

**RESOLUTION NO. \_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM DESERT APPROVING A SECOND “AMENDED AND RESTATED DISPOSITION, DEVELOPMENT AND LOAN AGREEMENT” REGARDING “PALM VILLAS AT MILLENIUM” AMONG THE CITY, AS SELLER, THE PALM DESERT HOUSING AUTHORITY, AS LENDER, AND PALM COMMUNITIES, A CALIFORNIA LIMITED COMPANY, AS PURCHASER/BORROWER/DEVELOPER, IN CONNECTION WITH APPROXIMATELY 10.49 ACRES OF PROPERTY OWNED BY THE CITY, AND TAKING RELATED ACTIONS**

**RECITALS:**

- A. The City of Palm Desert (“City”) owns that approximately ten and one-half (10.49) acre site located in the City of Palm Desert, identified as APN 694-120-028 and a portion of APN 694-120-029, as more particularly described in Exhibit A to the form of the Amended and Restated Disposition, Development and Loan Agreement, dated as of April 11, 2024 (“Second Amended and Restated DDLA”) by and among the City, the Palm Desert Housing Authority (“Authority”) and Palm Communities (“Developer”) attached hereto as Exhibit “A” (“Property”).
- B. The City, Authority and Developer previously entered into a Disposition, Development and Loan Agreement, dated November 23, 2022, and the Amended and Restated Disposition and Development Agreement, dated June 22, 2023 (the “First Amended and Restated DDLA”), to provide for the conveyance of the Property to the Developer and the construction by the Developer of 239 affordable housing units, which shall be made available to and occupied by low and extremely low income households, and two on-site manager units (“Project”).
- C. The City Council previously declared the Property exempt surplus land pursuant to Government Code Section 54221(f)(1)(A) on the basis that the Project meets the affordability and design requirements of Government Code Section 37364, and the California Department of Housing and Community Development confirmed such exemption in writing.
- D. The Developer has applied for and received a density bonus (including reduced parking and increased density) for the Project pursuant to City Resolution No. 2022-24.
- E. The City Council has determined in City Resolution No. 2022-24 that the Project does not require additional review under the California Environmental Quality Act.
- F. The City Council, Authority Board and Developer desire to enter into the Second Amended and Restated DDLA to replace the First Amended and Restated DDLA and provide, subject to the terms and conditions of the Second Amended and Restated DDLA, for: (i) the City to process a Parcel Map to divide the Property into the Phase I Parcel (consisting of approximately 6.02 acres) and Phase II Parcel (consisting of

approximately 4.47 acres) and to convey the Property to the Developer in two phases; (ii) the Developer to construct 121 units on the Phase I Parcel and 120 units on the Phase II Parcel; (iii) the Authority to make a purchase money/ acquisition loan to the Developer in the amount of \$1,965,539 to purchase the Phase I Parcel and a purchase money/ acquisition loan to the Developer in the amount of \$4,789,461 to purchase the Phase II Parcel; (iv) concurrently with the conveyance of the Phase I Parcel to the Developer, the City and Developer to grant to each other reciprocal easements over the Phase I and Phase II Parcel for ingress and egress; and (v) concurrently with the conveyance of the Phase I Parcel to the Developer, the City to grant an easement over Parcel 9, an adjacent City-owned parcel, to allow ingress and egress to the Phase I Parcel through the Phase II Parcel, and an access easement over Parcel 9 to allow the Developer to clear any accumulated sand against the Phase I and Phase II boundary wall.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PALM DESERT DOES HEREBY RESOLVE, DETERMINE, AND ORDER AS FOLLOWS:**

**SECTION 1.** The above recitals are true and correct and are a substantive part of this Resolution.

**SECTION 2.** In accordance with Government Code Section 37364, the City Council previously found that the Property can be used to provide housing affordable to persons and families of low or moderate income and that this use is in the City's best interests. The City Council hereby confirms such finding and finds that the use of moneys in the Authority's Low and Moderate Income Housing Fund in accordance with the Second Amended and Restated DDLA is of benefit to the project areas of the former Palm Desert Redevelopment Agency.

**SECTION 3.** In accordance with Government Code Section 54221(f)(1)(A), the City Council previously declared the Property exempt surplus land on the basis that the Project meets the affordability and design requirements of Government Code Section 37364. The City Council hereby confirms such finding.

**Section 4. [CEQA]**

**SECTION 5.** The Second Amended and Restated DDLA, in the form attached hereto as Exhibit "A", is hereby approved. The City Manager of the City is hereby authorized to execute and deliver the Second Amended and Restated DDLA, for and in the name of the City, in substantially such form, with changes thereto as the City Manager may deem appropriate or necessary and consistent with the purposes of this Resolution (such approval to be conclusively evidenced by the execution and delivery thereof).

**SECTION 6.** The members of the City Council and the officers and staff of the City are hereby authorized, jointly and severally, to take any other such actions as they deem necessary or proper to effectuate the purposes of this Resolution and the Second Amended and Restated DDLA including the exhibits thereto. Such actions include negotiating and preparing agreements and documents, and any such actions previously

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taken are hereby ratified and confirmed. The City Manager of the City is authorized to execute, deliver and record, on behalf of the City, all documents contemplated by the Second Amended and Restated DDLA.

**SECTION 6.** The City Clerk shall certify to the adoption of this Resolution and the same shall take effect and be in force.

**PASSED, APPROVED, AND ADOPTED this \_\_\_\_ day of April, 2024.**

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
**KARINA QUINTANILLA**  
**MAYOR**

**ATTEST:**

\_\_\_\_\_  
ANTHONY J. MEJIA, CITY CLERK

**EXHIBIT “A”**

**Form of Second Amended and Restated DDLA**

(Attached.)