



CHELSEA INVESTMENT CORPORATION  
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## MEMORANDUM

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**TO:** CITY MANAGER, BILL PATTISON  
**FROM:** CHELSEA INVESTMENT CORPORATION  
**SUBJECT:** 6<sup>TH</sup> STREET SENIORS ("PROJECT")  
**DATE:** JUNE 12, 2025

### I. Purpose:

The purpose of this memo is to confirm municipal support to proceed with the proposed design for the Project.

### II. Background

In 2023, the City and Chelsea collaborated to include the 53-apartment 6th Street Seniors development as part of the City's Transformative Climate Communities ("TCC") Grant, Coachella Prospera, application which successfully resulted in the award of a \$22,125,000 grant to the City. Since the awarding of the TCC grant in December 2023, the Project has been trying to successfully apply for and obtain the tax credits necessary to close on financing and ultimately begin construction.

An unsuccessful 2024 second round 9% tax credit application was submitted in July 2024 with a tiebreaker score of 59.77%. Another unsuccessful 2025 first round 9% tax credit application was submitted on March 18, 2025 with a tiebreaker score of 68.07%. Based on the historical winning tiebreakers for the last 3 years, Chelsea believes the tiebreaker needs to be increased further in order to secure a tax credit allocation in the 2025 second round. In order to increase the project's tiebreaker, we need to reduce hard costs.

### III. Path Forward

The Project is requesting three concessions allowed in the City of Coachella Municipal Code Chapter 17.88 – Density Bonus and Development Incentives from the City of Coachella's adopted codes and standards in order to increase its current 9% tiebreaker score. These concessions / waivers are a modifications to the adopted codes and standards above the California Building Standards that do not have an adverse impact to the public health or safety of the physical environment and represent actual cost reductions that make the units economically feasible and these concessions / waivers are: 1) The Objective Design Standards require floor-to-floor heights of 15 feet on the ground-floor commercial area. The Project is proposing to construct floor-to-floor heights of 13 feet on the ground-floor commercial area instead. This will result in 10 foot clear ceilings. 2) The Objective Design Standards require balconies for all upper floor residential units. The Project is proposing no balconies for all residential units. 3) Building articulation. The Project is also requesting that we be held to the California Building Standards. Both the concessions and assurance that there will not be additional design requirements are critical to the project achieving the higher tiebreaker score which we believe is necessary to be competitive for an award in the 9% 2025 second round.

Above and beyond City of Coachella code and standards, the Project will include two material improvements that Chelsea understands to be of significant importance to the City and Strategic Growth Council. First, the ground-floor commercial spaces will be finished to a “warm shell” condition (e.g. finished restroom, insulation, dry wall, paint, electrical, HVAC, fire sprinklers) which is more conducive to attracting small businesses. Second, the Project will be providing enclosed and conditioned corridors to help make more comfortable living conditions for the senior residents.

Lastly, Chelsea is also requesting that the overhead utility poles on the south side of the project’s site not be required to be undergrounded as a condition of approval. This will result in a further increase to the project’s tiebreaker and increase the likelihood for an award.

#### **IV. Concurrence of Approach**

Chelsea respectfully requests the City’s concurrence and support for the current proposed design of the project and path forward as stated above.

  
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City Manager, Bill Pattison



FRONT ELEVATION