



CITY OF AZUSA Redevelopment Agency

REQUEST FOR QUALIFICATIONS (RFQ) TO DEVELOP AND OPERATE AFFORDABLE HOUSING PROJECT(S)

I. INTRODUCTION

In order to promote the development and preservation of affordable housing, the Redevelopment Agency of the City of Azusa ("Agency") has prepared this Request for Qualifications ("RFQ") to solicit interest from potential development partners for the construction and/or rehabilitation of rental and owner-occupied housing for very-low, low-, and moderate-income families. To date, the Agency has endeavored to meet its affordable housing obligations through a combination of direct assistance to developers, the purchase of affordability covenants, the rehabilitation of existing housing stock, the funding of first time homebuyer programs, and the acquisition of real property for future housing projects. The Agency now seeks to partner with a private housing producer to evaluate development and funding opportunities in the City of Azusa.

The purpose of this RFQ is not to seek input or proposals on any particular project. Rather, the intent is to pre-qualify potential development partners that meet the Agency's criteria and can best help the Agency utilize available assets and resources to meet its long-term affordable housing objectives. Once viable projects are identified, the Agency will issue a formal Request for Proposal (RFP) to these development entities which would then submit specific plans for the design, financing, construction, operation, and maintenance of the proposed project(s).

II. SUMMARY

The Agency is interested in exploring opportunities to utilize its existing assets and developing new resources to provide both rental and owner-occupied affordable housing for families and senior citizens. The projects to be developed will reflect the following general characteristics:

- The housing units provided shall reflect a mix of very low-, low-, and moderate-income levels, as defined by the State Department of Housing and Community Development for the County of Los Angeles.

- They shall carry appropriate covenants/restrictions providing for affordability for the time periods established by law (i.e., 55 years for rental projects, 45 years for owner-occupied projects).
- They shall be designed and constructed in such a manner to satisfy both inclusionary housing requirements established by California Community Redevelopment Law (CCRL) and the City's regional housing allocation (RHNA).
- They shall be constructed in a manner that enhances the surrounding neighborhood.
- Rental projects shall provide for long-term property management and control.
- They shall be funded through a combination of Agency resources, outside grants and/or loans, and developer equity.

The goal of the Agency is to eventually select an experienced developer for its affordable housing projects that has demonstrated superior technical and financial capabilities and that has the ability to work in the community to address on-going needs.

The Azusa Redevelopment Agency is committed to non-discrimination and equal opportunity. No person will be discriminated against on the grounds of race, color, sex, religion, national origin, ancestry, age, marital status, physical or mental disability, or sexual orientation.

III. CITY OVERVIEW AND DEMOGRAPHICS

The City of Azusa, known as the "Canyon City," lies at the foot of the San Gabriel Mountains in Los Angeles County. The City was founded in 1887 and incorporated as a general law city on December 29, 1898. Beginning with a population of 865 in 1899, Azusa grew from 29,380 residents in 1980 to 44,712 residents in 2000, an increase of 52.2 percent. Since 1990, however, population growth has been relatively moderate, reflecting both the economic recession of the early to mid 1990s, and the limited availability of land remaining for residential development in a mostly built-out community. The California State Department of Finance estimated that Azusa's population as of January 1, 2009 was 48,932, representing a 9 percent increase since 2000.

Among the San Gabriel Valley foothill communities, Azusa has long supplied a disproportionate amount of affordable housing. As a result, among foothill cities, Azusa has had the lowest rate of home ownership, lowest median housing sales price, and the highest rates of overcrowding and substandard housing. These factors also contributed to a decline in retail economic activity, as surrounding cities aggressively pursued sales tax revenue drawn by their stronger buying power. As a result, many older neighborhoods in Azusa went into decline, with property values and reinvestment falling and rental turn-over increasing. This situation has also resulted in a corresponding increase in crime.

