



Seattle
Office of Housing

Request for Proposals

**For permanently affordable homeownership and
commercial development at: 1605 SW Holden Street,
Seattle, WA 98106**

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Responses Due: May 24, 2024 by **12:00 p.m.**

I. Introduction and Background

The City of Seattle Office of Housing (OH) is seeking proposals from qualified developers to acquire a property located at 1605 SW Holden Street, Seattle, WA 98106 to develop permanently affordable ownership housing at the site, steward the ongoing affordability of all homes developed there, support homeowner success, and develop neighborhood-oriented commercial use(s) at street level in accordance with the site's Neighborhood Commercial zoning.

OH has a long history of investing resources in affordable homeownership opportunities for low-income people. Leveraging publicly-owned sites has become a key strategy for the development of permanently affordable homeownership opportunities because it increases project viability. OH has successfully pursued several opportunities for homeownership development on publicly-owned land in recent years. Offering this site for the development of resale-restricted affordable ownership housing with street level commercial use(s) is a continuation of these efforts.

This site was formerly owned by Seattle City Light and utilized as a substation known as "Dumar." The property was declared surplus to the City's need along with several other Seattle City Light owned properties in December of 2015 via Ordinance 124917. In December 2023, legislation passed ([Ordinance 126961](#)) approving the purchase and future transfer of the property by OH for the purposes included here. There is significant and long-standing community interest in having the property developed as a mixed-use affordable homeownership project.

This property (parcel # 211320-0005) is in the Highland Park neighborhood of West Seattle. The site is rectangular, relatively level, and is estimated to be 9,425 square feet. In 2025, Seattle Public Utilities will construct a natural drainage system in the property's frontage and within the public right-of-way. The natural drainage system will be located between existing sidewalks and the new edge of the roadway on SW Holden Street between 16th Avenue SW and 17th Avenue SW. The new system will help improve water quality in nearby Longfellow Creek, diversify landscaping in the neighborhood, and provide roadway and pedestrian safety by adding/updating ADA curb ramps. Proposals will need to include a plan to preserve this infrastructure.

OH acquired this site from Seattle City Light for \$424,000. Because OH resources are limited to funding the development of housing, OH will require compensation for a portion of the land due to the commercial space development requirement. Proposed compensation and the methodology for determining the amount should be reflected in the Development Budget and Narrative submitted as part of this proposal.

Proposals can be submitted by single organizations or by a partnership between organizations. Any proposed project must comply with all local, state, and federal rules and statutes necessary to obtain development permits and approvals. Any selected developer will be bound by laws and ordinances regarding equal employment opportunity. Applicants are encouraged to submit creative proposals that respond to the objectives and evaluation criteria set forth in the next section.

II. Objectives and Proposal Evaluation Criteria

Threshold Criteria

1. **Affordability Level:** The proposed sales prices must be affordable to households with incomes at or below 80% of Area Median Income (AMI) for the Seattle area as published [on OH's website](#). For the purposes of this Request for Proposals (RFP), affordable is defined as a 5% downpayment, a monthly payment for housing costs (mortgage principal, interest, taxes, insurance, and other dues) of not more than 35% of income, a household size of one more person than number of bedrooms and a realistic mortgage interest rate. Proposals **may not** contain any market rate housing, even if proceeds from market rate housing would subsidize the cost of the affordable homes.
2. **Affordability Duration:** The proposal must be for the development of ownership housing with agreements that maintain affordability for a minimum of 50 years.
3. **Stewardship Experience and Capacity:** The proposal must be submitted by an organization or partnership between organizations that has experience stewarding permanently affordable, resale-restricted ownership housing in the Seattle area as evidenced by currently stewarding a homeownership portfolio. At least one full-time staff equivalent whose role is dedicated to the stewardship of resale-restricted ownership housing determines threshold capacity.
4. **Development Experience and Capacity:** The proposal must be submitted by an organization or partnership between organizations that has experience with developing affordable homeownership in the Seattle area as evidenced by the successful completion of at least one multi-unit ownership project. Threshold capacity is determined by having at least one full time staff equivalent whose role is dedicated to the development of affordable housing.
5. **Financial Feasibility:** Proposals must include a thorough, balanced, and reasonable development budget that identifies all sources and uses for both construction and permanent financing.
6. **Organizational Financial Capacity:** The proposal must be submitted by an organization or partnership between organizations that has auditable accounting systems and standard fiscal controls in place needed to administer public resources.
7. **Preserving Neighborhood Infrastructure:** Building plans must consider how to preserve the natural drainage system being added to the site in 2025. The natural drainage system is a project of Seattle Public Utilities. The project is currently in the design phase, with contract award estimated in the fall of 2024 and construction through 2025 (subject to change). Construction of private development, associated frontage improvements and utility connections must not disturb the natural drainage system facilities or supporting infrastructure.

