

**TOWN OF
APPLE VALLEY, CALIFORNIA**

AGENDA MATTER

Subject Item:

REQUEST FOR QUALIFICATIONS (RFQ) – DEVELOPMENT OF AFFORDABLE RENTAL HOUSING

Background:

On January 25, 2011, staff conducted an Affordable Housing Workshop to review the status of affordable housing in Apple Valley. During the two-hour workshop, staff summarized key definitions, federal and state requirements, status of housing activities, and status of funding sources. At the conclusion of the workshop, the Town Council directed staff to bring forward to Council a Request for Qualifications (RFQ) for the purpose of soliciting responses from qualified firms experienced in the financing, development and operation of affordable rental housing projects to meet state housing production requirements.

Summary Statement:

It is the Town's objective to enter into one or more partnerships with qualified firms with experience in the area of subsidized affordable housing and that will be able to work cooperatively with the staff to implement a successful housing development.

The selection process will be a two step process. First, developers will be required to submit a Statement of Qualifications (SOQ) and a brief concept proposal in response to the RFQ. The Town will select the most qualified developers to be placed on a "most Qualified List", of which one or more developers may be invited to submit a more detailed development proposal. It is the Town's desire to invite the most qualified developer(s), with the most competitive proposals, to enter into a development agreement(s) for project implementation.

The first development contemplated is a senior project, after which an additional senior or family project may also be considered. Since this is the first affordable rental project the Town will directly participate in financially, the need for this project to be a major success cannot be overstated, as it will set the standard for future affordable rental housing developments in the Town of Apple Valley.

(continued)

Recommended Action:

That the Town Council and Redevelopment Agency approve the Request for Qualifications (RFQ) for the development of affordable housing and authorize the release of said RFQ.

Proposed by Economic Development & Housing Div. **Item Number** _____

T. M. Approval: _____ **Budgeted Item** Yes No N/A

RFQ (continued)
Page 2

A copy of both the RFQ and the Affordable Housing RFQ List is attached for your review and information. The Affordable RFQ List was developed over the past three years and consists of entities that have contacted the Economic Development and Housing Division to express interest in partnering with the Town in order to develop affordable housing in Apple Valley. In every case, several discussions and/or presentations have taken place with these entities. The Economic Development and Housing Division has informed each entity that they would be placed on a RFQ/RFP List, pending further direction from Council. A total of 21 entities are currently on the list.

Staff recommends adoption of the form motion.

Town of Apple Valley

Request for Qualifications (RFQ)

Development of Affordable Rental Housing

Issuance Date: February 23, 2011



Economic & Community Development Department
14955 Dale Evans Parkway
Apple Valley, CA 92307

www.applevalley.org

**TOWN OF APPLE VALLEY
REQUEST FOR QUALIFICATIONS (RFQ)
AFFORDABLE RENTAL HOUSING**

I. INTRODUCTION

The Town of Apple Valley (Town) and the Apple Valley Redevelopment Agency (Agency) are soliciting responses to this Request for Qualifications (RFQ) in order to enter into one or more partnerships with qualified firms experienced in the financing, development and operation of affordable rental housing projects to meet state housing production requirements. Respondents must be able to demonstrate their development experience, specifically in the area of subsidized affordable housing and be able to work cooperatively with staff to implement a successful housing development. Non-profit and for-profit developers may respond individually, or they may partner with another qualified developer.

As part of the selection process, developers will be required to submit a basic Statement of Qualifications (SOQ) and a brief concept proposal. The Town will select the most qualified developers to be placed on a "Most Qualified List", of which one or more developers may be invited to submit a more detailed development proposal. It is the Town's desire to invite the most qualified developer(s) to enter into a development agreement(s) for project implementation.

II. BACKGROUND

The Town Apple is a suburban/semi-rural residential community located in the Victor Valley portion of the Inland Empire North along the Interstate 15 (I-15) freeway. Apple Valley, incorporated in 1988, encompasses approximately 78 square miles within its incorporated boundaries, with a sphere of influence encompassing 200 square miles. The Town has experienced rapid growth over the past two decades, from a population of 16,748 in 1980 to a current estimated population of 73,000 residents. The vast majority of the existing housing stock is comprised of single-family detached homes on minimum half-acre lots or larger. The multi-residential complexes, comprised predominantly of two (2) to four (4) unit structures, represent approximately 15% of the entire housing stock.

