

RESOLUTION NO. HA-_____

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

RECITALS:

A. Pursuant to AB X1 26 (enacted in June 2011) and the California Supreme Court's decision in California Redevelopment Association, et al. v. Ana Matosantos, et al., 53 Cal. 4th 231 (2011), the former Palm Desert Redevelopment Agency (“Former Agency”) was dissolved as of February 1, 2012.

B. Pursuant to Health and Safety Code Section 34176(b), the City Council of the City of Palm Desert (“City”) adopted Resolution No. 2012-07, electing for the City to not retain the responsibility for performing housing functions previously performed by the Former Agency, and determining that all of the assets, as allowed by law, and all rights, powers, liabilities, duties, and obligations associated with the housing activities of the Former Agency be transferred to the Palm Desert Housing Authority (“Authority”).

C. The City owns that approximately ten and one-half (10.49) acre site located in the City, 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 Authority and Palm Communities (“Developer”) attached hereto as Exhibit “A” (“Property”).

D. 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”).

E. 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 PALM DESERT HOUSING AUTHORITY 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. The Second Amended and Restated DDLA, in the form attached hereto as Exhibit "A", is hereby approved. The Executive Director of the Authority is hereby authorized to execute and deliver the Second Amended and Restated DDLA, for and in the name of the Authority, in substantially such form, with such changes thereto as the Executive Director 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 3. The Developer is hereby authorized to submit an application, including the Second Amended and Restated DDLA, to the California Tax Credit Allocation Committee for tax credits as contemplated by the Second Amended and Restated DDLA.

Section 4. The Director of Finance is hereby authorized to appropriate \$6,755,000 from the Unobligated Housing Asset Fund Balance to the appropriate budget line item(s). The Board hereby finds that the use of the Housing Fund moneys in accordance with the Second Amended and Restated DDLA is of benefit to the project areas of the Former Agency.

Section 5. The Second Amended and Restated DDLA does not bind the Authority to make the Authority loans unless the applicable tax credits and other debt and equity necessary to complete the Project shall have been awarded/committed, and all other conditions described in the Second Amended and Restated DDLA to the closing shall have been satisfied.

Section 6. The members of this Board and the officers and staff of the Authority 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 taken are hereby ratified and confirmed. The Executive Director of the Authority is authorized to execute, deliver and record, on behalf of the Authority, all documents contemplated by the Second Amended and Restated DDLA.

Section 7. The Secretary shall certify to the adoption of this Resolution and the same shall take effect and be in force.

PASSED, APPROVED and ADOPTED ON THIS __ day of April 2024, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

KARINA QUINTANILLA, CHAIRMAN

ATTEST:

ANTHONY J. MEJIA, SECRETARY
PALM DESERT HOUSING AUTHORITY

EXHIBIT "A"

FORM OF SECOND AMENDED AND RESTATED DDLA

(Attached.)