

**TOWN OF  
APPLE VALLEY, CALIFORNIA**

**AGENDA MATTER**

**Subject Item:**

**SELECTION OF A DEVELOPMENT ENTITY FOR AFFORDABLE SENIOR 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, the status of housing activities, and the 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. On February 22, 2011, the Town Council and Redevelopment Agency approved and authorized the release of a Request for Qualifications (RFQ) to a mailing list of 21 firms that had previously expressed interest in partnering with the Town for the purpose of developing affordable housing in Apple Valley.

On March 15, 2011, the Town received Statements of Qualifications (SOQ) from nine (9) firms. An evaluation panel was formed consisting of 5 evaluators with specific expertise in the area of affordable housing. Three (3) of the panel members represented outside jurisdictions, including the cities of Fontana, Ontario and Lancaster, and two (2) panel members consisted of Town of Apple Valley staff. Copies of all nine (9) responses were provided to the panel with evaluation work sheets. On March 22, 2011, the panel met to formally review and rate each of the respondents. As a result, the top three (3) rated firms were shortlisted and invited to submit a full proposal in response to a Request for Proposals (RFP) released on March 29, 2011. The due date for submittal of the RFP was April 27, 2011.

The evaluation panel met again on May 10, 2011 to review and rate each of the three (3) proposals. On May 12, 2011, staff followed up with 1-1/2 hour long interviews with each firm. The outcome of the selection process is summarized in the Summary Statement below.

**Recommended Action:**

That the Town Council and Redevelopment Agency authorize and direct staff to enter into negotiations for the development of an affordable senior rental housing project with Related California, for the purpose of bringing forth a Disposition and Development Agreement (DDA) for review and final approval at the June 28, 2011 Town Council and Redevelopment Agency meeting.

**Proposed by Economic Development & Housing Div.**

**Item Number \_\_\_\_\_**

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

It is Town staff's objective to enter into a partnership with the most qualified firm with experience in the area of subsidized affordable housing. The selected firm will be able to work cooperatively with the staff to implement a successful senior affordable housing development.

The selection process was a two-step process. First, developers were required to submit a Statement of Qualifications (SOQ) and a brief concept proposal in response to the RFQ. The "shortlist" of the three (3) most qualified developers were invited to submit a detailed proposal to include renderings, site plan and a full pro-forma. It is Town staff's desire to invite the most qualified developer(s), with the most competitive proposal, to enter into a development agreement for project implementation.

The evaluation criteria used to review and rate each firm included the following components:

1. Project overall design, site layout and compatibility with Apple Valley community standards
2. Adequacy of entitlement schedule and development timeframe
3. Marketing methods and program
4. Methods of community outreach and working with surrounding neighborhoods to address neighborhood concerns
5. Adequacy of the management plan
6. Adequacy and competitiveness of the pro-forma

In addition, the Town retained Keyser Marston Associates to assist in this endeavor. Keyser Marston is considered one of the very best firms specializing in Real Estate economics and affordable housing projects. Factors to take into consideration include the completeness of the list of assumptions for the pro-forma, adequacy of sources for pre-construction, construction and permanent occupancy, feasibility and reasonableness of the proposed budget, reasonableness of levels of affordability, accuracy of cash flow schedule and debt obligations for 55 years, reasonableness of debt service, terms, interest rate, amortization schedule, accuracy of equity provider information, equity pricing and pay-in schedule, adequacy of detailed operating budget, and the ability to leverage the Town's resources. The initial financial analysis was shared with each of the panel members. In addition, Keyser Marston will be available to assist Town staff with the financial negotiations necessary to enter into a development agreement.

Based upon scoring, the firms responding to the RFP process were given ranking points (the lowest being the highest rank). The top three (3) firms are provided below in order of rank and associated ranking points.

1. Related California – 5 ranking points
2. AMCAL Multi-Housing – 10 ranking points
3. Palm Desert Development Company – 15 ranking points

Related California is a full-service real estate development firm that has developed over 8,000 units of top-quality affordable and market-rate multifamily and mixed-use residential properties in California since its inception in 1989. The company has partnered with over 20 municipalities and over 25 non-profit organizations throughout California. To date, it has completed 10 projects in San Bernardino County totaling \$225,000,000. The proposed project in Apple Valley will be managed in-house by Related Management Company. Related California prides itself on its track record for consistently developing best-in-class projects that become new industry standards in design, construction, sustainability and property management.

All five (5) members of the evaluation panel unanimously ranked Related California #1 based upon the aforementioned evaluation criteria. Of particular note was the fact that Related California offered a competitive product at the most competitive price.