III. DESIRED DEVELOPMENT

It is the desire of the Town that one or more sites be developed as affordable quality rental housing developments to benefit low to very low income households. The development may be 100% affordable or part market rate and part affordable. The first development contemplated is a senior project, after which an additional senior or family project may also be considered. All proposed projects must be in compliance with development standards pursuant to the Town's Development Code. It is important that the development complement the existing neighborhood architecturally and provide sufficient amenities to enhance the quality of living for its future residents. Since this is the first affordable rental project the Town will directly participate in financially, the need for this project to be a major success cannot be overstated as it will set the standard for future affordable rental housing developments in the Town of Apple Valley.

IV. DEVELOPMENT SITE(S)

The Town encourages respondents to submit one or more viable sites. It is noted that respondents must be able to demonstrate site control for each site it submits. In addition, respondents may express an interest in developing a site currently owned and controlled by the Agency. The subject property consists of a vacant parcel containing 4.59 acres, zoned R-M (Multi-Family Residential). It is located at the northwest corner of Dale Evans Parkway and Thunderbird Road (APN 0441-133-01) in the Town of Apple Valley. The R-M zone permits a maximum density of 20 units per acre.

Additional development standards, including Density Bonuses pursuant to state law, may be found on the Town website at www.applevalley.org/index.aspx?page=391. A map depicting the site is attached hereto as Exhibit 1.

A brief concept proposal for each site should be submitted, to include the proposed type of project (target population), number of estimated units, and proposed financing structure. A conceptual site plan is helpful but not mandatory.

V. TOWN FINANCING

There are three (3) primary sources of revenue that may be made available for affordable housing under this RFQ: (1) Agency's Low and Moderate Income Fund - \$10 million, (2) Bond proceeds - \$4.5 million in Redevelopment Project Area 2, (3) Neighborhood Stabilization Program (NSP 3) funds – approximately \$854,000 has been identified for acquisition/new construction activities in the draft Action Plan amendment. Depending on the source of financing, sites within specific redevelopment project areas or NSP target areas may be desirable. Maps depicting the redevelopment project areas and NSP target areas are attached hereto as Exhibits 2 and 3, respectively.

VI. STATEMENT OF QUALIFICATIONS (SOQ) SUBMITTAL REQUIREMENTS

The SOQ will include a description of the organizational structure, development track record and financial capacity of the developer.

1. **Developer or Developer Team** Identify the proposed Developer or Development Team members. For each member, provide a brief summary of the firm and identify the chief executive and key staff members listing their functions with brief biographies. Include a narrative that describes the proposed Developer or Development Team and roles related to each component of the Project.
 - Provide the address and telephone number of the primary development entity's main office and any branch offices.
 - Identify an individual, with the individual's title and phone number, for possible contact during the review process.
 - Identify the type of organizational entity, date the entity was formed, the number of years in business, and size of business.

2. **Developer Experience** Please prepare a table describing recent affordable residential rental development and property management experience (within the past 10 years) of each key Development Team member, with an emphasis on projects similar to the proposed development project.

- Provide, for each project, the following information: project name and type (including photographs), project address, role of “Development Team” member, other relevant development team members including project architect and all associated consultants and professionals, unit count by type and size, tenant mix, affordability, completed value, leveraging sources (including as applicable (a) name and contact information for first mortgage lender; (b) name and contact information for tax credit investor; and/or (c) name and contact information for public agency partner; (d) type and amount of each funding source), construction completion date and timeframe to complete project from application submittal date;
- Describe the developer’s management philosophy and any experience with managing and monitoring affordable rental projects. Describe the steps taken to ensure long term compliance with the Agency, State and Federal regulations. Provide photographs of rental projects you currently manage with information regarding the age of the project.
- Provide two (2) examples of projects that were developed to complement surrounding neighborhoods and how community support was obtained. Provide two (2) examples of community issues that arose and explain how your organization resolved these issues.
- Provide a sample marketing/management plan for the proposed project.
- Provide documentation if a non-profit developer is certified as a 501(c)3 tax exempt non-profit by the Internal Revenue Service (IRS), if applicable.
- Describe any relevant experience administering local preference criteria systems for selecting tenants while maintaining fair housing practices.

