



January 26, 2022

Subject: CFD Loan Commitment  
Coachella Village (Coachella Valley Development Partners, LLC)  
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.

Coachella Valley Development Partners, LLC ("Developer") has obtained site control for a proposed housing project with the intention of constructing a multifamily apartment complex totaling 352-unit to be constructed in two phases. The project also includes amenities including a 5,000 square foot daycare facility, outdoor play area, a 5,000 square foot Recreation Building, a pool and spa, and various other recreational amenities for residents throughout the site and is known as the Coachella Village Apartments (the "Project"). The first phase of the project will be constructed in three parts. This commitment pertains to the first 84 units to be constructed within phase 1. The project is located on the south side of Avenue 48 west of Van Buren Street.

The City agrees to enter into a conditional affordable housing loan commitment wherein the City agrees to loan the project owner funds for the prepayment of special assessments under the following terms:

1. Loan Amount – not to exceed \$2,400,000\*.
2. Loan Term - 15 years (10 years deferred with no payment, 5 years interest only).
3. Interest - 3% compounded per annum\*\*.
4. Repayment – in full at end of loan term, sale or refinance.

\*Based on CFD amount for fiscal year 21/22 of \$1,249.40 presuming 2% average annual CPI 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 loan term will be included in the applicable year levy.

\*\*Interest will be calculated on the accrued unpaid loan balance each 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 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 funding and City agreements along with related supporting detail documents.

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

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

Sincerely,

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