



April 15, 2025

6th Street Senior Apartments
Coachella, CA 92236

Subject: CFD Loan Commitment

To Whom It May Concern:

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. 202394 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.

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 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.

The City agrees to enter into a conditional affordable housing loan commitment wherein the City agrees to loan 6th Street Seniors CIC, LP funds for the prepayment of special assessments under the following terms:

1. Loan Amount - \$8,290,440.63 *
2. Loan Term - 55 years.
3. Interest- 3% simple per annum**.
4. Repayment - in full at end of loan term, sale or refinance.
5. Annual Payments - 50% of residual cash flow***.

*Based on CFD amount for fiscal year 24/25 of \$1,555.55 presuming 2% average annual CIP increases. Agreement amount to be updated to reflect current CFD rate at time of project completion. Special assessments exceeding the loan/prepayment amount within the 55-year term will be included in the applicable year levy.

**Interest will be calculated on the accrued unpaid special assessment balance each year.



***Free cash flow will be stipulated in the agreement consistent with standard financial definitions and will specifically exclude any equity items such as but not limited to partnership distributions, profit pay outs, partner guaranteed payments or any other equity/capital distribution as defined by Generally Accepted Accounting Principles. Free cash flows will also specifically exclude reserve balances except for reasonable operating reserves which will not exceed one year of operating expenses as measured by the immediately preceding fiscal year.


Conditions of Loan Approval:

1. The Developer agrees to enter into a concurrent prepayment agreement in the same amount as the loan agreement. Monies received under the affordable housing loan agreement will be directly paid to the City in prepayment of CFD taxes due.
2. The Developer agrees to annex the property into the CFD.
3. The Developer agrees to applicable modification of the CFD to permit a prepayment agreement.
4. The Developer secures all project financing.
5. The Developer obtains all necessary City and other regulatory approvals.
6. The Developer agrees to complete all off-site improvements specified in grant, funding and City agreements along with related applications and supporting detail documents.

Council of the City of Coachella approved this conditional loan commitment for the above-referenced project at a specially convened meeting on April 23, 2025. This letter shall serve as an enforceable funding commitment for the loan. The loan, totaling \$8,290,440.63 will be made as permanent funding for the project.

Should you have any questions, please do not hesitate to contact me at 760-398-3502.

Sincerely,



William B. Pattison, Jr.
Interim City Manager
City of Coachella

RESOLUTION NO. 2025-16

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COACHELLA, CALIFORNIA APPROVING A COMMITMENT TO ENTER INTO A CONDITIONAL LOAN AGREEMENT TO PREPAY LAW ENFORCEMENT, FIRE AND PARAMEDIC SERVICES SPECIAL ASSESSMENTS (CFD 2005-1) FOR THE SIXTH STREET SENIOR CIC, LP APARTMENTS AFFORDABLE HOUSING PROJECT

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, 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, 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.

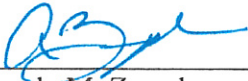
SECTION 2 - The City Manager is authorized to enter into a prepayment and loan agreement (including a note and deed of trust) consistent with the terms of the conditional loan commitment provided the terms are met by the developer. Agreement wording will be prepared and approved by the City Manager and 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 23rd day of April 2025.



Steven A. Hernandez
Mayor

ATTEST:



Angela M. Zepeda
City Clerk

APPROVED AS TO FORM:

BEST, BEST & KRIEGER



City Attorney

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


I HEREBY CERTIFY that the foregoing Resolution No. 2025-16 was duly adopted by the City Council of the City of Coachella at a regular meeting thereof, held on the 23rd day of April 2025, by the following vote of Council:

AYES: Councilmember Perez, Councilmember Dr. Figueroa, Councilmember Virgen,
 and Mayor Pro Tem Delgado

NOES: None

ABSENT: None

ABSTAIN: Mayor Hernandez



Delia Granados
Deputy City Clerk



July 6, 2022

Subject: CFD Loan Commitment
Villa Verde Apartments
Coachella, CA 92236

To Whom It May Concern:

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.

Abode Communities ("Developer") has obtained site control for a proposed affordable housing project with the intention of constructing a 152-unit affordable multifamily development consisting of 1-3 bedroom apartments, community room, laundry facilities and common open spaces known as the Villa Verde Apartments. Located on 9.4 acres of property at the southwest corner of Calle Verde and Calle Techa APN 768-250-002 and 768-300-001 (the "Project") with entitlement in the name of a new entity to be formed conducive to the type of project contemplated Villa Verde I, L.P.

The City agrees to enter into a conditional affordable housing loan commitment wherein the City agrees to loan Villa Verde I, L.P. funds for the prepayment of special assessments under the following terms:

1. Loan Amount - \$26,616,434*.
2. Loan Term - 55 years.
3. Interest - 2% simple per annum**.
4. Repayment – in full at end of loan term, sale or refinance.
5. Annual Payments - 50% of residual cash flow or **funding source allowed maximum ***.**

*Based on CFD per unit amount for fiscal year 21/22 of \$1,249.40 presuming 3% average annual CIP increases. Agreement amount to be updated to reflect current CFD rate at time of project completion. Special assessments exceeding the loan/prepayment amount within the 55-year term will be included in the applicable year levy.

**Interest will be calculated on the accrued unpaid special assessment balance each year.

***Free cash flow will be stipulated in the agreement consistent with standard financial definitions and will specifically exclude any equity items such as but not limited to partnership distributions, profit pay outs, partner guaranteed payments or any other equity/capital distribution as defined by Generally Accepted Accounting Principles. Free cash flows will also specifically exclude reserve balances except

for reasonable operating reserves which will not exceed one year of operating expenses as measured by the immediately preceding fiscal year.