Staff is requesting authorization to enter into negotiations with Related California. A Disposition and Development Agreement (DDA) must be brought to the Town Council and Redevelopment Agency Board no later than June 28, 2011. This is necessary due to the fact that the Redevelopment Agency (RDA) currently holds excess surplus funds in its Low and Moderate Income Funds (20% set-aside) and must obligate approximately 1.9 million dollars prior to the end of the fiscal year. Pursuant to redevelopment law, the consequences of excess surplus non-compliance are (1) the RDA must expend all surplus funds plus 50% from other sources and (2) the RDA is prohibited from expending or obligating any other funds outside of paying existing contractual obligations. The result would be that no RDA funds would be available to support current economic development operations and activities beginning July 1, 2011. Therefore, it is important that the Town expedite these matters.

A copy of both the RFQ and the RFP is attached for your information. In addition, copies of each of the proposals are on file with the Town Clerk's Office.

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](http://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](http://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



<b>RFQ Due Date</b>	<b>March 15, 2011</b>
Release RFP	March 25, 2011
<b>RFP Due Date</b>	<b>April 28, 2011</b>
Development Agreement Negotiation	May 12 – June 6, 2011
<b>Town Council Approval</b>	<b>June 14, 2011</b>

**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](mailto:ewong@applevalley.org)) or Joseph Moon, Economic Development Specialist ([jmoon@applevalley.org](mailto:jmoon@applevalley.org)) at (760) 240-7000, extension 7900.

