



Seattle Office of Housing

Request for Proposals

***For Resale-Restricted Affordable Homeownership
Development at
6109 Phinney Avenue North***

Published: April 8, 2019 at <http://www.seattle.gov/housing/housing-developers/homeownership>

Responses Due: May 24, 2019 by **12:00 noon**

Responses are to be submitted to:

Mailing Address

Attention: Erika Malone, Senior Homeownership Specialist
P.O. Box 94725
Seattle, WA 98124-4725

Street Address

700 - 5th Avenue, Suite 5700

For more information, contact

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206-684-0247
erika.malone@seattle.gov

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I. Introduction, Objectives and Evaluation Criteria

The City of Seattle Office of Housing (OH) is seeking proposals from qualified developers to acquire the Seattle City Light-owned property located at 6109 Phinney Avenue North, Seattle, WA 98103 and develop resale-restricted affordable ownership housing at the site.

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.

Objectives:

1. *Affordability Level and Duration:* This request seeks proposals to create lasting community benefit through the development of resale-restricted homes for ownership. The successful proposal will be for the development of high-quality, ownership housing with resale-restrictions 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% AMI of median family income for the Seattle area, as published from time to time by the Office of Housing. Due to specific circumstances related to this site, proposals *may not* contain any market rate housing, even if proceeds from market rate housing would subsidize the cost of the affordable land.
2. *Site Use:* The successful proposal will maximize the development potential of the site while remaining compatible with the scale and character of the neighborhood.
3. *Product Quality and Design:* The successful proposal will propose homes that are well-designed, attractive and high-quality. Construction methods and materials proposed should be expected to provide a durable, sustainable homes for low-income residents during and beyond the required affordability period.

Evaluation Criteria:

Proposals can be submitted by single organizations that believe they meet all the criteria or by a partnership between organizations that collectively meet all the criteria. If a proposal is submitted by a partnership, take care to describe and delineate the roles of each of the organizations. Applicants are encouraged to submit creative proposals that respond to the following criteria:

1. *Fulfillment of City Objectives:* Proposals should clearly articulate, both in narrative and in budget form, how the project will fulfill the City's objectives as outlined above.
2. *Timeliness:* Proposals should document the developer's ability to complete the project in a timely manner. 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.

3. *Feasibility:* Proposals will demonstrate the sponsor's ability to obtain construction and permanent financing in a timely manner. Proposals will include a development budget that identifies all sources and uses for both construction and permanent financing.
4. *Capacity:* Proposals should be submitted by an organization(s) that clearly 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.
5. *Experience:* Proposals should be submitted by an organization(s) with both organizational and specific staff experience in the development and stewardship of affordable ownership housing. The successful proposal will be submitted by an organization(s) that has successfully completed at least two homeownership developments 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. The successful proposal will be submitted by an organization(s) that has demonstrated success in reaching traditionally underserved populations, including people of diverse ethnic and cultural background and people with disabilities. OH will prioritize proposals that identify strategies for engagement of/marketing to communities with historical ties to the neighborhood.

II. Project Background

Supporting the development of affordable homeownership has long been a City strategy to promote social justice and help reverse racial and wealth inequities caused by decades of discriminatory real estate and lending practices. Seattle's extraordinarily expensive housing market has made it increasingly challenging to support low-income households achieve their dream of buying their first home. In this context, public property offers a unique opportunity to increase the supply of affordable homes.

The Seattle Office of Housing has a long history of investing resources in affordable homeownership opportunities for low-income people. This commitment was bolstered further with the 2016 renewal of the Seattle Housing Levy, which provides reliable funding for affordable homeownership programs. Leveraging publicly-owned sites—at free or reduced cost—has become a key strategy for permanently affordable homeownership because it increases project viability. OH has pursued several opportunities for homeownership development on publicly owned land in recent years. Two SCL sites – this Phinney Ridge site and another in Loyal Heights – present another significant opportunity.

The property is currently owned by Seattle City Light (SCL) and was recently determined to be excess to their needs. In accordance with the property disposition policies of Resolution 31424,

in 2017 SCL engaged in robust interdepartmental and community outreach. The Office of Housing stepped forward to express interest in facilitating the development of the property for affordable housing.