Scoring Criteria

Competitive proposals will be evaluated and scored based on the extent to which they meet these criteria:

- 1. Affordability Level:** While homes must be sold to households with incomes at or below 80% AMI, additional points will be given to proposals that budget for sales prices that are affordable for households at lower income levels.
Scoring: 15 points possible
- 2. Affordability Duration:** There will be a preference for projects that use legal restrictions ensuring affordability for longer than the required 50 years. The most competitive projects will use a renewable and inheritable long-term restriction.
Scoring: 15 points possible
- 3. Product Quality and Design:** The successful proposal will propose homes that are high-quality, thoughtfully designed, livable and durable. Any proposed environmental building certifications will be considered when scoring.
Scoring: 5 points possible
- 4. Culturally Competent Stewardship:** Proposals should include evidence of organizational experience with and capacity to sustain stewardship. Competitive proposals will include the description of a culturally competent stewardship plan and/or program to support homeowner success and ensure ongoing affordability of homes for at least 50 years.
Scoring: 10 points possible
- 5. Anti-displacement:** Competitive proposals will have a strong affirmative marketing component and will consider whether to utilize [community-preference](#) to conduct outreach to income-eligible community members who have been displaced or are at risk of displacement from the neighborhood. Points will be awarded to proposer teams that demonstrate success in reaching traditionally underserved populations, including people of diverse ethnic and cultural backgrounds and people with disabilities.
Scoring: 15 points possible
- 6. Community-Informed Development of Commercial Space:** Competitive proposals will include thoughtful plans to engage the community on potential uses for the commercial space and include plans for outreach to potential occupants with a focus on small, locally and/or Black, Indigenous, or other person of color owned businesses that will help to activate the neighborhood and encourage walkability. Local organizations serving Highland Park and its neighboring communities, such as the [Highland Park Action Coalition](#), the [Delridge Neighborhood Development Association](#), the [White Center Community Development Association](#), the [Cultural Space Agency](#), and [Nepantla Cultural Arts Gallery](#), should be included in this outreach effort. Projects that propose selling the commercial space will score higher than those proposing to lease it.
Scoring: 10 points possible
- 7. Development Capacity:** Points will be given to organization(s) that can demonstrate organizational and financial capacity to complete the proposed project. This includes having sufficient staff resources to respond to City and community concerns, experienced real estate development staff with the technical capacity to oversee design and construction, and the financial capacity to garner necessary funding and/or financing to sustain the organization through and beyond construction completion and sales.
Scoring: 10 points possible

8. **Financial Efficiency:** Project budget is thorough, reasonable and proposes a realistic plan to complete the project in a timely manner, including obtaining all necessary construction and permanent financing. Projects with lower per bedroom construction costs will score higher.
Scoring: 10 points possible
9. **Housing Mix:** To promote a variety of housing options, proposals should include a mix of unit sizes and number of bedrooms.
Scoring: 5 points possible
10. **Partnerships with WMBE Contractors:** Competitive proposals will include a specific plan to meet or exceed the existing OH goal of 14% of total construction and other contracted services contracts be with women and minority business enterprises (WMBE).
Scoring: 5 points possible

III. Proposal Submissions

Proposal narratives should contain the following components and be submitted along with all items listed on the [Proposal Checklist](#).

1. **Introduction:** Please include a cover letter describing the general project overview. Please identify the primary contact person for application questions and provide their contact information.
2. **Organizational Information:** Please name and describe the organization(s) submitting this proposal. Provide all pertinent organizational information such as incorporation date; state and IRS tax status; mission; vision; strategic plan highlights (as they may relate to the proposed project); program areas; and aggregate client demographic information such as race, ethnicity, and income. Please provide names and experience of senior management and board members or principals/founders as applicable. If the proposal is being submitted collaboratively, provide all the requested information for each project partner, and provide a detailed description of the partnership relationship.
3. **Project Description:** Provide a narrative description of the proposed development, the number and types of homes, the number of bedrooms and bathrooms in each home and the intended market including the affordability level of homes to be developed. Describe the project design principles and the development timeline.

Describe the proposed development's end user ownership structure. If there is a Homeowners Association (HOA) or Condominium Owners Association proposed, please also complete and submit the [HOA Addendum](#). If the proposed project will be a Limited Equity Cooperative, please include a Market Study and the [Limited Equity Cooperative Addendum](#).

