



Seattle
Office of Housing

Request for Proposals

*For Permanently Affordable
Homeownership and Non-Residential Development at
Site #6 located at 6740 MLK Jr. Way S.
As part of the
Rainier Valley Affordable Homeownership Initiative*

Published: March 24, 2023 at
<https://www.seattle.gov/housing/funding-opportunities>

Responses Due: May 19, 2023 by 12:00 noon

As part of the broader Rainier Valley Affordable Homeownership Initiative (RVAHI) the City of Seattle Office of Housing (OH) is seeking development proposals from qualified developers to acquire the City of Seattle-owned property located at 6740 MLK Jr. Way S. to develop permanently affordable ownership housing at the site, steward the ongoing affordability of all homes developed there and support homeowner success.

I. Initiative Background

Historic discriminatory policies and investment patterns in the housing market have actively harmed Black, Indigenous, and People of Color (BIPOC) communities, which face higher barriers to housing access and have experienced disproportionate rates of housing cost burden, evictions, and foreclosure as compared to White households. Over the past four decades rates of Black homeownership have declined precipitously in the nation as a whole and in Seattle especially. These losses and continued barriers to access have been and remain devastating to the wellbeing of families given impacts that include displacement from historically and culturally desirable neighborhoods, damage to the community fabric, and lost opportunities to build wealth across generations.

The Rainier Valley has long been home to a racially and economically diverse community, including a prominent Black American and Black immigrant population, due in part to a history of racially restrictive covenants, racial hostility, redlining, and other forms of, specifically but not exclusively, anti-Black racism that drastically narrowed the places where Black, Indigenous and other communities of color could live in the area. Over the past ten plus years, due to myriad influences, including rapidly rising housing prices throughout Seattle as well as Sound Transit's investment in above ground light rail along MLK Jr. Way S, the Rainier Valley community (like many other communities in Seattle) continues to face significant displacement pressure.

The Seattle Office of Housing has a long history of investing resources in affordable homeownership opportunities for low-income people. Leveraging publicly-owned sites—at free or reduced cost—has become a key strategy for the development of permanently affordable homeownership because it increases project viability. OH has pursued several opportunities for homeownership development on publicly owned land in recent years. This Initiative is a continuation and an expansion of these efforts.

After Sound Transit completed the Link light rail line through the Rainier Valley, there were several, relatively small pieces of property (collectively, the “Ten Properties”) adjacent to the line near the Mount Baker, Columbia City, and Othello light rail stations that were determined to be surplus to Sound Transit's needs and are now available to support affordable homeownership outcomes long advocated for by community-based organizations in the Rainier Valley.

In October of 2021, in an effort to both expedite the ultimate desired development of affordable homeownership and decrease the potential financial burden on community

developers, Sound Transit transferred the Ten Properties to the Office of Housing for the purpose of catalyzing the development of no fewer than 100 permanently affordable for-sale homes to help address displacement pressures in the Rainier Valley. The Ten Properties present a significant opportunity to create ownership opportunities in a neighborhood where housing is quickly increasing in cost and from which long-time residents are at risk of displacement.

Over the next several years, informed and directed by community, the Office of Housing intends to transfer the Ten Properties to community-based organizations for the development of permanently affordable homeownership opportunities, and non-residential development where allowed/required, to help address displacement pressures in the Rainier Valley. See the [Initiative webpage](#) for more information.

This is the second Requests for Proposals published as part of this initiative.

II. Initiative Objectives and Proposal Evaluation Criteria

The Rainier Valley Affordable Homeownership Initiative aims to accomplish the following through the development of the Ten Properties:

- Create at least 100 for-sale homes, permanently affordable to low- and moderate-income first-time homebuyers;
- Mitigate displacement of current Rainier Valley residents who are being priced out of this transit-rich area, and encourage opportunities for displaced Rainier Valley residents to return to the area;
- Conduct affirmative marketing to communities least likely to apply, including Black, Indigenous, and other households of color who historically have been systematically and disproportionately excluded from homeownership opportunities;
- Build the capacity of community-based organizations to participate in the development and/or long-term stewardship of community assets; and
- Be responsive to community identified needs and priorities to determine outcomes for non-residential spaces to be developed alongside affordable housing.

