

**TOWN OF APPLE VALLEY  
TOWN COUNCIL/REDEVELOPMENT AGENCY**

**SPECIAL MEETING  
MINUTES – June 2, 2011**

**OPENING CEREMONIES**

**CALL TO ORDER:**

Mayor Nassif called to order the special meeting of the Apple Valley Town Council at 6:43 p.m.

Roll call was taken with the following members present:

Roll Call

Present: Council Members: Coleman; Emick; Roelle; Mayor Pro Tem Stanton; Mayor Nassif.

Absent: None.

**PLEDGE OF ALLEGIANCE:** The Pledge of Allegiance was led by Mayor Nassif.

**LEGISLATIVE MATTERS**

**1. Reconsideration and Review of Selection of a Development Entity for Affordable Senior Rental Housing.**

Mayor Nassif announced that he has requested that this item be brought back to the Town Council for reconsideration based on the fact that additional information has been brought forward that should be considered on this matter.

**MOTION**

Motion by Council Member Coleman, seconded by Council Member Roelle, and unanimously carried, to reconsider and review the Town Council's May 24<sup>th</sup> decision 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.

Kenneth Henderson, Assistant Town Manager, Economic and Community Development, presented the staff report as filed with the Town Clerk. Mr. Henderson commented on the request by the Town Council to reconsider this item and stated that each applicant has been notified and informed that the information provided to the Town Council today must be the same report as submitted at the last meeting.

Stan Smith, Related California, presented a PowerPoint presentation of their affordable senior housing project for the benefit of the Town Council and the viewing public.

Arjun Nagarkatti, AMCAL, thanked the Town Council for their support of AMCAL's project at the last Town Council meeting. He stated that AMCAL has completed over 37 projects in California.

Maurice Ramirez, AMCAL, stated that the project would house approximately 11 units per acre which he believed is more respectful for the community of Apple Valley.

Colleen Edwards, Palm Desert Development Company, presented a PowerPoint presentation of their affordable housing project.

Dave Mueller, Apple Valley, stated that this is not the first affordable housing project in the Town of Apple Valley. He stated that his concern is the use of NSP funds for this project.

Al Vogler, Hesperia, stated that if the Town Council changes their 5-0 vote, it runs the risk of looking like you've done something wrong and could possibly be challenged. He commented that the Town Council needs to remain transparent so it does not appear that there is any wrongdoing.

Joe Brady, Apple Valley, read a letter into the record regarding AMCAL Development.

Mayor Nassif stated that each of the Town Council members is interested in what is best for the Town of Apple Valley. He asked a series of questions regarding the proposed project.

Mr. Henderson answered questions of Mayor Nassif regarding the rent assumptions. He explained that Related also submitted a market analysis.

Kathie Head, Keyser Marsten, stated that she has worked in this industry over 20 years. She commented on the market analysis that was conducted. She commented on the difference between each of the proposals as they relate to rents.

Council Member Emick asked the area used for the market analysis.

Mr. Henderson explained that it was the high desert areas of Victorville, Apple Valley, Adelanto, Hesperia and the unincorporated areas.

Council Member Coleman questioned the use of utility allowances.

Council Member Roelle also asked questioned regarding rental rates.

Council Member Emick asked what happens when the rents are higher and you attract different clientele.

Ms. Head answered the questions and concerns expressed by the Town Council.

Annie Jerard, representative from the marketing firm hired by Related, commented on what qualifies for affordable housing and answered various questions from the Town Council regarding affordable housing projects.

Ms. Head commented on the financial requirements for the off-site requirements.

Mayor Pro Tem Stanton commented on the financial figures listed in the staff report.

Discussion ensued regarding density and garages for the proposed projects.

Council Member Coleman asked questions regarding which developers conducted rent studies, if they had a solution to problems such as rents being too close to market, tax credit issues, if consultations were conducted with staff, offsite improvement studies and the size of community rooms.

Each of the applicants answered the questions as presented by Council Member Coleman.

**MEETING RECESSED**

Mayor Nassif declared a recess of the Special Meeting at 5:38 p.m.

