

RESOLUTION NO. 2023-55

A RESOLUTION OF THE CITY OF COACHELLA, CALIFORNIA, AUTHORIZING THE SUBMISSION OF AN APPLICATION TO THE TRANSFORMATIVE CLIMATE COMMUNITIES PROGRAM ADMINISTERED BY THE STRATEGIC GROWTH COUNCIL IN PARTNERSHIP WITH THE CALIFORNIA DEPARTMENT OF CONSERVATION AND AUTHORIZING THE CITY MANAGER TO APPLY FOR, ACCEPT AND EXECUTE ALL RELATED DOCUMENTS FOR GRANT FUNDS IN AN AMOUNT OF TWENTY-NINE MILLION FIVE HUNDRED THOUSAND (\$29,500,000) DOLLARS, FOR PROJECTS WITHIN THE COACHELLA PROSPERA PROPOSED PROJECT AREA AND AUTHORIZING THE EXECUTION OF A PUBLIC SAFETY CFD DEFERRAL AGREEMENT, PARTNERSHIP AGREEMENT AND ALL OTHER REQUIRED DOCUMENTS

WHEREAS, the State of California Department of Conservation (“Grantor”), through the Strategic Growth Council, has heretofore invited public agencies, including the City of Coachella (“City”) to submit applications to the Grantor for the Fiscal Year 2022-23 Transformative Climate Communities Program (“Grant”) via a Notice of Funding Availability (“Notice”) dated March 8, 2023 (updated July 12, 2023); and

WHEREAS, in response to this Notice, the City wishes to apply to the Grantor for, and receive an allocation of, the Grant funds; and

WHEREAS, the City has determined that it is in the best interests to submit an application for Grant funds for clean energy, smart growth, and affordable housing projects in and around the City’s proposed Project Area; and

WHEREAS, the City shall submit an application to the Grantor to participate in the Grant program and for an allocation of funds of twenty-nine million five hundred thousand (\$29,500,000) dollars for clean energy, smart growth, and affordable housing projects in and around the City’s proposed 5-square mile area; and

WHEREAS, the City is familiar with the terms, conditions and limitations of such Grant; and

WHEREAS, the City is willing and able to conform to each of the terms, conditions, and limitations imposed upon any such Grant to the City; and

WHEREAS, the City understands that the Grantor must approve said application and will require the City to execute a Grant Agreement and other necessary documents upon approval.

WHEREAS, as a condition of applying for the grant, the Grantor requires a partnership agreement be in place between all the partner applicants; and

WHEREAS, a large component of the proposed project is a 53-unit, mixed-use, affordable housing complex requiring the application for grant funding by Chelsea Investment Corporation

(CIC) and Pacific Southwest Community Development Corporation (PSCDC), partner applicants. CIC and PSCDC intend to be the Developers through an as yet to be formed entity; and

WHEREAS, the City Council of the City of Coachella, by Resolution No. 2005-93, authorized the creation of the City of Coachella Community Facilities District 2005-1 (the "CFD") and, by Resolution No. 2005-94, authorized the levy of a special tax for properties within the CFD (the "Special Assessment"), pursuant to the Mello-Roos Community Facilities Act of 1982, as amended; and

WHEREAS, the property will be annexed into the CFD as a condition of approval and will be subject to the Special Assessment; and

WHEREAS, the Developer has requested that it be permitted to prepay fifty-five (55) years of the Special Assessments for the Property; and

WHEREAS, the City has agreed to make a loan to the Developer in order to prepay the Special Assessments, and the City and the Developer wish to enter into a loan and prepayment agreement to provide for the terms and conditions upon which the Special Assessments will be prepaid; and

WHEREAS, the Developer needs the City Council to provide a conditional loan commitment ("Commitment") to enter into these agreements to apply for project financing.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COACHELLA, CALIFORNIA, AS FOLLOWS:

SECTION 1: That the City Manager, or his designee, is hereby authorized to execute an application for Grant funds for the purpose of obtaining financial assistance provided by the State of California Department of Conservation through its Strategic Growth Council.

SECTION 2: The City of Coachella hereby agrees to comply with each and all of the terms, conditions, and limitations imposed by the Grantor upon said Grant, and the City Manager, or his designee, is hereby authorized and directed to execute any applications, agreements, assurance, extensions, amendments or other documents as may be necessary in connection with acceptance and implementation of said Grant as may be required by the Grantor.

SECTION 3: That the City Manager or his designee is authorized to enter into a partnership agreement between all partner applicants consistent with the intent and form of the draft agreement included as Exhibit A to this resolution with modifications, if needed, as to exact wording for updates and to conform and clarify the agreement for consistency with the intended purpose.

SECTION 4: – Council authorizes the City Manager or Finance Director to enter into a conditional loan commitment with the developer consistent with **Attachment 5 (Conditional Loan Commitment Letter)** with modifications as to exact wording for needed updates and to conform and clarify the letter as needed to facilitate the proper wording of the letter.

SECTION 5: The City Manager or Finance Director is authorized to enter into a prepayment and loan agreement (including a note and deed of trust) consistent with the terms of the conditional loan commitment provided the terms are met by the developer. Agreement wording will be prepared and approved by the City's Finance Director and Attorney; however, agreement terms will be consistent in all respect with the terms outlined in the conditional loan commitment letter.

PASSED, APPROVED and ADOPTED this 26th day of July, 2023.

Steven A. Hernandez
Mayor

ATTEST:

Angela M. Zepeda
City Clerk

APPROVED AS TO FORM:

Carlos Campos
City Attorney

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF COACHELLA)

I HEREBY CERTIFY that the foregoing Resolution No. 2023-55 was duly adopted by the City Council of the City of Coachella at its regular meeting thereof, held on the 26th day of July, 2023, by the following vote of Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

Delia Granados
Deputy City Clerk