



# CASTLE MOBILE HOME ESTATES

**City Council**  
**June 12, 2025**



# CASTLE MOBILE HOME ESTATES

## Park Overview

- Location:** 1099 38th Avenue, Capitola
- Size:** 108-space mobile home park
- Owner:** Millennium Housing Corporation (non-profit)
- Acquisition:** July 2011
- City Role:** Supported acquisition using Redevelopment Agency funds



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## **2011 City Financial Support**

**Loan Amount:** \$2 million total, repaid in 2021

\$1M for acquisition

\$1M over 10 years for rehabilitation and rent subsidies

**Total Affordable Units:** 85 of 108

**Active Rehabilitation Loans:** 2 at \$112,000



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## **Rent Controls**

Initial rent caps (2011):

\$650 for owner-occupants

\$800 for non-owner occupants

**Annual increases:** Limited to Consumer Price Index (CPI)



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## Coastal Rail Trail Context

**Adjacent Project:** RTC Coastal Rail Trail – Segment 10

**RTC Action:** Conducted encroachment review

**May 2024:** RTC published *Mobile Home Encroachment Options Report*



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## Encroachment Coordination

**March 2025:** City facilitated meeting between Millennium & RTC

**April 2025:** Letter from CM to RTC and Millenium with proposed path forward

- Tolling Agreement: Pauses statute of limitations for legal claims and allows time for negotiation without litigation pressure
- Extend Deadline: Extend the deadline for the removal of encroachments
- Castle Mobile Home Estates Assistance Program
- Survey Coordination and Site Access



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## **Encroachment Coordination**

**May 23, 2025:** RTC provided proposed tolling agreement to Millennium

**Current Status:** Under review by Millennium Housing

**Productive Conversations**



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## **Next Steps**

City staff can continue:

- Role as convener with RTC and Millenium, as appropriate
- Assist with Survey Coordination and Site Access
- Support mutually beneficial resolution to protect Capitola residents





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**Questions?**