Objectives and evaluation criteria

Proposals can be submitted by single organizations or by a partnership between organizations. Applicants are encouraged to submit creative proposals that respond to the following objectives and evaluation criteria:

1. *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.

2. *Community-Led Development:* Competitive proposals will come from community-based organizations that have demonstrated capacity to develop affordable homeownership projects or have community-based organizations as an integral member of the respondent team. If the proposal is not submitted by a community-based organization, respondents are encouraged to partner with community-based organizations to craft a community-led proposal.

Competitive proposals for sites with non-residential space will include thoughtful plans to engage the community, build on [input previously received from the community](#), and include outreach to potential occupants with a focus on small, locally owned businesses.

Members of the [Essential Southeast Seattle Collective](#) may be a referral source to engage prospective tenants, including the Mt. Baker Hub Alliance, the Beacon Business Alliance, the Rainier Avenue Business Coalition, the MLK Business Association, and the Rainier Beach Economic Development Roundtable.

3. *Affordability Level and Duration:* A successful proposal will be for the development of high-quality, ownership housing with agreements that maintain affordability for the longest term practicable, and at a minimum for 50 years. Homes must be sold to homebuyers with incomes at or below 80% of Area Median Income (AMI) for the Seattle area at affordable prices, as published from time to time by the Office of Housing.

There will be a preference for projects that can achieve even deeper affordability levels.

Proposals ***may not*** contain any market rate housing, even if proceeds from market rate housing would subsidize the cost of the affordable land.

4. *Product Quality and Design:* The successful proposal will propose homes that are durable and high-quality. Developments must meet one of the following Green Building standards:
 - a. Evergreen Sustainable Development Standard v3.0.1 (2018 update), or
 - b. LEED Mid-rise v4 or LEED Residential v4.1 Gold level and meet ESDS requirement: *5.1A Building Performance Standard – New Construction*
5. *Housing Mix:* To promote a variety of housing options and help meet the goal of building 100 permanently affordable homes, proposals on larger sites should include a mix of unit sizes that include 1 and 2-bedroom units alongside units with more bedrooms.
6. *Experience:* The successful proposal will be submitted by an organization or partnership between organizations that has specific experience with developing affordable housing in the City of Seattle; has a successful track record of stewarding affordable ownership housing; is familiar with the neighborhood and understands and can respond to community concerns; and has demonstrated success in reaching traditionally

underserved populations, including people of diverse ethnic and cultural background and people with disabilities.

7. *Timeliness:* Successful candidate can demonstrate that the development can be built within 3 years. Proposals should include a timeline that outlines critical path items leading to the successful completion of the project, including permitting, financing, and construction milestones. If applicants intend to use additional public subsidy, the timeline should identify each public funder and when applications to each funder will be made. The applicant(s) production pipeline of simultaneous projects will be considered when evaluating organizational capacity and project timeliness potential. If a project has already secured Letters of Interest (LOIs) from construction lenders, include those in the submission materials.
8. *Capacity:* Proposals should be submitted by an organization(s) that demonstrates organizational and financial capacity to complete the proposed project. This includes sufficient staff resources to respond to City and community concerns, the financial capacity to sustain the organization throughout the period of performance, the technical capacity to oversee design and construction, and the financial and staff capacity to support homeowner success and provide stewardship for the required affordability period.
9. *Financial Feasibility:* Proposals will include a development budget that identifies all sources and uses for both construction and permanent financing, and demonstrate the sponsor's ability to obtain construction and permanent financing in a timely manner.
10. *Partnerships with WMBE contractors:* Competitive proposals will aim to meet or exceed the existing OH goal of 14% of the total construction and other contracted services contracts be with women and minority business enterprises (WMBE).

III. Proposal Submissions

Proposal Narratives should contain the following components and be submitted along with all items listed on the [Proposal Checklist](#). The required Excel workbook [RVAHI-RFP-forms](#) can be found [here](#). If you are submitting proposals for more than one site, you need only respond to items 9, 10 and 11 one-time if that information is the same.

1. Introduction: Please craft a cover letter describing the general project overview and provide project sponsor contact information. If proposal is being submitted by a partnership, please identify the primary sponsor contact person and provide contact information. (Tab 1 of the RVAHI-RFP-forms).
2. Project Sponsor: Please name and describe the project sponsor(s). If the proposal is being submitted collaboratively, provide all the requested information for each project partner. Provide a description of the primary project sponsor and all project partners. 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 race, ethnicity and income information. Please provide names and experience of senior management and board members or principals/founders as applicable. If submitting the proposal jointly, please 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, 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 an HOA being proposed, also complete and submit the HOA addendum. If the proposed project will be a Limited Equity Cooperative, please included a Market Study and the Limited Equity Coop addendum (Tab 3 and 5 of the RVAHI-RFP-forms).

