



1098 38<sup>th</sup> Avenue

# **Project Introduction & Funding Request**

City Council June 22, 2023



# Introduction

- MidPen Housing
  - Regional Non-profit Affordable Housing Developer
  - All in 1: Construct, Manage, and Provi
- Purchased 1098 38<sup>th</sup> Avenue on March 10, 2023
  - 52-unit multifamily housing development
  - 100% affordable
  - Request for \$250,000 of predevelopment planning costs



# Available Funding

Available funds restricted to housing

- PLHA \$481,732
- Housing Successor Agency fund \$2 million
- Home funds \$600,000

If conceptual support for project, staff will research which fund most appropriate.

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# 1098 38<sup>th</sup> Avenue Affordable Housing Proposal

Joanna Carman, Vanessa Diffenbaugh, Alyssa Serrano



# MidPen's mission is to

Provide **safe, affordable housing of high quality** to those in need

Establish **stability and opportunity** in the lives of our residents; and

**Foster diverse communities** that allow people from all ethnic, social and economic backgrounds to **live in dignity, harmony and mutual respect.**

# Our Team

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**Shwetha Subramanian**  
Chief Real Estate  
Development Officer



**Joanna Carman**  
Director of Development



**Alyssa Serrano**  
Associate Project  
Manager



**Vanessa Diffenbaugh**  
Project Manager





# Local Communities



**The Farm, Soquel, 39 units Family Housing**



**Parkhurst Terrace, Aptos, 68 units Family Housing**



**Moon Gate Plaza, Salinas**  
*90 units Permanent Supportive Housing*



**San Andreas, Watsonville**  
*43 Units Farmworker Housing*

# Property Management



## Being Good Neighbors:

*We strive to ensure that every community we manage benefits both our residents as well as the surrounding neighborhood.*



## Enhancing Resident's Lives:

*Our staff responds to individual and community needs with a commitment to customer service.*



## Sustainable Operations and Maintenance:

*Retrofits to improve building performance, water conservation, and indoor air quality; using drought resistant landscaping and green cleaning products; and training on environmentally-friendly practices.*



# Resident Services



## Youth Programs:

*Free afterschool, summer and leadership programs for youth prepare students for academic success.*



## Adult Programs:

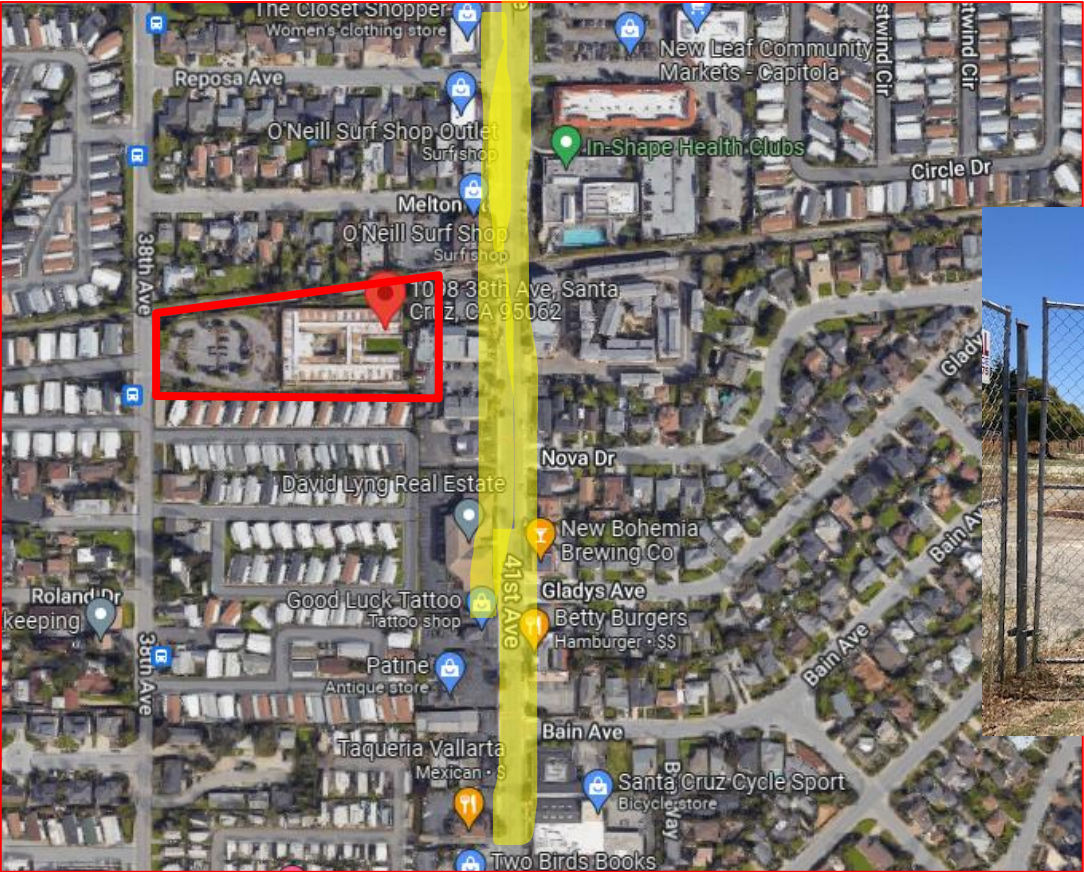
*Financial literacy and vocational development, including career counseling and ESL Classes improve job retention and increase household income.*