3. **Demonstration of Financial Capacity**

- Provide any additional relevant information outlining the respondent’s ability to obtain financing, experience with utilizing various financing mechanisms and prior experience in establishing relationships with lending institutions and equity markets.
- Provide complete financial statements for the last three years. State whether the financial statements are audited (preferred), reviewed or compiled. In cases where a for-profit entity and non-profit entity may partner to form a development team, include financial statements from each entity.
- Provide a list of references from public agency partners.

VII. SELECTION CRITERIA AND PROCESS

The selection of a development entity is a two-step process which will be handled within strict and aggressive time constraints. Upon receipt of SOQ submittals, the Town will evaluate and determine which, if any, developers will be invited to submit a full detailed development proposal. The Town may invite one or more developers for a follow-up interview based upon the quality of the proposal submission. The established criteria to be used to rate the SOQ submittals will include the following elements:

1. Demonstrated capability to design, entitle and construct projects of the proposed size. Direct experience successfully developing/implementing a minimum of five (5) projects is required, of which at least one (1) project must be a senior project.
2. Demonstrated capability to manage or secure management of projects of the proposed size. Five years or more of direct experience managing affordable projects to include at least five (5) or more housing projects is required, of which at least one (1) must be a senior project.
3. Demonstrated financial capacity and familiarity with various financing mechanisms. The ability to maximize the leverage of Town resources will also be considered.
4. Ability to bring resources, experience and capability to assure timely completion of the proposed development. Track record for past completion of projects will be considered.
5. Experience in community outreach and working with surrounding neighborhoods to address neighborhood concerns. Past experience and demonstrated success with community outreach will be considered.

Developers invited to participate in the submission of a detailed development proposal will, at a minimum, provide the following information:

1. Detailed project description
2. Conceptual site plan with detailed project statistics including number of units, number of bedrooms, size and type of buildings, total parking spaces, setbacks, amenities, etc.
3. Proposed development schedule.
4. Detailed project pro forma with a list of assumptions upon which the pro forma is based.
5. Project financing structure, including specific sources and amounts of funds, including any assistance requested of the Town/Agency.
6. Management plan.

The tentative schedule for selecting a Developer or Developer Team, and approving a Development Agreement, is outlined below.

Council Approval to Release RFQ	February 22, 2011
RFQ Due Date	March 15, 2011
Release RFP	March 25, 2011
RFP Due Date	April 28, 2011
Development Agreement Negotiation	May 12 – June 6, 2011
Town Council Approval	June 14, 2011

VIII. DISCLAIMERS

All facts and opinions stated herein and in any additional information, whether written or oral, provided by the Town/Agency and its representatives, is based on available information and is believed to be accurate. No representation or warranty is made with respect thereto.

The Town/Agency, reserves the right to issue written notice of any changes in the submission process, should the Town/Agency determine, in its sole and absolute discretion, that such changes are necessary.

Those submitting responses to this RFQ assume all financial costs and risks of submission. No reimbursement or remuneration will be made by the Town/Agency to cover the costs of any submittal whether or not such submittal is selected. The Town/Agency reserves the right to reject any or all submittals at its sole and absolute discretion and accepts no responsibility for any financial loss by such action.

IX. SOQ SUBMISSIONS

Interested developers must submit a signed cover letter with four (4) hard copies of the proposal and one electronic copy on a CD. **All submittals are due no later than 5:00 p.m. on Tuesday, March 15, 2011. Submittals received after the deadline will not be considered.**

Submittals should be addressed to:

Emily Wong
Asst. Director of Economic Development and Housing
Town of Apple Valley
14955 Dale Evans Parkway
Apple Valley, CA 92307

Facsimile or electronic transmissions will not be accepted. The Town, following review of the initial submission, may request additional information.

Any questions regarding the RFQ process may be directed to Emily Wong, Asst. Director of Economic Development & Housing (ewong@applevalley.org) or Joseph Moon, Economic Development Specialist (jmoon@applevalley.org) at (760) 240-7000, extension 7900.