# Exhibit 1

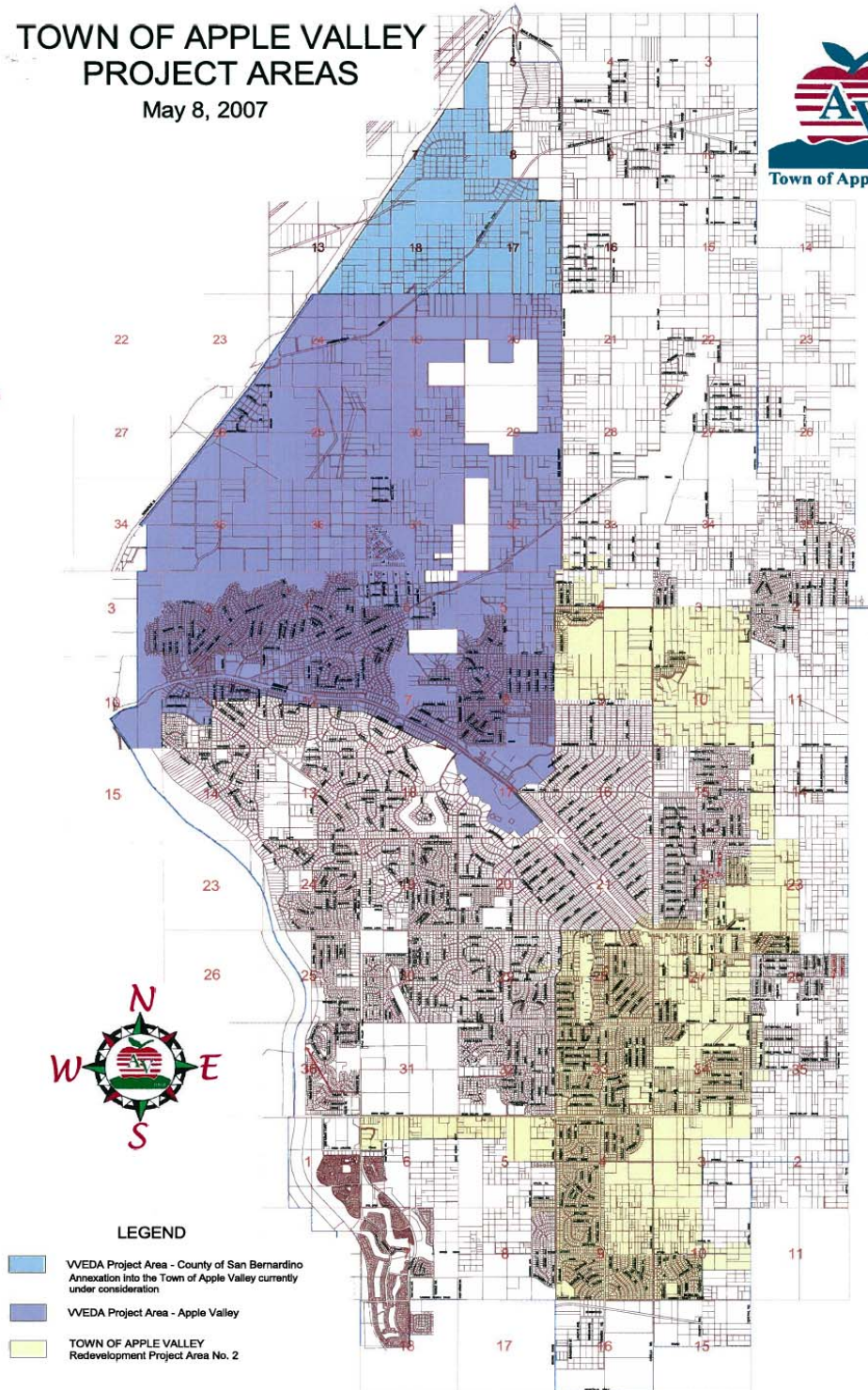







# Exhibit 2

## TOWN OF APPLE VALLEY PROJECT AREAS

May 8, 2007



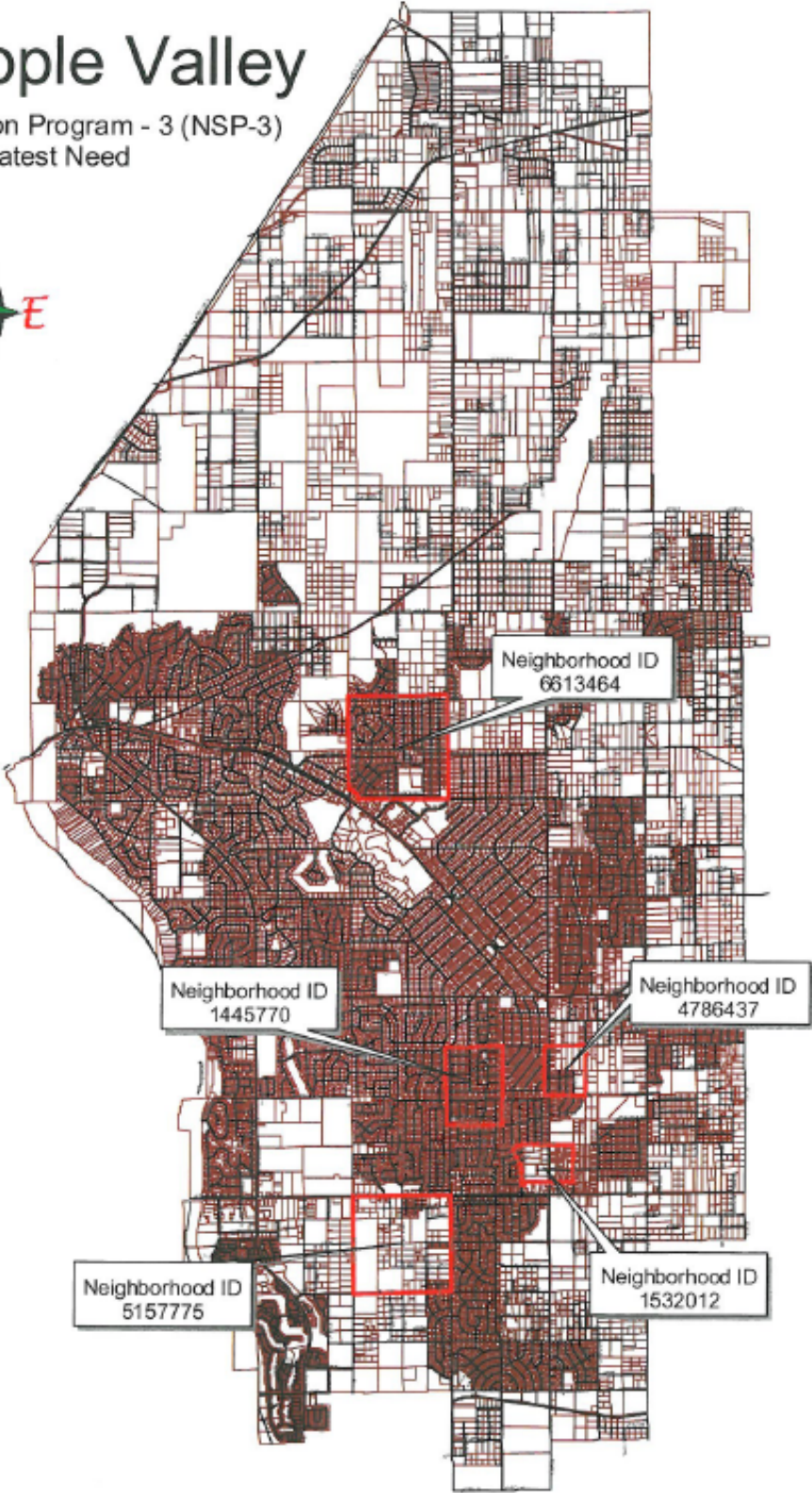
### LEGEND

-  WEDA Project Area - County of San Bernardino  
Annexation into the Town of Apple Valley currently  
under consideration
-  WEDA Project Area - Apple Valley
-  TOWN OF APPLE VALLEY  
Redevelopment Project Area No. 2

# 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 [www.nationalcore.org](http://www.nationalcore.org)  
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1500 South Grand Ave., Suite 100  
Los Angeles, CA 90015  
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(213) 743-5828 (fax)  
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(909) 931-5510 (fax)  
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# Town of Apple Valley

## Request for Proposals (RFP)

### Development of an Affordable Senior Rental Housing Complex

Issuance Date: March 29, 2011



Economic Development Department  
14955 Dale Evans Parkway  
Apple Valley, CA 92307  
[www.applevalley.org](http://www.applevalley.org)



**TOWN OF APPLE VALLEY  
REQUEST FOR PROPOSALS (RFP)  
AFFORDABLE SENIOR RENTAL HOUSING**

**I. INTRODUCTION**

The Town of Apple Valley (Town) and the Apple Valley Redevelopment Agency (Agency) are soliciting responses to this Request for Proposals (RFP) 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.