## Supportive Services:

*Partnerships with local agencies to provide service plans for supportive populations, including residents struggling with homelessness or mental, physical or intellectual disabilities.*

# 1098 38<sup>th</sup> Avenue Site





# Proposed Affordable Development



- ❖ **52 units** of 100% affordable housing for large families
- ❖ Affordable housing **to serve** residents earning 30% - 60% of Area Median Income
- ❖ Projected **rent ranges**:
  - \$874-\$1,749 for a 1 bedroom
  - \$1,050-\$2,100 for 2 bedroom
  - \$1,212-\$2,425 for 3 bedroom
- ❖ 25% of units will be set aside for **special needs** individuals

# 01 / ABOUT FORA



# OUR TEAM



Sarah Vaccaro

/ Principal / Architect  
/ Equitable Communities



Yoshi Jimenez

/ Designer  
/ Affordable Housing



Jessica Goswick

/ Designer  
/ Building Performance



Kyle Seem

/ Designer  
/ Software Engineer





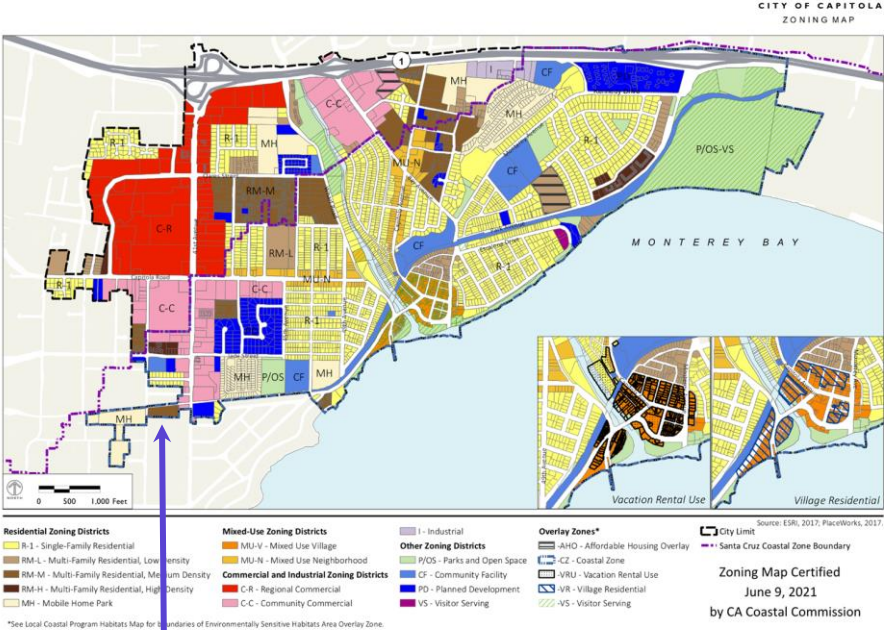
# 02 / SITE CONTEXT

# ZONING

## RM-M Multi-Family Residential, Med. Density

1. 97 acres Site

Plan to utilize  
State Density Bonus



PROJECT SITE



# CONTEXT & CHARACTER

## 41st Avenue/West Capitola (“North Forties”)

- / Beach town aesthetic
- / Active commercial + residential
- / Most homes constructed in 1970s and 1980s with some newer additions
- / Capitola vibe + colors + artwork



# VIEWS AROUND SITE

- Residential & Commercial Surroundings:
- Rail Trail Section 10 to North
- One block from the 41st corridor
- Active pedestrian + bike usage







Capitola Colors

I'm excited for the connection to the rail trail and the proximity to the Ocean. Getting there walking via the trail.

Access to Rail Trail (3x)

Santa Cruz Capitola vibe-housing for ppl who contribute

Alliance

Inclusive spaces

Location

# 03 / GOALS

new city!

### VISION + PRIORITIES:

1. Emphasize the Rail Trail connection & outdoor spaces
2. Location! Proximity to beach, walk/bike-ability of neighborhood, Capitola vibe (colors, quirks), CA/Coast weather