Exhibit 1



Exhibit 2

TOWN OF APPLE VALLEY PROJECT AREAS

May 8, 2007

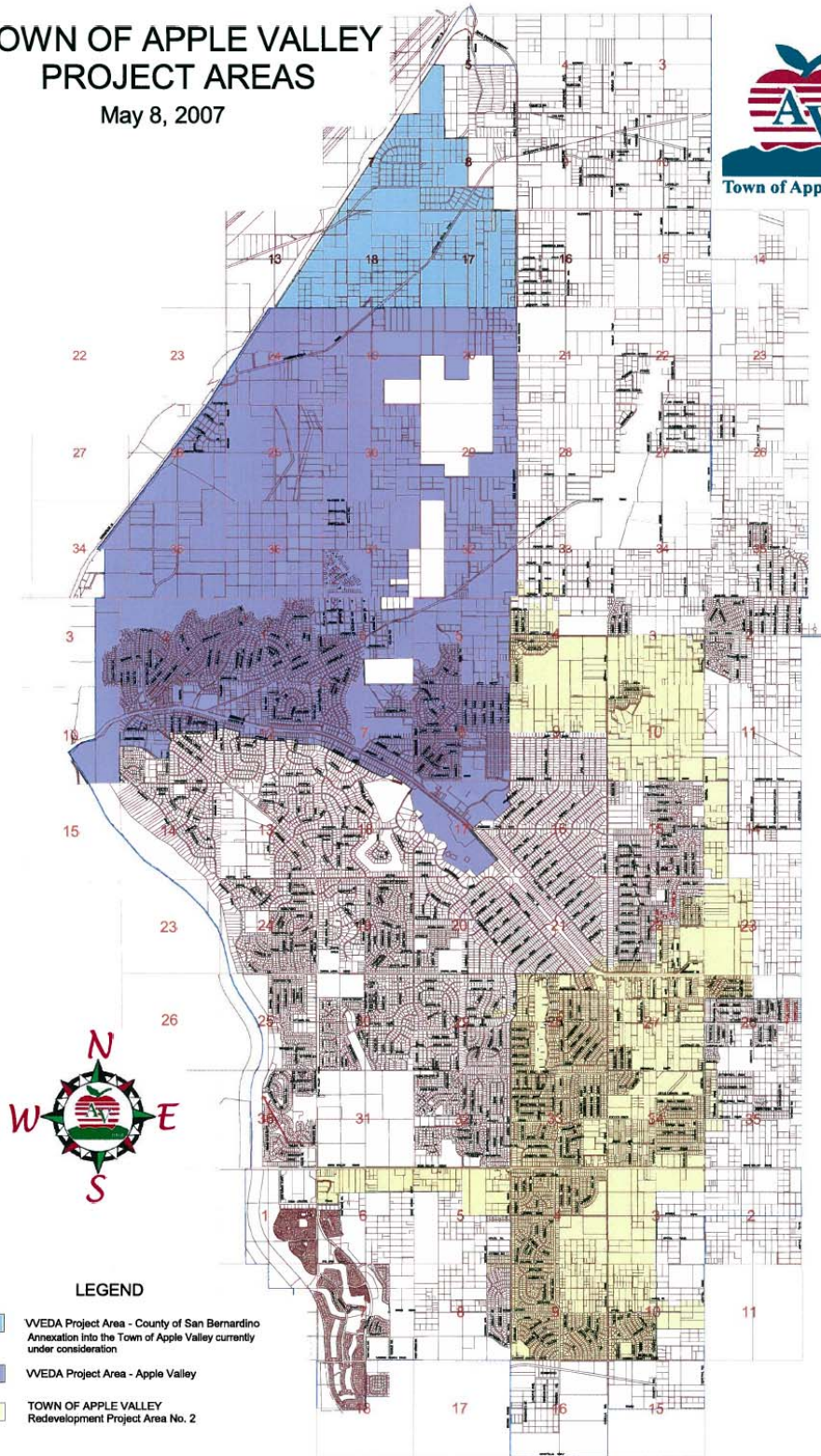
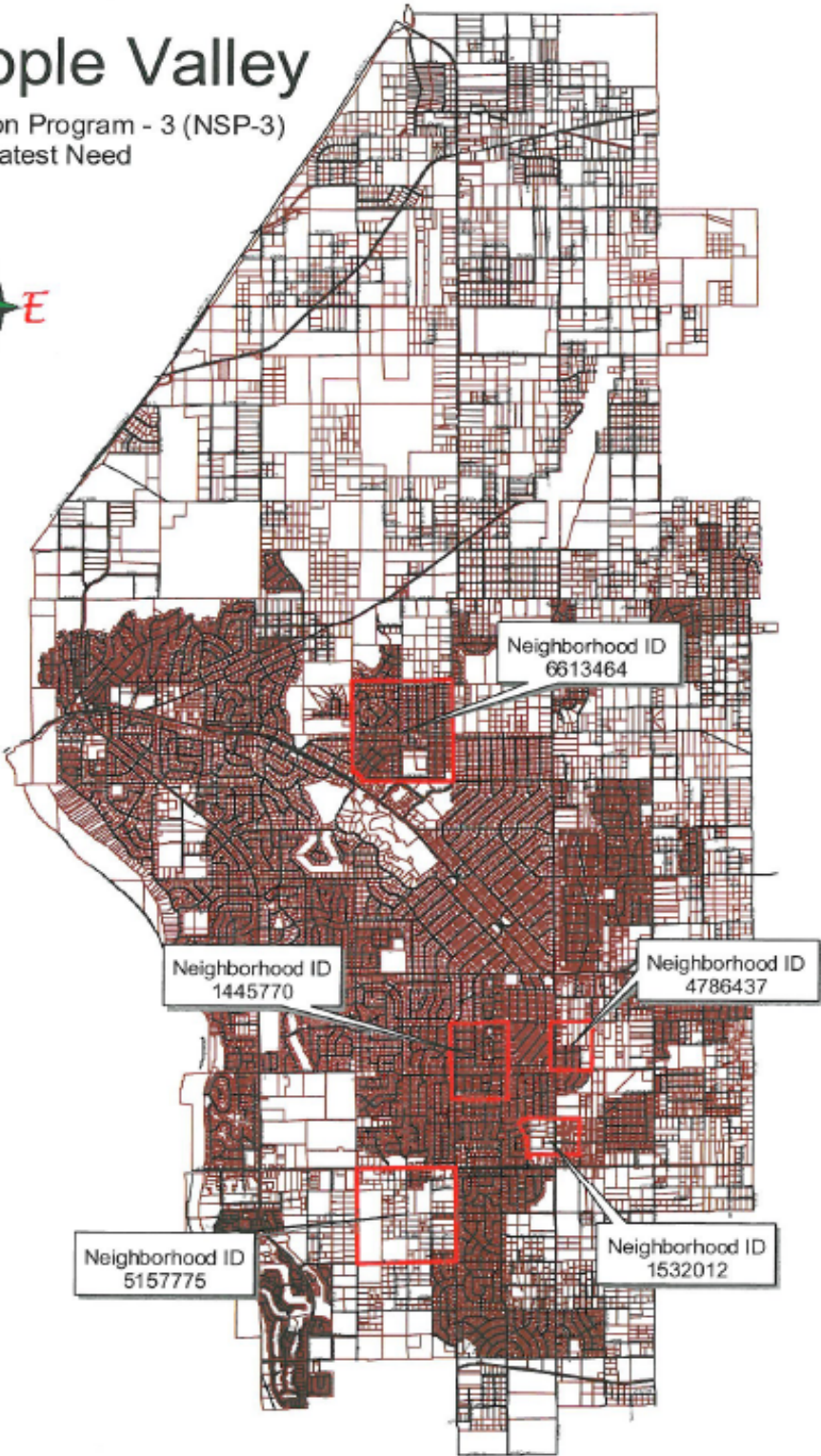