Based on factors such as site size and characteristics of the surrounding neighborhood, OH analysis suggests that the site is suitable for development of for-sale homes. OH subsequently released a Request for Interest (RFI) in October 2018 to determine the likelihood of a viable permanently affordable homeownership project at the site and the level of interest among potential developments. Based on those RFI responses, OH is releasing a full RFP.

III. Site Information – (site maps attachment A)

The site is located at 6109 Phinney Ave N in the Phinney Ridge area of Seattle, Washington. The neighborhood boundaries are generally defined as N 80th St. to the north, 8th Ave NW to the west, N 46th St to the south and Aurora Ave N to the east. The immediate subject neighborhood is characterized by mostly residential uses with some commercial uses along Phinney Ave N. Commercial uses are also located along major arterials such as Aurora Ave N, N 45th St. and NW Market St.

The site has been sampled and analyzed but any contamination that exists has not yet been remediated. City Light will address any contamination found at the site. For the purposes of this RFP, respondents can assume that the site will be cleaned to the standard which would allow unrestricted use of the site.

In an RFI published in October 2018, OH asked interested parties to identify additional due diligence reports that would be helpful in the preparation of final RFP responses. OH gathered the following information and linked reports.

- **Land Cost:** \$800,000
- **Site Size, Shape and Topography** –The site configuration is L-shaped and totals roughly 6,000 square feet (0.14 acre). The site has roughly 27 feet of frontage on Phinney Avenue North. This portion of the site slopes gradually up approximately 2 feet, after which it levels out to the larger rectangular portion of the site.
- **Legal Description:** Lots 7, 8, 9 and 10, Block 81, Supplemental Plat of Woodland Park Addition to the City of Seattle, according to the plat thereof recorded in Volume 5 of Plats, page 19, in King County, Washington; except the north 5 feet of Lot 7 as conveyed by deed recorded under recording No. 4291156; and except the south 20 feet of the east 50 feet of Lot 7; and except the east 50 feet of Lots 8 and 9, all as conveyed by deed recorded under Recording No. 4306574.
- **Tax ID Numbers:** 952310129004
- **Zoning:** The parcel is zoned NC2P-40 and is located north of the boundaries of the Greenwood-Phinney Ridge Urban Village. NC2P is a neighborhood commercial designation that allows residential and commercial development that caters to the surrounding neighborhood. The proposed rezone of the site is NC2P-55.

The total street frontage is approximately 27' wide. If on-site parking is provided and access to the site is provided via Phinney Ave N., the development of commercial space would *not* be required. If, however, parking is *not* provided, commercial space would need to be developed on 80% of the Phinney Ave frontage in excess of the 5' needed for residents to access the site via foot.

- **King County Property Record:** ([here](#))
- **Utilities:** SPU maps ([sewer and drainage](#), and [water service](#)) shows that the Phinney site has no water, drainage or sewer infrastructure
- **Land and Tree Survey:** February 2018 ([here](#))
- **Feasibility Study:** based on current zoning, March 2018 ([here](#))
- **Environmental Characterization Report:** May 2018 ([here](#)) City Light intends to mitigate any environmental contamination by year end 2019.
- **Geotechnical Report:** OH commissioned a Geotech report that should be available by April 19. We will send notice when it is available. Also, please check with website as we will post it as soon as it is available.

For all additional information about development requirements see the Seattle Department of Construction and Inspections website. Specific information regarding street and alley improvements was requested by respondents to the RFI and can be found [here](#).

IV. City Subsidy

Housing Levy 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 \$70,000 per household for homes with fewer than 3-bedrooms
- Up to \$90,000 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 37-46 of the 2016 Housing Levy Administrative and Financial Plan and Housing Funding Policies (A and F Plan).