3. It's all in the Details! Feature the art, outdoor spaces, color pops, quirky Capitola details. Design buildings as a backdrop with eye to thoughtful efficiencies

2. Partnership with The Alliance and their clients
3. Health and Living Standards for residents

## Community Engagement Goals

### FORA Process

Our community engagement goal is to bring diverse perspectives to the table through inclusive, engaging, meaningful (and fun!) processes.

We strive to co-create visions of housing futures with all those involved.



### Typical CE Workshops



### MidPen Process

#### Goals

- Develop trust with stakeholders
- Develop and build on community partnerships
- Recognize & alleviate fears of physical changes in the neighborhood
- Ensure that outreach is equitable and inclusive
- Establish and maintain positive community relations
- Communicate honestly the community benefits realized by this development
- Identify opportunities for the community to provide input

#### Process

##### 1. One-on-one

##### 2. Neighborhood

**ACTION ITEM:**  
Hone collaboration and roles between FORA & MidPen

### Collaboration

What is FORA's role in this process? How can we collaborate with MidPen?

Items to address:  
Public art  
Signage  
Traffic concerns

their favorite place, like park/housing nearby

#### CE

- PHORR talk to key stakeholder (mobile home park)
- potential 2nd workshop w/ design charrette
- ex-Jesse at art table + arch style
- may be good for signage
- might be a good lesson
- Follow up: How does the FORA team plug in? (before we roll out a lot of scope)
- Traffic plans/talking pre before mtg
- Managing "how can I live there?"
- Get feedback on art



# PROJECT GOALS

- Provide **affordable, inclusive, family housing** that reflects and supports this community
- Ensure programs, resources, and physical design provide **equitable living** opportunities for residents
- Focus investment where it has the most impact on **health and living standards** for residents
- Integrate thoughtful, multi-use, multi-age **outdoor spaces**
- It's all in the **details!** Feature art, outdoor space, color, quirky Capitola vibe