4. Project Design: Provide a narrative description of the proposed development including the primary construction materials as well as the green building standard that will be achieved. 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.

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. 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.

Describe how you plan to or have engaged existing neighbors or neighborhood-based organizations in the proposal and/or project development process.

If there is an understanding of how non-residential space may be used, there may be some cost efficiencies from early design decisions that support those uses. Articulate a methodology and plan for how you will determine what the non-residential ground floor uses and/or tenants might be and how you might incorporate any design efficiencies for the ground floor spaces.

6. Stewardship Plan: Describe your stewardship plan and how you propose to keep the homes affordable for the required 50 years. Please include a template of the legal document(s) you intend to use to secure affordability. Please describe how the documents, the initial price and the resale formula aligns with the current Housing Levy Administrative and Financial Plan and Housing Funding Policies (for Homebuyer

Assistance Program policies see pages 38-47 and the General Policies for Capital Funding which start on page 65). Please provide a financial model of how affordability will be maintained over the 50-year affordability period upon resales. Describe how your organization will conduct, staff and resource the long-term monitoring for compliance with the city's regulatory agreement, including the owner-occupancy requirement.

7. Development Budget and Narrative: Please provide a detailed estimated project development budget including uses and financing/funding sources, estimated sales prices and amount of City and all other subsidy as applicable. The sources of financing for pre-development costs and construction should be delineated in budget (Tab 6A of the RVAHI-RFP-forms).

In the narrative, explain all assumptions used to create the budget (Tab 6B and 6C of the RVAHI-RFP-forms). Please explain any contingency plan(s) regarding non-OH funding sources and the effect on the project timeline if funding applications are unsuccessful.

Please include, in narrative form, 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 (Tab 8 of the RVAHI-RFP-forms).

Detail both the development financing sources as well as the takeout funding, including the homebuyer's mortgage and downpayment in the Financing Sources spreadsheet (Tab 7 of the RVAHI-RFP-forms).

8. Estimated Project Timeline: Provide estimated development phase lengths, information about the impact on timing of other funding deadlines, as well as any additional information that may affect development timelines (Tab 5 of the RVAHI-RFP-forms).

Also, if concurrently undertaking other development projects, attach a Gantt chart type visual representation of this and other projects that may be occurring simultaneously. Describe how other projects may affect the timeline of this project.

9. Development Experience: Please provide an overview of housing development and project-related experience, including size and type of project(s) number of units produced, rehabilitated, owned and/or managed/stewarded.
 - a. **The Team:** Identify and describe your development team. 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 resume of key team members (Tab 9 of the RVAHI-RFP-forms).
 - b. **Past and Current Projects:** 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 on projects used to demonstrate experience:
 - i. Project name
 - ii. Location/jurisdiction

- iii. Description of the project size and scope
 - iv. 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)
 - v. List and description of the development team (staff members, consultants, volunteers, contractors, etc.)
 - vi. Description of the ownership structure along with a description of resale-restrictions if any
 - vii. Detailed development budget with all sources and uses
10. **Stewardship Experience:** Describe the primary sponsor’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, monitor compliance with owner-occupancy requirements and resales. If the development entity does not have experience with homeowner support and/or stewardship of home affordability, describe how these services will be provided in relation to the proposed project.
11. **Financial Capacity:** Describe the primary sponsor’s (and/or development partners’) financial capability to complete the proposed project. OH will need copies of the most recent 3 years of audited annual financial statements. If you have already provided past audited financials you can 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 will be required to provide alternate documentation to demonstrate financial soundness.
12. **Non-residential Uses:** Office of Housing funding cannot be used for the construction of non-residential space. Describe your plans to finance the development of non-residential ground floor uses and the process by which you will attempt to find a tenant. Your plans should align with Tab 6A of the RVAHI-RFP-forms.

IV. Site Specific Information

The site is located at 6740 MLK Jr. Way S. in the Brighton Neighborhood in the Rainier Valley area of Seattle, Washington.