Conditions of Loan Approval:

1. The Developer agrees to enter into a concurrent prepayment agreement in the same amount as the loan agreement. Monies lent to the developer under the affordable housing loan agreement will be prepaid directly to the City for fifty-five years of CFD taxes.
2. The Developer agrees to annex the property into the CFD.
3. The Developer agrees to applicable modification of the CFD to permit a prepayment agreement.
4. The Developer secures all project financing.
5. The Developer obtains all necessary City and other regulatory approvals.
6. The Developer agrees to complete all off-site improvements specified in grant, funding and City agreements along with related applications and supporting detail documents.

Council of the City of Coachella approved this conditional loan commitment for the above-referenced project at a regularly scheduled meeting on June 8, 2022. This letter shall serve as an enforceable funding commitment for the loan. The loan, totaling \$26,616,434 will be made as permanent funding for the project.

Should you have any questions, please do not hesitate to contact me at 760-398-3502.

Sincerely,



Nathan Statham, Finance Director

City of Coachella
Via Verde Apartments - Loan Amount Calculation
Conditional Loan Approval - 06/08/2022

Average CPI	A	0.03
Interest		0.02
Units		152.00
21/22 Unit Levy		1,249.40

Year	Deferred Assessment	Levy Balance	Interest	Balance
1	195,606.06	195,606.06	3,912.12	199,518.19
2	201,474.25	397,080.31	7,941.61	405,021.92
3	207,518.47	604,598.78	12,091.98	616,690.76
4	213,744.03	818,342.81	16,366.86	834,709.67
5	220,156.35	1,038,499.16	20,769.98	1,059,269.14
6	226,761.04	1,265,260.20	25,305.20	1,290,565.40
7	233,563.87	1,498,824.07	29,976.48	1,528,800.55
8	240,570.79	1,739,394.85	34,787.90	1,774,182.75
9	247,787.91	1,987,182.76	39,743.66	2,026,926.42
10	255,221.55	2,242,404.31	44,848.09	2,287,252.40
11	262,878.19	2,505,282.50	50,105.65	2,555,388.15
12	270,764.54	2,776,047.04	55,520.94	2,831,567.98
13	278,887.48	3,054,934.52	61,098.69	3,116,033.21
14	287,254.10	3,342,188.62	66,843.77	3,409,032.39
15	295,871.72	3,638,060.34	72,761.21	3,710,821.55
16	304,747.87	3,942,808.21	78,856.16	4,021,664.38
17	313,890.31	4,256,698.52	85,133.97	4,341,832.50
18	323,307.02	4,580,005.54	91,600.11	4,671,605.66
19	333,006.23	4,913,011.77	98,260.24	5,011,272.01
20	342,996.42	5,256,008.19	105,120.16	5,361,128.36
21	353,286.31	5,609,294.50	112,185.89	5,721,480.39
22	363,884.90	5,973,179.40	119,463.59	6,092,642.99
23	374,801.45	6,347,980.85	126,959.62	6,474,940.46
24	386,045.49	6,734,026.34	134,680.53	6,868,706.86
25	397,626.85	7,131,653.19	142,633.06	7,274,286.25
26	409,555.66	7,541,208.85	150,824.18	7,692,033.03
27	421,842.33	7,963,051.18	159,261.02	8,122,312.20
28	434,497.60	8,397,548.78	167,950.98	8,565,499.75
29	447,532.53	8,845,081.31	176,901.63	9,021,982.93
30	460,958.50	9,306,039.81	186,120.80	9,492,160.61
31	474,787.26	9,780,827.07	195,616.54	9,976,443.61
32	489,030.88	10,269,857.94	205,397.16	10,475,255.10
33	503,701.80	10,773,559.75	215,471.19	10,989,030.94
34	518,812.86	11,292,372.60	225,847.45	11,518,220.05
35	534,377.24	11,826,749.84	236,535.00	12,063,284.84
36	550,408.56	12,377,158.40	247,543.17	12,624,701.57
37	566,920.82	12,944,079.22	258,881.58	13,202,960.80

38	583,928.44	13,528,007.66	270,560.15	13,798,567.81
39	601,446.29	14,129,453.95	282,589.08	14,412,043.03
40	619,489.68	14,748,943.64	294,978.87	15,043,922.51
41	638,074.37	15,387,018.01	307,740.36	15,694,758.37
42	657,216.60	16,044,234.61	320,884.69	16,365,119.31
43	676,933.10	16,721,167.72	334,423.35	17,055,591.07
44	697,241.10	17,418,408.81	348,368.18	17,766,776.99
45	718,158.33	18,136,567.14	362,731.34	18,499,298.48
46	739,703.08	18,876,270.22	377,525.40	19,253,795.62
47	761,894.17	19,638,164.39	392,763.29	20,030,927.68
48	784,751.00	20,422,915.39	408,458.31	20,831,373.69
49	808,293.53	21,231,208.91	424,624.18	21,655,833.09
50	832,542.33	22,063,751.24	441,275.02	22,505,026.27
51	857,518.60	22,921,269.84	458,425.40	23,379,695.24
52	883,244.16	23,804,514.00	476,090.28	24,280,604.28
53	909,741.48	24,714,255.49	494,285.11	25,208,540.60
54	937,033.73	25,651,289.22	513,025.78	26,164,315.00
55	965,144.74	26,616,433.96	532,328.68	27,148,762.64
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	26,616,433.96			

This is a projected number. Actual will affect the total number of years deferred.

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