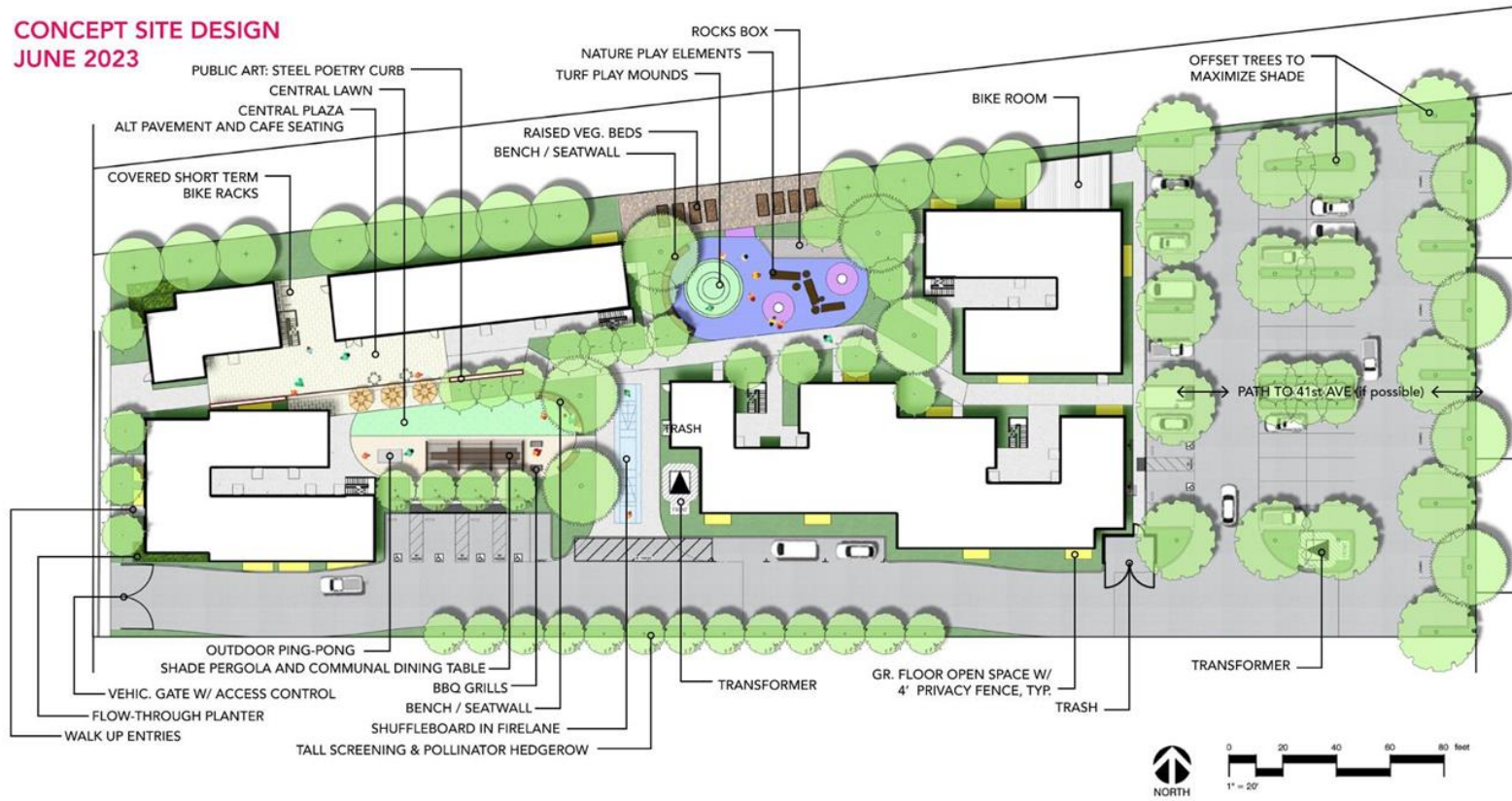


# 04 / DESIGN



# PROPOSED SITE DESIGN

CONCEPT SITE DESIGN  
JUNE 2023



**BASE** / MidPen Housing: 38th Ave Capitola

# PROJECT AMENITIES

## Onsite Amenities:

- Property Management + Resident Services
- Community room with kitchen
- Laundry rooms
- Outdoor play areas for children and youth
- Outdoor dining and gathering areas
- All electric buildings with onsite generation



