

RESOLUTION NO. 2025-36

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COACHELLA, CALIFORNIA AUTHORIZING A CONDITIONAL LOAN COMMITMENT LETTER TO DEFER LOCAL DEVELOPMENT IMPACT FEES FOR THE SIXTH STREET SENIOR APARTMENTS AFFORDABLE HOUSING PROJECT IN THE AMOUNT OF \$1,179,044 FOR A TERM OF 55 YEARS AT 3% INTEREST

WHEREAS, Chelsea Investment Corporation ("Developer") has obtained site control for a proposed low income housing project with the intention of constructing a 53-unit affordable multifamily development with 4,742 square feet of commercial space, carports and related improvements known as the 6th Street Senior CIC, LP Apartments (the "Project") with expected entitlement in the name of a new entity to be formed conducive to the type of project contemplated ("to be formed entity"). The project includes properties with APNs 778-113-001 and 778-113-002; and

WHEREAS, To make the project financially viable and allow the Developer to facilitate financing arrangements for the project, the developer needs to defer these local development impact fee payments. To defer these assessments, the developer is asking the City to enter into a conditional loan and prepayment agreement letter that will defer the payments from the project for 55 years. The full amount of the assessments will be payable out of residual receipts generated by the project, secured by a Promissory Note and Deed of Trust against the property at the end of 55 years or sooner if the project is sold or refinanced; and

WHEREAS, the City has agreed to make a conditional loan commitment for the deferral of the local development impact fees for the Project in the amount of \$1,179,044, 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 local development impact fees 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, THE CITY COUNCIL OF THE CITY OF COACHELLA HEREBY RESOLVES AS FOLLOWS:

SECTION 1 – City Council authorizes the City Manager to enter into a conditional loan commitment with the developer consistent with Exhibit A (Conditional Loan Commitment Letter) with minor modifications as to exact wording and final loan amount (if less than the not to exceed amount) for needed updates and to conform and clarify the letter as needed to facilitate the proper wording of the letter subject to review by the City Attorney.

SECTION 2 - The City Manager 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 Manager and City Attorney; however, agreement terms will be consistent in all respects with the terms outlined in the conditional loan commitment letter.

PASSED, APPROVED, and ADOPTED, this 25th day of June, 2025.

Steven A. Hernandez
Mayor

ATTEST:

Angela M. Zepeda
City Clerk

APPROVED AS TO FORM:

Ryan Guiboa
City Attorney