10,702,617	\$11,115,344	\$412,727	4%

# State & Federal Funding Risks – Planning

- Federal and state grant reductions for policy initiatives and housing funds
- Grant reductions also impacting affordable housing developers
- Economic uncertainty/interest rates



# CDI – Planning – Emerging Issues

- Recovery Permit Center transition
- Building Permit Organizational Assessment
- Slowing development
- Reduced housing funding
- Evolving State regulations



# Public Works' Services

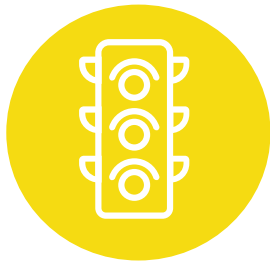
## TRANSPORTATION



ROAD  
OPERATIONS



ROAD REPAIR &  
IMPROVEMENTS



TRAFFIC  
PLANNING



PAVEMENT  
MANAGEMENT

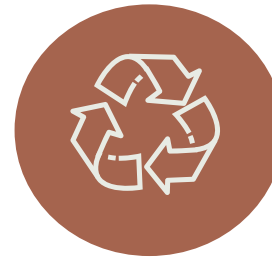
## SPECIAL SERVICES



SANITATION



FLOOD CONTROL  
& DRAINAGE



RECYCLING &  
SOLID WASTE



CONSTRUCTION  
MANAGEMENT



# CDI – Public Works

## Summary of Proposed Budget

	2024-25 Adopted	2025-26 Proposed	Amount of Change	Percent Change
<b>Revenues</b>	\$228,534,966	\$188,057,954*	(\$40,477,012)	(13%)
<b>Expenses</b>	\$252,805,875	\$218,826,480	(\$33,979,395)	(18%)
<b>District Sales Tax Contribution</b>	\$0.00	\$2,100,000	\$2,100,000	100%
<b>General Fund Contribution</b>	\$0.00	\$1,982,500	\$1,982,000	100%
<b>Other Funds Contribution</b>	\$24,270,909	\$26,686,026	\$2,415,117	10%
<b>Funded Staffing</b>	277.0	283.0	6.0	2%

\* Note – the online budget shows revenue of \$192,090,454 as it includes \$2,100,000 of District Sales Tax and \$1,982,500 of General Fund contributions to Public works.

## CDI – Public Works

### Major Budget Changes from Adopted Revenues

	Amount	Title of change in revenue
↓	\$25,513,799	Grants and other one-time funding related to completion of major Transportation projects
↓	\$9,464,797	Grants and other one-time funding related to completion of major Sanitation projects
↓	\$4,475,757	At-Cost billings on Capital Projects (now moved to GSD)
↑	\$3,932,500	General fund and Measure K transfers to Public Works
↑	\$5,000,000	NOAA grant funding the Watsonville Slough Ecosystem Restoration Project

# CDI – Public Works

## Major Budget Changes from Adopted Expenses

	Amount	Title of change in expenditure/expense
↓	\$25,513,799	Professional services expenses – Completion of Major Transportation Projects
↓	\$9,464,797	Professional services expenses – Completion of Major Sanitation Projects
↑	\$2,250,000	Road maintenance operations with focus on core maintenance tasks
↑	\$1,682,500	Transportation and Drainage improvement projects – grant match funds
↑	\$1,688,000	DPW Admin – \$765,000 Property & Liability Coverage, \$923,000 County Overhead charges (GSD services and charges)

# CDI–Public Works Projects with Measure K and GF Contributions

- \$1,932,500 GF Contribution – Transportation
- \$2,000,000 Measure K – Transportation

Project	Amount
Road Operations Increase in Services	\$2,000,000
Signal Maintenance and Utilities	\$250,000
SS4A Safety Action Plan – Grant Match	\$77,500
Capitola Road at Leona Creek – Failing Culvert	\$500,000
Roadside Vegetation Control Contract/Grant	\$250,000
Robertson/Soquel Signal – Grant Match	\$375,000
Inter-County Routes Resurfacing – Grant Match	\$480,000
Total GF and Measure K Funding	\$3,932,500



# Public Works Major Projects



2025–26 Budget	Capital Project Title
\$1,970,536	Robertson St. & Soquel Dr. Signal
\$9,000,000	San Lorenzo Way Bridge
\$3,192,148	Soquel San Jose Rd./Porter St. Resurfacing
\$4,000,000	2026 Measure D Resurfacing Project
\$5,000,000	Watsonville Slough Ecosystem Restoration Project
\$500,000	Capitola Road Culvert Rehabilitation
\$1,494,000	Inter-County Routes Resurfacing

# State & Federal Funding Risks – Public Works



Federal  
transportation  
grant funding  
reductions

FEMA  
Challenges

Special  
Services -  
NOAA Grant

HUTA revenue  
impacted by  
overall  
economy and  
tariff increases

# CDI – Public Works – Emerging Issues

- Bridge Program
- Storm Damage Repairs
- SB1383 Grant Funding Ends
- Static Revenues – HUTA, CSA Assessments
- Landfill Energy Production
- FEMA challenges may affect ability to deliver projects



# Community Development and Infrastructure Department

Approve the Proposed Budget for the Community Development and Infrastructure Department, including Supplemental Materials, which includes:

- Revenues of \$200,326,117
- Expenses of \$247,715,744
- General Fund Contribution of \$8,460,646
- District Sales Tax Contribution of \$4,100,000
- Other Funds Contribution of \$34,828,981
- Staffing of 362.5 funded FTEs

**Questions?**