This RFP is Part 2 of a two-step process. As part of the selection process, developers were required to submit a basic Statement of Qualifications (SOQ) and a brief concept proposal by March 15, 2011. A selection panel rated and selected the most qualified developers to be placed on a "Most Qualified List". A short list of three (3) developers are now 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 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. 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 senior rental housing development to benefit Low to Very Low income households. The development will be 100% affordable. 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 can not be overstated as it will set the standard for future affordable rental housing developments in the Town of Apple Valley.

#### **IV. DEVELOPMENT SITE(S)**

Respondents may submit more than one (1) viable site. However, all respondents must, at a minimum, submit a proposal for the Agency owned site described below. In addition, if the respondent wishes to submit an alternative site, it must provide a description of the location, APN, lot size, lot dimensions, zoning, labeled photos of the site, labeled photos of the adjacent uses, site location map and map showing proximity to services as appropriate. It is noted that respondents must submit evidence of site control for any non-Agency owned site it submits.

The Agency owned site 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. A map depicting the site is attached hereto as Exhibit 1. A Sewer Feasibility Analysis, conducted in January 2009 is attached hereto as Exhibit 4.

Additional development standards, including Affordable Housing Bonuses pursuant to state law, may be found on the Town website at [www.applevalley.org/index.aspx?page=391](http://www.applevalley.org/index.aspx?page=391). Proposals **not** seeking Housing Density Bonuses will be given priority.

In accordance with the Town's Adopted Climate Action Plan, applicants are encouraged to incorporate Green Building practices, obtain a minimum Silver LEED certification and document Green House Gas reductions.

#### **V. AFFORDABILITY REQUIREMENTS**

The project is to be a 100% affordable project. Proposals should provide a mix of Low- and Very Low-Income based on the Riverside-San Bernardino County AMI. It is up to the Respondent to determine the ration (**ratio?**) of Low and Very Low units to ensure competitiveness and project feasibility.

Low-Income households are those that earn between 50% and 80% of the Riverside-San Bernardino County AMI, adjusted by family size. Very Low-Income households are those that earn up to 50% of the Riverside-San Bernardino County AMI, adjusted by family size.

The Agency owned site was acquired with Low and Moderate Income Housing funds. Therefore, pursuant to the California Community Redevelopment Law, covenants to maintain affordability will be provided for a term of 55 years.

#### **VI. TOWN FINANCING**

There are three (3) primary sources of revenue that may be made available for affordable housing under this RFP: (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.

## **VII. MINIMUM PROPOSAL SUBMITTAL REQUIREMENTS**

Please provide a detailed development proposal that contains, at a minimum, the following information:

7. Provide a narrative project description in a concise narrative form to include the development concept for the site, description of the height, bulk, materials, and architectural design concept. Comment on the impact this project will have on the surrounding neighborhood.
8. Architectural drawings for conceptual review must be submitted and shall include a conceptual site plan with detailed project statistics including number of units, number of bedrooms, size and type of buildings, building elevations, total parking spaces, setbacks, circulation (ingress and egress), bus stop, amenities (such as laundry facilities, recreation facilities, and community space), etc. Include a conceptual landscape plan.
9. Provide a proposed development schedule to include entitlements timeline, commencement of construction, construction milestones, completion of construction, and lease-up.
10. Provide a detailed project pro forma for both a 4% tax credit project as well a conventional loan non-tax credit project to include the following information:
  - a. A list of assumptions upon which each pro forma is based. All assumptions should be provided through the use of notes.
  - b. Sources and uses for three points in the development cycle: pre-construction, construction, and permanent occupancy.
  - c. Development budgets should be as detailed as possible.
  - d. Number of units, sizes, rent and utility levels, targeted levels of affordability.
  - e. Cash flow schedule to show all debt service obligations for 55 years. Provide a full waterfall analysis for cash flow sharing and profit sharing arrangements anticipated with sufficient detail to be able to discern all payments to the development team/general partner/owner members (all layers of incentive management fees and cash flow sharing that may be obligated to different parties).
  - f. Information on all debt sources including term, interest rate including whether the rate is floating, fixed, a combination of both, re-pricing schedules if applicable, upfront and ongoing fees, amortization schedule, and name of intended debt providers and key contact people.
  - g. Information on equity providers including timing and provision of equity, equity provider and contact information, equity pricing and pay-in schedule.
  - h. Detailed operating budget.

11. Provide a specific Marketing Plan to include, if feasible, a local preference criteria system for selecting tenants while maintaining fair housing practices.
12. Provide a Management Plan for the proposed project.
13. Provide a Community Outreach Plan. The plan should include a pro-active plan of action stating how the applicant will engage the community and address any potential negative perceptions of what the project might bring to the community. The plan should outline specific steps to be taken before, during and after implementation of the project. Include some assessment of any controversy anticipated and any proposed actions to build community acceptance.