4. **Project Design:** Provide a narrative description of the proposed development including the primary construction materials as well as any green building standards that will be achieved. Explain how you will ensure that the design and construction process will preserve the [natural drainage system](#) being installed in 2025.

Include the following conceptual design drawings:

- a. A site plan showing the building footprint, parking, and location of curb cuts.
- b. A cross section showing a typical structure's relationship to the site grades.

- c. At least one elevation drawing, or image of the type of structure proposed.
 - d. A typical unit floor plan.
5. **Stewardship Plan:** Describe your stewardship plan, including:
- a. Confirm the affordability period and describe how you propose to keep the homes affordable throughout the affordability period. Include a template of the legal document(s) you intend to use to secure affordability.
 - b. Describe how the legal document(s), the initial price, and the resale formula align with OH's [Housing Funding Policies](#).
 - c. Describe the financial model of how affordability will be maintained throughout the affordability period.
 - d. Describe how your organization facilitates home resales; communicates program funding requirements and restrictions; supports homeowners; and monitors compliance with the city's regulatory agreement, including the owner-occupancy requirement, over time.
6. **Stewardship Experience and Capacity:** Describe the applicant team's experience with homeowner support and/or stewardship of home affordability, including staffing and resources to determine household eligibility, establish and maintain an applicant pool and relationships with mortgage lenders, and monitor compliance with owner-occupancy requirements and resales. Include a current job description of at least one full-time staff equivalent whose role is dedicated to the stewardship of resale-restricted ownership housing.
7. **Affirmative Marketing and Community Engagement:** Describe your organizational efforts to affirmatively further fair housing. Describe your affirmative marketing strategy and homebuyer selection process, including the establishment and management of any waiting lists. Please note if you are planning to utilize [community preference](#) and if so, describe how. Describe how potential homebuyers learn about or are referred to your program.
8. **Commercial Space Development:** Articulate a methodology and plan for how you will determine the ground floor commercial uses and who the owners/tenants might be. Please also describe how you plan to engage existing neighbors in the owner/tenant identification process, resources you will use to pay for the commercial space development, and your timeline for leasing or selling the space.
9. **Development Experience and Capacity:** Please provide an overview of housing development and project-related experience, including size and type of project(s) and the number of units produced, rehabilitated, owned and/or managed. The projects described should illustrate the developer's experience with new construction projects similar in scope and size to the proposed project. Submit the following information for your most recent 3-4 projects to demonstrate homeownership development experience:
- a. Project name
 - b. Location/jurisdiction
 - c. Description of the project size and scope
 - d. Project start date, when construction was completed, date project was occupied, and/or when last home was sold (if a current project, please include its current status and projected date of completion)

- e. List and description of the development team (staff members, consultants, volunteers, contractors, etc.)
- f. Description of the ownership structure along with a description of resale-restrictions if any
- g. Consolidated sources and uses budget for construction and permanent financing

Identify and describe your development team proposed for this project. In separate paragraphs, identify each company/organization and individual person involved with the project team and their respective roles. Include information on the team member's experience and qualifications. Additionally, include the resumes of key team members.

10. **Development Budget and Narrative:** Please provide a detailed estimated project [Development Budget Workbook](#) including uses and financing/funding sources, estimated sales prices, and amount of City and all other subsidy as applicable. The sources of financing for land acquisition, pre-development costs, and construction should be delineated in the budget. The budget should include development financing sources and the takeout funding, including the homebuyer's mortgage and downpayment in the Funding Sources tab.

In the narrative, explain all assumptions used to create the Development Budget Workbook, including the timeline for project completion. Please explain any contingency plan(s) regarding non-OH funding sources and the effect on the project timeline if funding applications are unsuccessful. Discuss the amount and methodology used to determine your proposed payment to OH for the commercial space. The narrative should also include information about the average per unit construction costs, how you determined the initial sales price for each of the various home types and show the monthly payment details of different income levels and household sizes of target homebuyers.

Be sure to include both the proposed land compensation amount and the methodology used to determine the amount.

If concurrently undertaking other development projects, attach a visual representation of concurrent development projects including this project and any other projects that may be occurring simultaneously. Describe how other projects may affect the timeline of this project.

11. **Organizational Financial Capacity:** Describe the primary sponsor(s) financial capability to complete the proposed project. OH will need copies of the most recent three years of audited annual financial statements. If you have already provided audited financials for prior years, you may submit just the most recent audited statements. Also, please submit current year-to-date financials including balance sheet, profit and loss statement, and any other reports you use to communicate with your board members about your organizational finances. Applicants that do not have third-party audited financial statements should partner.
12. **WMBE Contracting:** Describe existing or potential business relationships with WMBE contractors and/or sub-contractors. Describe if and how the project will attempt to meet or exceed 14% of the total construction and other contracted services contracts be with WMBE firms.

