

**RESOLUTION NO. 2021-27**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COACHELLA, CALIFORNIA, APPROVING THE PURCHASE AND SALE AGREEMENT FOR 155 VACANT RESIDENTIAL LOTS LOCATED WITHIN TRACT NUMBERS 32074, 32074-1 AND 32074-2, ALSO IDENTIFIED AS ASSESSOR PARCEL NUMBERS (APNS) 779-272-001 THROUGH 779-272-016, 779-301-001 THROUGH 779-301-007, 779-300-001 THROUGH 779-300-007, 779-271-039 THROUGH 779-271-052, 779-300-008 THROUGH 779-300-014, 779-301-008, 779-300-015 AND 779-301-009 (PARCEL 1); APNS 779-270-001 THROUGH 779-270-019, 779-271-001 THROUGH 779-271-036, 779-271-037 AND 779-271-038 (PARCEL 2); AND APNS 779-300-016 THROUGH 779-300-050, 779-301-010 THROUGH 779-301-022, 779-300-051, 779-300-052, 779-301-023 AND 779-301-024 (PARCEL 3) TO D.R. HORTON LOS ANGELES COMPANY, INC.**

**WHEREAS**, Tract 32074, recorded on December 2, 2005, is a 37.3-acre 155-lot single-family residential subdivision located at the southeast corner of Avenue 50 and Calhoun Street in the City of Coachella (“City”), County of Riverside – commonly known as La Colonia II (the “Site”); and

**WHEREAS**, on or about September 9, 2020, the City, as fee owner of the Site and pursuant to the provisions of Government Code section 54220 *et seq.* (the “Surplus Land Act”), delivered a Notice of Availability (“NOA”) to those entities designated in Section 54222 of the Surplus Land Act, notifying them of the availability for lease or purchase of the Site; and

**WHEREAS**, the deadline for entities to respond to the NOA with a Notice of Interest (“NOI”) was, pursuant to Section 54222(e) of the Surplus Land Act, sixty (60) days after issuance of the NOA, or November 9, 2020; and

**WHEREAS**, as a result of the NOA, the City received three (3) timely NOIs (together, the “NOI Entities”), including one from D.R. Horton Los Angeles Company, Inc. (“Buyer”), and in order to determine whether good faith negotiations should commence with any NOI Entity, the City sent a questionnaire (“Questionnaire”) to each NOI Entity; and

**WHEREAS**, the City received responses from each NOI Entity to the Questionnaire (“Questionnaire Responses”); and

**WHEREAS**, in their Questionnaire Responses, none of the NOI Entities proposed to build any income-restricted affordable housing on the Site; and

**WHEREAS**, based on the foregoing, the negotiation and selection requirements of the Surplus Land Act did not apply, and therefore, the City was free to select the highest bidding developer among the NOI Entities for sale of the Site, which was Buyer; and

**WHEREAS**, on February 24, 2021, the City Council passed and approved Resolution No. 2021-14, which declared the Site, among other City-owned properties, as non-exempt “surplus land” pursuant to Section 54221(b)(1) of the Surplus Land Act; however, the Site was not accurately identified by APN in the resolution; and

**WHEREAS**, in an effort to ensure compliance with the Surplus Land Act, the City will make the necessary findings and declare the Site “surplus land” in this resolution as well; and

**WHEREAS**, the Site is not necessary for the City’s use, is currently not being put to any use by the City, and the City has no planned use for the Site; and

**WHEREAS**, the Site does not meet any of the applicable exemptions under the Surplus Land Act (Government Code section 54221(f)); and

**WHEREAS**, in order to meet the definition of “surplus land” in the Surplus Land Act, the local agency’s governing body must take “formal action in a regular public meeting declaring that the land is surplus and is not necessary for the agency’s use”; and

**WHEREAS**, the City has determined that a sale of the Site to Buyer, subject to a restrictive covenant required by Section 54233 of the Surplus Land Act (the “Restrictive Covenant”), is in the best interests of the City and its residents; and

**WHEREAS**, to the extent Buyer intends to develop the Site for any purpose, Buyer acknowledges that any such development must comply with the Restrictive Covenant, the City’s General Plan, and zoning code, and/or it must obtain all necessary amendments thereto, as well as other approvals from the City, including, but not limited to, applicable entitlements, permits, and licenses; and

**WHEREAS**, on or about August 12, 2019, the City obtained a preliminary property appraisal for the Site, which appraisal indicates that the Site is worth approximately \$3,250,000.00; and

**WHEREAS**, on or about October 29, 2020, Buyer provided an offer letter to the City to purchase the Site for \$3,870,000; and

**WHEREAS**, the City desires to accept the offer from Buyer, as described in the Purchase and Sale Agreement, attached hereto and incorporated herein by reference as **Exhibit A** (the “PSA”); and

**WHEREAS**, approval of the PSA shall be subject to the Restrictive Covenant, which is attached hereto and incorporated herein by reference as **Exhibit B**; and

**WHEREAS**, on April 28, 2021, the City Council conducted a public hearing to consider facts as presented in the staff report prepared for approval of the PSA, and to accept public testimony regarding this proposed property sale.

**.NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COACHELLA DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1. Recitals.** All of the above recitals are true and correct and incorporated herein by reference.

**SECTION 2. Surplus Land Findings and Declaration.** The City Council hereby finds and declares that the Site is not necessary for the City’s use and is surplus land, as defined in Government Code section 54221, based on the true and correct written findings found in this Resolution, which shall be incorporated herein by reference.

**SECTION 2. Approval.** The City Council hereby approves sale of the Site to Buyer for valuable consideration and approves the related PSA. The City Council hereby finds that the sale of the Site to Buyer is in the best interest of the City for the above stated reasons.

**SECTION 3. Signature Authority.** The Mayor is authorized to take any and all actions necessary to facilitate the purposes of this Resolution including, without limitation, execution of the PSA and any documents required for recording in the Recorder’s office for the County of Riverside.

**SECTION 4. CEQA.** The City Council finds that the approval of this Resolution is not subject to the California Environmental Quality Act (“CEQA”) under Title 14 of the California Code of Regulations, Section 15312 (Class 12, sale of surplus properties). Further, pursuant to Sections 15060(c)(2), the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment.

**SECTION 5. Effective Date.** This Resolution shall take effect upon adoption by the City Council.

**PASSED, APPROVED and ADOPTED** this 28<sup>th</sup> day of April 2021.

---

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. 2021-27 was duly adopted by the City Council of the City of Coachella at a regular meeting thereof, held on the 28<sup>th</sup> day of April 2021, by the following vote of Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Andrea J. Carranza, MMC  
Deputy City Clerk