Unless otherwise fully addressed in the previous SOQ, the proposal will include a full description of the development team to include summaries of each firm and identify the chief executive and key staff that will be assigned to this project. Please complete Exhibit 5 with contact information for your development team.

### **VIII. SELECTION CRITERIA AND PROCESS**

The selection of a development entity will be handled within strict and aggressive time constraints. Upon receipt of RFP submittals, a selection panel will evaluate each 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 RFP submittals will include the following elements:

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
<b>RFQ Due Date</b>	<b>March 15, 2011</b>
Release RFP	March 29, 2011
<b>RFP Due Date</b>	<b>April 27, 2011 – 1:00 p.m.</b>
<b>Developer Interviews</b>	<b>May 10 – 12, 2011</b>
<b>Council Approval</b>	<b>May 24, 2011</b>
Development Agreement Negotiation	May 25 – June 16, 2011
<b>Town Council Approval OPA/DDA</b>	<b>June 28, 2011</b>

### **IX. 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 RFP 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.

## **X. RFP SUBMISSIONS**

Interested developers must submit a signed cover letter with five (5) hard copies of the proposal and one electronic copy containing all data in pdf form on a CD. **All submittals are due no later than 1:00 p.m. on Wednesday, April 27, 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 RFP process must be submitted in writing or emailed directly to Emily Wong, Asst. Director of Economic Development & Housing ([ewong@applevalley.org](mailto:ewong@applevalley.org)) or Joseph Moon, Economic Development Specialist ([jmoon@applevalley.org](mailto:jmoon@applevalley.org)) at (760) 240-7000, extension 7900.