# Anticipated Schedule

Milestone	Timing
Architect Selection	February 2023
Entitlement Application & Approval	October 2023 & January 2024
SuperNOFA Application	June 2024
Local Funding Applications	April - December 2024
Building Permits Application & Approval	January – July 2025
9% Tax Credit Application	March 2025
Investor/Lender Selection	June 2025
Execute GMP / Pull Permits / Issue NTP	October 2025
Construction	October 2025 – April 2027 (18 mos)
100% Lease Up	August 2027
Stabilized / Perm Conversion	October 2028

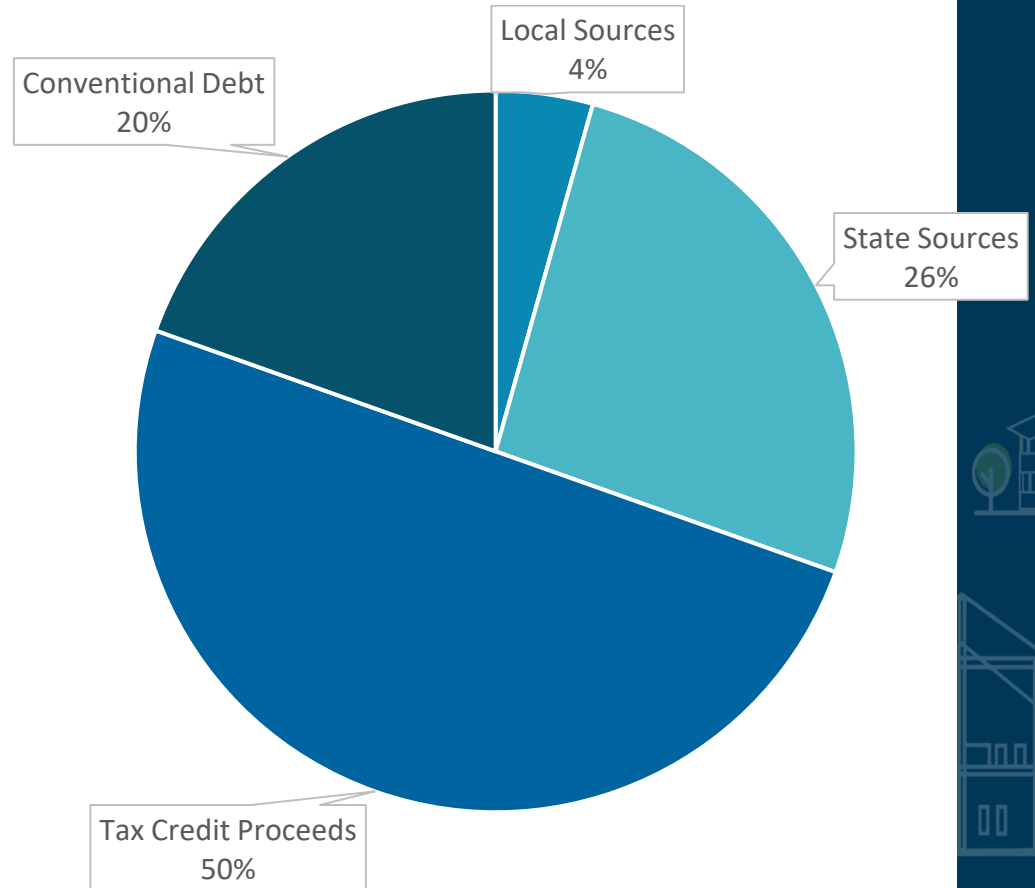




# Financing Overview

Total Project Cost: ~\$46M

- Local Sources ~\$2M
- State Source ~\$12M
- Conventional Debt ~\$9M
- Tax Credit Equity ~\$23M



# Predevelopment Request

Activity	Cost
Architectural Design	\$200,000
Civil and Survey	\$30,200
Geotech	\$19,800
Total Request	\$250,000

MidPen anticipates requesting remainder of needed local funding from City when future project milestones are met.





# 1098 38<sup>th</sup> Avenue

## **Recommendation:**

Direct staff to prepare loan agreement to assist with for predevelopment activities for a 100% affordable multifamily rental housing development located at 1098 38th Avenue.