Exhibit 3

Town of Apple Valley

Neighborhood Stabilization Program - 3 (NSP-3)
Areas of Greatest Need



Affordable Housing RFQ List

Zen Sawyer
Land Acquisition Analyst
Mercy Housing California
1500 South Grand Ave., Suite 100
Los Angeles, CA 90015
(213) 743-5820, ext. 26
(213) 743-5828 (fax)
zsawyer@mercyhousing.org
www.mercyhousing.org

Frank Chang
Project Manager
AMCAL Multi-Housing, Inc.
30141 Agoura Road, Suite 100
Agoura Hills, CA 91301
(818) 706-0694, x186
fchang@amcalhousing.com
www.amcalhousing.com

Ron Ruhl
Project Manager
San Bernardino County Housing
Authority/Housing Partners I
715 Briar Drive
San Bernardino, CA 92408
(909) 890-0644, ext. 2484
rrhul@hacsb.com
www.hacsb.com

Barry Ephraim
Ephraim Development
125 South Bowling Green Way
Los Angeles, CA 90049
(310) 927-3675
barry.ephraim@sbcglobal.net

John Seymour
Vice-President, Acquisitions and Forward
Planning
National Community Renaissance
4322 Piedmont Drive
San Diego, CA 92107
(619) 223-9222
(909) 215-9570 mobile
jseymour@nationalcore.org
www.nationalcore.org

Town Council Meeting: 2/22/11

Seth Gellis
Pacific Premier Partners
1 Skipper
Irvine, CA 92604
(949) 278-3658
seth.gellis@buyertime.com

Peter M. Kulmaticki
Project Manager
J.D. Pierce Company
2222 Martin Street, Suite 100
Irvine, CA 92612
(949) 752-0676, ext. 8456
(949) 752-0674 (fax)
pkulmaticki@jdpierceco.com
www.jdpierceco.com

Ron Crisp
77053 California Drive
Palm Desert, CA 92211
(760) 774-6457
roncrisp@msn.com

Sean Flynn
Project Manager
Palm Desert Development Company
P.O. Box 3958
Palm Desert, CA 92261
(760) 568-1048
(760) 568-0761 (fax)
sflynn@pddc.net
www.pddc.net

Erren O'Leary
V.P. Land Sales & Disposition
Lewis Group of Companies
1156 N. Mountain Ave. P.O. Box 670
Upland, CA 91785-0670
(909) 946-7515
(909) 931-5510 (fax)
Erren.oleary@lewisop.com
www.lewisop.com

Saki Middleton
Related Companies
18201 Von Karmon Ave
Irvine, CA 92612
(949) 660-7272
smiddleton@related.com
www.related.com

Jess Edgren
Director of Acquisitions
Affirmed Housing Group
13520 Evening Creek Drive North, Suite
160
San Diego, CA 92128
(858) 679-2828, x1021
jess@affirmedhousing.com
www.affirmedhousing.com

Vincent Cornish
P.O Box 3737
Apple Valley, CA 92307
(719) 930-6896
cornishdesign@yahoo.com

Scott Gayner
Western Community Housing
151 Kalmus Drive, Suite J-5
Costa Mesa, CA 92626
(714) 549-4100, ext 105
(714) 549-4600 (fax)
(949) 338-6961 (cell)
scott@wchousing.org
www.wchousing.org

Mike Walsh
Project Manager
Coachella Valley Housing Coalition
45-701 Monroe Street
Indio, CA 92201
(760) 347-3157, ext 504
(800) 689-4663
www.cvhc.org
Mike.Walsh@cvhc.org

Mike Kelley
The Pacific Companies
555 Capitol Mall, Suite 410
Sacramento, CA 95814
(916) 492-2205
(916) 669-8033 (fax)
mikek@tpchousing.com
www.tpchousing.com

Mark Jacobs
Heritage Communities
960 North Tustin Street #250
Orange, CA, 92867
(714) 283-4802
mj@heritagecommunitiesinc.com

W.E (Bill).Jahn
Executive Vice President
The Northbridge Group, Inc.
798 Pine Knot Ave.
P.O. Box 134401
Big Bear Lake, Ca 92315
(909) 866-0050
(909) 866-8567 (fax)
thejahns@charter.net

Dino DeFazio
Artisan Realty
14173 Green Tree Blvd.
Victorville, CA 92395
(760) 951-5788
dinodefazio@yahoo.com

Joshua LaBarge
Opportune Companies
305 East 9th Street
Upland, CA 91786
(909) 931-9763, ext. 105
josh@qmgonline.com
www.opportuneco.com

John Okura
Jamboree Housing
17701 Cowan Ave #200
Irvine, CA 92614
(949) 214-2334
jokura@jamboreehousing.com
www.jamboreehousing.com

