



May 9, 2024

Subject: Transformative Climate Communities (TCC) Conditional Enforceable Loan Commitment

To Whom It May Concern:

Chelsea Investment Corporation (“Developer”) has obtained site control for a proposed low-income housing project with the intention of constructing a 53-unit affordable senior development with 4,742 square feet of commercial space and related improvements known as the 6th Street Seniors Apartments (“Project”) with expected entitlement in the name of 6th Street Seniors CIC, LP. The project includes vacant land located on the south side of 6th Street between Tripoli Ave and Date Ave.

The Project was submitted as part of the City’s Transformative Climate Communities (“TCC”) grant application that received a Transformative Climate Communities Implementation award from the California Strategic Growth Council (“SGC”) in the amount of \$22,125,000. Of the \$22,125,000 grant award, \$7,200,000 is earmarked for the Project and the City will loan the \$7,200,000 to 6th Street Seniors CIC, LP.

The City hereby provides this affordable housing loan commitment wherein the City agrees to loan 6th Street Seniors CIC, LP funds for the construction and/or permanent funding of the Project under the following terms:

1. Loan Amount: \$7,200,000.
2. Loan Term: 55 years.
3. Interest: 3% simple per annum.
4. Repayment: In full at end of loan term.
5. Annual Payments: Pro-rata share of 50% of residual cash flow.

Conditions of Loan Approval:

1. The Developer and the City agree to enter into a loan agreement.
2. The Developer secures all project financing.
3. The Developer obtains all necessary City and other regulatory approvals.
4. The Developer agrees to complete all improvements specified in grant, funding, and City agreements along with related application and supporting detail documents.

Council of the City of Coachella approved this conditional loan commitment for the above-referenced project at a meeting on June 12, 2024. This letter shall serve as a conditional enforceable funding commitment for the loan. The loan, totaling \$7,200,000, will be made as construction and/or permanent funding for the project.

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

Sincerely,

Dr. Gabriel D. Martin,
City Manager