



1098 38th Avenue Amendment to Loan Agreement





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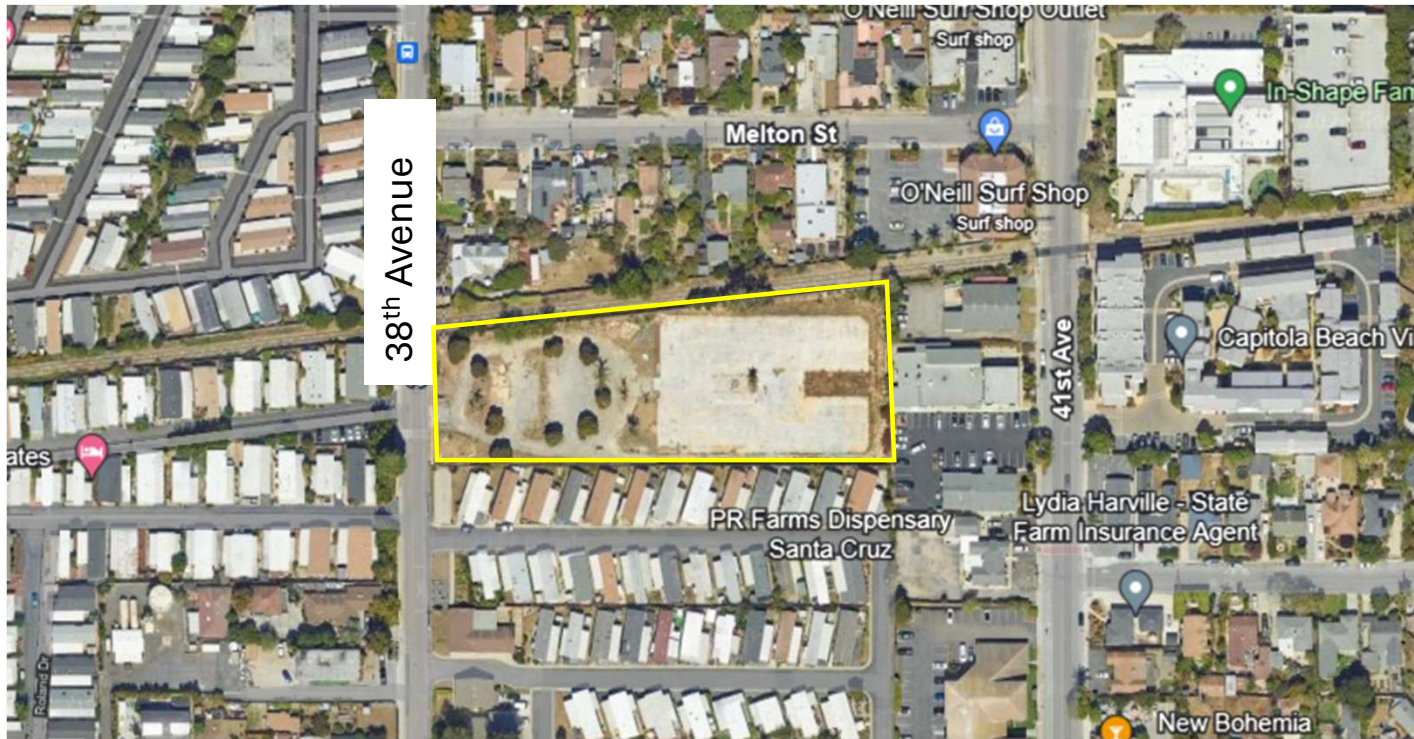
Recommended Action:

Adopt a resolution authorizing City Manager to execute an Amended Loan Agreement with MP Rail Trail Associates, LP to increase existing loan of \$250,000 by \$1,350,000 for a total loan of \$1,600,000 to fund development of 52 residential units affordable to low income households at 1098 38th Avenue, Capitola, CA and allocating \$428,872* of PLHA Funds and \$921,128 * of Housing Successor Agency Funds thereto.