IV. Site Specific Information

The site is located at 1605 SW Holden Street in the Highland Park Neighborhood of West Seattle.

- Site Size, Shape and Topography: The site is approximately 9,425 square feet, rectangular, and mostly flat.
- Legal Description: Lots 1-2, Block 9, Dumar Div. 2, V. 23, P. 9
- **Tax ID Number(s):** 211320-0005
- Zoning: NC1-40 (M2)
- **Environmental Reports:** [2015 NFA Determination](#)
- **Natural Drainage System:** [60% Design Drawing](#), provided for reference only.
- **Survey:** OH has commissioned a survey. Completion expected in the next 1-2 months. Survey will be shared with proposers at that time.
- **Geotechnical Report:** OH has commissioned a geotechnical report. Completion expected in the next 1-2 months. Geotechnical report will be shared with proposers at that time.

For all additional information about development requirements see the Seattle Department of Construction and Inspections' [website](#). Nothing stated herein or in any documents provided is intended as any type of representation or warranty with respect to the condition or quality of the property or title thereto, and OH expressly disclaims any express or implied warranties. Respondents shall be responsible for conducting their own due diligence and verifying any and all information with respect to the condition and quality of the property or title thereto.

V. City Subsidy

Seattle Housing Levy and other public funds are available to subsidize housing development. OH is proposing new Housing Funding Policies that, if approved, will be in effect the second half of 2024. The maximum subsidy amounts, contingent on passage of new Housing Funding Policies as proposed, are:

- Up to \$120,000 for one-bedroom homes
- Up to \$140,000 for two-bedroom homes
- Up to \$170,000 for three-bedroom homes
- Up to \$180,000 for four-bedroom homes

For the purposes of this RFP, proposers may submit budgets including the above subsidy amounts, but should be aware budgets may need to be revised if the Housing Funding Policies do not pass as proposed.

Proposers should assume that all other current housing funding policies apply and are articulated in the Homeownership Program section of OH's [Housing Funding Policies](#).

VI. Terms of Transfer

The City will negotiate the specific terms of a purchase and sale contract with the selected developer. The contract will contain covenant(s) limiting development on the property to that which has been approved. There will also be one or more affordable housing covenant(s) recorded as part of the transfer limiting the residential use to affordable housing. The description of the project, drawings, and timeline, as refined through the negotiation process, will constitute the "Development Plan," and will be included as an exhibit to the contract.

If the selected developer fails to reach agreement with the City on the terms of the various contract documents within a reasonable time period, determined by the City in its sole discretion, the City may

reject the development proposal and re-advertise the property or enter into direct negotiations with one of the other qualified respondents to the RFP. The purchase and sale contract, all associated documents, and the corresponding legislation for disposition is subject to approval by City Council.

VII. Disclaimers and Disclosure

1. This RFP is not a commitment or contract of any kind. OH reserves the right to pursue any and/or all ideas generated by this request. Costs for developing submissions are entirely the responsibility of the submitting developer and shall not be reimbursed. OH reserves the right to alter timelines, amend or retract the RFP, waive as informality any irregularities in submittals, and/or reject any and all submissions. OH reserves the right to waive any requirements of this RFP when it determines that waiving a requirement is in the best interest of The Office of Housing.
2. All proposals and related materials become the property of the City upon delivery to OH. State law, RCW Ch. 42.17, provides that public records are subject to public inspection and copying unless specifically exempted. RCW Ch. 42.17 enumerates limited exemptions a public agency's obligation to disclose public records. If the applicant believes that portions of its proposal are exempt from disclosure to third parties, the applicant must clearly label the specific portions sought to be kept confidential and specify an exemption that the applicant is relying on. However, acceptance of a proposal containing such designations by OH is not an agreement that such material is legally confidential, and the Office of Housing cannot guarantee that such information will not be disclosed.
3. The applicant recognizes and agrees that the City will not be responsible or liable in any way for any losses that the respondent may suffer from the disclosure of information or materials to third parties, nor for any use of information or materials by third parties.
4. All costs of preparation of proposals and all related expenses are at the sole risk of the developer. No developer shall have any claim against the City for any costs incurred in responding to this RFP or in any negotiations, modifications of proposals, presentations, or other actions to secure a contract for purchase of the Property, whether or not at the request of the City. Unless and until a purchase and sale contract shall have been duly authorized by ordinance and signed by the City and the developer, the City shall retain the right to terminate the sales process, and/or to dispose of the property in any manner permitted by law, without liability to any developer.
5. RCW 35.81.095 provides in part: "A municipality shall not be required to select or enter into a contract with any proposer or to compensate the proposer for the cost of preparing a proposal or negotiating with the municipality."