**MEETING RECONVENED**

Mayor Nassif reconvened the Special Meeting at 5:53 p.m.

Mr. Henderson stated that the Council's analysis should be based on the responses to the RFP. He also recommended more discussion on the offsite improvements/requirements for the Town Council's consideration.

John Brown, Town Attorney, cautioned the Town Council not to go into a negotiation process during the discussions.

Mayor Pro Tem Stanton commented on garages and whether or not they could be considered at this time. She also questioned the requirements for off-site improvements.

Ms. Head explained that there is a significant difference between each proposal. as they relate to off-site improvements.

Bernadette McNulty, representing Individuals with Disabilities, stated that they support the use of Redevelopment funds for individuals with disabilities. She requested that the Council approve a project that would allow the use for handicap accessibility in the units.

Mayor Nassif, with the consensus of the Town Council, allowed each applicant two minutes to provide a closing summary to the Town Council.

Closing summaries were given by Related, AMCAL and Palm Desert Development Company, each thanking the Town Council for the opportunity to present their proposals for approval.

Council Member Roelle expressed concern regarding this process and the various projects submitted. He stated that he does not believe the funds should be used for this purpose and based on that, will not support a project at this time.

Council Member Emick thanked staff for reviewing the projects and narrowing the decision down to three. He commented on the standards that he feels should be enhanced in the area. He stated that he supported his original decision.

Council Member Coleman thanked each of the developers for their hard work and dedication in submitting their proposals. She commented on the offsite costs listed in the proposals and the rents. She believed that the Related proposal rates higher and therefore indicated that she would be supporting that proposal.

Mayor Pro Tem Stanton reiterated that she is still perplexed as to why the Town Council is reconsidering this item. She stated that the Town should be very conscious of their spending. She would like this item brought back at another time where true affordable housing would be presented. If that could not be done, she recommended the funding be given back to the State.

Mayor Nassif apologized for the need to reconsider this item tonight. He commented on the need for the Town Council to fully understand this item and the need to make sure that the decision made is what's best for the community. He recommended that the Related proposal be approved.

### **MOTION**

Motion by Vice-Chair/Mayor Pro Tem Stanton, seconded by Boardmember/Council Member Roelle, to unwind the decision of last week, deny this process and direct staff to come up with a true affordable senior housing project.

Vote: Motion failed 2-3-0-0

Yes: Councilmember Roelle; Mayor Pro Tem Stanton.

Noes: Councilmember's Coleman; Emick; Mayor Nassif

Abstain: None. Absent: None.

### **MOTION**

Motion by Board Member/Council Member Coleman, seconded by Chairman/Mayor Nassif, to unwind the decision of last week, and approve the proposal submitted by Related California.

Vote: Motion failed 2-3-0-0

Yes: Boardmember/Councilmember Coleman; Chair/Mayor Nassif.

Noes: Boardmembers/Councilmembers; Emick; Roelle; Vice/Chair Mayor Pro Tem Stanton

Abstain: None. Absent: None.

Based on the above votes, the decision to approve the proposal submitted by AMCAL at the meeting of May 24, 2011 remains unchanged.

Mayor Pro Tem Stanton expressed concerned regarding the decision to revisit this item indicating that there was no new information submitted.

Council Member Coleman explained that she requested this item be reconsidered based on the information submitted in the study conducted by Keyser Marsten. She believed the Council needed to review that information.

### **ANNOUNCEMENTS**

Frank Robinson, Town Manager, informed the Town Council that due to system failures with the Town's computer server, staff has been unable to complete the budget. He stated that the Town Council will be presented with dates in an effort to reschedule the budget workshop as soon as possible.

Mayor Pro Tem Stanton expressed concern regarding the delay in reviewing the Town of Apple Valley Budget. She believed this process should have been completed in May.

**ADJOURNMENT**

**MOTION**

Motion by Mayor Nassif, seconded by Council Member Roelle, and unanimously carried, to adjourn the special meeting of the Apple Valley Town Council at 6:53 p.m.

Town Clerk

Mayor