

Desert College Financing Corporation

Meeting Minutes

November 1, 2023 from 10:00 – 11:00 a.m.

College of the Desert – Palm Desert Campus

Cravens Student Services Center DSPS Conference Room (CSSC 124)

Zoom (for the public, consultants and guests):

<https://collegeofthedesert-edu.zoom.us/j/86569001638?pwd=OOnqg7xmACcnPrPmKGWBzIrm6is7Lt.1>

Members Present in Person: Rod Garcia; Bryan Montgomery; Diane Rubin

Member Participating Remotely: Luis Valentino

Member Not Present: Rubin Perez

Quorum Met

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Pubic Meeting

1. Call to Order (Vice President for Administrative Services - Rod Garcia)
2. Welcome and Introductions
 - a. Board members were introduced: Bryan Montgomery, Diane Rubin, and Luis Valentino.
 - b. Staff and guest were acknowledged: Diana Guijarro (COD), John White (COD), Alex Aydin (Novogradac & Company), Michael Allderdice (Bergman + Allderdice), David Cohan (PeaksCo)
3. Public Comment. None requested or received.
4. Action Items
 - a. Meeting Minutes of August 22, 2022 approved unanimously with one correction, spelling of member Rubin's name. (First by: D. Rubin, Second by: B. Montgomery).
 - b. Appointments
 - i. President of the DCFC by unanimous vote was Mr. Rod Garcia (First by: D. Rubin, Second: by B. Montgomery).
 - ii. Vice President of the DCFC by unanimous vote was Mr. Rubin Perez (First by: D. Rubin, Second by: R. Garcia)
 - iii. Treasurer for the DCFC: Ms. Diana Guijarro, COD, was elected by unanimous vote (First by: R. Garcia, Second by: B. Montgomery).
 - iv. Secretary for the DCFC: Mr. John White, COD, was elected by unanimous vote. (First by: R. Garcia, Second by B. Montgomery).

- c. Resolution Authority of Officers passed unanimously (First by: B. Montgomery, Second by: R. Garcia).

5. Information/Discussion

- a. Overview of the NMTC program presented by Michael Allderdice, Bergman and Allderdice.

Congress established the New Markets Tax Credit (“NMTC”) program to encourage investors to make investments in low-income communities that traditionally lack access to capital. Every NMTC financing requires (1) an investor to purchase the tax credits, (2) a CDE to provide the tax credits, (3) a “Leverage Lender” to provide funding for approximately 75% of the cost of a project, and (4) a “Qualified Active Low Income Community Business” (“QALICB”) to be the borrower and to make the “Qualified Low Income Community Investment” (“QLICI”) such as construct a project or run a business.

The construction of the Indio Child Development Center of the Desert Community College District will receive financial grant using the NMTC program as approved by the District Board of Trustees. The investor is US Bancorp Community Development Corporation; the CDEs are Border Communities Capital Corporation and California Statewide Communities Development Corporation. The Indio Child Development Center is in a Low-Income Census Tract and it provides substantial benefits to the community (primarily construction jobs, day care for employees’ children and affordable education to residents). At the expiration of the 7-year compliance period, the Investor no longer has an interest in continuing the NMTC structure, and the parties “wind up” the structure. The end result is a grant (which does not get repaid) to DCCD for approximately 20% of the cost of the CDC project.

- b. Indio Child Development Center Project

The construction of the Child Development Center at College of the Desert’s Indio Center is nearly complete and is expected to be operating in January 2024. The project adds about 18,000 square feet building space and approximately 7,000 sf of outdoor play yards. The new building will accommodate 32 toddlers in two classrooms (16 children each) and 48 preschool age children in two additional preschool classrooms (24 children each), observation, office and support spaces. Site improvements include undergrounding of existing overhead utilities, demolition of existing structures and construction of new parking.

The projected number of full-time construction jobs associated with the project is 150 workers. About eight full time staff positions will be created plus as many as 22 part time unpaid student interns and volunteers. About 80% of the enrolled children are children of COD students and are expected to qualify as low-income.

- c. Desert College Finance Corporation – Fiscal Report (Diana Guijarro and Alex Ayden)

The District has taken steps to contract for accounting and advisory services and more information will be available in by Spring 2024 as reimbursements and normal fund transfers and transaction take place in support of the NMTC project. The District works closely with the Community Development Entities, US Bank and all parties to provide information regarding financial transactions and performance per established administrative and operating procedures.

d. Indio Center Expansion Project 2024 (John White)

There are favorable indicators and interest by several Community Development Entities (CDEs) which are considering attaching their support to the Indio Expansion. The District has been communicating information about the Indio Expansion Project and its benefits to the community with potential CDEs and investors over the past year.

The Indio Expansion provides 67,000 gross square feet of new building space. The three-story instructional building accommodates classrooms, science and computer labs, lecture halls, an enlarged student success service center, a student health center, open study and group collaboration areas, expanded facility office space, and a student dining commons. A covered-unclosed pavilion will connect the expansion to the existing campus building. Parking lots, improved vehicular circulation and landscape buffers will also be provided as part of the project.

6. Adjourn at 11:00 a.m.