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

V. Proposal Submissions

Proposals should contain the following components (The required Excel Workbook SCL-RFP-Forms can be found [here](#)):

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.
2. Project Sponsor: Please name and describe the project sponsor(s). If the proposal is being submitted jointly, provide all of the requested information for each project sponsor. Provide a description of the project sponsor(s) including 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 and 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 explain how the proposed project will work with the physical constraints of the site. Describe the proposed ownership structure including whether there will be a Homeowner's Association (HOA). Describe how the project will fit within the existing fabric of the neighborhood and the surrounding properties. (Complete and submit tab 3 of the SCL-RFP-forms. If there is an HOA being proposed, also complete and submit the HOA addendum).
4. Project Design: Include conceptual design drawings showing the size and character of the proposed development including primary construction materials. Drawings must include the following:
 - 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 marketing strategy and homebuyer selection process, including the establishment and management of any waiting lists. Describe how potential homebuyers learn about or are referred to your program and how you have or plan to conduct affirmative outreach. Describe your organizational efforts to affirmatively further fair housing.

Describe how you plan to or have notified and/or engaged neighbors in the project development process.
6. Stewardship Plan: Describe 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 A and F Plan. Please provide a financial model of how affordability will be maintained over the 50-year affordability period upon resales. Describe how the long-term monitoring for compliance with the city's regulatory

agreement, including the owner-occupancy requirement will be conducted, staffed and resourced.

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 land acquisition, pre-development costs, and construction should be delineated in budget. (Complete and submit tabs 6A, 6B-1 and 7 of the SCL-RFP-forms).

In the narrative, explain all assumptions used to create the budget. (Complete and submit tab 6C-1 of the SCL-RFP-forms). Please explain the 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 (complete and submit tab 6E), 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. (Complete and submit tab(s) 8, 8(2), 8(3), etc. of the SCL-RFP-forms).

Include the homebuyer's mortgage and downpayment in the Financing Sources spreadsheet (Tab 7 of the SCL-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. (Complete and submit tab 5A of the SCL-RFP-forms). Also 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 person or company 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. (Complete and submit tab 9 of the SCL-RFP-forms).
 - b. **Past and Current Projects:** The projects described should illustrate the developer's experience with single-family 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 development entity’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. (see #6 above).
11. Financial Capacity: Describe the development entity’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.

VI. Terms of Transfer

The City will negotiate the specifics 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. 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, 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. All pre-application meetings must be held on or before **May 10, 2019**. You may schedule a pre-application conversation by contacting Erika Malone at erika.malone@seattle.gov.

IX. Submission Details

All applicants must submit one original hard copy and one electronic copy of the full application. Please consult the checklist found [here](#) to ensure the submission of a complete proposal. Electronic components can be emailed or submitted via flash drive and must be received by the deadline. Please name each 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 West Housing would be titled "5a. West Site Plan".

Submission must be received by OH by the deadline which is **12:00 noon on May 24, 2019**. The submission packet is to be clearly labeled as Proposal: *Phinney SCL Homeownership Project* and hand delivered to the following address:

Attn: Erika Malone, Senior Homeownership Specialist
Office of Housing
City of Seattle
700 5th Avenue, Suite 5700
Seattle, WA 98104

Or mailed to:

Attn: Erika Malone, Senior Homeownership Specialist
Office of Housing
PO Box 94725
Seattle, WA 98124-4725

Any proposals received after the **12:00 noon on May 24, 2019** 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 attend an in-person interview where they will present the project and answer questions from the committee. Applicants will be informed by **May 30, 2019** as to whether or not 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.

We anticipate that a developer will be selected by the end of June.