VIII. Pre-Application Meeting

All applicants are required to attend a project pre-application conference with OH staff prior to applying. All pre-application meetings must be held on or before May 15, 2024. You may schedule a pre-application conversation by contacting Joy Hunt at joy.hunt2@seattle.gov.

IX. Submission Details

All applicants must submit one electronic copy of the full application. Please consult the [Proposal Checklist](#) to ensure the submission of a complete proposal. Electronic components must be submitted via email through a Dropbox type service to joy.hunt2@seattle.gov.

Please name each electronic file starting with the number that relates to the checklist item. The name then should be the organization name and then the document name. For example, the Development Budget Workbook submitted by ABC Community Development Corporation would be titled "3. ABC Development Budget Workbook." The site plan submitted by XYZ Housing would be titled "5a. XYZ Site Plan".

All submission items must be received by OH by **May 24, 2024, at 12:00 noon**. Any proposals received after the deadline will not be accepted or considered.

X. Proposal Review and Selection Process

The OH Homeownership Division is piloting this new evaluation process with separate threshold and scoring criteria in an attempt towards greater transparency and accountability. We are always open to feedback regarding our funding process.

OH will review proposals to ensure they are complete and responsive to the RFP. If proposals are submitted prior to the deadline but are found to be incomplete OH may request that the applicant submit the missing information.

OH will form a review committee to assist in the selection process. At OH's discretion, applicants may be asked to participate in an interview (in-person, remote or written questions, as appropriate) where they will present the project and/or answer questions from the committee. Applicants will be informed by June 14, 2024, as to whether they will be invited to participate in an interview.

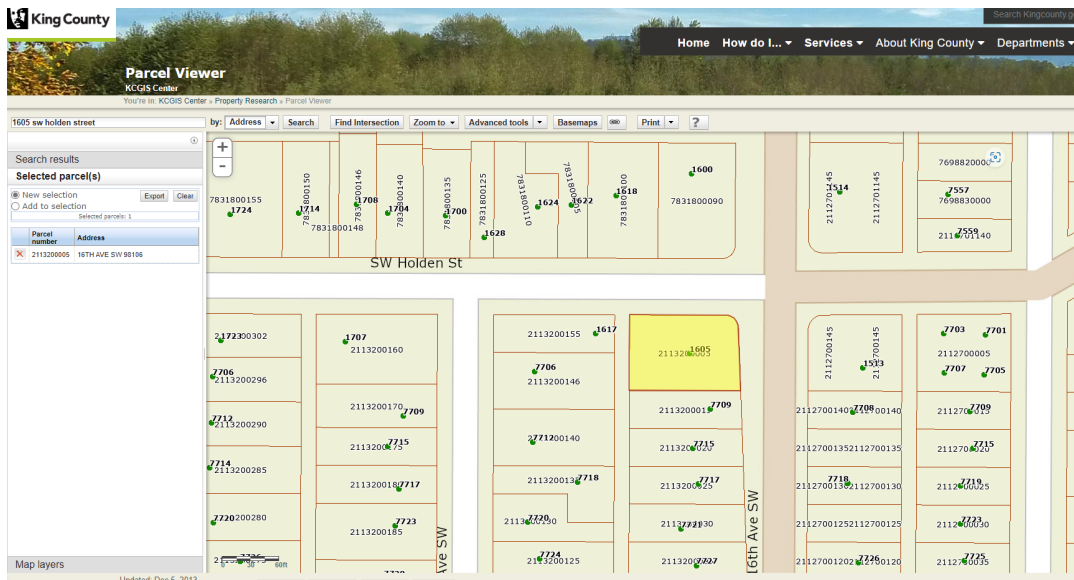
After proposal review and the interview, if requested, the committee will provide recommendations to the OH Director. The OH Director will then select the proposal. City staff will work to negotiate the purchase and sales contract as outlined above. OH will be responsible for selecting the proposal(s) that best meets the objectives outlined in this RFP. It is anticipated that OH will begin negotiations with the selected developer by the end of July 2024.

Exhibit A – Maps and Images

Street View – from Holden looking south



Parcel Map



Appendices and Documents

[Proposal Checklist](#)

[Development Budget Workbook](#) (Excel file on website)

[2015 DOE NFA Determination for Dumar](#)

[Dumar Natural Drainage System 60% Plan Set](#)

[HOA Addendum](#)

[Limited Equity Cooperative Addendum](#)