* Staff report noted \$950,000



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1098 38th Avenue

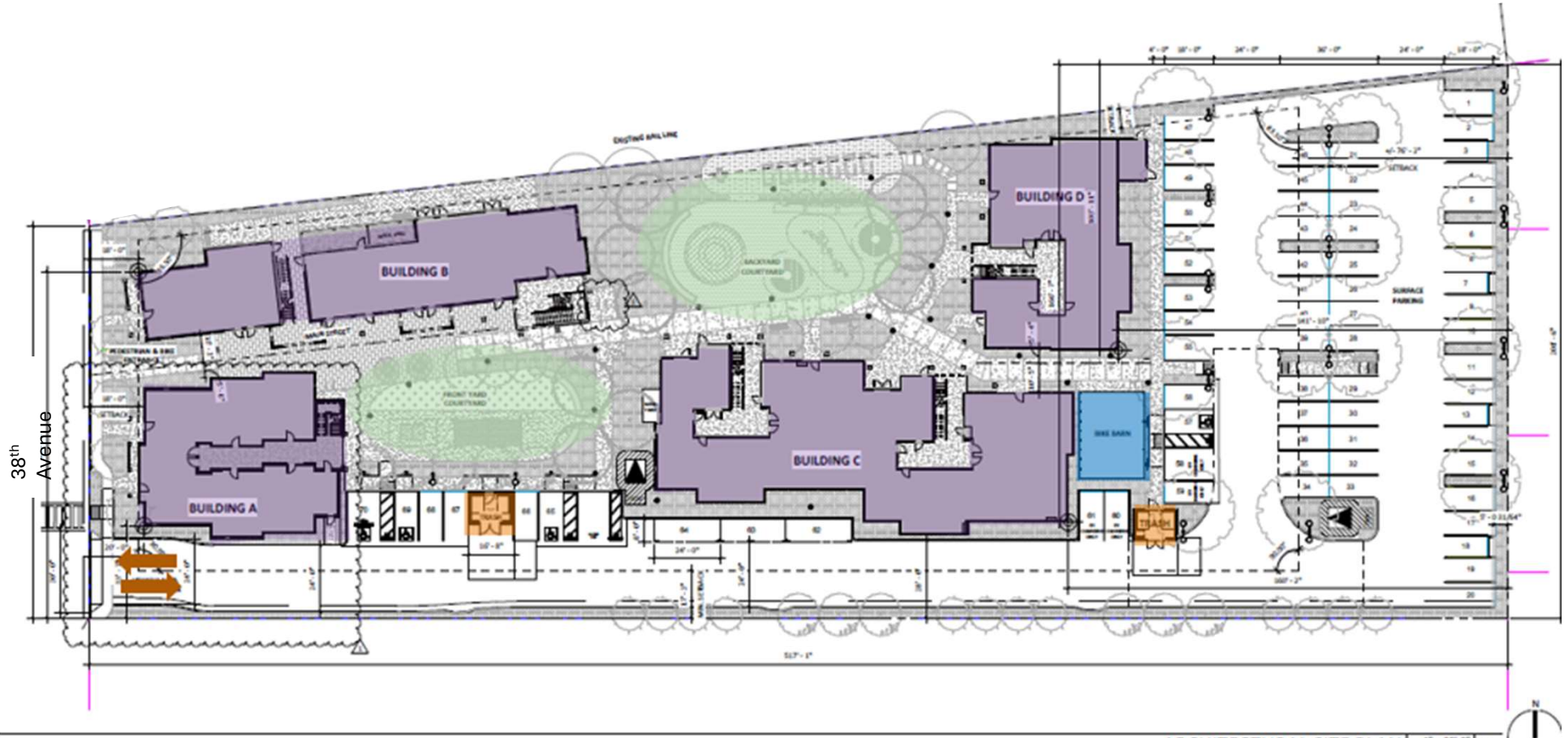
1.97 acres

27 du/acre

52 units - 100% affordable



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60,805 sf – 4 buildings

52 units – 1, 2, 3 bedrooms

70 parking spaces

7 short term bike parking

52 long term bike parking

4 EV chargers (+7 capable & 17 ready)



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Southeast view from Courtyard



Northwest view from Courtyard



1098 38th Avenue

Amendment to Loan Agreement

Background

- | | |
|------------------|------------------------------------------------------------------------|
| November 9, 2024 | \$250,000 predevelopment loan from City Housing Successor Agency funds |
| April 4, 2024 | Planning Commission project approval |
| June 13, 2024 | MidPen funding request for \$1.3 million |



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Funding Source

Permanent Local
Housing Allocation
(PLHA)

- City awarded 5 years funding from property transfer tax
- \$428,872 for project

Housing Successor
Agency Fund

- Castle Mobile Home loan payoff
- \$1.9 fund balance
- Funds used for Homeless Action Partnership, Security Deposit Assistance, CAB Emergency Housing



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Proposed Funding \$1,350,000

Permanent Local Housing Allocation \$428,872*

Housing Successor Agency Fund \$921,128*

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for Housing Successor



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