# Exhibit 1

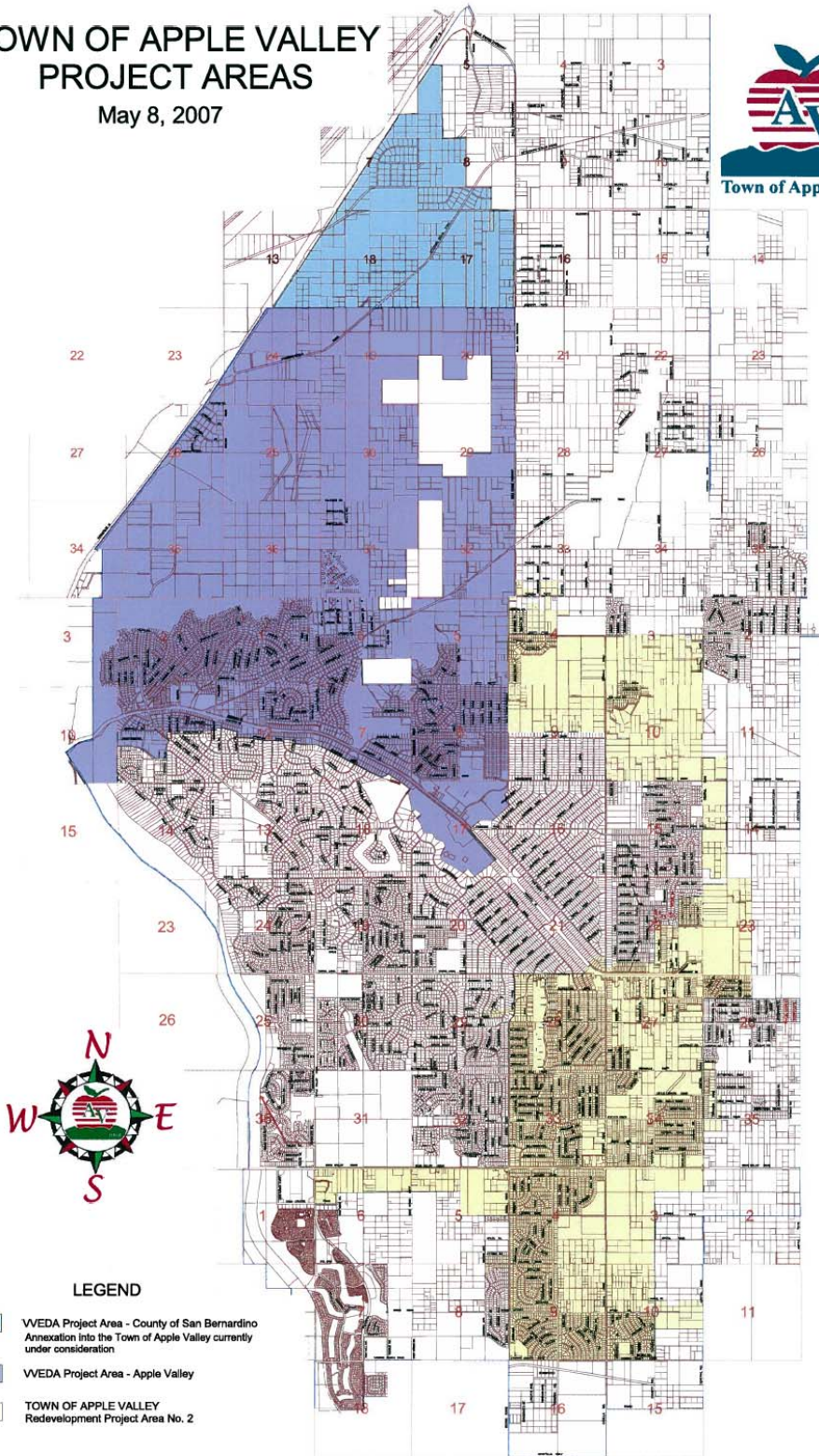




# Exhibit 2

## TOWN OF APPLE VALLEY PROJECT AREAS

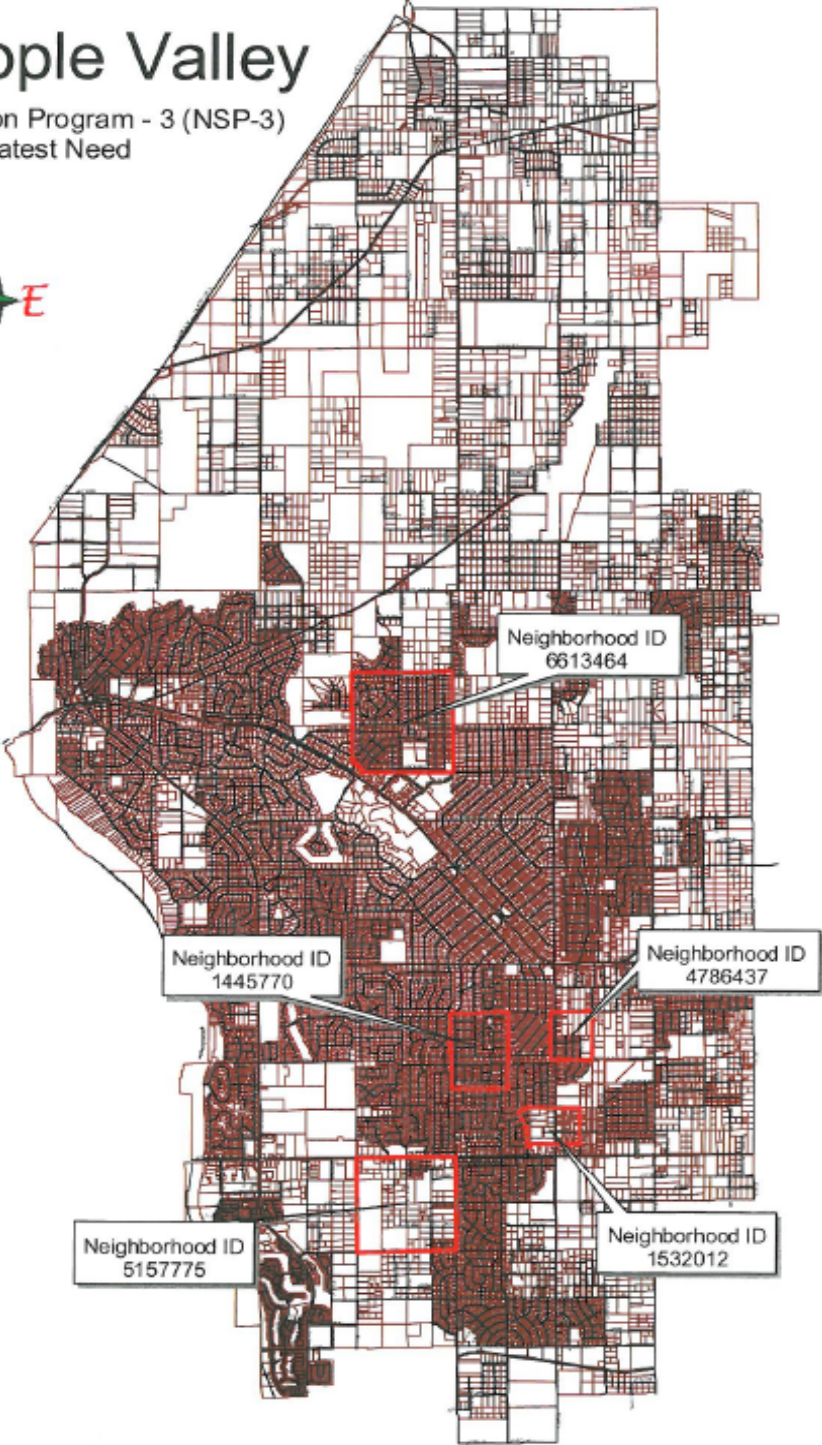
May 8, 2007



# Exhibit 3

## Town of Apple Valley

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







## So & Associates Engineers Inc.

16209 KAMANA RD., SUITE 200 • P.O. BOX 1712 • APPLE VALLEY, CA 92307 • PHONE (760) 242-2365 FAX (760) 242-3083

January 19, 2009

113.0230-126

Town of Apple Valley  
Public Works Department  
14955 Dale Evans Parkway  
Apple Valley, CA 92307

Attn: Mr. Dennis Cron  
Director of Public Services

**Reference: Sewer Feasibility Study for APN 0441-133-01 (TOWN PROJECT)**

Dear Mr. Cron:

Per authorization from the Town of Apple Valley, our staff has completed a sewer feasibility study for APN 0441-133-01. We are pleased to submit this FINAL letter report for review and approval by the Town of Apple Valley.

