

**NOTICE OF FINDING OF NO SIGNIFICANT IMPACT AND  
NOTICE OF INTENT TO REQUEST RELEASE OF FUNDS**

June 3, 2024

City of Capitola  
420 Capitola Avenue  
Capitola, CA 95010  
(831) 475-7300

These notices shall satisfy two separate but related procedural requirements for activities to be undertaken by the City of Capitola.

**REQUEST FOR RELEASE OF FUNDS**

On or about June 19, 2024, the City of Capitola will authorize MidPen Housing to submit a request to the U.S. Department of Housing and Urban Development (HUD) for the release of 25 Project-Based Vouchers (\$12,805,560) under Section 8(c)(9) of the United States Housing Act of 1937, as amended, to undertake a project known as the 38th Avenue Apartments Project for the purpose of providing affordable housing.

The proposed project entails construction and operation of a 100% affordable multifamily rental housing development. The project would include a total of 52 residential units in four 2- to 3-story buildings. The unit mix would consist of 4 studio units, 21 one-bedroom units, 14 two-bedroom units (including one manager's unit), and 13 three-bedroom units. Affordable housing would serve residents earning 30% to 60% of the Area Median Income in 51 100% below-market-rate units, with 1 unrestricted manager's unit. Twenty-five percent of the units would be set aside for special needs individuals. The buildings would also include laundry rooms, community rooms with kitchens, offices and property management/resident services, and equipment and utility spaces. Other on-site amenities would include outdoor dining and gathering areas, including two protected courtyards, pedestrian pathways, a central plaza, lawn, community dining area, café tables and chairs, raised vegetable beds, a fenced dog run area, barbeque grills, pergolas, seating, and a smoking shelter; and outdoor play areas for children and youth, including game areas and a tot lot/nature play area. The project would include a total of 70 on-site vehicle parking spaces (66 spaces for the residential units and 4 designated guest and staff parking spaces), including 28 total proposed electric vehicle (EV) spaces (7 EV-capable spaces, 17 EV-ready spaces, and 4 EV charging station spaces). Bicycle parking would include 52 long-term spaces provided in an enclosed bike shed and 4 short-term spaces. The total project cost is estimated to be approximately \$47,772,823 from all funding sources.

**FINDING OF NO SIGNIFICANT IMPACT**

The City of Capitola has determined that the project will have no significant impact on the human environment. Therefore, an Environmental Impact Statement under the National Environmental Policy Act of 1969 (NEPA) is not required. Additional project information is contained in the Environmental Review Record (ERR) on file at the City of Capitola Community Development Department, 420 Capitola Avenue, Capitola, CA, 95010, and may be examined or copied weekdays 8:00 A.M to 12:00 P.M. and 1:00 P.M. to 5:00 P.M. The ERR is also available at <https://www.cityofcapitola.org/communitydevelopment>.

## **PUBLIC COMMENTS**

Any individual, group, or agency may submit written comments on the ERR to Brian Froelich, Senior Planner, City of Capitola, 420 Capitola Avenue, Capitola, CA, 95010 or via email at [broelich@ci.capitola.ca.us](mailto:broelich@ci.capitola.ca.us). All comments received by 5:00 P.M. on June 18, 2024, will be considered by the City of Capitola prior to authorizing submission of a request for release of funds. Comments should specify which Notice they are addressing.

## **ENVIRONMENTAL CERTIFICATION**

The City of Capitola certifies to HUD that Katie Herlihy in her capacity as Community Development Director consents to accept the jurisdiction of the Federal Courts if an action is brought to enforce responsibilities in relation to the environmental review process and that these responsibilities have been satisfied. HUD's approval of the certification satisfies its responsibilities under NEPA and related laws and authorities and allows MidPen Housing to use Program funds.

## **OBJECTIONS TO RELEASE OF FUNDS**

HUD will accept objections to its release of fund and the City of Capitola's certification for a period of fifteen days following the anticipated submission date or its actual receipt of the request (whichever is later) only if they are on one of the following bases: (a) the certification was not executed by the Certifying Officer of the City of Capitola; (b) the City of Capitola has omitted a step or failed to make a decision or finding required by HUD regulations at 24 CFR part 58; (c) the grant recipient or other participants in the development process have committed funds, incurred costs or undertaken activities not authorized by 24 CFR Part 58 before approval of a release of funds by HUD; or (d) another Federal agency acting pursuant to 40 CFR Part 1504 has submitted a written finding that the project is unsatisfactory from the standpoint of environmental quality. Objections must be prepared and submitted in accordance with the required procedures (24 CFR Part 58, Sec. 58.76) and shall be addressed to HUD's San Francisco Regional Office at One Sansome Street, Suite 1200, San Francisco, CA, 94104. Potential objectors should contact HUD to verify the actual last day of the objection period.

Katie Herlihy, Community Development Director