During recent decades, Azusa's demographics have changed. The Hispanic population continues to grow in the City, from 53 percent in 1990 to nearly 65 percent in 2000. In 1999, minorities represented 87 percent of the student population within the Azusa Unified School District, compared to 81 percent of students in the County. The population also became younger, as the percentage of children under 18 counted in the 2000 Census rose to nearly one-third (31 percent) of the City's total population. This has increased the pressure on

older housing, neighborhoods and schools to provide a safe and healthy environment for families.

IV. HOUSING OVERVIEW

The lack of affordable housing in the eastern San Gabriel Valley has also exacerbated the squeeze on Azusa's housing, as rents have risen without substantial reinvestment due to the regional housing shortage. Because substantial residential growth occurred in the 1950s and 1960s, over 50 percent of the housing stock in the City is 30 years or older, the age when most homes begin to require major repairs. Recognizing this as an important housing concern, the City has become a leader in promoting neighborhood improvements through a pioneering rental inspection program, neighborhood code enforcement and provision of home improvement/rehabilitation assistance. Continuation and expansion of these programs is necessary, as a growing share of the housing stock requires improvement or rehabilitation.

Of the 13,500 housing units in the City, 59 percent are single-family homes, 37 percent are multifamily units, and 4 percent are mobile homes and trailers. Housing costs in Azusa are lower than neighboring cities. In 2000, the median price of a single-family home was about \$150,000. Housing prices peaked in 2006 in Azusa, with a median sale price of \$429,500. In September 2008, the City's median home price had declined to \$270,000, reflecting national trends associated with the mortgage meltdown. Home sales prices are generally in the moderate income range, while recently developed and currently planned new single-family developments in Azusa Canyon will provide a greater stock available within the City to middle- and upper-income households.

In 2000, monthly rent for a two-bedroom apartment unit ranged from \$869 to \$982 in the larger complexes with a high level of amenities. In 2008, rents for a two-bedroom apartment ranged from \$950 to \$1,685. While much of the City's rental housing is in smaller complexes and rents, especially in smaller units, are at levels affordable to low-income households, the larger complexes are geared towards moderate-income renters.

Despite comparatively lower housing prices and rents (due to the generally lower incomes of existing residents), many households still face a housing cost burden. In particular, over 36 percent of renter households in Azusa are overpaying and may have to double up with other families to afford rents, which in turn contributes to overcrowding (39 percent of rental units in Azusa are overcrowded).

V. RFQ SUBMISSION REQUIREMENTS

Responses to this Request for Qualifications should contain the following elements:

1. **Cover Letter:** The response shall include the name, address, e-mail address, telephone and facsimile number of the primary contact person, and/or the person who will be authorized to represent and sign on behalf of the Developer.
2. **Summary of Experience and Qualifications:** The response shall provide evidence of the Developer's relevant experience with affordable rental housing and shall, at a minimum, describe the following:

- Experience working with local government (cities, counties and/or redevelopment agencies) in developing and financing affordable housing projects. Such a description shall include a list of local government agencies the developer has worked with, the type of project(s) done, and the dates the project(s) were completed.
 - Experience in property entitlement, CUP process, development, and construction management.
 - Knowledge and experience in developing project financing.
 - Experience in past community outreach efforts.
 - Experience in marketing, leasing, managing, and operating affordable rental housing (including senior housing projects).
 - Experience in qualifying tenants, and conducting income recertifications.
3. **Financial Capacity:** Include the most recent audited financial statement for the developer and other proposed affiliated organizations.
 4. **Identification of Key Staff Members:** Provide a list of all personnel who would be assigned to potential projects, including their past project experience, qualifications and résumés. Provide a list and description of all applicable licenses, credentials, and certificates of professional training, and familiarity in working with Federal, State, or local governmental agencies involved in affordable housing projects.
 5. **References:** Provide a minimum of three (3) public sector references (preferably cities and/or redevelopment agencies). Each of these references must be prepared to discuss the developer's ability to take a project from design to construction and to develop alternative funding sources. Include the name of the agency along with the contact name, title, and telephone number.
 6. **Agency Contact:** All contacts regarding this RFQ are to be directed to the Azusa Redevelopment Agency. Any contact with members of the Agency Governing Board/City Council shall constitute grounds for the Agency's rejection of the Developer's Statement of Qualifications.