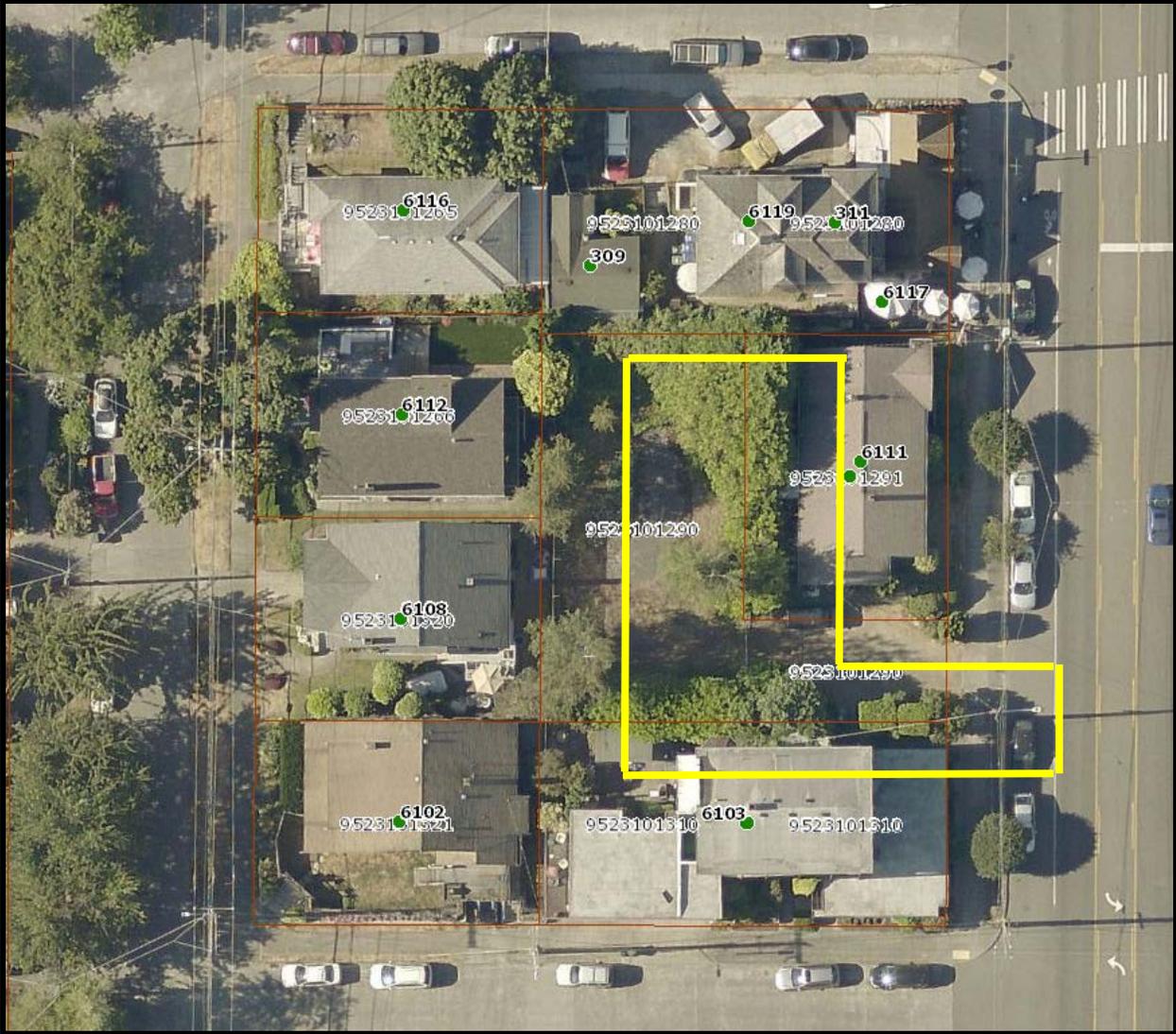
Attachment A

6109 Phinney Ave North

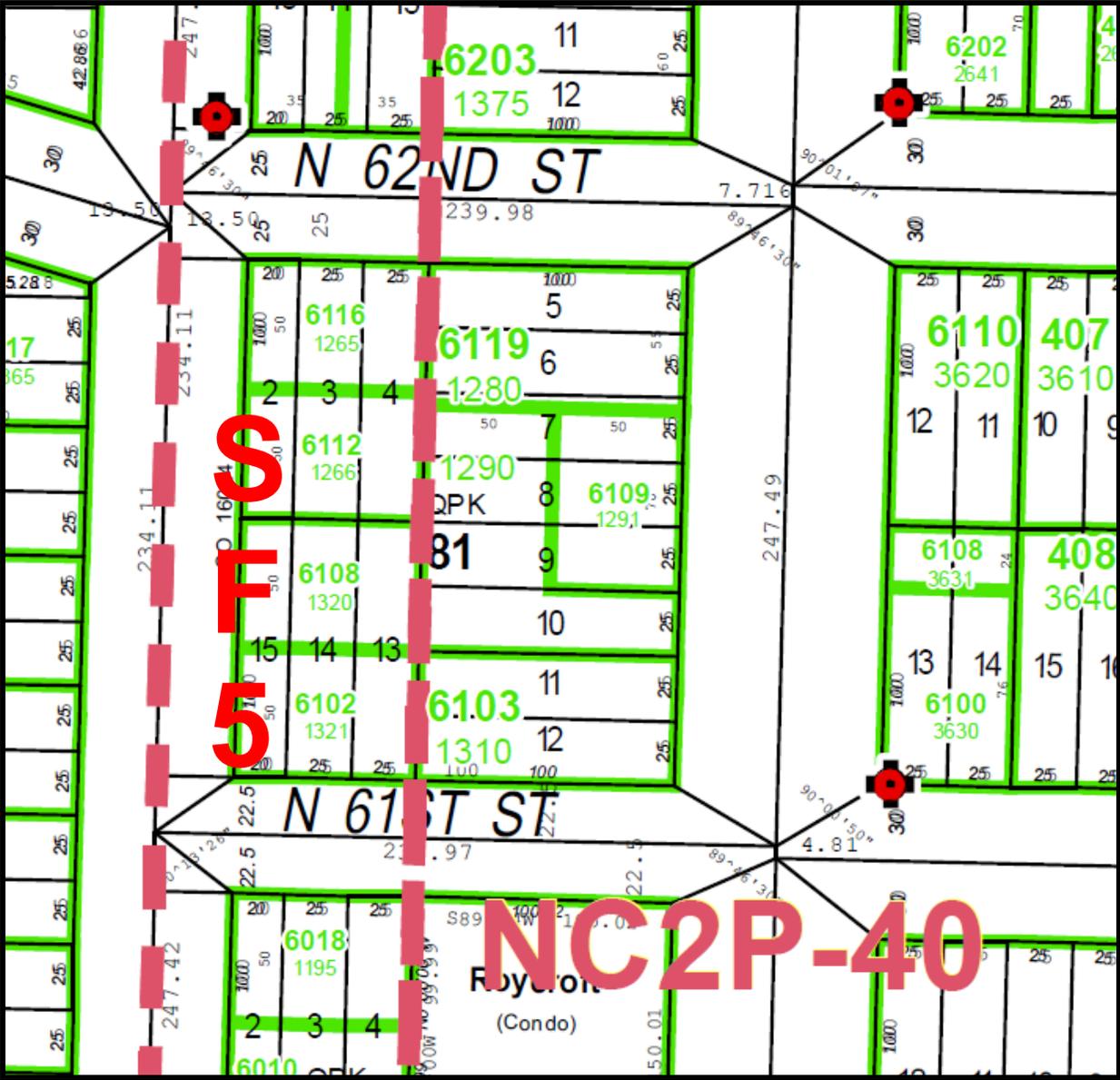
Parcel Map



Aerial Map



Current Zoning Map



As of April 17, 2019, the 6109 Phinney Ave North site zoning changes from NC2P-40 to NC2P-55

MHA Zoning Map as of April 17, 2019

This is parcel 9523101290. It's 6,000 square feet in area. Learn more about [this parcel](#) from the King County Department of Assessments.

Zoning
 Current: NC2P-40
Proposed: NC2P-55 (M)

Read [our summary of Land Use Code changes](#) to learn what this proposed zoning means for your property.

MHA requirements
 Affordable housing requirements are based on the scale of zoning change and the property's location in the city.

This location would have **(M)** requirements and is located in a **medium MHA area**.

NC2P-55 is a mixed-use zone.

In a mixed-use building, residential MHA requirements apply to portion of a building in residential use, and commercial MHA requirements apply based on its commercial floor area. In this location, the portion of a building in residential use would be subject to the following MHA requirements:

MHA tier	performance	payment
(M)	6%	\$14.07

The following MHA requirements would apply to the commercial portion of the building:

MHA tier	performance	payment
(M)	5%	\$7.59

Please note affordable housing developments may get an exemption on the payment and performance requirements under MHA. See SMC 23.587C.

Topography