- **Site Size, Shape and Topography:** The Site is approximately 8,653 square feet, is mostly square and flat.

- **Legal Description:**

PARCEL 11:

THAT PORTION OF LOT 5 IN BLOCK 13 OF HILLMAN CITY ADDITION TO THE CITY OF SEATTLE, DIVISION NO. 6, ACCORDING TO PLAT RECORDED IN VOLUME 11 OF PLATS AT PAGE(S) 23, IN KING COUNTY, WASHINGTON, LYING EASTERLY OF EMPIRE WAY SOUTH, KNOW KNOWN AS MARTIN LUTHER KING WAY;

EXCEPT THAT PORTION CONVEYED TO THE CITY OF SEATTLE FOR STREET PURPOSES BY DEED RECORDED UNDER RECORDING NO. 20101208001109.

- **Tax ID Number(s):** 333300-2640

- **Zoning:** NC2-55 (M)

- **Environmental Reports:**

Phase 1 Environmental Assessment conducted in 2021 is [here](#).

Phase II Environmental Assessment conducted in 2022 is [here](#).

- **Survey:** Is [here](#).

- **Geotechnical Report:** Is [here](#).

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

Housing Levy and other funds from the Homebuyer Assistance Program will be available to subsidize proposals to serve low-income first-time homebuyers. Standard Homeownership Program policies will apply to such funding, including maximum amount of assistance, as follows:

- Up to \$100,000 per household for homes with fewer than 3-bedrooms
- Up to \$130,000 per for homes with 3 or more bedrooms

For the complete set of Homebuyer Assistance Program policies, including the need for the applicant to be in “Good Standing” see pages 38-47 of the current [Housing Levy Administrative and Financial Plan and Housing Funding Policies](#) (A and F Plan). Projects will also be subject to applicable General Policies for Capital Funding which start on page 65.

All homes must be priced to be affordable to homebuyers at or below 80% AMI as described in the A and F Plan. All homes proposed must be resale-restricted as defined in the A and F Plan.

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 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

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.

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.

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.

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 RDQ/P 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.

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. Applicants should plan to present a proposed site plan as prepared by an architect as well as a rough development and take-out budget, at pre-application conference, be prepared to describe the details of the proposal and field questions about the site plan. All pre-application meetings must be held on or before **May 10, 2023**. 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 checklist found [here](#) 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 Excel workbook submitted by ABC Community Development Corporation would be titled “2. ABC Workbook.” The site plan submitted by XYZ Housing would be titled “5a. XYZ Site Plan”.

All submission items must be received by OH by the deadline. Any proposals received after the deadline will not be accepted or considered.

X. Proposal Review and Selection 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 or remote as appropriate) where they will present the project and answer questions from the committee. Applicants will be informed by **June 30** as to whether they will be invited to participate in an interview.

After the 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 and submit legislation for the transfer of the property for approval by City Council. 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.

XI. Other

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 to laws and ordinances regarding equal employment opportunity. The selected proposal will need to be approved by City Council prior to the disposition of the property. If the site is zoned NC, Office of Housing funding **cannot be used** for the construction or subsidy of non-residential space.

Exhibit A

Site #	Tax Parcel ID	Site Address, Seattle WA	Est. Square Footage
2	175670-0015	4851 MLK Jr. Way S.	10,468
	175670-0010	4853 MLK Jr. Way S.	
	175670-0005	4859 MLK Jr. Way S.	
4	541410-0205	4733 MLK Jr. Way S.	11,628
	541410-0220	4735 MLK Jr. Way S.	
	541410-0230	4741 MLK Jr. Way S.	
5	400600-0319	4203 S. Kenyon St.	11,998
	400600-0322	7908 MLK Jr. Way S.	
6	333300-2640	6740 MLK Jr. Way S.	8,653
7	142630-0125	3601 MLK Jr. Way S.	13,135
8	428140-0385	7860 MLK Jr. Way S.	3,893
9	175670-0110	4865 MLK Jr. Way S.	6,461
	175670-0120	3112 S. Ferdinand St.	
10	170340-0990	3201 S. Ferdinand St.	4,196
11	266050-0259	5042 MLK Jr. Way S.	2,384
12	166250-0061	6701 MLK Jr. Way S.	8,332

Facing East from MLK Jr. Way S

