

**TOWN OF  
APPLE VALLEY, CALIFORNIA**

**AGENDA MATTER**

**Subject Item:**

**HAPPY TRAILS VILLAS UPDATE**

**Background and Summary Statement:**

Pursuant to a request made by Mayor Pro-Tem Barbara Stanton, staff as well as the developer, is prepared to provide an update on the Happy Trails Villas Project and will be on hand to answer any questions of the Council.

On June 22, 2010, Council approved an Owner Participation Agreement (OPA) between the Town and AVHTV to facilitate the acquisition and construction of the 34-unit Happy Trails Villas condominium project. Subsequently, AVHTV closed escrow on the subject property on July 2, 2010. At this time, the developer is making preparations to move forward with the implementation of the project.

AVHTV has entered into contracts with a soils engineer, local architect, civil engineer, Home Owners Association (HOA) attorney, and HOA budget preparer. AVHTV is in the process of preparing a final map which includes recordation, to be followed by approvals at the state level for a condominium home owners association. All necessary plans have been submitted and all permits are ready to be issued. All construction work has been bid out and the construction work is ready to be awarded.

The developer is additionally in the process of negotiating with Apple Valley Ranchos to resolve issues relating to the water line and retaining wall that may affect fees and other costs in excess of \$250,000.

AVHTV is researching alternatives to provide available financing to potential buyers in this currently tight lending market. Since this is a condominium project, FHA may not provide financing for more than 30% of the units. It has been a considerable challenge to coordinate with other lenders such as FNMA, VA and Cal-HFA in obtaining lender approval for our project. AVHTV will also partner with Neighborhood Housing Services (NHS) to provide homebuyers with down payment assistance and necessary homeownership counseling prior to assuming homeownership responsibilities. NHS recently partnered with the Town to provide foreclosure counseling assistance to residents of Apple Valley.

**Recommended Action:**

No action is required at this time.

**Proposed by Economic Development & Housing Division Item Number \_\_\_\_\_**

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

## Exhibit "A"

2010

July Closed Purchase Invested \$260,000  
Performed a Topographic Study  
August Engaged HOA Consultants  
September Engaged Architect and Engineers  
October Arranged Lender Meetings  
November Obtained 1st Amendment to OPA and RA  
December Prepared Covenants Conditions and Restrictions

2011

January Received Proposals from Third Party Management Companies  
Began Discussions with Brokers  
February Prepared Form General Contractor Contracts  
Prepared Condominium Budget  
Bid and Negotiated Wrap and Mold Insurance Coverage  
March Prepared Condominium Plan  
Formed Happy Trails Villas Homeowners Association  
Filed Three Subdivision Public Report Application  
Revised Grading and Drainage Plan  
Updated Site Plan  
Updated Landscape Plan  
Updated Off-Site Plan  
Prepared SWPPS  
Performed Construction Bid  
April Obtained Temporary Sales Permit  
Met with Four Preferred General Contractors for Four Scopes of Work  
Prepared Down-Payment Program Manual  
Prepared Down-Payment Loan Documents  
May Received Final Subdivision Notices from Department of Real Estate  
Engaged Third Party Group to Verify Buyer Income Eligibility and  
Capability  
Circulated Construction Loan Documents  
Prepared 2010 Tax Return  
Filed Project Approval Applications with FNMA, FHA, and VA  
Marketing Materials in Design  
Website in Design  
Signage Materials and Collaterals in Design  
Engaged Engineer for Formation of Landscape Maintenance District  
June Prepared Final Map  
Received Preliminary Project Approval from FNMA  
To Date AVHTV Has Spent Funds of \$550,000  
Engaged or Reached Out to Locally Based Architect, Engineers, General  
Contractors,  
Escrow, Sign Company, Website Company, Management Company,  
Lenders