**A. PROJECT DESCRIPTION AND ESTIMATED WASTEWATER FLOW**

The proposed project is a multi-family development (estimated 80 units total) inside a 5-acre parcel and is located to the north of Thunderbird Road, to the west of Dale Evans Parkway and to the east of Wichita Road as shown in Figure 1. The project lies within the southeast 1/4 of the southeast 1/4 of southeast 1/4 of Section 8, T5N, R3W. Because the plumbing fixture unit information for the project is not available at the time of preparing this report, each multi-family unit is considered as one equivalent dwelling unit (EDU) for the purpose of this study. The proposed project will be assigned with a total of 80 equivalent dwelling units. The owner or developer will be required to submit the final architectural plans to the Town in the future for verification of the estimated flow rate. Using a wastewater flow coefficient of 245 gallons per EDU, the number of EDU's and estimated flow for the proposed project are as follows:

Building	Quantities	Wastewater Duty Coefficient	Average Flow (GPD)	Peak Flow (GPD)
Multi-Family Units	80 EDUs*	245gpd/EDU	19,600	66,640
<b>Total</b>	<b>80 EDUs</b>		<b>19,600</b>	<b>66,640</b>

\* Assumed based on the number of units. Developer is required to submit final plumbing plans for verification



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16209 KAMANA ROAD, SUITE 200 • P.O. BOX 1712  
APPLE VALLEY, CA 92307  
(760) 242-2385 • FAX (760) 242-3083

### B. ON-SITE / OFF-SITE SEWER

On-site Sewer: Developer is responsible for on-site collector sewer system and laterals. The sewer improvement plan must be submitted for plan check review by the Town of Apple Valley.

Off-site Sewer: An existing 10-inch collector sewer (financed by Assessment District 2B) along Thunderbird Road to the South of the property shown in Figure 1 is to make connection. Based on the sewer master plan (1993), the sewer model at build-out is presented in Table 1, which shows the capacities of the existing 10-inch sewer along Thunderbird Road, and existing 12-inch & 18-inch sewers downstream to convey wastewater to the existing AD No. 2B lift Station. The lift station pumps the raw sewage along Dale Evans Parkway via 10-inch and 12-inch force mains to the Apple Valley interceptor along Highway 18. The collector sewers downstream of the Project have excess capacities available at peak flow to handle the wastewater generated from the development (approx. 0.066 MGD). The allowable design capacity for the 10-inch and 12-inch sewers is typically at 50% flow depth of the pipe while that for the 18-inch sewer is 75%.

The sewer flow information provided in Table 1 is based on the sewer master plan prepared in 1993 and the numbers could vary with that of the actual as-builts. The proposed project can be connected to the existing sewer system via Manhole No.s 122, 135A and 135 along Thunderbird Road. The property owner must coordinate with Town's public works staff regarding the point(s) of connection.

### C. LOCAL AND REGIONAL CONNECTION FEES

- (1) Developer Impact Fee - The Town of Apple Valley levies a developer impact fee (DIF) which is currently set at \$ 2,127.09 per unit. This fee will be adjusted annually based on the ENR construction cost index and be paid at final inspection of permitted construction. The estimated total DIF is approximately:

$$= \$ 2,127.09/\text{unit} \times 80 \text{ Units} = \$ 170,167.20$$

- (2) Local Buy-in Fee - The Town of Apple Valley currently levies a local buy-in fee of \$1,330.45 for parcels outside of an established sewer assessment district. This fee will be adjusted annually based on the ENR construction cost index and when the developer applies for a sewer connection permit. The estimated total local buy-in fee is approximately:

$$= \$ 1,373.25/\text{EDU} \times 80 \text{ EDUs} = \$ 109,860.00$$



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16209 KAMANA ROAD, SUITE 200 • P.O. BOX 1712  
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- (3) Local Connection Fee - The Town of Apple Valley currently charges a local sewer impact fee of \$ 572.18 per EDU, based on actual plumbing fixture units installed. This fee is required to be paid when the developer applies for sewer connection permit. The estimated total local connection fee is approximately:

$$= \$ 572.18 /\text{EDU} \times 80 \text{ EDUs} = \$ 45,774.40$$

- (4) Regional VVWRA Connection Fee - This Fee for utilizing the regional interceptor/treatment plant facilities is presently set \$160.75 per plumbing fixture unit. Plumbing fixture unit determination is set forth by the Victor Valley Wastewater Reclamation Authority, generally conforming to the Uniform Plumbing Code, latest edition. For the purpose of this project, a typical 3-bedroom residential structure with about 20 plumbing fixture units will be considered as one EDU and will be required to pay \$ 3,215.00 based on actual Plumbing Fixture shown in the approved plans. For this project, the estimated regional connection fee is approximately (as of the date of this study report):

$$= \$ 3,215.00/ \text{EDU} \times 80 \text{ EDUs} = \$ 257,200.00$$

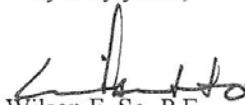
### D. SUMMARY

The proposed project will be permitted to connect to the Town of Apple Valley's sewer system with the construction of the required off-site improvements meeting the requirements and payment of the local and regional connection fees as follow:

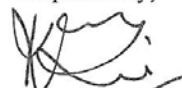
Developer Impact Fee	=	\$ 170,167.20
Local Buy-in Fee	=	\$ 109,860.00
Local Connection Fee	=	\$ 45,774.40
VVWRA Connection Fee	=	\$ 257,200.00
<b>Total Estimated project Cost</b>	<b>=</b>	<b>\$ 583,001.60</b>

Information provided in this study is valid for a period of one year from the date when the final report is approved by the Town of Apple Valley. We trust that information provided in this study will be helpful to the Town of Apple Valley and the project developer.

Very truly yours,

  
Wilson F. So, P.E.  
Department Engineer

Prepared By,

  
Kanchan Joshi



**TABLE 1**  
**TOAV - Sewer Assessment District No. 2B**  
**Sewer Flow at 100% Saturation (Based on 1993 Sewer Master Plan)**

NO.	US MANHOLE		DS MANHOLE		LENGTH (FT)	PIPE (in)	SLOPE (%)	WASTEWATER FLOW		PIPE CAPACITY (MGD) <sup>(1)</sup>			PEAK CAP. AVAILABLE (MGD)	
	GROUND ELEV.	INVERT ELEV.	GROUND ELEV.	INVERT ELEV.				SUM AVG FLOW (MGD)	PEAK FLOW (MGD)	50%	75%	100%	50%	75%
197	2919.85	2911.74	2918.30	2911.03	386.22	10	0.184	0.0811	0.2630	0.304	0.553	0.608	0.041	0.290
197A	2918.30	2911.03	2917.70	2910.32	386.22	10	0.184	0.0811	0.2630	0.304	0.553	0.608	0.041	0.290
122	2917.60	2910.22	2918.40	2909.58	258.25	10	0.248	0.0811	0.2630	0.353	0.642	0.706	0.090	0.379
135A	2918.40	2909.58	2919.00	2908.93	258.75	10	0.251	0.0811	0.2630	0.355	0.646	0.711	0.092	0.383
135	2919.00	2908.93	2919.00	2907.96	386.22	10	0.251	0.0850	0.2750	0.355	0.646	0.710	0.080	0.371
134	2919.00	2907.96	2919.00	2907.41	218.40	10	0.252	0.0890	0.2850	0.356	0.647	0.711	0.071	0.362
133	2919.00	2907.41	2918.40	2906.87	218.41	10	0.247	0.0910	0.2920	0.352	0.641	0.705	0.060	0.349
132	2918.40	2906.70	2917.20	2905.75	379.37	12	0.250	0.1580	0.4790	0.577	1.050	1.154	0.098	0.571
131	2917.20	2905.75	2928.50	2904.79	385.00	12	0.249	0.1580	0.4790	0.576	1.048	1.152	0.097	0.569
130	2928.50	2904.79	2917.90	2903.89	359.69	12	0.250	0.1630	0.4920	0.577	1.049	1.154	0.085	0.557
129	2917.90	2903.88	2913.90	2902.74	453.35	12	0.251	0.1630	0.4940	0.578	1.052	1.157	0.084	0.558
128	2913.90	2902.74	2914.40	2902.05	282.96	12	0.244	0.1630	0.4940	0.570	1.036	1.139	0.076	0.542
127	2914.40	2902.05	2913.10	2901.32	290.00	12	0.252	0.1630	0.4940	0.579	1.053	1.157	0.085	0.559
126	2913.10	2901.32	2913.10	2900.24	329.87	12	0.327	0.1630	0.4940	0.660	1.200	1.320	0.166	0.706
12	2913.10	2899.99	2912.21	2899.56	216.13	18	0.199	0.6900	1.8030	1.519	2.763	3.038	-0.284	0.960
11	2912.21	2899.56	2912.25	2898.96	300.00	18	0.200	0.6900	1.8030	1.523	2.770	3.046	-0.280	0.967

**Exhibit 5**  
(please complete for each site submitted)

**Development Team**

	Name	Contact/Title	Phone/ Email Address	Address
Architect				
Consultant				
Attorney				
General Contractor				
Construction Manager				
Property Manager				
Other				