The Agency places emphasis on completeness and clarity of the responses, which should include sufficient detail to allow for accurate evaluation. Omission of any of the above requested information, or misleading and incomplete information may be grounds for rejection.

VI. SELECTION PROCESS AND CRITERIA

Agency staff will review and evaluate all complete Statements of Qualifications received by the closing date in accordance with the criteria and procedures identified in this RFQ. The inclusion of a Developer on the Agency's pre-qualification list will be based on the quality of the responses, including thoroughness and applicability to the requirements of this RFQ. The Agency may, at its option, request additional information, clarification of information, or interviews with Developers before final selections are made.

Statements of Qualifications will be evaluated on a scale of up to 100 points. The following criteria will be used to assess the Developer's qualifications:

1. **Development Experience (20 points):** Developer's previous experience working with local government agencies developing affordable housing projects, including property entitlements, development, and construction.
2. **Management Experience (20 points):** Developer's experience in property management, marketing, leasing, operating, and maintaining affordable housing projects.
3. **Community Outreach Experience (10 points):** Developer's experience in gaining community support for similar projects.
4. **Project Financing Experience (20 points):** Developer's knowledge of and experience with creative financing of affordable housing projects.
5. **Financial Capability (20 Points):** Developer's access to funding resources and its ability to secure financing and maintain adequate working capital.
6. **Organization Scope of Services (10 points):** The degree to which the developer can provide full service towards any selected project (i.e., planning, architectural, financing, project management, property management property maintenance, etc.)

Based on its review of Statements of Qualifications, Agency staff may require finalists to make a presentation. However, placement on the pre-qualification list may be made without a presentation or further discussion. Any decision to include a developer on the Agency's pre-qualification list will be at the sole discretion of the Executive Director of the Azusa Redevelopment Agency.

VII. SUBMISSION PROCESS

Developers desiring to respond to this RFQ shall submit three (3) copies of the Statements of Qualifications, in a sealed enveloped marked "RFQ to Develop and Operate Affordable Housing Project(s)" prior to the closing date of Thursday, January 28, 2010, at 5:00 pm. All late submittals will be rejected and returned unopened.

Statements of Qualifications shall be delivered to:

Azusa Redevelopment Agency
213 East Foothill Blvd.
Azusa CA 91702-1395
Attn: Director of Economic & Community Development

It is the sole responsibility of the Developer to ensure that the proposal is delivered before the closing date, at the above address. No oral, telegraphic, electronic, facsimile, or telephonic proposals or modifications will be considered. The Agency is not responsible for deliveries made to any place other than the specified address.

By submitting Statements of Qualifications, the Developer represents that it has thoroughly examined the requirements of this RFQ, and that it is capable of performing said tasks and functions.

VIII. WAIVER OF RIGHTS

By submitting a response to this RFQ, the Developer waives all rights to seek legal remedies regarding any aspects of the RFQ and the Agency's selection process.

In consideration of the compensation and other benefits derived from any contract that may be entered into with the Agency, the Developer shall agree to indemnify and hold the Agency harmless from claims or losses arising from, or in connection with, all work relating to the Project. In addition, the Developer shall be expected to indemnify the Agency, officers, employees, or agents and hold said personnel harmless from any and all claims, liabilities, obligations, and causes of action of whatever kind or nature for injury to, or the death of any persons or the damage or destruction of property during the term of the contract.

If you have any questions concerning this Request for Qualifications, please contact Ms. Sandra Benavides, Redevelopment Project Manager, at (626) 812-5100 or at sbenavides@ci.azusa.ca.us.