



TOWN OF APPLE VALLEY

TOWN COUNCIL STAFF REPORT

To: Honorable Mayor and Town Council **Date:** October 27, 2015

From: Heather Wylie, Housing and Community Development Specialist
Development Specialist
Community Development Department **Item No:** 19

Subject: SELECTION OF A DEVELOPMENT ENTITY FOR AFFORDABLE RENTAL HOUSING

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

RECOMMENDED ACTION:

That the Town Council authorize and direct staff to enter into negotiations for the development of an affordable rental housing project on the Town-owned, approximate ten (10)-acre site on Sioux Road, west of Navajo Road, with Coachella Valley Housing Coalition, for the purpose of bringing forth a Disposition and Development Agreement (DDA) for review and approval by Town Council at a later date.

SUMMARY:

On January 22, 2013, the Town Council approved the purchase of a ten (10)-acre, multi-family residential parcel (Assessor's Parcel Number 3087-481-05); utilizing federal Neighborhood Stabilization Program Three (NSP 3) grant funds for the acquisition. The site, located west of the intersection of Navajo and Sioux Roads, was purchased for the explicit use of developing affordable rental housing.

On January 15, 2015, staff released a Request for Proposal (RFP) seeking an affordable rental housing developer(s) for three (3) multi-family sites under Town control, including the ten (10)-acre Navajo Road parcel. Submittals were conducted on February 26, 2015. Without low and moderate income funds for affordable housing through the former Redevelopment Agency, no financial support was offered in the proposal, aside from the contribution of land. After numerous developer inquiries, only one (1) response was obtained in the RFP process. Coachella Valley Housing Coalition (CVHC) completed a full proposal with potential projects outlined for all three (3) sites.

An evaluation panel of five (5) staff members, from various Town departments, was assembled to evaluate the proposal received from CVHC. The panel met on April 30, 2015. With only one (1) proposal to review, staff did not find it advantageous to formally rate the developer's proposal. Instead, an in-house analysis was conducted for the ten (10)-acre site, referred to as Site 2 in the RFP, and provided to all reviewers in advance of the meeting. Staff gave priority to the Navajo Road site due to the Town's commitment to develop this location, as required by NSP 3 Funds and regulated by Housing and Urban Development (HUD) in a timely manner.

CVHC has developed over 5,000 units since their inception in 1982. Their emphasis has primarily been on the creation or replacement of farm-labor family housing in the Coachella Valley region of Riverside County. However, numerous projects have given them a broader scope of experience in terms of senior and veteran specific developments that staff was looking for in a development entity. Specifically, as the developer for March Veterans Village on March Air Force Base, CVHC has branched into the arena of California's and the Nation's plight to end veteran homelessness, with a 138-unit development that will imminently commence construction.

CVHC has demonstrated their understanding and success in navigating the multiple layers of financing required for rental projects of this scale. CVHC was a successful recipient of Veterans Housing and Homelessness Prevention (VHHP) financing for their March Veterans Village project, awarded by Housing and Community Development (HCD) earlier this year. Most notably, of their last twenty-four (24) projects, twenty-three (23) obtained Low-Income Housing Tax Credit financing on the first attempt.

Staff has had multiple meetings with CVHC and is convinced they can provide a quality project on the ten (10)-acre site. For these reasons, staff is requesting authorization to enter into negotiations with Coachella Valley Housing Coalition with the intent to bring forward a formal Disposition and Development Agreement (DDA) for Council review and approval at a future meeting. A formal presentation of the project and of CVHC will be given to the council at the October 27, 2015 Town Council meeting.

A copy of the RFP and the proposal from CVHC is on file with the Town Clerk's office.

FISCAL IMPACT:

Not applicable.